

CALLAWAY COUNTY, MISSOURI
Fulton, Missouri

For the Year Ended December 31, 2019

ANNUAL FINANCIAL REPORT

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

CALLAWAY COUNTY, MISSOURI

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Presiding and Associate Commissioners and
Officeholders of Callaway County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Callaway County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Callaway County, Missouri as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension schedules on pages 6 through 16 and 53 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Callaway County, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2020, on our consideration of Callaway County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Callaway County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Callaway County, Missouri's internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
August 4, 2020

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

To the Presiding and Associate Commissioners and
Officeholders of Callaway County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Callaway County, Missouri as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Callaway County, Missouri's basic financial statements, and have issued our report thereon dated August 4, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Callaway County, Missouri'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 Callaway County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Callaway County, Missouri'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 have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we did identify certain deficiencies in internal control that we consider to be material weakness and 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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2019-001 and 2019-003 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 deficiency described in the accompanying Schedule of Findings and Responses as item 2019-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Callaway County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2019-004.

Callaway County, Missouri's Responses to the Findings

Callaway County, Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Callaway County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
August 4, 2020

REQUIRED SUPPLEMENTARY INFORMATION

CALLAWAY COUNTY, MISSOURI
Management's Discussion and Analysis
(Unaudited)

The following discussion and analysis provides an overview of Callaway County's financial activities for the fiscal year ended December 31, 2019 and should be considered in conjunction with the financial statements, as well as the notes to the financial statements.

Financial Highlights

- The assets of Callaway County exceeded liabilities at the close of fiscal year 2019 by \$104,971,805 which represents total net position, of which \$84,095,096 is the investment in capital assets net of related debt. Of the \$20,876,709 "liquid assets", \$15,788,765 is reported as unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities cost \$14,101,988 in 2019. They were financed by property, sales tax, and other taxes in the amount of \$12,164,592, or 86.3% of the cost. Fees, grants and other sources of income totaled an additional \$4,421,107, with the remaining revenue increasing the net position.
- At year-end unassigned fund balance for the General Fund was \$14,710,872 or 150.1% of general fund expenditures and uses.

Overview of the Financial Statements

Management's discussion and analysis is intended to be an introduction to Callaway County's basic financial statements. The basic financial statements consist of three components: [1] government-wide financial statements, [2] fund financial statements, and [3] notes to the financial statements. This report also contains other information in addition to the basic financial statements.

The government-wide financial statements provide financial information about the County as a whole.

The fund financial statements focus on the County's operations in more detail than the government-wide financial statements. The financial statements presented for governmental funds report on the County's general government services, and proprietary funds report on the activities of the County's self-funded health insurance plan.

The basic financial section also includes notes that more fully explain the information in the government-wide and fund financial statements. The notes provide more detailed data that are essential to a full understanding of the data presented in the financial statements. The notes to the financial statements can be found on pages 27 through 52 of this report.

Government-wide Financial Statements

The *government-wide financial statements* provide readers with a broad overview of Callaway County's finances. All current year revenues and expenditures are included, regardless of whether related cash has been received or paid. This reporting method produces a view of financial activities and position similar to that presented by most private-sector businesses.

The *statement of net position* presents information on all of Callaway County's assets and liabilities, with the differences reported as *net position*, which is one method to measure the County's financial condition. An increase or decrease in the County's net position from one year to the next indicates whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenue (governmental activities), separately from other functions that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities.) The governmental activities of the County include general government, transportation, judicial and court related, public safety and health and welfare.

The government-wide financial statements can be found on pages 17 through 18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Callaway County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements focus on individual parts of the County, reporting the operations in more detail than the government-wide statements. Under the current reporting model, fund financial statements focus on the most significant funds within the County. The County's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds include most of the basic services provided by the County and account for essentially the same functions as reported in the governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the fund financial statements focus on how money flows in and out of the funds during the fiscal year and the amount of expendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Callaway County maintains sixteen individual governmental funds. Information is presented separately in the governmental funds *balance sheet* and in the governmental funds *statement of revenues, expenditures, and changes in fund balances* for the General Fund, Special Road and Bridge Fund, and E.O.C. Fund and are reported as major funds. Information on the remaining funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Governmental Funds subsection of Other Supplementary Information.

The County adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for each of the three major funds to demonstrate compliance with these budgets.

The basic governmental funds financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds

Proprietary funds can be classified as either *enterprise funds*, which are used to report business-type activities or *internal service funds*, which are used to accumulate and allocate costs internally among various functions. Callaway County maintains one *internal service fund* named the County Employees Insurance Fund to account for revenues and expenditures within the self-funded health insurance plan.

The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Funds

Fiduciary funds are used to report activities when the County acts as a trustee or fiduciary to hold resources for the benefit of parties outside the government. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting used for proprietary funds. The government-wide statements exclude fiduciary fund activities and balances, because those assets are restricted in purpose and cannot be used by the County to finance its operations. The County must assure that the assets reported in fiduciary funds are used for their intended purpose.

The County's fiduciary funds are classified in two categories. *Agency funds* include school district funds, fire protection district funds and sundry funds, and account for tax collection and distribution and any other clearing and fee collections. *Trust funds* are used to account for all cemetery funds. Individual fund detail is included in the form of *combining statements* in the County Treasurer's Agency Funds subsection.

The basic fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements

The notes provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide financial statements and the fund financial statements. The notes to the financial statements begin on page 27 of this report.

Other Information

Other information includes combining financial statements for non-major governmental and fiduciary funds, as well as the combining statements for County Officials' Funds and the statements for Public Administrator and County Collector. Combining and individual fund statements and schedules can be found on pages 63 through 74 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceeded liabilities by \$102,488,094

at the end of 2018. By year end 2019 the excess of net assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$104,971,805, an increase of \$2,483,711. This increase by which assets exceeded liabilities is a sign that the financial situation is moving in the right direction for the County taken as a whole without reference to any individual fund.

Callaway County, Missouri
Net Assets
Governmental Activities

	Year Ended 12/31/18	Year Ended 12/31/19
Assets:		
Current and other assets	\$ 21,262,101	\$ 21,060,140
Capital assets	81,292,386	84,109,096
Net pension assets	<u>2,001,369</u>	<u>2,037,849</u>
Total assets	\$104,555,856	\$107,207,085
Deferred outflows of resources (pensions)	<u>\$ 1,695,918</u>	<u>\$ 1,766,790</u>
Liabilities:		
Current liabilities	\$ 810,769	\$ 926,132
Long-term liabilities	<u>2,055,746</u>	<u>2,136,399</u>
Total liabilities	<u>\$ 2,866,515</u>	<u>\$ 3,062,531</u>
Deferred inflows of resources (pensions)	<u>\$ 897,165</u>	<u>\$ 939,539</u>
Net position:		
Invested in capital assets, Net of related debt	\$ 81,265,386	\$ 84,095,096
Restricted	5,680,862	5,087,944
Unrestricted	<u>15,541,846</u>	<u>15,788,765</u>
Total net position	<u>\$102,488,094</u>	<u>\$ 104,971,805</u>

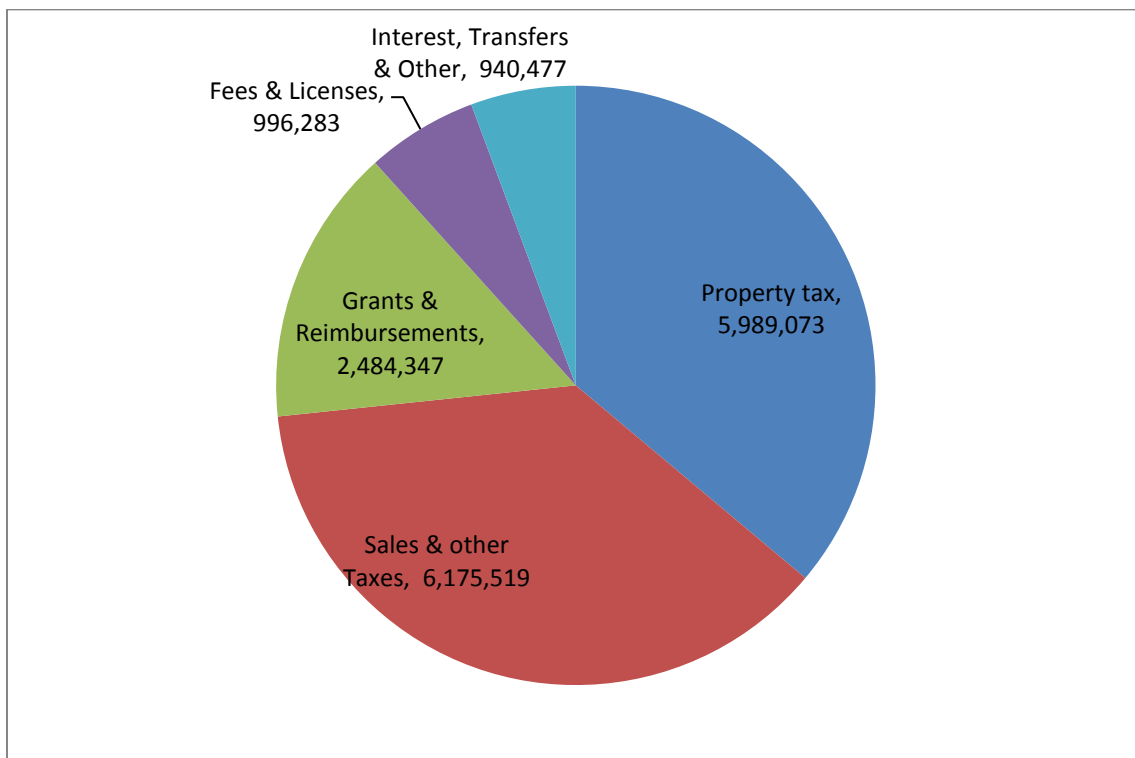
The largest portion of the County's net position (79.4% in 2018 and 80.1% in 2019) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure.) Callaway County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$5,680,862 in 2018 and \$5,087,944 in 2019, or 5.5 percent and 4.8 percent respectively, of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$15,541,846 in 2018 and \$15,788,765 in 2019, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of both fiscal 2018 and 2019, Callaway County is able to report positive balances in all three categories of net position for the government as a whole.

Governmental Activities

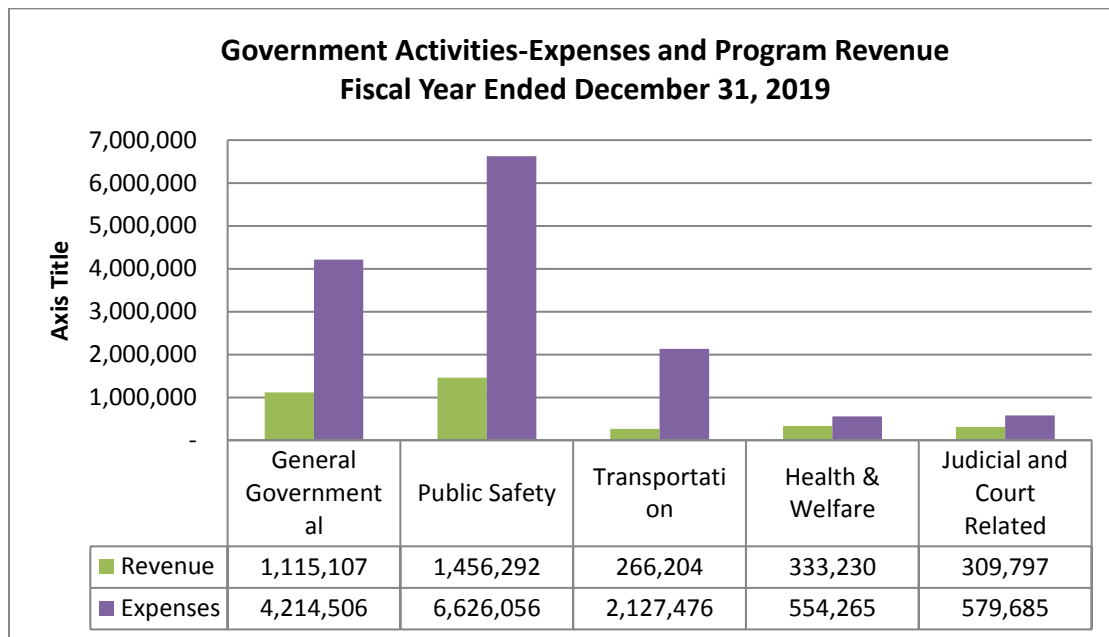
The following chart portrays governmental activities revenues by source.

Revenues-General County Government Year Ended December 31, 2019



As reflected in the chart above, sales tax and other taxes provide over 37.23 percent of the County's revenue for governmental activities and totaled \$6,175,519 at the end of the year, as compared with \$6,011,492 in 2018. Property taxes totaling \$5,989,073 make up the other major revenue stream for governmental activities in 2019. That same statistic for 2018 was \$5,727,453.

The following chart reflects expenses and program revenues for governmental activities as of December 31, 2019. Public safety, transportation, and general government expenses rank higher than other functions of governmental activities, accounting for 91.95 percent of total expenses for governmental activities in 2019 compared with 92.2 percent for 2018.



