

CALLAWAY COUNTY, MISSOURI  
Fulton, Missouri

For the Year Ended December 31, 2020

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

CALLAWAY COUNTY, MISSOURI

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## FINANCIAL SECTION

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

## *Certified Public Accountants*

DEBRA BEUSSINK EUDY, CPA

JERRY W. ROE, CPA

JEFFREY C. STRODER, CPA

EVERETT E. HEY, CPA

(1955 - 2014)

16 South Silver Springs Road

Cape Girardeau, Missouri 63703

Telephone (573) 334-7971

Facsimile (573) 334-8875

SCOTT J. ROE, CPA

DAVID E. PRASANPHANICH, CPA

SASHA N. WILLIAMS, CPA

RHEANNA L. GREER, CPA

## 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, 2020, 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, 2020, 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

#### Required Supplementary Information:

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 15 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.

#### Other Information:

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 and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 and the Schedule of Expenditure of Federal Awards 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 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, 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  
July 30, 2021



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

## *Certified Public Accountants*

DEBRA BEUSSINK EUDY, CPA

JERRY W. ROE, CPA

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16 South Silver Springs Road  
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Facsimile (573) 334-8875

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DAVID E. PRASANPHANICH, CPA

SASHA N. WILLIAMS, CPA

---

RHEANNA L. GREER, CPA

### 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Callaway County, Missouri as of and for the year ended December 31, 2020, 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 July 30, 2021.

#### 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) as a basis for designing our 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

#### 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

#### 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 Questioned Costs. 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  
July 30 2021

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, 2020 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 2020 by \$109,298,180 which represents total net position, of which \$85,876,436 is the investment in capital assets net of related debt. Of the \$23,421,744 "liquid assets", \$18,087,907 is reported as unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities cost \$21,234,942 in 2020. They were financed by property, sales tax, and other taxes in the amount of \$15,838,492, or 74.5% of the cost. Fees, grants and other sources of income totaled an additional \$9,643,825, with the remaining revenue increasing the net position.
- At year-end unassigned fund balance for the General Fund was \$17,100,509 or 167.9% 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 16 through 17 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, Coronavirus Relief Fund and Proposition 2 Capital Projects 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 18 through 21 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 24 through 26 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. *Custodial 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 Custodial Funds subsection.

The basic fiduciary fund financial statements can be found on pages 25 through 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 73 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 \$104,971,805 at the end of 2019. By year end 2020 the excess of net position and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$109,219,180, an increase of \$4,247,375. 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 Position**  
**Governmental Activities**

	Year Ended 12/31/19	Year Ended 12/31/20
Assets:		
Current and other assets	\$ 21,060,140	\$ 24,421,745
Capital assets	84,109,096	85,876,436
Net pension assets	<u>2,037,849</u>	<u>923,194</u>
Total assets	<u>\$ 107,207,085</u>	<u>\$ 111,221,375</u>
Deferred outflows of resources (pensions)	1,766,790	2,245,684
Liabilities:		
Current liabilities	\$ 926,132	\$ 1,424,413
Long-term liabilities	<u>2,136,399</u>	<u>2,176,791</u>
Total liabilities	<u>\$ 3,062,531</u>	<u>\$ 3,601,204</u>
Deferred inflows of resources (pensions)	<u>\$ 939,539</u>	<u>\$ 567,675</u>
Net position:		
Net investment in capital assets	\$ 84,095,096	\$ 85,876,436
Restricted	5,087,944	5,333,837
Unrestricted	<u>15,788,765</u>	<u>18,087,907</u>
Total net position	<u>\$ 104,971,805</u>	<u>\$ 109,298,180</u>

The largest portion of the County's net position (80.1% in 2019 and 77.8% in 2020) 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.

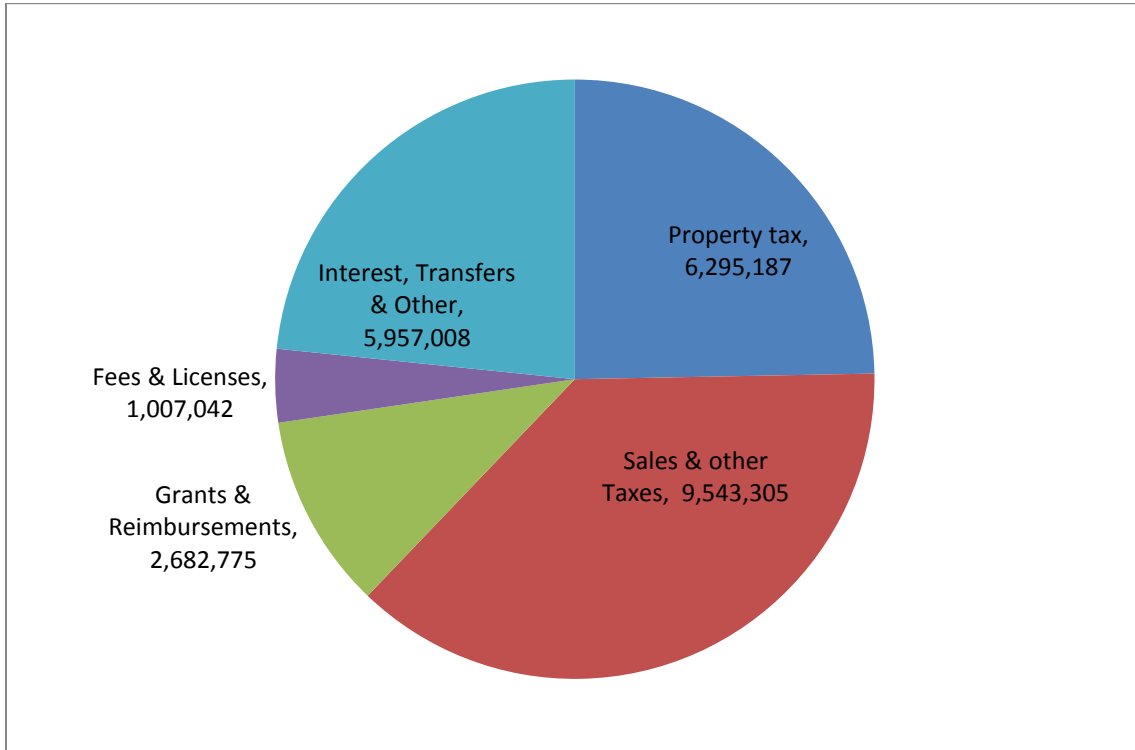
An additional \$5,087,944 in 2019 and \$5,333,837 in 2020, or 4.8 percent and 4.8 percent respectively, of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$15,788,765 in 2019 and \$18,087,907 in 2020, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of both fiscal 2019 and 2020, Callaway County is able to report positive balances in all three categories of net position for the government as a whole.



## Governmental Activities

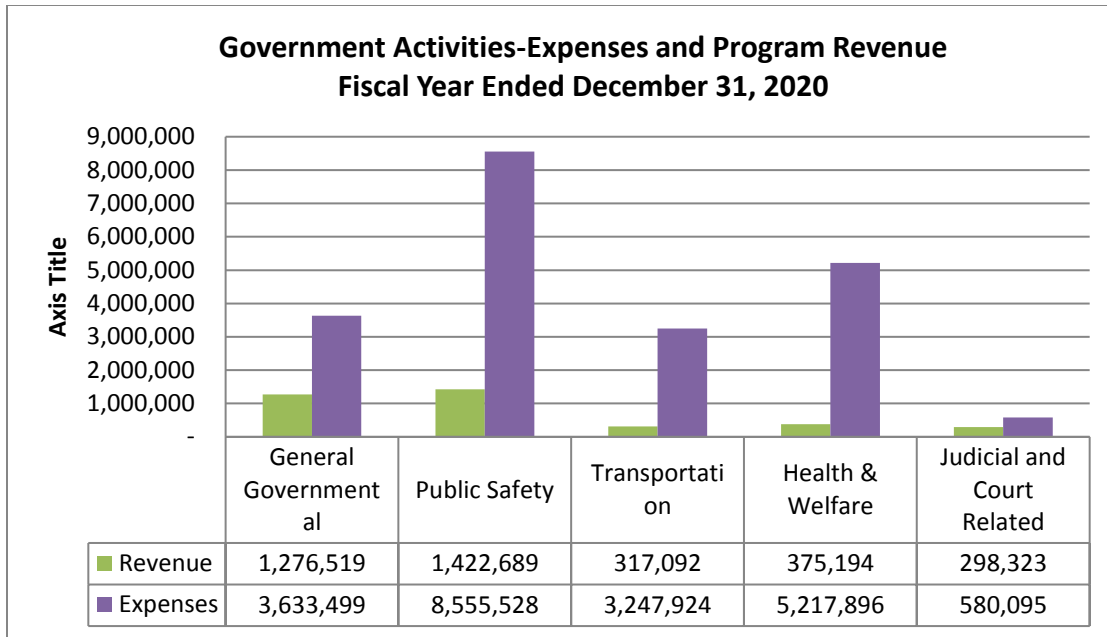
The following chart portrays governmental activities revenues by source.

### **Revenues-General County Government Year Ended December 31, 2020**



As reflected in the chart above, sales tax and other taxes provide over 37.4 percent of the County's revenue for governmental activities and totaled \$9,543,305 at the end of the year, as compared with \$6,175,519 in 2019. Property taxes totaling \$6,295,187 make up the other major revenue stream for governmental activities in 2020. That same statistic for 2019 was \$5,989,073.

The following chart reflects expenses and program revenues for governmental activities as of December 31, 2020. Public safety, transportation, and general government expenses rank higher than other functions of governmental activities, accounting for 72.7 percent of total expenses for governmental activities in 2020 compared with 91.95 percent for 2019.



### 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 \$22,892,106. 74.7 percent (\$17,100,509) of ending fund balance constitutes unassigned fund balance which is available for use in the coming year. The remaining fund balances of \$5,791,597 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 \$17,100,509, while total fund balance was \$17,564,776. 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 182.60% percent of total General Fund expenditures, while total fund balance represents 187.60% percent of that same amount. These numbers compare with 156.6% and 157.7% respectively at year end 2019.

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 \$2,362,462, which was a decrease of \$105,638 from the beginning of the year balance of \$2,468,100.

#### Proprietary Fund

Unrestricted net position of the County Employees Insurance Fund at the end of the fiscal year totaled \$26,226. 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 \$762,569 more than the final budget in 2020. In 2019, revenues were \$740,290 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 \$1,588,668 less than the budget in 2020, as compared to \$902,464 in 2019. 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 \$924,215 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 \$2,756,467 in fund balance. The fund balance increase for 2019 was \$486,621. 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 \$492,158 less than budgeted in 2020. Total 2020 intergovernmental revenue was \$613,267 less than budgeted and property taxes were \$139,254 more than budgeted. The 2019 intergovernmental revenues were \$148,611 more than budgeted and the property taxes were \$99,706 more than budgeted. Total revenues were \$5,030 more in 2020 than in 2019.