County Funds Financial Analysis

As noted earlier, Callaway County uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term cash inflows and outflows during the fiscal year and balances of expendable resources at year-end. This information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for future spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$19,896,253. 73.9 percent (\$14,710,872) of ending fund balance constitutes unassigned fund balance which is available for use in the coming year. The remaining fund balances of \$5,185,381 have internally imposed designations, such as for road and bridge improvements, assessment and emergency operations functions, and neighborhood improvement projects.

The General Fund is the chief operating fund of Callaway County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,710,872, while total fund balance was \$14,808,309. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and uses. Unassigned fund balance represents 156.6% percent of total General Fund expenditures, while total fund balance represents 157.7% percent of that same amount. These numbers compare with 166.5% and 171.3% respectively at year end 2018.

The Special Road and Bridge Fund, the second largest County fund, is a special revenue fund that accounts for activities connected with construction and maintenance of roads and bridges in the County. The Road and Bridge Fund ended the year with a fund balance of \$2,468,100, which was a decrease of \$598,703 from the beginning of the year balance of \$3,066,803.

Proprietary Fund

Unrestricted net position of the County Employees Insurance Fund at the end of the fiscal year totaled \$251,755. There is an internal restriction on this fund which limits use to payment of premiums and claims for the County's self-funded health insurance plan.

General Fund Budgetary Highlights

Actual revenue was \$740,290 more than the final budget in 2019. In 2018 revenues were \$1,061,874 more than the budget. The greatest single line change from the final budget to actual revenue was in the category of property taxes.

Expenditures were \$902,464 less than the budget in 2019, as compared to \$1,451,935 in 2018. The General Fund expense budget will always be above actual as long as the county does not spend the emergency fund line item (budgeted per statute), as well as contingency funds. These two amounts totaled \$865,180 in budgeted funds for emergency or unforeseen situations, but the funds were not needed. The fact that the expenses were less than revenues and other financing sources caused the County to experience an increase of \$486,621 in fund balance. The fund balance increase for 2018 was \$754,382. The fund balance numbers continue to be positive and reflect the on-going close scrutiny of spending county-wide by the County Commission and elected officials in an effort to minimize the impact of revenue uncertainty within local government.

Road and Bridge Fund Budgetary Highlights

Actual revenue was \$242,542 more than budgeted in 2019. Total 2019 intergovernmental revenue was \$148,611 more than budgeted and property taxes were \$99,706 more than budgeted. The 2018 intergovernmental revenues were \$68,014 more than budgeted and the property taxes were \$191,580 more than budgeted. Total revenues were \$142,899 more in 2019 than in 2018.

Total expenditures for 2019 were \$5,075,715 compared to \$4,209,336 in 2018, an increase of \$866,379. 2019 expenditures were \$30,931 less than budgeted and were \$841,203 more than revenues for the year. The 2019 year end fund balance was \$2,468,100 compared to \$3,066,803 for 2018. The fund balance decreased due to the increased expenditures over revenue for the year, even with a \$200,000 budgeted transfer from General Revenue Fund.

As in past years, there are still so many road and bridge projects that need to be done in the County that the need for additional revenues and continued cost-cutting measures remain crucial in this area.

Capital Asset and Debt Administration

Callaway County's investment in capital assets for its governmental activities as of December 31, 2019 totaled \$84,109,096 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment.

**Capital Assets
Governmental Activities
December 31, 2019
With Comparatives for December 31, 2018
(net of depreciation)**

	2018	2019
Land	\$ 94,150	1,093,387
Construction in Progress	0	188,059
Buildings and Improvements, Net	2,420,120	2,189,001
Equipment & Software, Net	2,394,315	2,472,894
Roads and Bridges, Net	<u>76,383,801</u>	<u>78,165,755</u>
Total Capital Assets, Net	<u>\$81,292,386</u>	<u>\$84,109,096</u>

Additional information regarding capital assets can be found in note 4 beginning on page 37 of this report.

Long Term Liabilities

At the end of 2019, Callaway County had total bonded debt principle outstanding of \$14,000. This amount consists solely of primary term bonds due on one Neighborhood Improvement District issue. These are repaid from special assessments against real property benefited by the projects. The 2018 balance of bonded debt outstanding was \$27,000 of NID issues. Net pension liability was \$2,136,399 at the end of 2019.

State statutes limit the amount of general obligation debt county governments may issue to ten percent of its total valuation. After subtracting the above balance, Callaway County's legal debt margin is \$45,125,942 for 2019 as compared to \$43,251,692 at year end 2018.

Additional information about the County's long-term debt can be found in Note 5 beginning on page 38 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Callaway County stood at 3.0% at the end of 2019, lower than the state rate of 3.4% and the national rate of 3.5%.
- A sales tax increase was voted on in November 2019 by Callaway County citizens. As a result of it passing, a portion of this sales tax will increase the operating budget of our county law enforcement. The county is currently working on future projections of how this money would be used (i.e. how many additional road deputies could be hired, etc). The other portion of the sales tax will be used towards a capital project that would include expansion of the jail due to issues such as overcrowding, non ADA compliance and structural issues. We are also working on a Justice Center for our court system due to overcrowding in our court rooms as well as overcrowding in our current courthouse overall.

These factors were considered in preparing Callaway County's budget for 2020 fiscal year. Steps have been taken by all departments to minimize expenditures and address the current financial issues resulting from somewhat stagnant revenues, minimal economic growth and the fear of inflation. Services have been reviewed for non-essential spending and the County's workforce has been stabilized.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Karen Rentschler, CPA
Callaway County Auditor
10 E. 5th Street
Fulton, Missouri 65251
krentschler@callawaycounty.org

BASIC FINANCIAL STATEMENTS

STATEMENT 1

CALLAWAY COUNTY, MISSOURIGOVERNMENT-WIDE FINANCIAL STATEMENTSSTATEMENT OF NET POSITION

December 31, 2019

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 19,437,219	\$ -	\$ 19,437,219
Prepaid Expenses	170,904	-	170,904
Due from:			
Other County Officials	16,606	-	16,606
Others	895,920	-	895,920
Delinquent Taxes Receivable	784,154	-	784,154
Reserve for Uncollectible Delinquent Taxes	(244,663)	-	(244,663)
Total Current Assets	<u>\$ 21,060,140</u>	<u>\$ -</u>	<u>\$ 21,060,140</u>
 <u>CAPITAL ASSETS:</u>			
Land	\$ 1,093,387	\$ -	\$ 1,093,387
Construction in Progress	188,059	-	188,059
Buildings and Leasehold Improvements, Net	2,189,001	-	2,189,001
Equipment and Software, Net	2,472,894	-	2,472,894
Roads and Bridges, Net	<u>78,165,755</u>	<u>-</u>	<u>78,165,755</u>
Total Capital Assets, Net	<u>\$ 84,109,096</u>	<u>\$ -</u>	<u>\$ 84,109,096</u>
 <u>OTHER ASSETS:</u>			
Net Pension Asset	<u>\$ 2,037,849</u>	<u>\$ -</u>	<u>\$ 2,037,849</u>
Total Other Assets	<u>\$ 2,037,849</u>	<u>\$ -</u>	<u>\$ 2,037,849</u>
 TOTAL ASSETS			
	<u>\$ 107,207,085</u>	<u>\$ -</u>	<u>\$ 107,207,085</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pensions	<u>\$ 1,766,790</u>	<u>\$ -</u>	<u>\$ 1,766,790</u>

See Accompanying Notes to Basic Financial Statements.

STATEMENT 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable, Due to Others	\$ 443,625	\$ -	\$ 443,625
Accrued Compensated Absences	318,635	-	318,635
Interest Payable	308	-	308
Prepaid Dispatching Contract	78,705	-	78,705
Employee Insurance Prepayments	70,859	-	70,859
Current Portion of Long Term Debt:			
General Obligation Bonds	14,000	-	14,000
Total Current Liabilities	<u>\$ 926,132</u>	<u>\$ -</u>	<u>\$ 926,132</u>
<u>LONG-TERM LIABILITIES:</u>			
Long-Term Debt Net of Current Portion:			
Net Pension Liability	<u>\$ 2,136,399</u>	<u>\$ -</u>	<u>\$ 2,136,399</u>
Total Long-Term Liabilities	<u>\$ 2,136,399</u>	<u>\$ -</u>	<u>\$ 2,136,399</u>
TOTAL LIABILITIES	<u>\$ 3,062,531</u>	<u>\$ -</u>	<u>\$ 3,062,531</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	<u>\$ 939,539</u>	<u>\$ -</u>	<u>\$ 939,539</u>
<u>NET POSITION</u>			
NET INVESTMENT IN CAPITAL ASSETS	\$ 84,095,096	\$ -	\$ 84,095,096
RESTRICTED FOR:			
Transportation Projects	2,468,100	-	2,468,100
Debt Service	16,331	-	16,331
Other Purposes	2,603,513	-	2,603,513
UNRESTRICTED	<u>15,788,765</u>	<u>-</u>	<u>15,788,765</u>
TOTAL NET POSITION	<u>\$ 104,971,805</u>	<u>\$ -</u>	<u>\$ 104,971,805</u>

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURI

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General County Government	\$ 4,214,506	\$ 400,343	\$ 714,764	\$ -	\$ (3,099,399)	\$ -	\$ (3,099,399)
Transportation	2,127,476	17,915	248,289	-	(1,861,272)	-	(1,861,272)
Judicial and Court Related	579,685	102,363	168,462	38,972	(269,888)	-	(269,888)
Public Safety	6,626,056	461,910	994,382	-	(5,169,764)	-	(5,169,764)
Health and Welfare	554,265	13,752	319,478	-	(221,035)	-	(221,035)
Total Governmental Activities	\$ 14,101,988	\$ 996,283	\$ 2,445,375	\$ 38,972	\$ (10,621,358)	\$ -	\$ (10,621,358)
Business-Type Activities:							
None	-	-	-	-	-	-	-
Total Primary Government	\$ 14,101,988	\$ 996,283	\$ 2,445,375	\$ 38,972	\$ (10,621,358)	\$ -	\$ (10,621,358)
General Revenues:							
Property Taxes					\$ 5,989,073	\$ -	\$ 5,989,073
CART Taxes					1,223,336	-	1,223,336
Motor Vehicle Sales Tax					353,484	-	353,484
Sales and Use Taxes					4,598,699	-	4,598,699
Interest Income					324,928	-	324,928
Other Income					562,949	-	562,949
Gain/(Loss) on Disposal of Capital Assets					52,600	-	52,600
Total General Revenues					\$ 13,105,069	\$ -	\$ 13,105,069
Change in Net Position					\$ 2,483,711	\$ -	\$ 2,483,711
Net Position - January 1, 2019					102,488,094	-	102,488,094
Net Position - December 31, 2019					\$ 104,971,805	\$ -	\$ 104,971,805

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURIFUND FINANCIAL STATEMENTSBALANCE SHEETGOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Special Road and Bridge Fund	E.O.C. Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Cash and Cash Equivalents	\$ 14,260,907	\$ 2,146,762	\$ 180,854	\$ 2,454,862	\$ 19,043,385
Prepaid Expenses	65,415	13,500	49,759	19,752	148,426
Due from:					
Other Funds	-	10,949	1,946	2,302	15,197
Others	558,759	249,482	9,305	71,714	889,260
County Officials	16,606	-	-	-	16,606
Delinquent Taxes Receivable	443,900	340,254	-	-	784,154
Reserve for Uncollectible Delinquent Taxes	(137,903)	(106,760)	-	-	(244,663)
Total Assets	<u>\$ 15,207,684</u>	<u>\$ 2,654,187</u>	<u>\$ 241,864</u>	<u>\$ 2,548,630</u>	<u>\$ 20,652,365</u>
<u>Liabilities:</u>					
Accrued Compensated Absences	\$ 208,633	\$ 71,868	\$ 28,558	\$ 9,576	\$ 318,635
Interest Payable	-	-	-	308	308
Accounts Payable, Due to Others	179,397	114,219	23,619	34,173	351,408
Deferred Revenue	-	-	70,564	-	70,564
Due to Other Funds	11,345	-	-	3,852	15,197
Total Liabilities	<u>\$ 399,375</u>	<u>\$ 186,087</u>	<u>\$ 122,741</u>	<u>\$ 47,909</u>	<u>\$ 756,112</u>
<u>Fund Balances:</u>					
Nonspendable	\$ 65,415	\$ 13,500	\$ 49,759	\$ 6,407	\$ 135,081
Restricted	-	2,454,600	69,364	2,494,198	5,018,162
Assigned	32,022	-	-	116	32,138
Unassigned	14,710,872	-	-	-	14,710,872
Total Fund Balance	<u>\$ 14,808,309</u>	<u>\$ 2,468,100</u>	<u>\$ 119,123</u>	<u>\$ 2,500,721</u>	<u>\$ 19,896,253</u>
 Total Liabilities and Fund Balances	<u>\$ 15,207,684</u>	<u>\$ 2,654,187</u>	<u>\$ 241,864</u>	<u>\$ 2,548,630</u>	<u>\$ 20,652,365</u>

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURIRECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

For the Year Ended December 31, 2019

Fund Balances of Governmental Funds (Statement 3)	\$ 19,896,253
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$77,303,030.	84,109,096
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Assets, liabilities, and deferred inflows and outflows related to the County's employee retirement plan are reported on a net basis in government activities of the statement of net position but are not included in the governmental funds because they do not require the use of or provide current financial resources.	728,701
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Long-term liabilities, including bonds payable and net pension obligations, are not due and payable in the current period and therefore are not reported in the funds.	(14,000)
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An internal service fund is used by management to account for the payments from retirees and employees for their insurance premiums. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<div style="border-top: 1px solid black; display: inline-block;">251,755</div>
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Total Net Position of Governmental Activities (Statement 1)	<div style="border-top: 3px double black; display: inline-block;">\$ 104,971,805</div>
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See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2019

	General Fund	Special Road and Bridge Fund	E.O.C. Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	\$ 3,697,472	\$ 2,289,706	\$ -	\$ 14,115	\$ 6,001,293
Intergovernmental	5,487,635	1,864,081	627,328	680,822	8,659,866
Charges for Services	357,484	17,915	-	620,884	996,283
Interest Income	236,540	30,343	5,608	43,344	315,835
Other	500,757	32,467	5,522	11,983	550,729
Total Revenues	<u>\$ 10,279,888</u>	<u>\$ 4,234,512</u>	<u>\$ 638,458</u>	<u>\$ 1,371,148</u>	<u>\$ 16,524,006</u>
EXPENDITURES:					
General County Government	\$ 3,229,296	\$ -	\$ -	\$ 720,440	\$ 3,949,736
Transportation	-	5,075,715	-	292	5,076,007
Judicial and Court Related	556,884	-	-	19,226	576,110
Public Safety	5,080,880	-	1,281,248	177,015	6,539,143
Health and Welfare	524,207	-	-	3,783	527,990
Debt Service:					
Retirement of Bonds	-	-	-	13,000	13,000
Interest Expense	-	-	-	917	917
Total Expenditures	<u>\$ 9,391,267</u>	<u>\$ 5,075,715</u>	<u>\$ 1,281,248</u>	<u>\$ 934,673</u>	<u>\$ 16,682,903</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 888,621</u>	<u>\$ (841,203)</u>	<u>\$ (642,790)</u>	<u>\$ 436,475</u>	<u>\$ (158,897)</u>
Other Financing Sources (Uses):					
Transfers In	\$ -	\$ 200,000	\$ 575,000	\$ 33,000	\$ 808,000
Transfers Out	(408,000)	-	-	(400,000)	(808,000)
Proceeds from Sale of Assets	<u>6,000</u>	<u>42,500</u>	<u>-</u>	<u>4,100</u>	<u>52,600</u>
Total Other Financing Sources (Uses)	<u>\$ (402,000)</u>	<u>\$ 242,500</u>	<u>\$ 575,000</u>	<u>\$ (362,900)</u>	<u>\$ 52,600</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 486,621</u>	<u>\$ (598,703)</u>	<u>\$ (67,790)</u>	<u>\$ 73,575</u>	<u>\$ (106,297)</u>
FUND BALANCE, January 1, 2019	<u>14,321,688</u>	<u>3,066,803</u>	<u>186,913</u>	<u>2,427,146</u>	<u>20,002,550</u>
FUND BALANCE, December 31, 2019	<u>\$ 14,808,309</u>	<u>\$ 2,468,100</u>	<u>\$ 119,123</u>	<u>\$ 2,500,721</u>	<u>\$ 19,896,253</u>

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Statement 4)	\$	(106,297)
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Amounts reported for *governmental activities* in the
statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		2,816,710
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction has no effect on net position.		13,000
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Changes in the assets, liabilities, and deferred inflows and outflows related to the County's employee retirement plan that occurred during the current year that do not require current financial resources are reported on the statement of activities but not in the governmental funds.		(29,675)
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An internal service fund is used by management to account for the payments from retirees and employees for their insurance premiums.		(210,027)
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Total Change in Net Position (Statement 2)	\$	<u>2,483,711</u>
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See Accompanying Notes to Basic Financial Statements.

STATEMENT 5

CALLAWAY COUNTY, MISSOURISTATEMENT OF NET POSITIONPROPRIETARY FUND

December 31, 2019

	<u>Internal Service Fund</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS:</u>	
Cash and Cash Equivalents	\$ 393,834
Accounts Receivable	6,660
Prepaid Expenses	<u>22,478</u>
 TOTAL ASSETS	 \$ <u>422,972</u>
 <u>LIABILITIES</u>	
<u>LIABILITIES:</u>	
Accounts Payable, Due to Others	\$ 92,217
Deferred Revenue	<u>79,000</u>
Total Liabilities	<u>\$ 171,217</u>
 <u>NET POSITION</u>	
UNRESTRICTED	<u>\$ 251,755</u>
 TOTAL NET POSITION	 <u><u>\$ 251,755</u></u>

See Accompanying Notes to Basic Financial Statements.

STATEMENT 6

CALLAWAY COUNTY, MISSOURISTATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITIONPROPRIETARY FUND

For the Year Ended December 31, 2019

OPERATING REVENUES:

Charges for Services	\$ 1,052,150	
Miscellaneous	<u>364</u>	
Total Operating Revenues		\$ 1,052,514

OPERATING EXPENSES:

Insurance Fund Payments	\$ 1,271,634	
Total Operating Expenses		<u>1,271,634</u>

OPERATING INCOME (LOSS) \$ (219,120)

OTHER REVENUES (EXPENSES):

Interest Income	\$ <u>9,093</u>	
Total Other Revenue (Expenses)		<u>9,093</u>

INCREASE (DECREASE) IN NET POSITION \$ (210,027)

NET POSITION, January 1, 2019 461,782NET POSITION, December 31, 2019 \$ 251,755

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURISTATEMENT OF CASH FLOWSPROPRIETARY FUND

For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for Services	\$ 1,180,974
Other Receipts	364
Insurance Fund Payments	<u>(1,274,405)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES \$ (93,067)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

-

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest	<u>\$ 9,093</u>
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NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 9,093

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS \$ (83,974)

CASH AND CASH EQUIVALENTS, January 1, 2019 477,808

CASH AND CASH EQUIVALENTS, December 31, 2019 \$ 393,834

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH

FLOWS FROM OPERATING ACTIVITIES:

Operating Income (Loss)	\$ (219,120)
Change in Assets and Liabilities:	
Accounts Receivable	46,326
Prepaid Expenses	(2,771)
Deferred Revenue	8,141
Accounts Payable	<u>74,357</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES \$ (93,067)

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURISTATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

	Agency Funds	Private Purpose Trust Funds Cemetery Trust
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,615,760	\$ 157,235
Certificates of Deposit	823,326	-
Due from:		
County Collector	31,163,379	-
Other County Officials	25,402	-
Others	15,183	148
Delinquent Taxes Receivable	6,968,812	-
Less: Reserve for Delinquent Taxes	(2,113,998)	-
Other Assets	101,406	-
 TOTAL ASSETS	 \$ 38,599,270	 \$ 157,383
<u>LIABILITIES</u>		
Due to Others	\$ 37,993,342	\$ -
Due to Other Funds	5,941	-
Funds Held in Trust	599,987	-
 TOTAL LIABILITIES	 \$ 38,599,270	 \$ -
 <u>NET POSITION</u>		
NET POSITION HELD IN TRUST		\$ 157,383

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Callaway County is governed by three county commissioners - the presiding commissioner and two associate commissioners.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity:

The County, for financial statement purposes, includes all of the funds and account groups relevant to the operations of Callaway County. The basic financial statements presented herein do not include agencies or political subdivisions which have been formed under applicable state laws of separate and distinct units of government apart from Callaway County.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no other agencies or entities which should be included in the basic financial statements of the County.

The reporting entity does not include separate political subdivisions such as Callaway County Special Services, or Callaway County Public Library District, whose governing boards are appointed by the County Commission but whose taxes, finances, and operations are not under the authority of the County Commission. The significant factors for exclusion are as follows: the appointed board members have no continuing relationship with the County, the appointed board designates management, the County cannot significantly influence the entities' operations, the board has sole budgetary authority, and the County is not legally or morally obligated for the other entities' debts. In this situation, the preceding factors are conclusive for exclusion in contrast with the following factor indicating inclusion: The political subdivisions operate within the boundaries of the County.

B. Basic Financial Statements – Government-Wide Statements:

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All County services are classified as governmental activities. The County has no business-type activities.

In the government-wide Statement of Net Position, the governmental columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The net costs are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements:

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the County:

GOVERNMENTAL FUND TYPES –

1. General Revenue Fund:

This fund as presented is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. This fund also includes the Jury Fund, Prosecuting Attorney Delinquent Tax Fund, Prosecuting Attorney Administrative Fee Fund, Capital Projects Fund, Special Sheriff's Fee Fund, Contingency Fund, Election Services Fund, Federal Forfeiture Fund, Family Treatment Court Fund, and the Use Tax Fund.

2. Special Revenue Funds:

Special Road and Bridge Fund: This fund as presented is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for road and bridge purposes.

Emergency Operations Center Fund: This fund as presented is used to account for all transactions involving the County-Wide Emergency Operation Center. The County, City of Fulton, and Ameren - Union Electric Company pay for the operational costs in excess of the reimbursements received from other political subdivisions and federal, state, and miscellaneous revenue sources. In 2019 the County provided \$175,000, the City of Fulton provided \$190,414, and Ameren UE provided \$261,249 to this fund.

E-911 Fund: This fund as presented is used to account for the receipts and disbursements to provide emergency telephone service. The tax to fund this service was passed by a county-wide vote in November 1990. The tax is levied at a rate not to exceed 15 percent to the tariffed local service rate. This fund was established under Section 190.305, RSMo.

Johnson Grass Fund: This fund as presented is used to account for expenditures to eliminate Johnson grass.

Recorder of Deeds Fund: This fund as presented is used to account for the 50 percent retainage of the \$4.00 user's fees to be charged by the recorder as set out in Section 59.319, RSMo. This fund is to be used for record storage, microfilming, and preservation. An additional \$1.25 user's fee is collected to fund improvements in technology.

Domestic Violence Fund: This fund as presented is used to account for all transactions resulting from an increase of \$10.00 for a marriage license and \$2.00 for a decree of dissolution of marriage as set out in Section 488.445, RSMo. The use of these proceeds is restricted to providing financial assistance to shelters for victims of domestic violence.

Law Enforcement Training Fund: This fund as presented is used to account for all transactions resulting from an increase of \$2.00 in court costs for criminal law violations as set out in Section 590.140, RSMo. The use of these proceeds is restricted to the payment of training expenses for law enforcement personnel.

Prosecuting Attorney Training Fund: This fund as presented is used to account for all transactions resulting from an increase of \$1.00 in court costs for criminal law violations as set out in Section 56.765, RSMo. The use of these proceeds is restricted to the payment of training expenses for prosecuting attorneys.

Assessment Fund: This fund as presented was established as a result of Section 137.750, RSMo. The fund is used to account for all transactions surrounding the normal operating assessing function.

Drug Court Fund: This fund as presented is used to account for fees collected from participants in the Drug Court and DWI Court Programs for adult offenders in Callaway County, Missouri. Fees are intended to cover program costs such as supplies, training, and other operation expenditures of both programs.

Tax Maintenance Fund: This fund as presented is used to account for the two-sevenths of the 7 percent fee charged by the Collector for collection of delinquent and back taxes as set out in Section 52.290, RSMo. This fund is to be used for additional administration and operation costs for the office of the collector.

County Sheriff's Revolving Fund: This fund as presented is used to account for all transactions resulting from a fee of \$92.50 processing each application for a certificate of qualification for a concealed weapon endorsement as set out in Section 50.535.10, RSMo. The use of these proceeds is restricted to use by law enforcement agents for purchase of equipment, training, and any reasonable expenses related to accepting and processing concealed weapons permit applications.

Administration of Justice Fund: This fund as presented is used to account for all transactions resulting from an increase of \$25.00 for court costs not paid within 30 days of the court order as set out in Section 488.5025.2, RSMo. Pursuant to subsection 2 of that statute, \$10.00 of the fee collected shall be applied and expended under the direction of the court en banc. The use of these proceeds is restricted to enhance the ability to collect and manage monies assessed or received by the courts to improve case processing, enhance court security, preserve the record, or to improve the administration of justice.

Inmate Security Fund: This fund as presented is used to account for all transactions resulting from an increase of \$2.00 in court costs for criminal law violations as set out in Section 488.5026, RSMo. The use of these proceeds is restricted for the acquisition of biometric verification systems to facilitate properly identifying persons detained for a shorter period of time after arrest. After the installation of such equipment the funds may be used for maintenance, repair, or replacement of such systems, and also to pay for any expenses related to detention, custody, and housing and other expenses for inmates, prisoners, and detainees.

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage

of the assets, liabilities, revenues, or expenditures of either fund category) for determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

3. Debt Service Fund:

This fund is used to account for the payment of principal and interest on the general obligation debt incurred for road improvements in the Neighborhood Improvement Projects.

PROPRIETARY FUND TYPE –

The Internal Service Fund as presented is used to account for the payments from retirees and employees for their insurance premiums. Because the principal users of the internal services are the County's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

FIDUCIARY FUND TYPES –

The County Treasurer is the trustee or agent for trust and agency funds. The trust and agency statements are prepared from the records of the County Treasurer.

Tax collections in the custody of the collector at December 31, 2019, are included in the balance sheets as due from collector and as a liability to the respective political subdivisions. Cash collected on behalf of other county funds are included in cash of the respective fund.

Amounts due to or from these funds, to county funds, or other funds have been shown on the balance sheets as assets or liabilities as appropriate.