Total expenditures for 2020 were \$4,845,180 compared to \$5,075,715 in 2019, a decrease of \$230,535. 2020 expenditures were \$1,419,709 less than budgeted and were \$605,638 more than revenues for the year. The 2020 year end fund balance was \$2,362,462 compared to \$2,468,100 for 2019. The fund balance decreased due to the increased expenditures over revenue for the year, even with a \$500,00 budgeted transfer from Use Tax 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, 2020 totaled \$85,876,436 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment.

**Capital Assets  
Governmental Activities  
December 31, 2020  
With Comparatives for December 31, 2019  
(net of depreciation)**

	<b>2019</b>	<b>2020</b>
Land	\$ 1,093,387	\$ 1,093,387
Construction in Progress	188,059	199,408
Buildings and Improvements, Net	2,189,001	1,928,848
Equipment & Software, Net	2,472,894	3,077,670
Roads and Bridges, Net	<u>78,165,755</u>	<u>79,577,123</u>
Total Capital Assets, Net	<u>\$ 84,109,096</u>	<u>\$ 85,876,436</u>

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

### **Long Term Liabilities**

Net pension liability was \$2,176,791 at the end of 2020. 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 \$43,578,016 for 2020 as compared to \$45,125,942 at year end 2019.

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 3.6% at the end of 2020, lower than the state rate of 5.8% and the national rate of 6.7%.
- 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.
- With 2020 came a pandemic that we were not anticipating. Despite COVID, the county revenue continued to increase. Callaway County also received over \$5.2 million in CARES Act funding that was distributed throughout the county to local small businesses, nonprofits, schools, hospitals and various municipalities to assist with the financial impact that COVID placed on each of these entities.

These factors were considered in preparing Callaway County's budget for 2021 fiscal year. All departments are always encouraged to minimize expenditures and watch their budget carefully and 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. 5<sup>th</sup> Street  
Fulton, Missouri 65251  
[krentschler@callawaycounty.org](mailto:krentschler@callawaycounty.org)

## BASIC FINANCIAL STATEMENTS

## STATEMENT 1

CALLAWAY COUNTY, MISSOURIGOVERNMENT-WIDE FINANCIAL STATEMENTSSTATEMENT OF NET POSITION

December 31, 2020

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 20,017,698	\$ -	\$ 20,017,698
Prepaid Expenses	550,806	-	550,806
Due from:			
Other County Officials	18,790	-	18,790
Others	3,481,457	-	3,481,457
Delinquent Taxes Receivable	567,517	-	567,517
Reserve for Uncollectible Delinquent Taxes	(214,523)	-	(214,523)
Total Current Assets	<u>\$ 24,421,745</u>	<u>\$ -</u>	<u>\$ 24,421,745</u>
 <u>CAPITAL ASSETS:</u>			
Land	\$ 1,093,387	\$ -	\$ 1,093,387
Construction in Progress	199,408	-	199,408
Buildings and Leasehold Improvements, Net	1,928,848	-	1,928,848
Equipment and Software, Net	3,077,670	-	3,077,670
Roads and Bridges, Net	79,577,123	-	79,577,123
Total Capital Assets, Net	<u>\$ 85,876,436</u>	<u>\$ -</u>	<u>\$ 85,876,436</u>
 <u>OTHER ASSETS:</u>			
Net Pension Asset	\$ 923,194	\$ -	\$ 923,194
Total Other Assets	<u>\$ 923,194</u>	<u>\$ -</u>	<u>\$ 923,194</u>
 TOTAL ASSETS	 <u>\$ 111,221,375</u>	 <u>\$ -</u>	 <u>\$ 111,221,375</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pensions	<u>\$ 2,245,684</u>	<u>\$ -</u>	<u>\$ 2,245,684</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	\$ 1,032,313	\$ -	\$ 1,032,313
Accrued Compensated Absences	367,199	-	367,199
Employee Insurance Prepayments	79,000	-	79,000
Deferred Revenue	24,901	-	24,901
Total Current Liabilities	<u>\$ 1,503,413</u>	<u>\$ -</u>	<u>\$ 1,503,413</u>
<u>LONG-TERM LIABILITIES:</u>			
Long-Term Debt Net of Current Portion:			
Net Pension Liability	\$ 2,176,791	\$ -	\$ 2,176,791
Total Long-Term Liabilities	<u>\$ 2,176,791</u>	<u>\$ -</u>	<u>\$ 2,176,791</u>
TOTAL LIABILITIES	<u>\$ 3,680,204</u>	<u>\$ -</u>	<u>\$ 3,680,204</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Amounts Related to Pensions	<u>\$ 567,675</u>	<u>\$ -</u>	<u>\$ 567,675</u>
<u>NET POSITION</u>			
NET INVESTMENT IN CAPITAL ASSETS	\$ 85,876,436	\$ -	\$ 85,876,436
RESTRICTED FOR:			
Transportation Projects	2,362,462	-	2,362,462
Debt Service	4,305	-	4,305
Other Purposes	2,967,070	-	2,967,070
UNRESTRICTED	<u>18,008,907</u>	<u>-</u>	<u>18,008,907</u>
TOTAL NET POSITION	<u>\$ 109,219,180</u>	<u>\$ -</u>	<u>\$ 109,219,180</u>

See Accompanying Notes to Basic Financial Statements.



## CALLAWAY COUNTY, MISSOURI

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	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	\$ 3,633,499	\$ 422,136	\$ 854,383	\$ -	\$ (2,356,980)	\$ -	\$ (2,356,980)
Transportation	3,247,924	59,635	257,457	-	(2,930,832)	-	(2,930,832)
Judicial and Court Related	580,095	82,870	199,285	16,168	(281,772)	-	(281,772)
Public Safety	8,555,528	432,041	990,648	-	(7,132,839)	-	(7,132,839)
Health and Welfare	5,217,896	10,360	364,834	-	(4,842,702)	-	(4,842,702)
Total Governmental Activities	\$ 21,234,942	\$ 1,007,042	\$ 2,666,607	\$ 16,168	\$ (17,545,125)	\$ -	\$ (17,545,125)
Business-Type Activities:							
None	-	-	-	-	-	-	-
Total Primary Government	\$ 21,234,942	\$ 1,007,042	\$ 2,666,607	\$ 16,168	\$ (17,545,125)	\$ -	\$ (17,545,125)
General Revenues:							
Property Taxes					\$ 6,295,187	\$ -	\$ 6,295,187
CART Taxes					1,112,436	-	1,112,436
Motor Vehicle Sales Tax					358,560	-	358,560
Sales and Use Taxes					8,072,309	-	8,072,309
Interest Income					82,894	-	82,894
Other Income					5,898,340	-	5,898,340
Gain/(Loss) on Disposal of Capital Assets					(27,226)	-	(27,226)
Total General Revenues					\$ 21,792,500	\$ -	\$ 21,792,500
Change in Net Position					\$ 4,247,375	\$ -	\$ 4,247,375
Net Position - January 1, 2020					104,971,805	-	104,971,805
Net Position - December 31, 2020					\$ 109,219,180	\$ -	\$ 109,219,180

See Accompanying Notes to Basic Financial Statements.

## CALLAWAY COUNTY, MISSOURI

## FUND FINANCIAL STATEMENTS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	Special Road and Bridge Fund	Coronavirus Relief Fund	Proposition 2 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Cash and Cash Equivalents	\$ 15,186,794	\$ 1,475,075	\$ 552,886	\$ 76,713	\$ 2,628,343	\$ 19,919,811
Prepaid Expenses	432,245	13,500	-	-	87,196	532,941
Due from:						
Other Funds	174,426	10,949	-	-	4,548	189,923
Others	2,075,223	973,531	-	-	352,404	3,401,158
County Officials	18,790	-	-	-	-	18,790
Delinquent Taxes Receivable	319,886	247,631	-	-	-	567,517
Reserve for Uncollectible Delinquent Taxes	(120,917)	(93,606)	-	-	-	(214,523)
Total Assets	<u>\$ 18,086,447</u>	<u>\$ 2,627,080</u>	<u>\$ 552,886</u>	<u>\$ 76,713</u>	<u>\$ 3,072,491</u>	<u>\$ 24,415,617</u>
<u>Liabilities:</u>						
Accrued Compensated Absences	\$ 254,781	\$ 72,160	\$ -	\$ -	\$ 40,258	\$ 367,199
Interest Payable	-	-	-	-	-	-
Accounts Payable, Due to Others	248,094	192,458	458,065	28,041	46,795	973,453
Deferred Revenue	-	-	-	-	10,801	10,801
Due to Other Funds	18,796	-	-	150,000	3,262	172,058
Total Liabilities	<u>\$ 521,671</u>	<u>\$ 264,618</u>	<u>\$ 458,065</u>	<u>\$ 178,041</u>	<u>\$ 101,116</u>	<u>\$ 1,523,511</u>
<u>Fund Balances:</u>						
Nonspendable	\$ 432,245	\$ 13,500	\$ -	\$ -	\$ 7,164	\$ 452,909
Restricted	-	2,348,962	94,821	(101,328)	2,964,211	5,306,666
Assigned	32,022	-	-	-	-	32,022
Unassigned	17,100,509	-	-	-	-	17,100,509
Total Fund Balance	<u>\$ 17,564,776</u>	<u>\$ 2,362,462</u>	<u>\$ 94,821</u>	<u>\$ (101,328)</u>	<u>\$ 2,971,375</u>	<u>\$ 22,892,106</u>
 Total Liabilities and Fund Balances	<u>\$ 18,086,447</u>	<u>\$ 2,627,080</u>	<u>\$ 552,886</u>	<u>\$ 76,713</u>	<u>\$ 3,072,491</u>	<u>\$ 24,415,617</u>

See Accompanying Notes to Basic Financial Statements.