Receivables for delinquent property taxes are included as assets in the balance sheets, reduced by reserves.

Except for these adjustments to the balance sheets, the accounts of the trust and agency funds are presented on a cash basis.

Each County official acts as a trustee for his or her respective funds. These statements are prepared from the records of each respective official and are presented on a cash basis.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Basis of Accounting:

All governmental and fiduciary fund type financial statements are presented on a modified accrual basis of accounting, which recognizes expenditures when liabilities for goods and services are incurred and revenues when they become available and measurable as defined below.

Tax collections in the custody of the Callaway County Collector at December 31, 2019, are accrued in the financial statements of the County funds. They are included in the respective combined balance sheets as due from collector and as revenues on the Statements of Revenues, Expenditures, and Changes in Fund Balance.

Fees received and in the custody of various county officials at December 31, 2019, are accrued in the financial statements of the County funds. They are included in the respective combined balance sheets as due from other county officials and as revenues on the Statements of Revenues, Expenditures, and Changes in Fund Balance.

Other significant amounts due to or from the County funds have been shown on the balance sheets as assets or liabilities and have been included in the determination of revenues and expenditures as appropriate.

Receivables for delinquent property taxes are included as assets in the balance sheets but are reduced by reserves. The current and prior year's taxes not collected by February 28 are reserved and excluded from the determination of revenues and fund balance. All other revenue is recognized when cash is received.

The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when the related liability is incurred.

The County considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. Cash and cash equivalents are stated at cost. Capital assets are recorded as expenditures in the acquiring fund at the time of purchase.

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as revenues in the fund that is reimbursed.

All interfund transactions, except quasi-external and reimbursements, are reported as transfers.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The County records an allowance for doubtful accounts against its due from others when considered necessary by management. At December 31, 2019, no allowance for doubtful accounts, except for property taxes, is considered necessary by management.

E. Equity Classification:

Government-Wide Statements - Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the County’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Financial Statements - The County uses clearly defined fund balance categories to make the nature and extent of the constraints placed on fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance-amounts that are not in a spendable form (such as prepaids) or are required to be maintained intact;
2. Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
4. Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

5. Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Presiding and Associate Commissioners establish (and modify or rescind) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Presiding and Associate Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Unrestricted net position for proprietary funds represent the net position available for future operations or distributions.

F. Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and payable by December 31. The assessed valuation of the tangible property for the calendar year 2019 for the purposes of taxation was:

Real Estate	\$ 671,139,368
Personal Property	208,795,438
State Assessed Property	30,694,937
	<u>\$ 910,629,743</u>

The County's tax levy per \$100 assessed valuation is \$0.3290 for the General Revenue Fund and \$0.2547 for the County Road and Bridge Fund.

G. County Collector's Statements:

The County Collector's Balance Sheet at February 29, 2020, and the Statement of Collections and Distributions for the year then ended, reflect the balances, and amounts as shown on the records of the County Collector, on an accrual basis.

H. Cash and Cash Equivalents:

The County considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. On December 31, 2019, the County purchased \$15,164,527 of U.S. Government securities under agreements to resell on January 2, 2020, which are included in cash and cash equivalents in the balance sheets. Due to the short-term nature of the agreement, the County did not take possession of the securities, which were instead held by the Trust department of the County's depository bank.

I. Public Administrator:

The Statement of Sources, Uses, and Balances of Estates includes all transactions shown on the Public Administrator's annual or final settlements filed with the probate court during the period January 1, 2019 through December 31, 2019.

J. Accumulated Compensated Absences:

It is the County's policy to permit employees to accumulate a limited amount of vacation pay and a limited amount of compensatory time, which will be paid to the employee upon separation from the County's service and is accrued as earned. Accumulated sick pay is not accrued, and the unrecorded balance for sick pay at December 31, 2019, was \$318,635.

K. Post-Employment Benefits:

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

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured for the actual month covered. During the year ended December 31, 2019, payments received and paid for COBRA benefits totaled \$57.

L. Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated.

Assets are capitalized that have an original cost of \$10,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Leasehold Improvements	10-31.5 Years
Roads and Bridges	10-50 Years
Equipment and Software	5-10 Years

M. Subsequent Events:

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through August 4, 2020, the date the financial statements were available to be issued.

2. VARIOUS COMBINED FUNDS

Within the Treasurer's trust and agency funds, several funds have been combined and are reported under the following appropriate titles:

A. School District Funds:

School Funds
School Fines Fund

B. Cemetery Trust Funds:

Liberty Cemetery Fund
Friendship Cemetery Fund
Fairview Cemetery Fund
Reform Cemetery Fund
Harrison Cemetery Fund
English Cemetery Fund
Hickory Grove Cemetery Fund
Boydsville Cemetery Fund
Old Prospect Cemetery Fund
Old Salem Cemetery Fund

C. Sundry Funds:

Family Services and Justice Fund
Unclaimed Fees Fund
Tax Sale Surplus Fund

D. Fire Protection Districts Fund:

North Callaway Fire District
South Callaway Fire District
Central Fire District
Millersburg Fire District
Holts Summit Fire District
New Bloomfield Fire District

3. DEPOSITS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 90.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit the purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase

agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

Deposits in financial institutions, reported as components of cash and cash equivalents and certificates of deposit, had a book balance of \$22,033,540 and a bank balance of \$17,611,058 at December 31, 2019, that was fully insured by depository insurance or secured with collateral held by the financial institution's agent in the County's name.

Reconciliation to Statement of Net Position:

Cash, Book Balance	\$22,033,540
Fiduciary Funds Cash Balance	<u>(2,596,321)</u>
Cash, Statement of Net Position	<u>\$19,437,219</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -0-	\$ 188,059	\$ -0-	\$ 188,059
Land	<u>94,150</u>	<u>999,237</u>	<u>-0-</u>	<u>1,093,387</u>
Total Capital Assets Not Being Depreciated	<u>\$ 94,150</u>	<u>\$ 1,187,296</u>	<u>\$ -0-</u>	<u>\$ 1,281,446</u>
Other Capital Assets:				
Building and Leasehold Improvements	\$ 8,661,508	\$ 47,537	\$ -0-	\$ 8,709,045
Equipment and Software	8,364,155	726,418	(177,598)	8,912,975
Roads and Bridges	<u>138,381,496</u>	<u>4,127,164</u>	<u>-0-</u>	<u>142,508,660</u>
Total Other Capital Assets at Historical Cost	<u>\$ 155,407,159</u>	<u>\$ 4,901,119</u>	<u>\$ (177,598)</u>	<u>\$ 160,130,680</u>
Less Accumulated Depreciation For:				
Buildings and Leasehold Improvements	\$ (6,241,388)	\$ (278,656)	\$ -0-	\$ (6,520,044)
Equipment and Software	(5,969,840)	(647,839)	177,598	(6,440,081)
Roads and Bridges	<u>(61,997,695)</u>	<u>(2,345,210)</u>	<u>-0-</u>	<u>(64,342,905)</u>
Total Accumulated Depreciation:	<u>\$ (74,208,923)</u>	<u>\$ (3,271,705)</u>	<u>\$ 177,598</u>	<u>\$ (77,303,030)</u>
Other Capital Assets, Net	<u>\$ 81,198,236</u>	<u>\$ 1,629,414</u>	<u>\$ -0-</u>	<u>\$ 82,827,650</u>
Governmental Capital Assets, Net	<u>\$ 81,292,386</u>	<u>\$ 2,816,710</u>	<u>\$ -0-</u>	<u>\$ 84,109,096</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	
General Government	\$ 125,692
Transportation	2,693,488
Public Safety	429,822
Health and Welfare	<u>22,703</u>
Total Governmental Activities	
Depreciation Expense:	<u>\$3,271,705</u>

5. LONG-TERM LIABILITIES

A summary of the changes in long-term debt was as follows:

	Neighborhood Improvement District Bonds
Balance, January 1, 2019	\$ 27,000
Debt Issued	-0-
Retirements	<u>(13,000)</u>
Balance, December 31, 2019	<u>\$ 14,000</u>

Missouri statutes limit the amount of general obligation debt that a county can issue to a percentage of the total assessed value of taxable property located within that county's boundaries. The legal debt margin for Callaway County is \$45,125,942.

A. Neighborhood Improvement District Bonds:

Several neighborhood improvement district projects have been established by the County Commission pursuant to Sections 67.453 to 67.475 of the RSMo. Bonds have been issued to finance improvements in each district. Each district bond issue is payable as to both principal and interest from special assessments against real property benefited by the construction of certain neighborhood improvement district projects, and, if not so paid, from current income and revenues and surplus funds of the County; provided, however, the County is not authorized to impose any new or increased ad valorem property tax to pay principal of or interest on the bonds without voter approval.

The annual required payments to amortize these bond issues are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>\$ 14,000</u>	<u>\$ 411</u>	<u>\$ 14,411</u>

	Balance December 31, 2019	Short Term Portion	Long Term Portion
Special Assessment Term Bonds, Ken Larr Hills, NIP 5.25% to 5.875%, Maturing March 1, 2020	\$ 14,000	\$ 14,000	\$ -0-

All interest expense was charged to the general function in the Statement of Activities in the amount of \$1,204.

6. LEASES

Operating Leases:

The County entered into a one-year lease agreement starting August 2018 for the rent of two tractors. Total rent expense under the lease was \$14,388 for the year ended December 31, 2019. The County entered into a new lease in August 2019 to replace the previously leased tractors, but no payments were made by December 31.

The County entered into a three-year lease agreement starting in April 2018 for the rent of three motor graders. This lease requires three annual payments of \$87,292 and the option to purchase the equipment for \$557,928. Total rent expense under the lease was \$87,292 for the year ended December 31, 2019.

7. PENSION PLANS

The County participates in several retirement plans, which make up the Net Pension Asset/Liability on the Statement of Net Position. As of December 31, 2019, their individual amounts are as follows:

LAGERS – General Division	\$ 1,612,833
LAGERS – Police Division	425,016
Total Net Pension Asset	<u>\$ 2,037,849</u>
CERF	<u>\$ 2,136,399</u>
Total Net Pension Liability	<u>\$ 2,136,399</u>

Total pension expense for all plans recognized in the financial statements totaled \$745,497.

A. LAGERS

General Division

General Information about the Pension Plan

Plan description. The County's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The 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 RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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

February 28, 2019 Valuation

Benefit Multiplier:	1.5% for Life
Final Average Salary:	5 Years
Member Contributions:	0%

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:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employees entitled to but not yet receiving benefits	74
Active employees	<u>104</u>
	<u>251</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 do not contribute to the pension plan. Employer contribution rates are 11.6% of annual covered payroll.

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.

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 healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Health Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Leverage	(35.00)%	(0.51)%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Alpha	15.00%	3.67%
Cash	10.00%	0.00%

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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2018	<u>\$ 12,304,595</u>	<u>\$ 13,871,451</u>	<u>\$(1,566,856)</u>
Changes for the year:			
Service Cost	317,141	-	317,141
Interest	882,624	-	882,624
Difference between expected and actual experience	40,952	-	40,952
Contributions - employer	-	422,677	(422,677)
Net investment income	-	896,721	(896,721)
Benefit payments, including refunds	(582,740)	(582,740)	-
Administrative expense	-	(27,293)	27,293
Other changes	-	(5,411)	5,411
Net Changes	<u>\$ 657,977</u>	<u>\$ 703,954</u>	<u>\$ (45,977)</u>
Balance at 6/30/2019	<u><u>\$ 12,962,572</u></u>	<u><u>\$ 14,575,405</u></u>	<u><u>\$(1,612,833)</u></u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
\$ 311,484	\$(1,612,833)	\$(3,182,684)

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 \$330,729. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 36,878	\$ (68,515)
Differences in assumptions	74,317	-
Excess (deficit) investment returns	-	(358,446)
Contributions subsequent to the measurement date*	251,052	-
Total	<u><u>\$ 362,247</u></u>	<u><u>\$ (426,961)</u></u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2020.

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

<u>Year ended:</u>	
2020	\$ 238,432
2021	(219,027)
2022	(107,993)
2023	23,874
2024	-0-
Thereafter	-0-
Total	<u>\$ (64,714)</u>

Police Division

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

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

February 28, 2019 Valuation

Benefit Multiplier:	1.5% for Life
Final Average Salary:	5 Years
Member Contributions:	0%

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:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>31</u>
	<u>86</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 do not contribute to the pension plan. Employer contribution rates are 10.7% of annual covered payroll.

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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	35.00%	4.78%
Leverage	(35.00%)	(0.51%)
Alpha	15.00%	3.67%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%

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.

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at 6/30/2018	\$ 4,730,888	\$ 5,165,401	\$ (434,513)
Changes for the year:			
Service Cost	114,983	-	114,983
Interest	340,512	-	340,512
Difference between expected and actual experience	57,162	-	57,162
Contributions - employer	-	146,073	(146,073)
Net investment income	-	335,599	(335,599)
Benefit payments, including refunds	(184,536)	(184,536)	-
Administrative expense	-	(8,091)	8,091
Other changes	-	29,579	(29,579)
Net Changes	\$ 328,121	\$ 318,624	\$ 9,497
Balance at 6/30/2019	\$ 5,059,009	\$ 5,484,025	\$ (425,016)

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

1% Decrease	Current Single Discount	1% Increase
6.25%	Rate Assumption	8.25%
<u>\$394,753</u>	<u>\$ (425,016)</u>	<u>\$(1,087,957)</u>

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 \$158,562. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 203,526	\$ (15,621)
Differences in assumptions	2,568	-
Excess (deficit) investment returns	-	(132,698)
Contributions subsequent to the measurement date*	<u>74,990</u>	<u>-</u>
Total	<u>\$ 281,084</u>	<u>\$ (148,319)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2020.