## STATEMENT 3-A

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

For the Year Ended December 31, 2020

Fund Balances of Governmental Funds (Statement 3)	\$ 22,892,106
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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 \$80,396,648.	85,876,436
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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.	424,412
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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.	<u>26,226</u>
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Total Net Position of Governmental Activities (Statement 1)	<u>\$ 109,219,180</u>
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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, 2020

	General Fund	Special Road and Bridge Fund	Coronavirus Relief Fund	Proposition 2 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Property Taxes	\$ 3,890,933	\$ 2,404,254	\$ -	\$ -	\$ 2,666	\$ 6,297,853
Intergovernmental	7,748,716	1,738,133	-	-	2,739,231	12,226,080
Charges for Services	370,582	59,635	-	-	576,825	1,007,042
Interest Income	59,965	4,825	6,234	435	10,328	81,787
Other	602,997	32,695	5,249,247	-	10,735	5,895,674
Total Revenues	<u>\$ 12,673,193</u>	<u>\$ 4,239,542</u>	<u>\$ 5,255,481</u>	<u>\$ 435</u>	<u>\$ 3,339,785</u>	<u>\$ 25,508,436</u>
<b>EXPENDITURES:</b>						
General County Government	\$ 2,567,394	\$ -	\$ -	\$ -	\$ 694,832	\$ 3,262,226
Transportation	-	4,845,180	-	-	318	4,845,498
Judicial and Court Related	531,602	-	-	-	11,196	542,798
Public Safety	5,713,982	-	-	1,351,763	1,391,718	8,457,463
Health and Welfare	549,846	-	4,853,362	-	6,879	5,410,087
Debt Service:						
Retirement of Bonds	-	-	-	-	14,000	14,000
Interest Expense	-	-	-	-	411	411
Total Expenditures	<u>\$ 9,362,824</u>	<u>\$ 4,845,180</u>	<u>\$ 4,853,362</u>	<u>\$ 1,351,763</u>	<u>\$ 2,119,354</u>	<u>\$ 22,532,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 3,310,369</u>	<u>\$ (605,638)</u>	<u>\$ 402,119</u>	<u>\$ (1,351,328)</u>	<u>\$ 1,220,431</u>	<u>\$ 2,975,953</u>
<b>Other Financing Sources (Uses):</b>						
Transfers In	\$ 257,298	\$ 500,000	\$ -	\$ 1,250,000	\$ 575,000	\$ 2,582,298
Transfers Out	(825,000)	-	(307,298)	-	(1,450,000)	(2,582,298)
Proceeds from Sale of Assets	13,800	-	-	-	6,100	19,900
Total Other Financing Sources (Uses)	<u>\$ (553,902)</u>	<u>\$ 500,000</u>	<u>\$ (307,298)</u>	<u>\$ 1,250,000</u>	<u>\$ (868,900)</u>	<u>\$ 19,900</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 2,756,467</u>	<u>\$ (105,638)</u>	<u>\$ 94,821</u>	<u>\$ (101,328)</u>	<u>\$ 351,531</u>	<u>\$ 2,995,853</u>
FUND BALANCE, January 1, 2020	<u>14,808,309</u>	<u>2,468,100</u>	<u>-</u>	<u>-</u>	<u>2,619,844</u>	<u>19,896,253</u>
FUND BALANCE, December 31, 2020	<u>\$ 17,564,776</u>	<u>\$ 2,362,462</u>	<u>\$ 94,821</u>	<u>\$ (101,328)</u>	<u>\$ 2,971,375</u>	<u>\$ 22,892,106</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, 2020

Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Statement 4)	\$	2,995,853
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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. These amounts are the  
differences in the treatment of capital assets:

Expenditures for capital assets		1,814,466
Net book value of capital assets disposed		(47,126)

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.		14,000
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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.		(304,289)
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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.		(225,529)
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Total Change in Net Position (Statement 2)	\$	<u>4,247,375</u>
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See Accompanying Notes to Basic Financial Statements.

## STATEMENT 5

CALLAWAY COUNTY, MISSOURISTATEMENT OF NET POSITIONPROPRIETARY FUND

December 31, 2020

	<u>Internal Service Fund</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS:</u>	
Cash and Cash Equivalents	\$ 97,887
Accounts Receivable	80,299
Prepaid Expenses	<u>17,865</u>
 TOTAL ASSETS	 \$ <u>196,051</u>
 <u>LIABILITIES</u>	
<u>LIABILITIES:</u>	
Accounts Payable, Due to Others	\$ 58,860
Due to Other Funds	17,865
Deferred Revenue	<u>93,100</u>
Total Liabilities	<u>\$ 169,825</u>
 <u>NET POSITION</u>	
UNRESTRICTED	<u>\$ 26,226</u>
 TOTAL NET POSITION	 <u><u>\$ 26,226</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, 2020

OPERATING REVENUES:

Charges for Services	\$ 1,093,734	
Total Operating Revenues		\$ 1,093,734

OPERATING EXPENSES:

Insurance Fund Payments	\$ 1,320,370	
Total Operating Expenses		<u>1,320,370</u>

OPERATING INCOME (LOSS)		\$ (226,636)
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OTHER REVENUES (EXPENSES):

Interest Income	\$ 1,107	
Total Other Revenue (Expenses)		<u>1,107</u>

INCREASE (DECREASE) IN NET POSITION		\$ (225,529)
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NET POSITION, January 1, 2020		<u>251,755</u>
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NET POSITION, December 31, 2020		<u><u>\$ 26,226</u></u>
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See Accompanying Notes to Basic Financial Statements.

## STATEMENT 7

CALLAWAY COUNTY, MISSOURISTATEMENT OF CASH FLOWSPROPRIETARY FUND

For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for Services	\$ 1,000,838
Insurance Fund Payments	<u>(1,297,892)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES \$ (297,054)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

-

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest	<u>\$ 1,107</u>
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NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 1,107

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS \$ (295,947)

CASH AND CASH EQUIVALENTS, January 1, 2020 393,834

CASH AND CASH EQUIVALENTS, December 31, 2020 \$ 97,887

## RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH

## FLOWS FROM OPERATING ACTIVITIES:

Operating Income (Loss)	\$ (226,636)
Change in Assets and Liabilities:	
Accounts Receivable	(73,639)
Prepaid Expenses	4,613
Deferred Revenue	14,100
Due to Other Funds	17,865
Accounts Payable	<u>(33,357)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES \$ (297,054)

See Accompanying Notes to Basic Financial Statements.



CALLAWAY COUNTY, MISSOURISTATEMENT OF FIDUCIARY NET POSITION

December 31, 2020

	Custodial Funds	Private Purpose Trust Funds Cemetery Trust
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,017,345	\$ 156,166
Certificates of Deposit	676,649	-
Due from:		
County Collector	35,520,516	-
Other County Officials	26,178	-
Others	11,033	-
Delinquent Taxes Receivable	5,189,804	-
Less: Reserve for Delinquent Taxes	(1,908,806)	-
Other Assets	108,359	-
TOTAL ASSETS	<u>\$ 40,641,078</u>	<u>\$ 156,166</u>
<u>LIABILITIES</u>		
Due to Others	\$ 40,113,016	\$ -
Due to Other Funds	9,414	-
Funds Held in Trust	518,648	-
TOTAL LIABILITIES	<u>\$ 40,641,078</u>	<u>\$ -</u>
<u>NET POSITION</u>		
NET POSITION HELD IN TRUST		<u>\$ 156,166</u>

See Accompanying Notes to Basic Financial Statements.

CALLAWAY COUNTY, MISSOURISTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2020

	Custodial Funds	Private Purpose Trust Funds Cemetery Trust
<u>ADDITIONS:</u>		
Property Taxes	\$ 96,266,412	\$ -
Intergovernmental	249,937	-
Charges for Services	432,831	-
Interest	2,146	535
Other	<u>1,513,526</u>	<u>2,728</u>
TOTAL ADDITIONS	<u>\$ 98,464,852</u>	<u>\$ 3,263</u>
<u>DEDUCTIONS:</u>		
Distributions to:		
Other Funds	\$ 87,501,514	\$ -
Other Governments	7,074,285	-
Others	<u>1,847,245</u>	<u>4,480</u>
TOTAL DEDUCTIONS	<u>\$ 96,423,044</u>	<u>\$ 4,480</u>
CHANGE IN NET POSITION	\$ 2,041,808	\$ (1,217)
ASSETS/LIABILITIES, January 1, 2020	38,599,270	157,383
PRIOR PERIOD ADJUSTMENT	<u>34,399</u>	<u>-</u>
ASSETS/LIABILITIES, December 31, 2020	<u>\$ 40,675,477</u>	<u>\$ 156,166</u>

See Independent Auditors' Report.

## CALLAWAY COUNTY, MISSOURI

### NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

#### 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 2020 the County provided \$175,000, the City of Fulton provided \$190,414, and Ameren UE provided \$260,449 to this fund. In 2020, the County also transferred another \$150,000 to the Emergency Operation Center Fund from Use Tax proceeds of the General 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 488.5336, 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 a \$5.00 fee added for 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-ninths of the 9 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 \$89.00 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 a \$25.00 fee added 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.

Coronavirus Relief Fund: This fund as presented is used to account for the CARES Act money received by the County and disbursed to local subrecipients.

Proposition 1 Fund: This fund is funded with a ½ percent sales tax used to fund additional deputies, investigators, and additional staff for the prosecuting attorney.

Proposition 2 Fund: This fund is funded with a ½ percent sales tax to fund construction of a new Justice Center and expansion of the Law Enforcement Center.

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.

4. Capital Projects Fund:

Proposition 2 Capital Projects Fund

This fund is used to account for the expenditures related to the Justice Center and Law Enforcement Center project.

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.

**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 custodial funds. The trust and custodial statements are prepared from the records of the County Treasurer.

Tax collections in the custody of the collector at December 31, 2020, 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 custodial 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, 2020, 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, 2020, 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, 2020, 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 2020 for the purposes of taxation was:

Real Estate	\$ 672,104,594
Personal Property	220,715,936
State Assessed Property	<u>31,558,345</u>
	<u>\$ 924,378,875</u>

The County's tax levy per \$100 assessed valuation is \$0.3328 for the General Revenue Fund and \$0.2576 for the County Road and Bridge Fund.

G. County Collector's Statements:

The County Collector's Balance Sheet at February 28, 2021, 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, 2020, the County purchased \$16,274,520 of U.S. Government securities under agreements to resell on January 1, 2021, 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, 2020 through December 31, 2020.

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, 2020, was \$779,037.

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, 2020, the County made no payments for COBRA benefits.

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 July 30, 2021, 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 \$21,867,858 and a bank balance of \$20,148,909 at December 31, 2020, 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	\$21,867,858
Fiduciary Funds Cash Balance	<u>(1,850,160)</u>
Cash, Statement of Net Position	<u>\$20,017,698</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 188,059	\$ 156,398	\$ (145,049)	\$ 199,408
Land	<u>1,093,387</u>	<u>-0-</u>	<u>-0-</u>	<u>1,093,387</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,281,446</u>	<u>\$ 156,398</u>	<u>\$ (145,049)</u>	<u>\$ 1,292,795</u>
Other Capital Assets:				
Building and Leasehold Improvements	\$ 8,709,045	\$ 17,875	\$ -0-	\$ 8,726,920
Equipment and Software	8,912,975	1,367,290	(379,697)	9,900,568
Roads and Bridges	<u>142,508,660</u>	<u>3,844,141</u>	<u>-0-</u>	<u>146,352,801</u>
Total Other Capital Assets at Historical Cost	<u>\$ 160,130,680</u>	<u>\$ 5,229,306</u>	<u>\$ (379,697)</u>	<u>\$ 164,980,289</u>
Less Accumulated Depreciation For:				
Buildings and Leasehold Improvements	\$ (6,520,044)	\$ (278,028)	\$ -0-	\$ (6,798,072)
Equipment and Software	(6,440,081)	(715,388)	332,571	(6,822,898)
Roads and Bridges	<u>(64,342,905)</u>	<u>(2,432,773)</u>	<u>-0-</u>	<u>(66,775,678)</u>
Total Accumulated Depreciation:	<u>\$ (77,303,030)</u>	<u>\$ (3,426,189)</u>	<u>\$ 332,571</u>	<u>\$ (80,396,648)</u>
Other Capital Assets, Net	<u>\$ 82,827,650</u>	<u>\$ 1,803,117</u>	<u>\$ (47,126)</u>	<u>\$ 84,583,641</u>
Governmental Capital Assets, Net	<u>\$ 84,109,096</u>	<u>\$ 1,959,515</u>	<u>\$ (192,175)</u>	<u>\$ 85,876,436</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 121,007
Transportation	2,828,834
Public Safety	451,178
Health and Welfare	<u>25,170</u>
Total Governmental Activities	
Depreciation Expense:	<u>\$3,426,189</u>

5. LONG-TERM LIABILITIES

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

	Neighborhood Improvement District Bonds
Balance, January 1, 2020	\$ 14,000
Debt Issued	-0-
Retirements	<u>(14,000)</u>
Balance, December 31, 2020	<u>\$ -0-</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 \$45,754,807.