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

Year ended:	
2020	\$ 134,952
2021	5,743
2022	(17,408)
2023	9,478
2024	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ 132,765</u>

B. CERF

General Information about the Pension Plan

Plan Description. In addition to LAGERS, benefit eligible employees of the County are provided with pensions through County Employees' Retirement Fund (CERF) – a mandatory cost-sharing, multiple-employer defined benefit pension plan established in 1994. Laws governing CERF are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes. As such, it is CERF's 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 CERF is vested in the Board of Directors consisting of eleven members. CERF issues a publicly available Annual Financial Report that can be obtained at www.mocerf.org.

Benefits Provided. 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 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 of 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.

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in the Local Government Employees Retirement System (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. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees.

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

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

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

The County's required contribution rate for the year ended December 31, 2019, was 4% of annual payroll. Contributions and statutory charges remitted to the pension plan from the County were \$191,431 and \$324,977, respectively, for the year ended December 31, 2019.

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

At December 31, 2019, the County reported a liability of \$2,136,399 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and was based on the most recent actuarial valuation by CERF's independent actuary as of December 31, 2017 projected forward to December 31, 2018, and financial information of the Plan as of December 31, 2018.

The County's proportion of the net pension liability was based on the County's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for CERF plan year ended December 31, 2018. At December 31, 2018, the County's proportion was 0.85686%, which decreased by 0.17434% from the percentage used to allocate the liability as of December 31, 2017.

There were no changes in benefit terms during the CERF plan year ended December 31, 2018, that affected the measurement of total pension liability.

For the year ended December 31, 2019, the County recognized pension expense of \$324,977. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between:		
Expected and actual experience	\$ 15,543	\$ 66,258
Projected and actual earnings on investments	306,125	-
Changes of assumptions	151,784	-
Changes in proportion	133,600	298,001
Contributions subsequent to the measurement date	516,408	-
Total	<u>\$ 1,123,460</u>	<u>\$ 364,259</u>

Deferred outflows of resources related to pensions totaling \$516,408 resulting from County contributions subsequent to the measurement date through December 31, 2019 will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the County's fiscal year following CERF's fiscal year as follows:

Year ending:	
2020	\$ 700,480
2021	42,027
2022	(30,406)
2023	47,100
2024	<u>-0-</u>
Total	<u>\$ 759,201</u>

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.5%
Compensation Increases	2.5%, plus merit
Investment Rate of Return	7.5%
Discount Rate	7.5%

Mortality rates were based on the RP-2000 Combined Mortality projected to 2022 using Scale BB.

The following actuarial assumptions and methods were changed for the actuarial valuation used for the reporting period: a) mortality rates were changed from the RP-2000 Combined Mortality projected to 2010 using Scale AA to the RP-2000 Combined Mortality projected to 2022 using Scale BB, as indicated above.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience study for the period January 1, 2008 to December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and tuition) are developed for each major asset class. These ranges were 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.

Best estimates of arithmetic real rates of return for each major asset class included in CERF target asset allocation as of December 31, 2018 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Plus	21.00%	2.84%
Absolute Return	9.00%	4.05%
U.S. Large Cap Equity	26.00%	5.84%
U.S. Small Cap Equity	12.00%	6.83%
Non-U.S. Equity	14.00%	6.60%
Long/Short Equity	9.00%	4.98%
Private Equity	4.00%	8.88%
Core Real Estate	5.00%	6.34%

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the Plan's current revenue sources (various fees and penalties collected by the counties). Such revenue was assumed to increase at the rate of 1% per year. This increase assumption has been used by the Plan in prior funding status projections. Historically, revenue increase has averaged more than 1% per year. Based on the assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the Plan's investments was applied to projected benefit payments.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
\$ 2,965,072	\$ 2,136,399	\$ 1,448,208

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CERF Annual Financial Report.

Payable to the Pension Plan. At December 31, 2019, the County had a payable of \$43,094 for the outstanding amount of contributions and statutory charges to the pension plan required for the year then ended.

8. DEPENDENCE ON TAXPAYER

Callaway County has one taxpayer, which comprises approximately 30.02 percent of the total assessed valuation (\$264,146,561 out of \$879,934,806), and therefore, contributes approximately 30.02 percent of the estimated taxes to be collected.

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, all significant loss exposures were covered by commercial insurance. For insured exposures there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance for the current year or the three prior years.

The County is insured under a retrospectively-rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2019, there were no significant adjustments in premiums based on actual experience.

The County has established a self-insurance plan for employees' health. This plan is accounted for using an internal service fund. Under the plan, the County is substantially self-insured and uses an administrator to handle claims management.

The County provided health coverage to its employees through a self-insured plan administered by MedPay. Under the plan, the County pays the administrator a monthly premium for claims administration and cost management, and specific and aggregate stop loss coverage. The County reimbursed the administrator for claims paid up to the specific stop loss amount of \$65,000 per employee during each calendar year included in the current fiscal year. The County also reimbursed the administrator for total claims paid up to the annual aggregate stop loss amounts of approximately \$1,059,644 and \$1,054,000 for years ending December 31, 2018 and December 31, 2019, respectively. Rates were charged by the internal service fund to the other County funds to cover the monthly premium to the administrator and claims up to 100% of the aggregate stop loss amount during the current fiscal year.

Claims liability is estimated using data supplied by the administrator. The claims activity during the year ended December 31, 2019 are:

Balance December 31, 2018	\$ -0-
Provision for Incurred Claims	827,372
Payment of Claims	<u>(827,372)</u>
Balance December 31, 2019	<u>\$ -0-</u>

10. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of the amounts due from and to other funds:

	<u>Due From</u>	<u>Due To</u>
General	\$ 11,345	\$ -0-
Special Road and Bridge Fund	-0-	10,949
E.O.C. Fund	-0-	1,946
Non-major Governmental Funds	<u>3,852</u>	<u>2,302</u>
	<u>\$ 15,197</u>	<u>\$ 15,197</u>

All interfund balances are expected to be repaid within the next year.

11. INTERFUND TRANSFERS

The following is a summary of the amounts transferred from and to other funds:

	<u>Transferred From</u>	<u>Transferred To</u>
General Fund	\$ 408,000	\$ -0-
Special Road and Bridge Fund	-0-	200,000
Assessment Fund	-0-	30,000
E-911 Fund	400,000	-0-
Prosecuting Attorney Training Fund	-0-	3,000
E.O.C. Fund	-0-	575,000
	<u>\$ 808,000</u>	<u>\$ 808,000</u>

All transfers from the General Fund were for budgeted obligations to the other funds for financing the operations of each fund.

12. TAX ABATEMENT

Local governments are authorized under the provisions of Sections 135.950 through 135.970, RSMo to create enhanced enterprise zones. To encourage the expansion of businesses within the zone, businesses can be offered real property tax abatements. Eligible projects consist of constructing a new or expanding their business facility, or replacing their business facility. The business must also hire two new employees and provide a minimum of \$100,000 in new investment. Also, the company must offer health insurance at all times, of which at least 50 percent is paid by the employer. As long as these conditions are met, the company is eligible for property tax abatements for up to five years after the project commences operations. During the year ended December 31, 2019, the taxes applicable to the County that were abated totaled \$61,218.

13. SUBSEQUENT EVENTS

The County's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. On April 3, 2020, the Governor of Missouri declared a health emergency and issued an order to close all nonessential businesses until further notice. Due to the County providing essential services and pursuant to the government order, there has been a reduced scope of operations and where possible, certain workers are telecommuting from their homes. However, there has been no reduction in providing essential services.

The County receives a significant amount of its funding from sales taxes and gasoline and motor vehicle taxes. Due to residents sheltering in place, it is expected that these revenues will suffer significant declines in 2020. However, the total impact on the County's revenues cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CALLAWAY COUNTY, MISSOURIGENERAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Property Taxes	\$ 3,320,000	\$ 3,320,000	\$ 3,697,472	\$ 377,472
Intergovernmental	5,202,688	5,202,688	5,487,635	284,947
Charges for Services	390,960	390,960	357,484	(33,476)
Interest Income	198,200	198,200	236,540	38,340
Other	427,750	427,750	500,757	73,007
 TOTAL REVENUES	 \$ 9,539,598	 \$ 9,539,598	 \$ 10,279,888	 \$ 740,290
<u>EXPENDITURES:</u>				
General County Government:				
County Commission	\$ 257,402	\$ 257,402	\$ 253,382	\$ 4,020
County Clerk	151,004	151,004	149,209	1,795
Elections	57,592	57,592	84,752	(27,160)
Data Processing	159,393	159,393	142,417	16,976
County Treasurer	102,576	102,576	99,202	3,374
County Collector	202,170	202,170	186,542	15,628
County Auditor	111,302	111,302	109,548	1,754
Recorder of Deeds	187,206	187,206	186,051	1,155
Human Resources	62,809	62,809	60,421	2,388
Courthouse	289,252	289,252	296,778	(7,526)
Other General and Administration	1,460,950	2,162,127	1,660,994	501,133
Total General County Government	\$ 3,041,656	\$ 3,742,833	\$ 3,229,296	\$ 513,537
Judicial and Court Related:				
Circuit Clerk	\$ 30,400	\$ 30,400	\$ 19,857	\$ 10,543
Circuit Court	228,711	228,711	220,587	8,124
Public Administrator	238,701	238,701	233,501	5,200
Prosecuting Attorney	-	-	-	-
Family Treatment Court	-	182,241	54,623	127,618
Jury	34,000	34,000	28,316	5,684
Total Judicial and Court Related	\$ 531,812	\$ 714,053	\$ 556,884	\$ 157,169

(Continued)

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI

GENERAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
<u>EXPENDITURES (Continued):</u>				
Public Safety:				
Sheriff	\$ 2,284,143	\$ 2,479,996	\$ 2,440,386	\$ 39,610
Jail	1,514,896	1,574,396	1,510,239	64,157
Law Enforcement Center	186,000	186,000	150,268	35,732
Prosecuting Attorney	671,524	671,524	665,971	5,553
Juvenile Office	143,234	143,234	118,969	24,265
Juvenile	18,000	18,000	13,682	4,318
Medical Examiner	115,360	115,360	115,360	-
Federal Forfeiture	4,500	4,500	-	4,500
Special Sheriff's Fee	70,000	70,000	66,005	3,995
Total Public Safety	<u>\$ 5,007,657</u>	<u>\$ 5,263,010</u>	<u>\$ 5,080,880</u>	<u>\$ 182,130</u>
Health and Welfare:				
County Health and Welfare	<u>\$ 573,835</u>	<u>\$ 573,835</u>	<u>\$ 524,207</u>	<u>\$ 49,628</u>
TOTAL EXPENDITURES	<u>\$ 9,154,960</u>	<u>\$ 10,293,731</u>	<u>\$ 9,391,267</u>	<u>\$ 902,464</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 384,638</u>	<u>\$ (754,133)</u>	<u>\$ 888,621</u>	<u>\$ 1,642,754</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	\$ 340,000	\$ 340,000	\$ -	\$ (340,000)
Operating Transfers Out	(748,000)	(748,000)	(408,000)	340,000
Proceeds from Sale of Assets	-	-	6,000	6,000
Total Other Financing Sources (Uses)	<u>\$ (408,000)</u>	<u>\$ (408,000)</u>	<u>\$ (402,000)</u>	<u>\$ 6,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (23,362)</u>	<u>\$ (1,162,133)</u>	<u>\$ 486,621</u>	<u>\$ 1,648,754</u>
FUND BALANCE, January 1, 2019			<u>14,321,688</u>	
FUND BALANCE, December 31, 2019			<u>\$ 14,808,309</u>	

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURISPECIAL ROAD AND BRIDGE FUNDSTATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Property Taxes	\$ 2,190,000	\$ 2,190,000	\$ 2,289,706	\$ 99,706
Intergovernmental	1,715,470	1,715,470	1,864,081	148,611
Charges for Services	20,000	20,000	17,915	(2,085)
Interest Income	30,000	30,000	30,343	343
Other	<u>36,500</u>	<u>36,500</u>	<u>32,467</u>	<u>(4,033)</u>
TOTAL REVENUES	<u>\$ 3,991,970</u>	<u>\$ 3,991,970</u>	<u>\$ 4,234,512</u>	<u>\$ 242,542</u>
<u>EXPENDITURES:</u>				
Transportation:				
Salaries	\$ 955,754	\$ 955,754	\$ 940,179	\$ 15,575
Fringe Benefits	391,738	391,738	369,590	22,148
Fuel and Lubricants	300,000	300,000	350,781	(50,781)
Building Repairs and Maintenance	2,000	2,000	1,431	569
Supplies and Office Supplies	3,500	3,500	4,044	(544)
Tire and Tire Repair	70,000	70,000	76,752	(6,752)
Equipment Repairs and Maintenance	213,000	213,000	254,117	(41,117)
Road and Bridge Materials	2,138,000	2,476,812	2,551,912	(75,100)
Off System Bridge	-	32,342	-	32,342
Driveway Culverts	20,000	20,000	14,135	5,865
Rentals and Outside Labor	150,000	150,000	103,598	46,402
Engineering	10,000	10,000	-	10,000
Miscellaneous	6,000	6,000	2,853	3,147
New Equipment	456,000	456,000	386,852	69,148
Utilities and Telephone	<u>19,500</u>	<u>19,500</u>	<u>19,471</u>	<u>29</u>
TOTAL EXPENDITURES	<u>\$ 4,735,492</u>	<u>\$ 5,106,646</u>	<u>\$ 5,075,715</u>	<u>\$ 30,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (743,522)</u>	<u>\$ (1,114,676)</u>	<u>\$ (841,203)</u>	<u>\$ 273,473</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Proceeds from Sale of Assets	\$ -	\$ -	\$ 42,500	\$ 42,500
Operating Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 242,500</u>	<u>\$ 42,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (543,522)</u>	<u>\$ (914,676)</u>	<u>\$ (598,703)</u>	<u>\$ 315,973</u>
FUND BALANCE, January 1, 2019			<u>3,066,803</u>	
FUND BALANCE, December 31, 2019			<u>\$ 2,468,100</u>	

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI

E.O.C. FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<u>REVENUES:</u>				
Intergovernmental	\$ 636,615	\$ 636,615	\$ 627,328	\$ (9,287)
Interest Income	4,500	4,500	5,608	1,108
Other	250	250	5,522	5,272
 TOTAL REVENUES	 \$ 641,365	 \$ 641,365	 \$ 638,458	 \$ (2,907)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	\$ 681,996	\$ 681,996	\$ 737,896	\$ (55,900)
Fringe Benefits	242,695	242,695	227,049	15,646
LEPC Expenditures	15,000	15,000	20,212	(5,212)
Office Supplies	9,000	9,000	7,195	1,805
Equipment Repair and Maintenance	20,000	20,000	13,437	6,563
Maintenance Contracts	145,000	145,000	170,052	(25,052)
Utilities and Telephone	39,000	39,000	40,270	(1,270)
Mileage	500	500	372	128
Registration Fees and Others	15,000	15,000	16,201	(1,201)
Miscellaneous	35,700	35,700	26,873	8,827
Equipment and Furniture	19,000	19,000	21,691	(2,691)
Mass Notification Expenditures	17,100	17,100	-	17,100
Grant Expenditures	1,966	1,966	-	1,966
Simulcast Expenditures	10,000	10,000	-	10,000
Capital Outlay	1,000	1,000	-	1,000
 TOTAL EXPENDITURES	 \$ 1,252,957	 \$ 1,252,957	 \$ 1,281,248	 \$ (28,291)
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ (611,592)	 \$ (611,592)	 \$ (642,790)	 \$ (31,198)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	\$ 215,000	\$ 215,000	\$ 575,000	\$ 360,000
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (396,592)	 \$ (396,592)	 \$ (67,790)	 \$ 328,802
 FUND BALANCE, January 1, 2019			 186,913	
 FUND BALANCE, December 31, 2019			 \$ 119,123	

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

December 31, 2019

1. BUDGETARY INFORMATION

An annual budget prepared under the modified accrual basis of accounting is adopted prior to the beginning of each fiscal year for all revenues and expenditures of the General Fund and all special revenue funds of the County. This basis of accounting is the same basis the County uses to prepare its financial statements. Any increase in appropriations during the fiscal year must be approved by the Commissioners. However, the County does not budget for the proceeds and capital outlays for new capital leases, only for principal and interest payments on these leases.

For the year ended December 31, 2019, expenditures exceeded appropriations in the Emergency Operations Center Fund, the Law Enforcement Training Fund, and the Prosecuting Attorney Training Fund by \$28,291, \$1,860, and \$913, respectively.

CALLAWAY COUNTY, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GENERAL DIVISION

June 30, 2019

Fiscal Year Ended June 30,	2015	2016	2017	2018	2019
Total Pension Liability					
Service Costs	\$ 264,429	\$ 276,465	\$ 296,125	\$ 302,688	\$ 317,141
Interest on the Pension Liability	714,287	744,649	803,006	844,845	882,624
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(111,239)	(242,809)	14,552	(56,642)	40,952
Changes of Assumptions	-	488,233	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(474,112)	(434,417)	(509,440)	(571,273)	(582,740)
Net Change in Total Pension Liability	393,365	832,121	604,243	519,618	657,977
Total Pension Liability - Beginning	9,955,248	10,348,613	11,180,734	11,784,977	12,304,595
Total Pension Liability - Ending (A)	<u>\$ 10,348,613</u>	<u>\$ 11,180,734</u>	<u>\$ 11,784,977</u>	<u>\$ 12,304,595</u>	<u>\$ 12,962,572</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 422,006	\$ 407,066	\$ 400,483	\$ 453,074	\$ 422,677
Contributions - Employees	-	-	-	-	-
Net Investment Income	221,314	(25,940)	1,343,419	1,554,311	896,721
Benefit Payments, Including Refunds of Employee Contributions	(474,112)	(434,417)	(509,440)	(571,273)	(582,740)
Pension Plan Administrative Expense	(19,014)	(17,583)	(17,700)	(17,842)	(27,293)
Other (Net Transfers)	13,049	(34,514)	53,733	8,122	(5,411)
Net Change in Plan Fiduciary Net Position	163,243	(105,388)	1,270,495	1,426,392	703,954
Plan Fiduciary Net Position - Beginning	11,116,709	11,279,952	11,174,564	12,445,059	13,871,451
Plan Fiduciary Net Position - Ending (B)	<u>\$ 11,279,952</u>	<u>\$ 11,174,564</u>	<u>\$ 12,445,059</u>	<u>\$ 13,871,451</u>	<u>\$ 14,575,405</u>
Net Pension Liability - Ending (A) - (B)	(931,339)	6,170	(660,082)	(1,566,856)	(1,612,833)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.00%	99.94%	105.60%	112.73%	112.44%
Covered Valuation Payroll	\$ 3,289,720	\$ 3,563,515	\$ 3,494,714	\$ 3,639,504	\$ 3,688,872
Net Pension Liability as a Percentage of Covered Valuation Payroll	-28.31%	0.17%	-18.89%	-43.05%	-43.72%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CALLAWAY COUNTY, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE DIVISION

June 30, 2019

Fiscal Year Ended June 30,	2015	2016	2017	2018	2019
Total Pension Liability					
Service Costs	\$ 90,854	\$ 92,725	\$ 88,643	\$ 91,661	\$ 114,983
Interest on the Pension Liability	256,182	278,392	289,840	300,411	340,512
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	70,408	(129,819)	(41,882)	314,157	57,162
Changes of Assumptions	-	93,324	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(110,183)	(113,919)	(237,671)	(145,276)	(184,536)
Net Change in Total Pension Liability	307,261	220,703	98,930	560,953	328,121
Total Pension Liability - Beginning	3,543,041	3,850,302	4,071,005	4,169,935	4,730,888
Total Pension Liability - Ending (A)	\$ 3,850,302	\$ 4,071,005	\$ 4,169,935	\$ 4,730,888	\$ 5,059,009
Plan Fiduciary Net Position					
Contributions - Employer	\$ 109,325	\$ 105,028	\$ 98,254	\$ 121,668	\$ 146,073
Contributions - Employees	-	-	-	-	-
Net Investment Income	80,514	(6,008)	529,061	560,210	335,599
Benefit Payments, Including Refunds of Employee Contributions	(110,183)	(113,919)	(237,671)	(145,276)	(184,536)
Pension Plan Administrative Expense	(5,313)	(4,711)	(4,889)	(5,378)	(8,091)
Other (Net Transfers)	18,846	(53,879)	11,636	11,959	29,579
Net Change in Plan Fiduciary Net Position	93,189	(73,489)	396,391	543,183	318,624
Plan Fiduciary Net Position - Beginning	4,206,127	4,299,316	4,225,827	4,622,218	5,165,401
Plan Fiduciary Net Position - Ending (B)	\$ 4,299,316	\$ 4,225,827	\$ 4,622,218	\$ 5,165,401	\$ 5,484,025
Net Pension Liability - Ending (A) - (B)	(449,014)	(154,822)	(452,283)	(434,513)	(425,016)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.66%	103.80%	110.85%	109.18%	108.40%
Covered Valuation Payroll	\$ 1,073,531	\$ 1,058,746	\$ 954,520	\$ 1,236,472	\$ 1,378,497
Net Pension Liability as a Percentage of Covered Valuation Payroll	-41.83%	-14.62%	-47.38%	-35.14%	-30.83%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CALLAWAY COUNTY, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2019

Fiscal Year Ended June 30,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2019	\$ 632,734	\$ 623,638	\$ 9,096	\$ 5,493,804	11.35%
2018	574,325	574,325	-	5,142,039	11.17%
2017	513,874	513,874	-	4,792,004	10.72%
2016	494,292	494,292	-	4,635,382	10.66%
2015	517,724	517,724	-	4,616,231	11.22%
2014	551,423	551,425	(2)	4,549,740	12.12%
2013	536,226	531,358	4,868	4,383,264	12.12%
2012	538,338	490,888	47,450	4,230,130	11.60%
2011	465,478	427,830	37,648	4,038,236	10.59%
2010	462,707	388,874	73,833	4,041,230	9.62%

Notes to Schedule:**Valuation Date:**

February 28, 2019

Notes

The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:

Entry Age Normal and Modified Terminal Funding

Amortization Method:

A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining Amortization Period:

Multiple bases from 12 to 15 years

Asset Valuation Method:

5-year smoothed market, 20% corridor

Inflation:

3.25% wage inflation; 2.5% price inflation

Salary Increases:

3.25% to 6.55% including wage inflation

Investment Rate of Return:

7.25%, net of investment and administrative expenses

Retirement Age:

Experience-based table of rates that are specific to the type of eligibility condition.

Mortality:

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 the 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.

Other Information:

None

CALLAWAY COUNTY, MISSOURISUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES' RETIREMENT FUNDSCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

December 31, 2019

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>
County's Proportion of the Net Pension Liability	0.946%	0.930%	0.985%	1.031%	0.857%
County's Proportionate Share of the Net Pension Liability	\$ 1,103,976	\$ 1,792,734	\$ 2,217,089	\$ 2,041,746	\$ 2,136,399
County's Covered-Employee Payroll	4,872,558	4,763,737	4,979,871	5,442,823	5,856,331
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	22.66%	37.63%	44.52%	37.51%	36.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.83%	69.11%	66.70%	72.02%	66.43%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CALLAWAY COUNTY, MISSOURISUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES' RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS

December 31, 2019

	2015*	2016*	2017*	2018*	2019*
Required Contribution	\$ 168,250	\$ 359,200	\$ 503,038	\$ 517,974	\$ 427,620
Contributions in Relation to the Required Contribution	187,132	185,142	199,921	216,549	244,323
Contribution Deficiency (Excess)	<u>\$ (18,882)</u>	<u>\$ 174,058</u>	<u>\$ 303,117</u>	<u>\$ 301,425</u>	<u>\$ 183,297</u>
County's Covered-Employee Payroll	\$ 4,872,558	\$ 4,763,737	\$ 4,979,871	\$ 5,442,823	\$ 5,856,331
Contributions as a Percentage of Covered-Employee Payroll	3.84%	3.89%	4.01%	3.98%	4.17%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

EXHIBIT 1

CALLAWAY COUNTY, MISSOURICOMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS

December 31, 2019

	<u>E-911 Fund</u>	<u>Johnson Grass Fund</u>	<u>Recorder of Deeds Fund</u>	<u>Domestic Violence Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Assessment Fund</u>
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 436,662	\$ 9,125	\$ 103,596	\$ 7,633	\$ 2,750	\$ 4,207	\$ 1,423,203
Due from:							
Other Funds	-	-	-	-	-	-	2,302
Others	54,671	9	2,338	489	310	404	1,043
Prepaid Expenses	-	-	-	-	1,006	-	9,350
TOTAL ASSETS	<u>\$ 491,333</u>	<u>\$ 9,134</u>	<u>\$ 105,934</u>	<u>\$ 8,122</u>	<u>\$ 4,066</u>	<u>\$ 4,611</u>	<u>\$ 1,435,898</u>
<u>LIABILITIES AND FUND BALANCE</u>							
<u>LIABILITIES:</u>							
Accrued Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,576
Interest Payable	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Due to Others	-	-	116	3,783	-	-	26,107
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 3,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,683</u>
<u>FUND BALANCE:</u>							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,207
Restricted	491,333	9,134	105,702	4,339	4,066	4,611	1,395,008
Assigned	-	-	116	-	-	-	-
TOTAL FUND BALANCE	<u>\$ 491,333</u>	<u>\$ 9,134</u>	<u>\$ 105,818</u>	<u>\$ 4,339</u>	<u>\$ 4,066</u>	<u>\$ 4,611</u>	<u>\$ 1,400,215</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 491,333</u>	<u>\$ 9,134</u>	<u>\$ 105,934</u>	<u>\$ 8,122</u>	<u>\$ 4,066</u>	<u>\$ 4,611</u>	<u>\$ 1,435,898</u>

See Independent Auditors' Report.