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 \$-0- for the year ended December 31, 2020. The County entered into a new lease in August 2020 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, 2020.

## 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, 2020, their individual amounts are as follows:

LAGERS – General Division	\$ 815,881
LAGERS – Police Division	<u>107,313</u>
Total Net Pension Asset	<u>\$ 923,194</u>

CERF	<u>\$ 2,176,791</u>
Total Net Pension Liability	<u>\$ 2,176,791</u>

Total pension expense for all plans recognized in the financial statements totaled \$1,132,615.

### 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](http://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 29, 2020 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	71
Active employees	<u>114</u>
	<u>262</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 8.0% of annual covered payroll.

*Net Pension Liability.* The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

*Actuarial assumptions.* The total pension liability in the February 29, 2020 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>
Cash/Leverage	(25.00)%	(0.29)%
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%

*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

	<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 6/30/2019	<u>\$ 12,962,572</u>	<u>\$ 14,575,405</u>	<u>\$ (1,612,833)</u>
Changes for the year:			
Service Cost	333,283	-	333,283
Interest	929,196	-	929,196
Difference between expected and actual experience	139,183	-	139,183
Contributions - employer	-	410,016	(410,016)
Net investment income	-	187,097	(187,097)
Benefit payments, including refunds	(630,632)	(630,632)	-
Administrative expense	-	(31,602)	31,602
Other changes	-	39,199	(39,199)
Net Changes	<u>\$ 771,030</u>	<u>\$ (25,922)</u>	<u>\$ 796,952</u>
Balance at 6/30/2020	<u>\$ 13,733,602</u>	<u>\$ 14,549,483</u>	<u>\$ (815,881)</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>
\$ 1,221,139	\$ (815,881)	\$(2,476,397)

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

For the year ended June 30, 2020 the employer recognized pension expense of \$398,818. 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	\$ 130,324	\$ (19,010)
Differences in assumptions	-	-
Excess (deficit) investment returns	381,070	-
Contributions subsequent to the measurement date*	<u>203,780</u>	<u>-</u>
Total	<u>\$ 715,174</u>	<u>\$ (19,010)</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, 2021.

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

<u>Year ended:</u>	
2021	\$ 190,439
2022	97,693
2023	229,560
2024	178,472
2025	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ 696,164</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](http://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 29, 2020 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>35</u>
	<u>89</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 9.7% of annual covered payroll.

*Net Pension Liability.* The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

*Actuarial Assumptions.* The total pension liability in the February 29, 2020 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%
Cash/Leverage	(25.00%)	(0.29%)
Alpha	15.00%	3.67%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%

*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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2019	\$ 5,059,009	\$ 5,484,025	\$ (425,016)
Changes for the year:			
Service Cost	131,571	-	131,571
Interest	365,948	-	365,948
Difference between expected and actual experience	(19,474)	-	(19,474)
Contributions - employer	-	172,421	(172,421)
Net investment income	-	69,567	(69,567)
Benefit payments, including refunds	(154,884)	(154,884)	-
Administrative expense	-	(9,548)	9,548
Other changes	-	(72,098)	72,098
Net Changes	\$ 323,161	\$ 5,458	\$ 317,703
Balance at 6/30/2020	\$ 5,382,170	\$ 5,489,483	\$ (107,313)

*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 Rate Assumption	1% Increase
6.25%	7.25%	8.25%
\$774,190	\$ (107,313)	\$ (819,759)

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

For the year ended June 30, 2020, the employer recognized pension expense of \$304,341. 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	\$ 112,712	\$ (16,955)
Differences in assumptions	-	-
Excess (deficit) investment returns	147,801	-
Contributions subsequent to the measurement date*	62,251	-
Total	\$ 322,764	\$ (16,955)

\*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, 2021.

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

Year ended:	
2021	\$ 128,517
2022	43,115
2023	70,001
2024	64,176
2025	-0-
Thereafter	-0-
Total	<u>\$ 305,809</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 Assemble. 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](http://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, 2020, was 4% of annual payroll. Contributions and statutory charges remitted to the pension plan from the County were \$202,061 and \$429,456, respectively, for the year ended December 31, 2020.

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

At December 31, 2020, the County reported a liability of \$2,176,791 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and was based on the most recent actuarial valuation by CERF's independent actuary as of December 31, 2018 projected forward to December 31, 2019, and financial information of the Plan as of December 31, 2019.

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, 2019. At December 31, 2019, the County's proportion was 1.10480%, which increased by 0.24794% from the percentage used to allocate the liability as of December 31, 2018.

There were no changes in benefit terms during the CERF plan year ended December 31, 2019, that affected the measurement of total pension liability.

For the year ended December 31, 2020, the County recognized pension expense of \$429,456. At December 31, 2020, 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	\$ 59,665	\$ (42,558)
Projected and actual earnings on investments	-	(275,537)
Changes of assumptions	56,447	-
Changes in proportion	460,118	(213,615)
Contributions subsequent to the measurement date	631,516	-
Total	<u>\$ 1,207,746</u>	<u>\$ (531,710)</u>

Deferred outflows of resources related to pensions totaling \$631,516 resulting from County contributions subsequent to the measurement date through December 31, 2020 will be recognized as a reduction of the net pension liability in the year ending December 31, 2021.

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:	
2021	\$ 694,555
2022	(20,410)
2023	73,866
2024	(71,975)
2025	-0-
Total	<u>\$ 676,036</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2019 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	2.7%
Compensation Increases	2.91% to 10.83%
Investment Rate of Return	7.25%
Discount Rate	7.25%

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, 2019 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	21.00%	2.89%
Absolute Return	9.00%	4.25%
U.S. Large Cap Equity	26.00%	7.20%
U.S. Small Cap Equity	12.00%	8.41%
Non-U.S. Equity	14.00%	8.35%
Long/Short Equity	9.00%	5.64%
Private Equity	4.00%	10.40%
Core Real Estate	5.00%	6.79%

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25%. 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 7.25%, 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 (6.25%) or 1% 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>
\$ 3,322,065	\$ 2,176,791	\$ 1,227,631

*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, 2020, the County had a payable of \$46,793 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 30.53 percent of the total assessed valuation (\$272,557,962 out of \$892,820,530), and therefore, contributes approximately 30.53 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 2020, 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, 2020, 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 \$1,054,000 and \$1,127,860 for years ending December 31, 2019 and December 31, 2020, 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, 2020 are:

Balance December 31, 2019	\$ -0-
Provision for Incurred Claims	1,034,294
Payment of Claims	<u>(1,034,294)</u>
Balance December 31, 2020	<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	\$ 18,796	\$ 174,426
Special Road and Bridge Fund	-0-	10,949
Proposition 2 Capital Projects Fund	150,000	-0-
Internal Service Fund	17,865	-0-
Non-major Governmental Funds	<u>3,262</u>	<u>4,548</u>
	<u>\$189,923</u>	<u>\$189,923</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	\$ 825,000	\$ 257,298
Special Road and Bridge Fund	-0-	500,000
Proposition 2 Debt Service Fund	1,250,000	-0-
E-911 Fund	200,000	-0-
Coronavirus Relief Fund	307,298	-0-
Proposition 2 Capital Projects Fund	-0-	1,250,000
E.O.C. Fund	<u>-0-</u>	<u>575,000</u>
	<u>\$ 2,582,298</u>	<u>\$ 2,582,298</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, 2020, the taxes applicable to the County that were abated totaled \$139,226.

13. SUBSEQUENT EVENTS

During 2021, the County entered into two agreements for the construction of the Callaway County Justice Center and Jail. The total amount of the contracts are \$32,260,104.

In addition, in March 2021 the County issued Neighborhood Improvement District (NID) Bonds, Series 2021 in the amount of \$135,000. Proceeds from the bonds will be used to provide capital improvements within the Hiller's Creek Neighborhood Improvement District. The bonds accrue interest at 2.8 percent payable in annual principal and semi-annual interest payments and mature on March 1, 2031. Principal and interest payments will be financed by special assessments from the property owners located within the District.

REQUIRED SUPPLEMENTARY INFORMATION

CALLAWAY COUNTY, MISSOURI

GENERAL REVENUE FUND

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

For the Year Ended December 31, 2020

	<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	\$ 3,420,000	\$ 3,420,000	\$ 3,890,933	\$ 470,933
Intergovernmental	7,475,224	7,475,224	7,748,716	273,492
Charges for Services	349,400	349,400	370,582	21,182
Interest Income	231,250	231,250	59,965	(171,285)
Other	434,750	434,750	602,997	168,247
 TOTAL REVENUES	 \$ 11,910,624	 \$ 11,910,624	 \$ 12,673,193	 \$ 762,569
<u>EXPENDITURES:</u>				
General County Government:				
County Commission	\$ 111,288	\$ 111,288	\$ 249,849	\$ (138,561)
County Clerk	152,249	152,249	149,061	3,188
Elections	328,707	328,707	301,151	27,556
Data Processing	162,007	162,007	136,771	25,236
County Treasurer	109,265	109,265	105,951	3,314
County Collector	191,327	191,327	185,805	5,522
County Auditor	146,933	146,933	141,864	5,069
Recorder of Deeds	189,007	189,007	179,080	9,927
Human Resources	63,747	63,747	62,370	1,377
Courthouse	284,407	284,407	256,863	27,544
Other General and Administration	2,417,125	2,417,125	798,629	1,618,496
Total General County Government	\$ 4,156,062	\$ 4,156,062	\$ 2,567,394	\$ 1,588,668
 Judicial and Court Related:				
Circuit Clerk	\$ 29,956	\$ 29,956	\$ 22,899	\$ 7,057
Circuit Court	226,773	226,773	222,700	4,073
Public Administrator	234,469	234,469	188,770	45,699
Family Treatment Court	-	182,241	76,087	106,154
Jury	33,200	33,200	21,146	12,054
Total Judicial and Court Related	\$ 524,398	\$ 706,639	\$ 531,602	\$ 175,037

(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, 2020

	<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	\$ 3,067,413	\$ 3,263,266	\$ 2,979,379	\$ 283,887
Jail	1,740,291	1,799,791	1,599,427	200,364
Law Enforcement Center	182,860	182,860	136,165	46,695
Prosecuting Attorney	798,771	798,771	725,800	72,971
Juvenile Office	142,136	142,136	111,283	30,853
Juvenile	25,000	25,000	19,827	5,173
Medical Examiner	117,667	117,667	117,667	-
Federal Forfeiture	4,500	4,500	-	4,500
Special Sheriff's Fee	100,000	100,000	24,434	75,566
Total Public Safety	\$ 6,178,638	\$ 6,433,991	\$ 5,713,982	\$ 720,009
Health and Welfare:				
County Health and Welfare	\$ 618,809	\$ 618,809	\$ 549,846	\$ 68,963
TOTAL EXPENDITURES	\$ 11,477,907	\$ 11,915,501	\$ 9,362,824	\$ 2,552,677
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 432,717	\$ (4,877)	\$ 3,310,369	\$ 3,315,246
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	\$ 800,000	\$ 800,000	\$ 257,298	\$ (542,702)
Operating Transfers Out	(1,205,000)	(1,205,000)	(825,000)	380,000
Proceeds from Sale of Assets	-	-	13,800	13,800
Total Other Financing Sources (Uses)	\$ (405,000)	\$ (405,000)	\$ (553,902)	\$ (148,902)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 27,717	\$ (409,877)	\$ 2,756,467	\$ 3,166,344
FUND BALANCE, January 1, 2020			14,808,309	
FUND BALANCE, December 31, 2020			\$ 17,564,776	

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, 2020

	<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	\$ 2,265,000	\$ 2,265,000	\$ 2,404,254	\$ 139,254
Intergovernmental	2,351,400	2,351,400	1,738,133	(613,267)
Charges for Services	20,300	20,300	59,635	39,335
Interest Income	35,000	35,000	4,825	(30,175)
Other	60,000	60,000	32,695	(27,305)
<b>TOTAL REVENUES</b>	<b>\$ 4,731,700</b>	<b>\$ 4,731,700</b>	<b>\$ 4,239,542</b>	<b>\$ (492,158)</b>
<u>EXPENDITURES:</u>				
Transportation:				
Salaries	\$ 943,593	\$ 943,593	\$ 965,858	\$ (22,265)
Fringe Benefits	376,042	376,042	369,093	6,949
Fuel and Lubricants	300,000	300,000	242,175	57,825
Building Repairs and Maintenance	2,000	2,000	3,328	(1,328)
Supplies and Office Supplies	4,000	4,000	4,340	(340)
Tire and Tire Repair	75,000	75,000	91,876	(16,876)
Equipment Repairs and Maintenance	213,000	213,000	132,415	80,585
Road and Bridge Materials	2,999,000	2,999,000	2,102,106	896,894
Driveway Culverts	20,000	20,000	13,824	6,176
Rentals and Outside Labor	15,000	15,000	102,520	(87,520)
Engineering	10,000	10,000	-	10,000
Miscellaneous	3,500	3,500	7,453	(3,953)
New Equipment	1,284,254	1,284,254	789,810	494,444
Utilities and Telephone	19,500	19,500	20,382	(882)
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,264,889</b>	<b>\$ 6,264,889</b>	<b>\$ 4,845,180</b>	<b>\$ 1,419,709</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,533,189)</b>	<b>\$ (1,533,189)</b>	<b>\$ (605,638)</b>	<b>\$ 927,551</b>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	\$ 700,000	\$ 700,000	\$ 500,000	\$ (200,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 500,000</b>	<b>\$ (200,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ (833,189)</b>	<b>\$ (833,189)</b>	<b>\$ (105,638)</b>	<b>\$ 727,551</b>
<b>FUND BALANCE, January 1, 2020</b>			<b>2,468,100</b>	
<b>FUND BALANCE, December 31, 2020</b>			<b>\$ 2,362,462</b>	

See Independent Auditors' Report.



## CALLAWAY COUNTY, MISSOURI

## CORONAVIRUS RELIEF FUND

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

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Interest Income	\$ 6,000	\$ 6,000	\$ 6,234	\$ 234
Other	5,249,247	5,249,247	5,249,247	-
<b>TOTAL REVENUES</b>	<b>\$ 5,255,247</b>	<b>\$ 5,255,247</b>	<b>\$ 5,255,481</b>	<b>\$ 234</b>
<b>EXPENDITURES:</b>				
Health and Welfare:				
COVID 19 Expenses	\$ 5,255,247	\$ 5,255,247	\$ 4,853,362	\$ 401,885
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,255,247</b>	<b>\$ 5,255,247</b>	<b>\$ 4,853,362</b>	<b>\$ 401,885</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 402,119</b>	<b>\$ 402,119</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers Out	\$ -	\$ -	\$ (307,298)	\$ (307,298)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,821</b>	<b>\$ 94,821</b>
<b>FUND BALANCE, January 1, 2020</b>			<b>-</b>	
<b>FUND BALANCE, December 31, 2020</b>			<b>\$ 94,821</b>	

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

December 31, 2020

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.

## 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, 2020

Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020
<b>Total Pension Liability</b>						
Service Costs	\$ 264,429	\$ 276,465	\$ 296,125	\$ 302,688	\$ 317,141	\$ 333,283
Interest on the Pension Liability	714,287	744,649	803,006	844,845	882,624	929,196
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	139,183
Changes of Assumptions	-	488,233	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(474,112)	(434,417)	(509,440)	(571,273)	(582,740)	(630,632)
<b>Net Change in Total Pension Liability</b>	<b>393,365</b>	<b>832,121</b>	<b>604,243</b>	<b>519,618</b>	<b>657,977</b>	<b>771,030</b>
<b>Total Pension Liability - Beginning</b>	<b>9,955,248</b>	<b>10,348,613</b>	<b>11,180,734</b>	<b>11,784,977</b>	<b>12,304,595</b>	<b>12,962,572</b>
<b>Total Pension Liability - Ending (A)</b>	<b>\$ 10,348,613</b>	<b>\$ 11,180,734</b>	<b>\$ 11,784,977</b>	<b>\$ 12,304,595</b>	<b>\$ 12,962,572</b>	<b>\$ 13,733,602</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 422,006	\$ 407,066	\$ 400,483	\$ 453,074	\$ 422,677	\$ 410,016
Contributions - Employees	-	-	-	-	-	-
Net Investment Income	221,314	(25,940)	1,343,419	1,554,311	896,721	187,097
Benefit Payments, Including Refunds of Employee Contributions	(474,112)	(434,417)	(509,440)	(571,273)	(582,740)	(630,632)
Pension Plan Administrative Expense	(19,014)	(17,583)	(17,700)	(17,842)	(27,293)	(31,602)
Other (Net Transfers)	13,049	(34,514)	53,733	8,122	(5,411)	39,199
<b>Net Change in Plan Fiduciary Net Position</b>	<b>163,243</b>	<b>(105,388)</b>	<b>1,270,495</b>	<b>1,426,392</b>	<b>703,954</b>	<b>(25,922)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>11,116,709</b>	<b>11,279,952</b>	<b>11,174,564</b>	<b>12,445,059</b>	<b>13,871,451</b>	<b>14,575,405</b>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<b>\$ 11,279,952</b>	<b>\$ 11,174,564</b>	<b>\$ 12,445,059</b>	<b>\$ 13,871,451</b>	<b>\$ 14,575,405</b>	<b>\$ 14,549,483</b>
<b>Net Pension Liability - Ending (A) - (B)</b>	<b>(931,339)</b>	<b>6,170</b>	<b>(660,082)</b>	<b>(1,566,856)</b>	<b>(1,612,833)</b>	<b>(815,881)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>109.00%</b>	<b>99.94%</b>	<b>105.60%</b>	<b>112.73%</b>	<b>112.44%</b>	<b>105.94%</b>
<b>Covered Valuation Payroll</b>	<b>\$ 3,289,720</b>	<b>\$ 3,563,515</b>	<b>\$ 3,494,714</b>	<b>\$ 3,639,504</b>	<b>\$ 3,688,872</b>	<b>\$ 4,127,548</b>
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>-28.31%</b>	<b>0.17%</b>	<b>-18.89%</b>	<b>-43.05%</b>	<b>-43.72%</b>	<b>-19.77%</b>

## 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, 2020

Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020
<b>Total Pension Liability</b>						
Service Costs	\$ 90,854	\$ 92,725	\$ 88,643	\$ 91,661	\$ 114,983	\$ 131,571
Interest on the Pension Liability	256,182	278,392	289,840	300,411	340,512	365,948
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	(19,474)
Changes of Assumptions	-	93,324	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(110,183)	(113,919)	(237,671)	(145,276)	(184,536)	(154,884)
<b>Net Change in Total Pension Liability</b>	307,261	220,703	98,930	560,953	328,121	323,161
<b>Total Pension Liability - Beginning</b>	3,543,041	3,850,302	4,071,005	4,169,935	4,730,888	5,059,009
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 3,850,302</u>	<u>\$ 4,071,005</u>	<u>\$ 4,169,935</u>	<u>\$ 4,730,888</u>	<u>\$ 5,059,009</u>	<u>\$ 5,382,170</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 109,325	\$ 105,028	\$ 98,254	\$ 121,668	\$ 146,073	\$ 172,421
Contributions - Employees	-	-	-	-	-	-
Net Investment Income	80,514	(6,008)	529,061	560,210	335,599	69,567
Benefit Payments, Including Refunds of Employee Contributions	(110,183)	(113,919)	(237,671)	(145,276)	(184,536)	(154,884)
Pension Plan Administrative Expense	(5,313)	(4,711)	(4,889)	(5,378)	(8,091)	(9,548)
Other (Net Transfers)	18,846	(53,879)	11,636	11,959	29,579	(72,098)
<b>Net Change in Plan Fiduciary Net Position</b>	93,189	(73,489)	396,391	543,183	318,624	5,458
<b>Plan Fiduciary Net Position - Beginning</b>	4,206,127	4,299,316	4,225,827	4,622,218	5,165,401	5,484,025
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 4,299,316</u>	<u>\$ 4,225,827</u>	<u>\$ 4,622,218</u>	<u>\$ 5,165,401</u>	<u>\$ 5,484,025</u>	<u>\$ 5,489,483</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	(449,014)	(154,822)	(452,283)	(434,513)	(425,016)	(107,313)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	111.66%	103.80%	110.85%	109.18%	108.40%	101.99%
<b>Covered Valuation Payroll</b>	\$ 1,073,531	\$ 1,058,746	\$ 954,520	\$ 1,236,472	\$ 1,378,497	\$ 1,596,039
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-41.83%	-14.62%	-47.38%	-35.14%	-30.83%	-6.72%

## 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 SYSTEM

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2020

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
2020	\$ 522,263	\$ 522,263	\$ -	\$ 6,136,414	8.51%
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%

**Notes to Schedule:****Valuation Date:**

February 29, 2020

**Notes**

The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 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 11 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 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, 2020

	2015*	2016*	2017*	2018*	2019*	2020*
County's Proportion of the Net Pension Liability	0.946%	0.930%	0.985%	1.031%	0.857%	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	\$ 2,176,791
County's Covered-Employee Payroll	4,872,558	4,763,737	4,979,871	5,442,823	5,856,331	6,344,720
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%	34.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.83%	69.11%	66.70%	72.02%	66.43%	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, 2020