EXHIBIT 1

Drug Court Fund	Tax Maintenance Fund	Sheriff's Revolving Fund	Administrative Justice	Inmate Security Fund	Neighborhood Improvement Projects Fund	Totals (Memorandum Only)
\$ 91,069	\$ 33,832	\$ 69,906	\$ 46,681	\$ 205,716	\$ 20,482	\$ 2,454,862
-	-	-	-	-	-	2,302
1,213	30	2,794	199	8,205	9	71,714
-	7,175	1,030	-	1,191	-	19,752
<u>\$ 92,282</u>	<u>\$ 41,037</u>	<u>\$ 73,730</u>	<u>\$ 46,880</u>	<u>\$ 215,112</u>	<u>\$ 20,491</u>	<u>\$ 2,548,630</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,576
-	-	-	-	-	308	308
-	-	-	-	-	3,852	3,852
1,539	855	1,773	-	-	-	34,173
<u>\$ 1,539</u>	<u>\$ 855</u>	<u>\$ 1,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,160</u>	<u>\$ 47,909</u>
\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 6,407
90,743	38,982	71,957	46,880	215,112	16,331	2,494,198
-	-	-	-	-	-	116
<u>\$ 90,743</u>	<u>\$ 40,182</u>	<u>\$ 71,957</u>	<u>\$ 46,880</u>	<u>\$ 215,112</u>	<u>\$ 16,331</u>	<u>\$ 2,500,721</u>
<u>\$ 92,282</u>	<u>\$ 41,037</u>	<u>\$ 73,730</u>	<u>\$ 46,880</u>	<u>\$ 215,112</u>	<u>\$ 20,491</u>	<u>\$ 2,548,630</u>

See Independent Auditors' Report.

EXHIBIT 2

CALLAWAY COUNTY, MISSOURICOMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	E-911 Fund	Johnson Grass Fund	Recorder of Deeds Fund	Domestic Violence Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Assessment Fund
<u>REVENUES:</u>							
Property Taxes	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,619	-	667,334
Charges for Services	337,233	-	27,105	7,382	4,936	2,707	-
Interest Income	11,317	170	1,668	78	28	72	21,483
Other	-	-	-	-	-	-	4,524
<u>TOTAL REVENUES</u>	<u>\$ 348,550</u>	<u>\$ 170</u>	<u>\$ 28,773</u>	<u>\$ 7,520</u>	<u>\$ 7,583</u>	<u>\$ 2,779</u>	<u>\$ 693,341</u>
<u>EXPENDITURES:</u>							
General County Government	\$ -	\$ 460	\$ 7,767	\$ -	\$ -	\$ -	\$ 587,530
Transportation	-	-	-	-	-	-	-
Judicial and Court Related	-	-	-	-	-	4,913	-
Public Safety	72,632	-	-	-	5,860	-	-
Health and Welfare	-	-	-	3,783	-	-	-
Debt Service:							
Retirement of Bonds	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>\$ 72,632</u>	<u>\$ 460</u>	<u>\$ 7,767</u>	<u>\$ 3,783</u>	<u>\$ 5,860</u>	<u>\$ 4,913</u>	<u>\$ 587,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 275,918</u>	<u>\$ (290)</u>	<u>\$ 21,006</u>	<u>\$ 3,737</u>	<u>\$ 1,723</u>	<u>\$ (2,134)</u>	<u>\$ 105,811</u>
<u>OTHER FINANCING SOURCES (USES):</u>							
Proceeds for Sale of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (Out)	(400,000)	-	-	-	-	3,000	30,000
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ (400,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 30,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (124,082)</u>	<u>\$ (290)</u>	<u>\$ 21,006</u>	<u>\$ 3,737</u>	<u>\$ 1,723</u>	<u>\$ 866</u>	<u>\$ 135,811</u>
FUND BALANCE, January 1, 2019	<u>615,415</u>	<u>9,424</u>	<u>84,812</u>	<u>602</u>	<u>2,343</u>	<u>3,745</u>	<u>1,264,404</u>
FUND BALANCE, December 31, 2019	<u>\$ 491,333</u>	<u>\$ 9,134</u>	<u>\$ 105,818</u>	<u>\$ 4,339</u>	<u>\$ 4,066</u>	<u>\$ 4,611</u>	<u>\$ 1,400,215</u>

See Independent Auditors' Report.

EXHIBIT 2

Drug Court Fund	Tax Maintenance Fund	Sheriff's Revolving Fund	Administrative Justice	Inmate Security Fund	Neighborhood Improvement Projects Fund	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,055	\$ 14,115
-	-	-	-	10,869	-	680,822
15,236	110,459	27,723	4,329	83,774	-	620,884
1,634	1,311	1,211	795	3,380	197	43,344
-	-	360	-	7,099	-	11,983
<u>\$ 16,870</u>	<u>\$ 111,770</u>	<u>\$ 29,294</u>	<u>\$ 5,124</u>	<u>\$ 105,122</u>	<u>\$ 14,252</u>	<u>\$ 1,371,148</u>
\$ -	\$ 124,683	\$ -	\$ -	\$ -	\$ -	\$ 720,440
-	-	-	-	-	292	292
14,313	-	-	-	-	-	19,226
-	-	17,426	-	81,097	-	177,015
-	-	-	-	-	-	3,783
-	-	-	-	-	13,000	13,000
-	-	-	-	-	917	917
<u>\$ 14,313</u>	<u>\$ 124,683</u>	<u>\$ 17,426</u>	<u>\$ -</u>	<u>\$ 81,097</u>	<u>\$ 14,209</u>	<u>\$ 934,673</u>
<u>\$ 2,557</u>	<u>\$ (12,913)</u>	<u>\$ 11,868</u>	<u>\$ 5,124</u>	<u>\$ 24,025</u>	<u>\$ 43</u>	<u>\$ 436,475</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,100	\$ -	\$ 4,100
-	-	-	-	-	-	(367,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,100</u>	<u>\$ -</u>	<u>\$ (362,900)</u>
\$ 2,557	\$ (12,913)	\$ 11,868	\$ 5,124	\$ 28,125	\$ 43	\$ 73,575
88,186	53,095	60,089	41,756	186,987	16,288	2,427,146
<u>\$ 90,743</u>	<u>\$ 40,182</u>	<u>\$ 71,957</u>	<u>\$ 46,880</u>	<u>\$ 215,112</u>	<u>\$ 16,331</u>	<u>\$ 2,500,721</u>

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI
COMBINING BALANCE SHEET - ALL AGENCY FUNDS

December 31, 2019

	Agency Funds				Totals (Memorandum Only)
	County Treasurer	County Collector	Other County Officials	Public Administrator	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 371,150	\$ 1,025,305	\$ 41,337	\$ 177,968	\$ 1,615,760
Certificates of Deposit		800,488		22,838	823,326
Due from:					
County Collector	31,163,379	-	-	-	31,163,379
Other County Officials	25,402	-	-	-	25,402
Others	15,183	-	-	-	15,183
Delinquent Taxes Receivable	6,968,812	-	-	-	6,968,812
Less: Reserve for Delinquent Taxes	(2,113,998)	-	-	-	(2,113,998)
Other Assets	-	-	-	101,406	101,406
TOTAL ASSETS	\$ 36,429,928	\$ 1,825,793	\$ 41,337	\$ 302,212	\$ 38,599,270
<u>LIABILITIES</u>					
Due to Others	\$ 36,140,319	\$ 1,825,793	\$ 27,230	\$ -	\$ 37,993,342
Due to Other Funds	449	-	5,492	-	5,941
Funds Held in Trust	289,160	-	8,615	302,212	599,987
TOTAL LIABILITIES	\$ 36,429,928	\$ 1,825,793	\$ 41,337	\$ 302,212	\$ 38,599,270

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURICOMBINING STATEMENT OF RECEIPTS AND
DISBURSEMENTS - ALL AGENCY FUNDS

For the Year Ended December 31, 2019

	Agency Funds				Totals (Memorandum Only)
	County Treasurer	County Collector	Other County Officials	Public Administrator	
<u>RECEIPTS:</u>					
Property Taxes	\$ 41,903,708	\$ 49,265,497	\$ -	\$ -	\$ 91,169,205
Intergovernmental	425,525	-	-	-	425,525
Charges for Services	290,701	-	-	-	290,701
Interest	6,224	42,938	-	-	49,162
Other	191,968	21,650	971,137	41,898	1,226,653
TOTAL RECEIPTS	\$ 42,818,126	\$ 49,330,085	\$ 971,137	\$ 41,898	\$ 93,161,246
<u>DISBURSEMENTS:</u>					
Distributions to:					
Other Funds	\$ 36,080,835	\$ 48,007,119	\$ 295,826	\$ -	\$ 84,383,780
Other Governments	5,487,539	1,316,866	247,711	-	7,052,116
Others	1,250,747	-	448,843	65,468	1,765,058
TOTAL DISBURSEMENTS	\$ 42,819,121	\$ 49,323,985	\$ 992,380	\$ 65,468	\$ 93,200,954
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (995)	\$ 6,100	\$ (21,243)	\$ (23,570)	\$ (39,708)
ASSETS/LIABILITIES, January 1, 2019	36,430,923	1,819,693	62,580	325,782	38,638,978
ASSETS/LIABILITIES, December 31, 2019	\$ 36,429,928	\$ 1,825,793	\$ 41,337	\$ 302,212	\$ 38,599,270

See Independent Auditors' Report.

EXHIBIT 5

CALLAWAY COUNTY, MISSOURISTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2019

	Private Purpose Trust Funds <u>Cemetery Trust</u>
<u>ADDITIONS:</u>	
Interest	\$ 2,901
Other	<u>935</u>
TOTAL ADDITIONS	<u>\$ 3,836</u>
<u>DEDUCTIONS:</u>	
Distributions to:	
Others	<u>\$ 7,030</u>
CHANGE IN NET POSISTION	\$ (3,194)
ASSETS/LIABILITIES, January 1, 2019	<u>160,577</u>
ASSETS/LIABILITIES, December 31, 2019	<u><u>\$ 157,383</u></u>

See Independent Auditors' Report.

EXHIBIT 6

CALLAWAY COUNTY, MISSOURICOMBINING BALANCE SHEET - ALL COUNTY TREASURER'S AGENCY FUNDS

December 31, 2019

	Agency Funds			
	Special Services Fund	School Districts Funds (Note 2)	Ambulance District Fund	Fire Protection Districts Funds (Note 2)
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 238,664	\$ -	\$ -
Due from:				
County Collector	672,043	26,650,311	101,631	1,583,816
Other County Officials	-	25,402	-	-
Others	1	-	-	-
Delinquent Taxes Receivable	125,360	5,918,536	23,110	314,322
Less: Reserve for Delinquent Taxes	<u>(40,924)</u>	<u>(1,820,759)</u>	<u>(5,073)</u>	<u>(105,699)</u>
TOTAL ASSETS	<u>\$ 756,480</u>	<u>\$ 31,012,154</u>	<u>\$ 119,668</u>	<u>\$ 1,792,439</u>
<u>LIABILITIES</u>				
Due to Others	\$ 756,480	\$ 30,748,088	\$ 119,668	\$ 1,792,439
Due to Other Funds	-	-	-	-
Funds Held in Trust	<u>-</u>	<u>264,066</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 756,480</u>	<u>\$ 31,012,154</u>	<u>\$ 119,668</u>	<u>\$ 1,792,439</u>

See Independent Auditors' Report.

EXHIBIT 6

Agency Funds					
County Library Fund	Cities Tax Fund	County Employees Retirement Fund	Tourism Tax Fund	Sundry Funds (Note 2)	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ 12,926	\$ 119,560	\$ 371,150
1,352,821	781,954	20,803	-	-	31,163,379
-	-	-	-	-	25,402
2	5	4,291	9,533	1,351	15,183
255,565	331,919	-	-	-	6,968,812
<u>(82,044)</u>	<u>(59,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,113,998)</u>
<u>\$ 1,526,344</u>	<u>\$ 1,054,379</u>	<u>\$ 25,094</u>	<u>\$ 22,459</u>	<u>\$ 120,911</u>	<u>\$ 36,429,928</u>
\$ 1,526,344	\$ 1,054,379	\$ -	\$ 22,010	\$ 120,911	\$ 36,140,319
-	-	-	449	-	449
<u>-</u>	<u>-</u>	<u>25,094</u>	<u>-</u>	<u>-</u>	<u>289,160</u>
<u>\$ 1,526,344</u>	<u>\$ 1,054,379</u>	<u>\$ 25,094</u>	<u>\$ 22,459</u>	<u>\$ 120,911</u>	<u>\$ 36,429,928</u>

See Independent Auditors' Report.