	2015*	2016*	2017*	2018*	2019*	2020*
Required Contribution	\$ 168,250	\$ 359,200	\$ 503,038	\$ 517,974	\$ 427,620	\$ 582,289
Contributions in Relation to the Required Contribution	187,132	185,142	199,921	216,549	244,323	343,698
Contribution Deficiency (Excess)	<u>\$ (18,882)</u>	<u>\$ 174,058</u>	<u>\$ 303,117</u>	<u>\$ 301,425</u>	<u>\$ 183,297</u>	<u>\$ 238,591</u>
County's Covered-Employee Payroll	\$ 4,872,558	\$ 4,763,737	\$ 4,979,871	\$ 5,442,823	\$ 5,856,331	\$ 6,344,720
Contributions as a Percentage of Covered-Employee Payroll	3.84%	3.89%	4.01%	3.98%	4.17%	5.42%

\*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, MISSOURI

## COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS

December 31, 2020

	E-911 Fund	E.O.C. Fund	Johnson Grass Fund	Recorder of Deeds Fund	Domestic Violence Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Assessment Fund
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 460,599	\$ 125,013	\$ 7,789	\$ 128,441	\$ 6,806	\$ 1,829	\$ 4,487	\$ 1,344,400
Due from:								
Other Funds	-	1,946	-	-	-	-	-	2,302
Others	65,577	9,182	-	2,966	523	290	379	95,895
Prepaid Expenses	-	55,386	-	-	-	1,006	-	8,340
TOTAL ASSETS	<u>\$ 526,176</u>	<u>\$ 191,527</u>	<u>\$ 7,789</u>	<u>\$ 131,407</u>	<u>\$ 7,329</u>	<u>\$ 3,125</u>	<u>\$ 4,866</u>	<u>\$ 1,450,937</u>
<u>LIABILITIES AND FUND BALANCE</u>								
<u>LIABILITIES:</u>								
Accrued Compensated Absences	\$ -	\$ 24,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,595
Deferred Revenue	-	10,801	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Due to Others	2,745	14,058	-	-	3,029	-	-	11,593
TOTAL LIABILITIES	<u>\$ 2,745</u>	<u>\$ 49,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,188</u>
<u>FUND BALANCE:</u>								
Nonspendable	\$ -	\$ 757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,207
Restricted	523,431	141,248	7,789	131,407	4,300	3,125	4,866	1,418,542
Assigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>\$ 523,431</u>	<u>\$ 142,005</u>	<u>\$ 7,789</u>	<u>\$ 131,407</u>	<u>\$ 4,300</u>	<u>\$ 3,125</u>	<u>\$ 4,866</u>	<u>\$ 1,423,749</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 526,176</u>	<u>\$ 191,527</u>	<u>\$ 7,789</u>	<u>\$ 131,407</u>	<u>\$ 7,329</u>	<u>\$ 3,125</u>	<u>\$ 4,866</u>	<u>\$ 1,450,937</u>

See Independent Auditors' Report.

## EXHIBIT 1

Drug Court Fund	Tax Maintenance Fund	FEMA 4451 Dr Fund	Prop 2 Debt Service Fund	Sheriff's Revolving Fund	Administrative Justice	Inmate Security Fund	Neighborhood Improvement Projects Fund	Totals (Memorandum Only)
\$ 92,173	\$ 16,152	\$ 89,399	\$ 8,197	\$ 93,689	\$ 50,403	\$ 191,399	\$ 7,567	\$ 2,628,343
-	-	-	-	-	-	300	-	4,548
2,403	-	-	169,106	-	163	5,920	-	352,404
-	18,427	-	-	2,495	-	1,542	-	87,196
<u>\$ 94,576</u>	<u>\$ 34,579</u>	<u>\$ 89,399</u>	<u>\$ 177,303</u>	<u>\$ 96,184</u>	<u>\$ 50,566</u>	<u>\$ 199,161</u>	<u>\$ 7,567</u>	<u>\$ 3,072,491</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,258
-	-	-	-	-	-	-	-	10,801
-	-	-	-	-	-	-	3,262	3,262
(2,115)	16,687	-	-	798	-	-	-	46,795
<u>\$ (2,115)</u>	<u>\$ 16,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,262</u>	<u>\$ 101,116</u>
\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,164
96,691	16,692	89,399	177,303	95,386	50,566	199,161	4,305	2,964,211
-	-	-	-	-	-	-	-	-
<u>\$ 96,691</u>	<u>\$ 17,892</u>	<u>\$ 89,399</u>	<u>\$ 177,303</u>	<u>\$ 95,386</u>	<u>\$ 50,566</u>	<u>\$ 199,161</u>	<u>\$ 4,305</u>	<u>\$ 2,971,375</u>
<u>\$ 94,576</u>	<u>\$ 34,579</u>	<u>\$ 89,399</u>	<u>\$ 177,303</u>	<u>\$ 96,184</u>	<u>\$ 50,566</u>	<u>\$ 199,161</u>	<u>\$ 7,567</u>	<u>\$ 3,072,491</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, 2020

	E-911 Fund	E.O.C. 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	627,502	-	-	-	1,821	-	584,798
Charges for Services	306,360	-	-	32,497	6,822	3,842	4,874	-
Interest Income	2,032	1,048	34	391	18	9	40	4,648
Other	-	1,929	-	-	-	-	-	5,098
<b>TOTAL REVENUES</b>	<b>\$ 308,392</b>	<b>\$ 630,479</b>	<b>\$ 34</b>	<b>\$ 32,888</b>	<b>\$ 6,840</b>	<b>\$ 5,672</b>	<b>\$ 4,914</b>	<b>\$ 594,544</b>
<u>EXPENDITURES:</u>								
General County Government	\$ -	\$ -	\$ 1,379	\$ 7,299	\$ -	\$ -	\$ -	\$ 571,010
Transportation	-	-	-	-	-	-	-	-
Judicial and Court Related	-	-	-	-	-	-	4,659	-
Public Safety	76,294	1,182,597	-	-	-	6,613	-	-
Health and Welfare	-	-	-	-	6,879	-	-	-
Debt Service:								
Retirement of Bonds	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 76,294</b>	<b>\$ 1,182,597</b>	<b>\$ 1,379</b>	<b>\$ 7,299</b>	<b>\$ 6,879</b>	<b>\$ 6,613</b>	<b>\$ 4,659</b>	<b>\$ 571,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 232,098</b>	<b>\$ (552,118)</b>	<b>\$ (1,345)</b>	<b>\$ 25,589</b>	<b>\$ (39)</b>	<b>\$ (941)</b>	<b>\$ 255</b>	<b>\$ 23,534</b>
<u>OTHER FINANCING SOURCES (USES):</u>								
Proceeds for Sale of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (Out)	(200,000)	575,000	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (200,000)</b>	<b>\$ 575,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ 32,098</b>	<b>\$ 22,882</b>	<b>\$ (1,345)</b>	<b>\$ 25,589</b>	<b>\$ (39)</b>	<b>\$ (941)</b>	<b>\$ 255</b>	<b>\$ 23,534</b>
<b>FUND BALANCE, January 1, 2020</b>	<b>491,333</b>	<b>119,123</b>	<b>9,134</b>	<b>105,818</b>	<b>4,339</b>	<b>4,066</b>	<b>4,611</b>	<b>1,400,215</b>
<b>FUND BALANCE, December 31, 2020</b>	<b>\$ 523,431</b>	<b>\$ 142,005</b>	<b>\$ 7,789</b>	<b>\$ 131,407</b>	<b>\$ 4,300</b>	<b>\$ 3,125</b>	<b>\$ 4,866</b>	<b>\$ 1,423,749</b>

See Independent Auditors' Report.

## EXHIBIT 2

Drug Court Fund	Tax Maintenance Fund	FEMA 4451 Dr Fund	Prop 2 Debt Service Fund	Sheriff's Revolving Fund	Administrative Justice	Inmate Security Fund	Neighborhood Improvement Projects Fund	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,666	\$ 2,666
-	-	89,307	1,427,128	-	-	8,675	-	2,739,231
12,137	92,627	-	-	41,249	3,503	72,914	-	576,825
348	227	92	175	290	183	756	37	10,328
-	-	-	-	1,088	-	2,620	-	10,735
<u>\$ 12,485</u>	<u>\$ 92,854</u>	<u>\$ 89,399</u>	<u>\$ 1,427,303</u>	<u>\$ 42,627</u>	<u>\$ 3,686</u>	<u>\$ 84,965</u>	<u>\$ 2,703</u>	<u>\$ 3,339,785</u>
\$ -	\$ 115,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694,832
-	-	-	-	-	-	-	318	318
6,537	-	-	-	-	-	-	-	11,196
-	-	-	-	19,198	-	107,016	-	1,391,718
-	-	-	-	-	-	-	-	6,879
-	-	-	-	-	-	-	14,000	14,000
-	-	-	-	-	-	-	411	411
<u>\$ 6,537</u>	<u>\$ 115,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,198</u>	<u>\$ -</u>	<u>\$ 107,016</u>	<u>\$ 14,729</u>	<u>\$ 2,119,354</u>
<u>\$ 5,948</u>	<u>\$ (22,290)</u>	<u>\$ 89,399</u>	<u>\$ 1,427,303</u>	<u>\$ 23,429</u>	<u>\$ 3,686</u>	<u>\$ (22,051)</u>	<u>\$ (12,026)</u>	<u>\$ 1,220,431</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,100	\$ -	\$ 6,100
-	-	-	(1,250,000)	-	-	-	-	(875,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,250,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,100</u>	<u>\$ -</u>	<u>\$ (868,900)</u>
\$ 5,948	\$ (22,290)	\$ 89,399	\$ 177,303	\$ 23,429	\$ 3,686	\$ (15,951)	\$ (12,026)	\$ 351,531
<u>90,743</u>	<u>40,182</u>	<u>-</u>	<u>-</u>	<u>71,957</u>	<u>46,880</u>	<u>215,112</u>	<u>16,331</u>	<u>2,619,844</u>
<u>\$ 96,691</u>	<u>\$ 17,892</u>	<u>\$ 89,399</u>	<u>\$ 177,303</u>	<u>\$ 95,386</u>	<u>\$ 50,566</u>	<u>\$ 199,161</u>	<u>\$ 4,305</u>	<u>\$ 2,971,375</u>

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURICOMBINING BALANCE SHEET - ALL CUSTODIAL FUNDS

December 31, 2020

	<u>Custodial Funds</u>				<u>Totals</u> (Memorandum Only)
	<u>County Treasurer</u>	<u>County Collector</u>	<u>Other County Officials</u>	<u>Public Administrator</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 293,198	\$ 491,053	\$ 44,124	\$ 188,970	\$ 1,017,345
Certificates of Deposit		653,754		22,895	676,649
Due from:					
County Collector	35,520,516	-	-	-	35,520,516
Other County Officials	26,178	-	-	-	26,178
Others	11,033	-	-	-	11,033
Delinquent Taxes Receivable	5,189,804	-	-	-	5,189,804
Less: Reserve for Delinquent Taxes	(1,908,806)	-	-	-	(1,908,806)
Other Assets	-	-	-	108,359	108,359
<b>TOTAL ASSETS</b>	<b>\$ 39,131,923</b>	<b>\$ 1,144,807</b>	<b>\$ 44,124</b>	<b>\$ 320,224</b>	<b>\$ 40,641,078</b>
<u>LIABILITIES</u>					
Due to Others	\$ 38,933,447	\$ 1,144,807	\$ 34,762	\$ -	\$ 40,113,016
Due to Other Funds	9,414	-	-	-	9,414
Funds Held in Trust	189,062	-	9,362	320,224	518,648
<b>TOTAL LIABILITIES</b>	<b>\$ 39,131,923</b>	<b>\$ 1,144,807</b>	<b>\$ 44,124</b>	<b>\$ 320,224</b>	<b>\$ 40,641,078</b>

See Independent Auditors' Report.

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

For the Year Ended December 31, 2020

	Custodial Funds				Totals (Memorandum Only)
	County Treasurer	County Collector	Other County Officials	Public Administrator	
<u>RECEIPTS:</u>					
Property Taxes	\$ 44,247,728	\$ 52,018,684	\$ -	\$ -	\$ 96,266,412
Intergovernmental	249,937	-	-	-	249,937
Charges for Services	432,831	-	-	-	432,831
Interest	2,146	-	-	-	2,146
Other	163,976	41,813	1,192,284	115,453	1,513,526
<b>TOTAL RECEIPTS</b>	<b>\$ 45,096,618</b>	<b>\$ 52,060,497</b>	<b>\$ 1,192,284</b>	<b>\$ 115,453</b>	<b>\$ 98,464,852</b>
<u>DISBURSEMENTS:</u>					
Distributions to:					
Other Funds	\$ 35,762,979	\$ 51,316,220	\$ 422,315	\$ -	\$ 87,501,514
Other Governments	5,339,533	1,425,263	309,489	-	7,074,285
Others	1,292,111	-	457,693	97,441	1,847,245
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 42,394,623</b>	<b>\$ 52,741,483</b>	<b>\$ 1,189,497</b>	<b>\$ 97,441</b>	<b>\$ 96,423,044</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 2,701,995</b>	<b>\$ (680,986)</b>	<b>\$ 2,787</b>	<b>\$ 18,012</b>	<b>\$ 2,041,808</b>
<b>ASSETS/LIABILITIES, January 1, 2020</b>	<b>36,429,928</b>	<b>1,825,793</b>	<b>41,337</b>	<b>302,212</b>	<b>38,599,270</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,399</b>	<b>34,399</b>
<b>ASSETS/LIABILITIES, December 31, 2020</b>	<b>\$ 39,131,923</b>	<b>\$ 1,144,807</b>	<b>\$ 44,124</b>	<b>\$ 354,623</b>	<b>\$ 40,675,477</b>

See Independent Auditors' Report.

## EXHIBIT 5

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

December 31, 2020

	Custodial 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	\$ -	\$ 129,491	\$ -	\$ -
Due from:				
County Collector	745,811	29,915,312	79,276	1,730,358
Other County Officials	-	20,103	-	-
Others	1	-	-	-
Delinquent Taxes Receivable	95,956	4,343,431	9,795	248,723
Less: Reserve for Delinquent Taxes	<u>(35,878)</u>	<u>(1,616,863)</u>	<u>(3,879)</u>	<u>(91,915)</u>
TOTAL ASSETS	<u>\$ 805,890</u>	<u>\$ 32,791,474</u>	<u>\$ 85,192</u>	<u>\$ 1,887,166</u>
<u>LIABILITIES</u>				
Due to Others	\$ 805,890	\$ 32,641,880	\$ 85,192	\$ 1,887,166
Due to Other Funds	-	-	-	-
Funds Held in Trust	<u>-</u>	<u>149,594</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 805,890</u>	<u>\$ 32,791,474</u>	<u>\$ 85,192</u>	<u>\$ 1,887,166</u>

See Independent Auditors' Report.

## EXHIBIT 5

Custodial Funds					
County Library Fund	Cities Tax Fund	County Employees Retirement Fund	Tourism Tax Fund	Sundry Funds (Note 2)	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ 12,047	\$ 151,660	\$ 293,198
2,032,072	976,969	40,718	-	-	35,520,516
-	-	6,075	-	-	26,178
2	5	1,683	8,242	1,100	11,033
256,461	235,438	-	-	-	5,189,804
(91,245)	(69,026)	-	-	-	(1,908,806)
<u>\$ 2,197,290</u>	<u>\$ 1,143,386</u>	<u>\$ 48,476</u>	<u>\$ 20,289</u>	<u>\$ 152,760</u>	<u>\$ 39,131,923</u>
\$ 2,197,290	\$ 1,143,386	\$ -	\$ 19,883	\$ 152,760	\$ 38,933,447
-	-	9,008	406	-	9,414
-	-	39,468	-	-	189,062
<u>\$ 2,197,290</u>	<u>\$ 1,143,386</u>	<u>\$ 48,476</u>	<u>\$ 20,289</u>	<u>\$ 152,760</u>	<u>\$ 39,131,923</u>

See Independent Auditors' Report.



## EXHIBIT 6

CALLAWAY COUNTY, MISSOURI

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

For the Year Ended December 31, 2020

	Custodial Funds			
	Special Services Fund	School Districts Funds (Note 2)	Ambulance District Fund	Fire Protection Districts Funds (Note 2)
<u>RECEIPTS:</u>				
Property Taxes	\$ 909,643	\$ 37,300,946	\$ 96,666	\$ 2,154,015
Intergovernmental	-	235,519	-	-
Charges for Services	-	-	-	-
Interest	-	1,335	-	-
Other	-	4,499	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL RECEIPTS	<u>\$ 909,643</u>	<u>\$ 37,542,299</u>	<u>\$ 96,666</u>	<u>\$ 2,154,015</u>
<u>DISBURSEMENTS:</u>				
Distributions to:				
Other Funds	\$ -	\$ 35,762,979	\$ -	\$ -
Other Governments	-	-	131,142	2,059,288
Others	860,233	-	-	-
	<u>860,233</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>\$ 860,233</u>	<u>\$ 35,762,979</u>	<u>\$ 131,142</u>	<u>\$ 2,059,288</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 49,410	\$ 1,779,320	\$ (34,476)	\$ 94,727
ASSETS/LIABILITIES, January 1, 2020	<u>756,480</u>	<u>31,012,154</u>	<u>119,668</u>	<u>1,792,439</u>
ASSETS/LIABILITIES, December 31, 2020	<u>\$ 805,890</u>	<u>\$ 32,791,474</u>	<u>\$ 85,192</u>	<u>\$ 1,887,166</u>

See Independent Auditors' Report.

## EXHIBIT 6

Custodial Funds					
County Library Fund	Cities Tax Fund	County Employees Retirement Fund	Tourism Tax Fund	Sundry Funds (Note 2)	Totals (Memorandum Only)
\$ 2,447,870	\$ 1,338,588	\$ -	\$ -	\$ -	\$ 44,247,728
-	-	-	-	14,418	249,937
-	-	432,831	-	-	432,831
-	-	321	21	469	2,146
-	-	-	122,907	36,570	163,976
<u>\$ 2,447,870</u>	<u>\$ 1,338,588</u>	<u>\$ 433,152</u>	<u>\$ 122,928</u>	<u>\$ 51,457</u>	<u>\$ 45,096,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,762,979
1,776,924	1,249,581	-	122,598	-	5,339,533
-	-	409,770	2,500	19,608	1,292,111
<u>\$ 1,776,924</u>	<u>\$ 1,249,581</u>	<u>\$ 409,770</u>	<u>\$ 125,098</u>	<u>\$ 19,608</u>	<u>\$ 42,394,623</u>
\$ 670,946	\$ 89,007	\$ 23,382	\$ (2,170)	\$ 31,849	\$ 2,701,995
1,526,344	1,054,379	25,094	22,459	120,911	36,429,928
<u>\$ 2,197,290</u>	<u>\$ 1,143,386</u>	<u>\$ 48,476</u>	<u>\$ 20,289</u>	<u>\$ 152,760</u>	<u>\$ 39,131,923</u>

See Independent Auditors' Report.

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

December 31, 2020

	Prosecuting Attorney	Sheriff	County Clerk	Recorder of Deeds	Totals (Memorandum Only)
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 34	\$ 9,362	\$ -	\$ 34,728	\$ 44,124
TOTAL ASSETS	<u>\$ 34</u>	<u>\$ 9,362</u>	<u>\$ -</u>	<u>\$ 34,728</u>	<u>\$ 44,124</u>
<u>LIABILITIES</u>					
Due to Others	\$ 34	\$ -	\$ -	\$ 34,728	\$ 34,762
Funds Held in Trust	<u>-</u>	<u>9,362</u>	<u>-</u>	<u>-</u>	<u>9,362</u>
TOTAL LIABILITIES	<u>\$ 34</u>	<u>\$ 9,362</u>	<u>\$ -</u>	<u>\$ 34,728</u>	<u>\$ 44,124</u>

See Independent Auditors' Report.

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

For the Year Ended December 31, 2020

	Prosecuting Attorney	Sheriff	County Clerk	Recorder of Deeds	Totals (Memorandum Only)
<u>RECEIPTS:</u>					
Deposits, Fees, Bonds, and Others	\$ 97,177	\$ 334,221	\$ 370,295	\$ 390,591	\$ 1,192,284
TOTAL RECEIPTS	\$ 97,177	\$ 334,221	\$ 370,295	\$ 390,591	\$ 1,192,284
<u>DISBURSEMENTS:</u>					
Distributions to:					
Other Funds	\$ 4,827	\$ 4	\$ 343,914	\$ 73,570	\$ 422,315
Other Governments	-	-	-	309,489	309,489
Others	92,350	338,962	26,381	-	457,693
TOTAL DISBURSEMENTS	\$ 97,177	\$ 338,966	\$ 370,295	\$ 383,059	\$ 1,189,497
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ -	\$ (4,745)	\$ -	\$ 7,532	\$ 2,787
ASSETS/LIABILITIES, January 1, 2020	34	14,107	-	27,196	41,337
ASSETS/LIABILITIES, December 31, 2020	\$ 34	\$ 9,362	\$ -	\$ 34,728	\$ 44,124

See Independent Auditors' Report.

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

For the Year Ended December 31, 2020

BEGINNING ESTATE BALANCES:

## Sources:

Estates Received by Public Administrator	\$ 34,399
Receipts to Estates:	
Social Security and Welfare	51,656
Retirement and Pension	23,501
Interest Income and Dividends	342
Gain on Sale	1,624
Other	3,931
Total Sources	<u>\$ 115,453</u>

## Uses:

Support of Ward	\$ 92,680
Public Administrator Fees	3,883
Public Attorney Fees	498
Probate Fees	370
Bank Charges	10
Other	-
Estates Distributed	-
Total Uses	<u>\$ 97,441</u>

EXCESS (DEFICIENCY) OF SOURCES/USES \$ 18,012

ESTATE BALANCES, January 1, 2020 302,212ESTATE BALANCES, December 31, 2020 \$ 320,224COMPOSITION OF ENDING BALANCES

Cash	\$ 188,970
Savings Bonds	5,000
Certificates of Deposit	22,895
Other Investments	93,804
Real Estate	950
Personal Property	8,605
TOTAL	<u>\$ 320,224</u>

See Independent Auditors' Report.