EXHIBIT 7

CALLAWAY COUNTY, MISSOURI

COMBINING STATEMENT OF RECEIPTS AND
DISBURSEMENTS - ALL COUNTY TREASURER'S AGENCY FUNDS

For the Year Ended December 31, 2019

	Agency Funds			
	Special Services Fund	School Districts Funds (Note 2)	Ambulance District Fund	Fire Protection Districts Funds (Note 2)
<u>RECEIPTS:</u>				
Property Taxes	\$ 877,012	\$ 35,824,432	\$ 128,140	\$ 2,101,161
Intergovernmental	-	407,552	-	-
Charges for Services	-	-	-	-
Interest	-	3,649	-	-
Other	-	1,455	-	-
TOTAL RECEIPTS	<u>\$ 877,012</u>	<u>\$ 36,237,088</u>	<u>\$ 128,140</u>	<u>\$ 2,101,161</u>
<u>DISBURSEMENTS:</u>				
Distributions to:				
Other Funds	\$ -	\$ 36,080,835	\$ -	\$ -
Other Governments	-	-	81,416	2,168,855
Others	911,921	-	-	-
TOTAL DISBURSEMENTS	<u>\$ 911,921</u>	<u>\$ 36,080,835</u>	<u>\$ 81,416</u>	<u>\$ 2,168,855</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (34,909)	\$ 156,253	\$ 46,724	\$ (67,694)
ASSETS/LIABILITIES, January 1, 2019	<u>791,389</u>	<u>30,855,901</u>	<u>72,944</u>	<u>1,860,133</u>
ASSETS/LIABILITIES, December 31, 2019	<u>\$ 756,480</u>	<u>\$ 31,012,154</u>	<u>\$ 119,668</u>	<u>\$ 1,792,439</u>

See Independent Auditors' Report.

EXHIBIT 7

Agency Funds					
County Library Fund	Cities Tax Fund	County Employees Retirement Fund	Tourism Tax Fund	Sundry Funds (Note 2)	Totals (Memorandum Only)
\$ 1,760,562	\$ 1,212,401	\$ -	\$ -	\$ -	\$ 41,903,708
-	-	-	-	17,973	425,525
-	-	290,701	-	-	290,701
-	-	168	123	2,284	6,224
-	-	-	169,093	21,420	191,968
<u>\$ 1,760,562</u>	<u>\$ 1,212,401</u>	<u>\$ 290,869</u>	<u>\$ 169,216</u>	<u>\$ 41,677</u>	<u>\$ 42,818,126</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,080,835
1,832,206	1,239,912	-	165,150	-	5,487,539
-	-	290,869	3,367	44,590	1,250,747
<u>\$ 1,832,206</u>	<u>\$ 1,239,912</u>	<u>\$ 290,869</u>	<u>\$ 168,517</u>	<u>\$ 44,590</u>	<u>\$ 42,819,121</u>
\$ (71,644)	\$ (27,511)	\$ -	\$ 699	\$ (2,913)	\$ (995)
<u>1,597,988</u>	<u>1,081,890</u>	<u>25,094</u>	<u>21,760</u>	<u>123,824</u>	<u>36,430,923</u>
<u>\$ 1,526,344</u>	<u>\$ 1,054,379</u>	<u>\$ 25,094</u>	<u>\$ 22,459</u>	<u>\$ 120,911</u>	<u>\$ 36,429,928</u>

See Independent Auditors' Report.

EXHIBIT 8

CALLAWAY COUNTY, MISSOURICOMBINING BALANCE SHEET - OTHER COUNTY OFFICIALS' FUND

December 31, 2019

	Prosecuting Attorney	Sheriff	County Clerk	Recorder of Deeds	Totals (Memorandum Only)
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 34	\$ 14,107	\$ -	\$ 27,196	\$ 41,337
TOTAL ASSETS	<u>\$ 34</u>	<u>\$ 14,107</u>	<u>\$ -</u>	<u>\$ 27,196</u>	<u>\$ 41,337</u>
<u>LIABILITIES</u>					
Due to Others	\$ 34	\$ -	\$ -	\$ 27,196	\$ 27,230
Due to Other Funds	-	5,492	-	-	5,492
Funds Held in Trust	-	8,615	-	-	8,615
TOTAL LIABILITIES	<u>\$ 34</u>	<u>\$ 14,107</u>	<u>\$ -</u>	<u>\$ 27,196</u>	<u>\$ 41,337</u>

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURICOMBINING STATEMENT OF RECEIPTS AND
DISBURSEMENTS - OTHER COUNTY OFFICIALS' FUND

For the Year Ended December 31, 2019

	Prosecuting Attorney	Sheriff	County Clerk	Recorder of Deeds	Totals (Memorandum Only)
<u>RECEIPTS:</u>					
Deposits, Fees, Bonds, and Others	\$ 111,204	\$ 410,646	\$ 135,520	\$ 313,767	\$ 971,137
TOTAL RECEIPTS	<u>\$ 111,204</u>	<u>\$ 410,646</u>	<u>\$ 135,520</u>	<u>\$ 313,767</u>	<u>\$ 971,137</u>
<u>DISBURSEMENTS:</u>					
Distributions to:					
Other Funds	\$ 5,362	\$ 125,227	\$ 103,680	\$ 61,557	\$ 295,826
Other Governments	-	-	-	247,711	247,711
Others	<u>105,842</u>	<u>310,154</u>	<u>32,847</u>	<u>-</u>	<u>448,843</u>
TOTAL DISBURSEMENTS	<u>\$ 111,204</u>	<u>\$ 435,381</u>	<u>\$ 136,527</u>	<u>\$ 309,268</u>	<u>\$ 992,380</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ -	\$ (24,735)	\$ (1,007)	\$ 4,499	\$ (21,243)
ASSETS/LIABILITIES, January 1, 2019	<u>34</u>	<u>38,842</u>	<u>1,007</u>	<u>22,697</u>	<u>62,580</u>
ASSETS/LIABILITIES, December 31, 2019	<u>\$ 34</u>	<u>\$ 14,107</u>	<u>\$ -</u>	<u>\$ 27,196</u>	<u>\$ 41,337</u>

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURISTATEMENT OF SOURCES, USES, AND
BALANCE OF ESTATES - PUBLIC ADMINISTRATOR

For the Year Ended December 31, 2019

BEGINNING ESTATE BALANCES:

Sources:

Estates Received by Public Administrator	\$ -
Receipts to Estates:	
Social Security and Welfare	9,791
Retirement and Pension	23,797
Interest Income and Dividends	921
Other	7,389
Total Sources	<u>\$ 41,898</u>

Uses:

Support of Ward	\$ 62,844
Public Administrator Fees	655
Probate Fees	430
Bank Charges	1,235
Other	304
Estates Distributed	-
Total Uses	<u>\$ 65,468</u>

EXCESS (DEFICIENCY) OF SOURCES/USES \$ (23,570)

ESTATE BALANCES, January 1, 2019 325,782ESTATE BALANCES, December 31, 2019 \$ 302,212COMPOSITION OF ENDING BALANCES

Cash	\$ 172,968
Savings Bonds	5,000
Certificates of Deposit	22,838
Other Investments	91,851
Real Estate	950
Personal Property	<u>8,605</u>
TOTAL	<u><u>\$ 302,212</u></u>

See Independent Auditors' Report.

EXHIBIT 11

CALLAWAY COUNTY, MISSOURI
BALANCE SHEET - COUNTY COLLECTOR

February 29, 2020

ASSETS

Cash in Banks	\$ 1,025,305
Certificates of Deposit	<u>800,488</u>
 TOTAL ASSETS	 <u>\$ 1,825,793</u>

LIABILITIES

Due to Political Subdivision	\$ <u>1,825,793</u>
 TOTAL LIABILITIES	 <u>\$ 1,825,793</u>

See Independent Auditors' Report

CALLAWAY COUNTY, MISSOURISTATEMENT OF COLLECTIONS
AND DISTRIBUTIONS - COUNTY COLLECTOR

For the Year Ended February 29, 2020

GROSS COLLECTIONS	\$ 49,330,085
<u>DISTRIBUTIONS:</u>	
State of Missouri	\$ 272,917
General Revenue Fund - Taxes	2,976,058
General Revenue Fund - Fees	733,556
Tax Maintenance Fund - Fees	77,216
Special Road and Bridge Fund	2,300,351
School Districts	35,816,062
Ambulance District	128,143
County Library	1,760,167
Cities	1,043,949
County Clerk	504
Levee Districts	90,945
TIF	161,449
Assessment Fund	558,087
Interest	42,938
Land Sale Overage/Redemptions	18,343
Fire Districts	2,101,161
Publication Costs and Certified Letters	3,307
Special Services	877,582
Recording Fees	29,993
County Employees Retirement Fund:	
Fees and Penalties	316,055
Neighborhood Improvement Districts	21,302
TOTAL DISTRIBUTIONS	\$ 49,330,085
AMOUNT UNDER DISTRIBUTED	\$ -

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2019

FINANCIAL STATEMENT FINDING

2019-001 Internal Controls in the Collector's Office:

Criteria:	When the register balance of bank accounts is reconciled to the bank statements, there should be an open items listing prepared that identifies all entities to whom cash is owed. This balance should also be reconciled to the register balance and bank statement balances of cash on hand at the end of each month.
Condition:	An open items listing was prepared during the year ended February 29, 2020 in the Collector's office, but it did not agree to the reconciled register balance. Therefore, the cash balances on hand each month have not been properly reconciled to the open items listing.
Cause:	The Collector is unsure how to reconcile the credit card receipts in the open items list. She believes the credit card receipts are the unreconciled difference on the open items list.
Effect:	The lack of this reconciliation increases the risk that errors could be made in the distributions of tax monies and go undetected.
Recommendation:	The County Collector should ensure that a proper open items listing, or listing of liabilities, is prepared each month, and reconciled to the register balance and bank statement balances. In addition, the Collector should consider having the County Auditor review bank reconciliations and open items listings when she reviews and reconciles charges and collections each month.

Views of Responsible
Officials and Planned
Corrective Actions:

The Collector agrees with the recommendation and will work to ensure items listing balances when reconciling it to the cash balances each month.

2019-002 County Collector's Annual Settlement:

Criteria:

Adequate supporting documentation should be maintained to support all reconciling items on the Collector's Annual Settlement.

Condition:

The Collector's Annual Settlement reconciles the taxes the Collector is charged with collecting to actual collections. When the status of personal property owned by a taxpayer changes from previous years, that amount is shown as a reconciling item on the Annual Settlement. No supporting documentation could be provided to identify all of the individual changes on the 2019 Annual Settlement.

Cause:

The Collector and the software company were not able to generate a report to identify all of these individual changes for personal property assessments from previous years.

Effect:

The lack of adequate support means we cannot verify the accuracy of that particular reconciling item.

Recommendation:

The County Collector should have documentation of all changes made to the charges reported on the Annual Settlement.

Views of Responsible
Officials and Planned
Corrective Actions:

The Collector agrees with the recommendation. We are using new software that will track all reconciling items and allow us to generate detail reports to support all amounts in the Annual Settlement.

2019-003 Internal Controls Over the Tax Billing Software:

Criteria:	The Collector's office should not have the ability to alter, add, or delete any tax bills.
Condition:	The Collector's tax software is not integrated with the Assessor's software. Any tax assessment changes made by the Assessor's office must be made by the Collector's office to the tax bill.
Cause:	The Assessor and Collector offices switched to new software during the fiscal year, but the software company did not adequately complete the transition, resulting in the Assessor's office having to revert to using the old software. The old software in the Assessor's office could not be integrated with the new software used by the Collector's office.
Effect:	Inadequate internal controls over the tax software could lead to misuse of assets in the Collector's office.
Recommendation:	We recommend that the software used by the Assessor and Collector be integrated. Any tax bill changes should only be made in the Assessor's office. The Collector's office should not have access to make changes since the changes will flow between offices in the software.
Views of Responsible Officials and Planned Corrective Actions:	We are in the process of transitioning to a new software that should have the ability to integrate with the assessor software. We will speak with the software company to ensure the Collector's office cannot make changes to the tax bills going forward. Until the new software is in place, we will continue to reconcile changes made to tax bills in the Collector's office and Assessors office daily to ensure all changes made to tax bills are appropriate.

2019-004 Budgetary Limits:

Criteria:	Chapter 67.080, RSMo, requires that all expenditures be set forth in a legally adopted budget. In addition, it was ruled in State ex. Rel. Strong v. Cribb, 364 Mo. 1122, 273 SW 2d 246 (1954), that strict compliance with the county budget law is required by county officials.
Condition:	Actual expenditures of the E.O.C. Fund exceeded budgetary limits by \$28,291 due to unexpected year-end compensation time payouts.
Cause:	The County had unexpected expenditures during the year and did not amend the budget.
Effect:	The district did not comply with state budget law.
Recommendation:	The Commission should refrain from authorizing expenditures that exceed budgetary limits. In the unusual circumstance noted in the condition above, the Commission should amend the budget to reflect the appropriation in the period the expense is incurred.
Views of Responsible Officials and Planned Corrective Actions:	The County Auditor and the County Commission will monitor actual expenditures closer near year end and amend the budgets accordingly.

CALLAWAY COUNTY, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2019

1. FINANCIAL STATEMENT FINDINGS

2018-001 Internal controls in the Collector's Office.

Recommendation: The County Collector should ensure that a proper open items listing, or listing of liabilities, is prepared each month, and reconciled to the register balance and bank statement balances. In addition, the County Auditor should review the bank reconciliations and open items listings when she reviews and reconciles charges and collections each month.

Status: Not implemented.

2018-002 County Collector's Annual Settlement.

Recommendation: The County Collector should have documentation of all changes made to the charges reported on the Annual Settlement.

Status: Not implemented.

2018-003 Internal Controls in the Sheriff's Office.

Recommendation: We recommend that the duties for handling cash and recording transactions be segregated to the extent possible. Bank reconciliations should be prepared or reviewed by individuals who are not responsible for either handling of cash or recording the transactions. The reconciliation process should ensure there is a proper open items list for each bank account and that the bank statement reconciles to the register balance and to the open items listing.

Status: Implemented.