CALLAWAY COUNTY, MISSOURI  
BALANCE SHEET - COUNTY COLLECTOR

February 28, 2021

ASSETS

Cash in Banks	\$ 491,053
Certificates of Deposit	<u>653,754</u>
 TOTAL ASSETS	 <u>\$ 1,144,807</u>

LIABILITIES

Due to Political Subdivision	<u>\$ 1,144,807</u>
 TOTAL LIABILITIES	 <u>\$ 1,144,807</u>

See Independent Auditors' Report

CALLAWAY COUNTY, MISSOURISTATEMENT OF COLLECTIONS  
AND DISTRIBUTIONS - COUNTY COLLECTOR

For the Year Ended February 28, 2021

GROSS COLLECTIONS	\$ 52,060,497
<u>DISTRIBUTIONS:</u>	
State of Missouri	\$ 281,528
General Revenue Fund - Taxes	3,084,913
General Revenue Fund - Fees	871,658
Tax Maintenance Fund - Fees	71,374
Special Road and Bridge Fund	2,391,205
School Districts	37,475,502
Ambulance District	97,177
County Library	2,455,348
Cities	1,143,735
Levee Districts	96,376
TIF	193,136
Assessment Fund	484,990
Land Sale Overage/Redemptions	39,152
Fire Districts	2,162,878
Publication Costs and Certified Letters	2,661
Special Services	913,516
County Employees Retirement Fund:	
Fees and Penalties	287,278
Neighborhood Improvement Districts	8,070
TOTAL DISTRIBUTIONS	\$ 52,060,497
AMOUNT UNDER DISTRIBUTED	\$ -

See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION



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

## *Certified Public Accountants*

DEBRA BEUSSINK EUDY, CPA

JERRY W. ROE, CPA

JEFFREY C. STRODER, CPA

EVERETT E. HEY, CPA  
(1955 - 2014)

16 South Silver Springs Road  
Cape Girardeau, Missouri 63703  
Telephone (573) 334-7971  
Facsimile (573) 334-8875

SCOTT J. ROE, CPA

DAVID E. PRASANPHANICH, CPA

SASHA N. WILLIAMS, CPA

RHEANNA L. GREER, CPA

### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

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

We have audited Callaway County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Callaway County, Missouri's major federal program for the year ended December 31, 2020. Callaway County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Callaway County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Callaway County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### Opinion on the Major Federal Program

In our opinion, Callaway County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

### Report on Internal Control Over Compliance

Management of Callaway County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Callaway County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Callaway County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003 that we consider to be a material weakness.

Callaway County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Callaway County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

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

Cape Girardeau, Missouri

July 30, 2021

CALLAWAY COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>				
Passed-Through Missouri Department of Health and Senior Services - WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557 10.557	ERS045-21099 ERS045-20103	\$ - -	\$ 25,614 62,650
Direct-Emergency Watershed Protection Program	10.923 10.923	NR206424XXXXC011 NR206424XXXXC013	\$ - -	\$ 3,635 31,732
TOTAL U.S. DEPARTMENT OF AGRICULTURE				\$ 88,264 35,367 123,631
<u>U.S. DEPARTMENT OF INTERIOR:</u>				
Direct-Payments in Lieu of Taxes	15.226	N/A	\$ -	\$ 28,571
TOTAL U.S. DEPARTMENT OF INTERIOR				\$ 28,571
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Passed-Through Missouri Association of Prosecuting Attorneys - Crime Victim Assistance	16.575	ER130200072	\$ -	\$ 31,425
Passed-Through Missouri Department of Public Safety - Violence Against Women Formula Grants	16.588	2020-VAWA-005	\$ -	96,954
Direct-Bulletproof Vest Partnership Program	16.607	N/A	\$ -	1,787
TOTAL U.S. DEPARTMENT OF JUSTICE				\$ 130,166
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Highway Planning and Construction Cluster:				
Passed-Through Missouri Department of Transportation - Highway Planning and Construction	20.205	BRO-B014(25)	\$ -	\$ 12,934
Passed-Through Missouri Department of Transportation - Federal Lands Access Program	20.224	151529FLAP054	\$ -	59,032
Total Highway Planning and Construction Cluster				\$ 71,966
Highway Safety Cluster:				
Passed-Through Missouri Department of Transportation - State and Community Highway Safety	20.600 20.600	21-PT-02-011 20-PT-02-027	\$ - -	\$ 1,170 6,147
Total Highway Safety Cluster				\$ 7,317
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				\$ 79,283
<u>U.S. ELECTION ASSISTANCE COMMISSION:</u>				
Passed-Through Missouri Secretary of State's Office - 2018 HAVA Election Security Grants	90.404	N/A	\$ -	\$ 46,815
TOTAL U.S. ELECTION ASSISTANCE COMMISSION				\$ 46,815
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
Passed-Through Missouri Department of Health and Senior Services - Public Health Emergency Preparedness	93.069 93.069	AOC18380075 HD210048482	\$ - -	\$ 14,366 10,082
				\$ 24,448

The Accompanying Notes to Schedule of Expenditures of Federal Awards  
Are an Integral Part of This Report.

CALLAWAY COUNTY, MISSOURISCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
Passed-Through Missouri Department of Health and Senior Services - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081942-01	\$ -	\$ 73,739
CCDF Cluster:				
Passed-Through Missouri Department of Health and Senior Services - Child Care and Development Block Grant	93.575	ERS220-20012	\$ -	\$ 3,020
Total CCDF Cluster				3,020
Passed-Through Missouri Department of Health and Senior Services - Maternal and Child Health Services Block Grant to the States	93.994 93.994	DH200046153 AOC191380189	\$ - -	\$ 201 26,216
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				\$ 127,624
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed-Through Missouri State Emergency Management Agency - Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4451-DR-MO	\$ -	\$ 89,307
Passed-Through Missouri State Emergency Management Agency - Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-019	\$ -	41,681
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				\$ 130,988
<u>U.S. DEPARTMENT OF TREASURY:</u>				
COVID-19 PANDEMIC FUNDING				
Passed-Through Missouri State Treasurer's Office - COVID 19 - Coronavirus Relief Fund (1)	21.019	N/A	\$ 2,009,075	\$ 5,249,247
TOTAL U.S. DEPARTMENT OF TREASURY				\$ 5,249,247
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,009,075	\$ 5,916,325

(1) Denotes Major Program.

The Accompanying Notes to Schedule of Expenditures of Federal Awards  
Are an Integral Part of This Report.

CALLAWAY COUNTY, MISSOURI  
Fulton, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Callaway County, Missouri under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Callaway County, Missouri.

B. Basis of Presentation:

The Schedule is presented in accordance with the Uniform Guidance, which defines federal financial assistance "...assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

C. Basis of Accounting:

The Schedule is presented on the modified accrual basis of accounting, which recognizes expenditures only when incurred for goods and services. This is the same basis of accounting presented in the financial statements.

D. Subrecipients:

One of the County's grant programs involve reimbursement of the County's actual costs of administering the programs as well as providing funding to subrecipients. The County passed through \$2,009,075 to subrecipients through the Coronavirus Relief Fund program (CFDA #21.019).

E. Indirect Cost Rate:

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

CALLAWAY COUNTY, MISSOURI  
Fulton, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

1. SUMMARY OF AUDITORS' RESULTS:

**Financial Statements**

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

Internal control over financial reporting:

- Material weaknesses identified?   X   yes        no
- Significant deficiencies identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?   X   yes        no
- Significant deficiencies identified?        yes   X   none reported

Type of Auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   yes        no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	COVID 19 – Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee:        yes   X   no

2. FINANCIAL STATEMENT FINDINGS:

2020-001 Significant Audit Adjustments

Criteria:	For financial statements to be relevant and reliable, transactions should be recorded in accordance with accounting principles generally accepted in the United States of America.
Condition:	As a result of audit procedures applied, we found that prepaid expenses of the Emergency Operations Center Fund incorrectly included a provision for costs incurred in 2019 totaling \$38,975. In addition, we found that accounts payable of the General Revenue Fund incorrectly excluded a provision for payment for vehicles accrued at December 31, 2020 totaling \$33,904. The financial statements included with this schedule include these corrections.
Cause:	Adjustments to prepaid and accrued expenses are made manually each month and at the end of the year. These provisions in the year end balances were not noticed and therefore, not correctly adjusted.
Effect:	The effect of the error on the Emergency Operations Center Fund was to overstate prepaid expenses and understate expenses by \$38,975. The effect of the error on the General Revenue Fund was to understate accounts payable and to understate expenses by \$33,904.
Recommendation:	We recommend that all transactions be recorded to ensure that the financial statements are accurate.
Views of Responsible Officials and Planned Corrective Actions:	The County will ensure that all transactions are recorded properly.



2020-002 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 directly to the tax bill.
Cause:	The Collector's Office has transitioned to new software that can be integrated with the Assessor's software, but as of the fiscal year end the software provider had not completed the integration process. Without full integration of the two software systems, it is necessary for the Collector's Office to enter any changes in assessments directly to their own system.
Effect:	The ability for the Collector's Office to edit the amount of taxes due increases the risk of loss or misuse of taxes collected 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, or another office independent of the responsibility for collecting tax payments. The Collector's Office should not have access to make changes to charges for collection.
Views of Responsible Officials and Planned Corrective Actions:	According to the software provider, they were unable to complete the integration of the software due to the COVID pandemic. They are assuring us that any bill changes will be made by the Assessor's office prior to the 2021 tax season. Cole County uses the same software systems, and they work properly in their county. Until the integration is complete, the Assessor's Office and the Collector's Office will continue to reconcile the changes made to tax bills daily.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2020-003 Written Policies and Procedures

Federal Program:	COVID 19 – Coronavirus Relief Fund (21.019). U.S. Department of the Treasury passed through the State of Missouri.
Criteria:	Uniform Guidance requires policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.
Condition:	Although no noncompliance with federal grant requirements was noted, the County did not have written policies and procedures over the components of grant administration.
Cause:	The County had no written policies and relied on each department head receiving grant funding to comply with all applicable compliance requirements.
Effect:	The federal government believes that not having written policies and procedures for grant administration increases the risk that the County will not comply with applicable compliance requirements.
Questioned Costs:	None.
Context:	Total federal grant expenditures totaled \$5,922,560 during the year ended December 31, 2020.
Repeat Finding:	No.
Recommendation:	We recommend the County develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.
Views of Responsible Officials and Planned Corrective Actions:	The County has already developed and adopted the appropriate written policies in order to implement this recommendation.

CALLAWAY COUNTY, MISSOURI  
Fulton, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2020

1. FINANCIAL STATEMENT FINDINGS

2019-001 Internal Controls in the Collector's Office

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.

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.

Current Status: Implemented.

2019-002 County 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.

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

Current Status: Implemented.

2019-003 Internal Control Over the Tax Billing Software

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.
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.
Current Status:	Not Implemented. See Current Finding 2020-002. The software company has been requested to make these changes, but as of the date of this report, the corrections have still not been made.

2019-004 Budgetary Limits

Condition:	Actual expenditures of the E.O.C. Fund exceeded budgetary limits by \$28,291 due to unexpected year-end compensation time payouts.
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.
Current Status:	Implemented.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

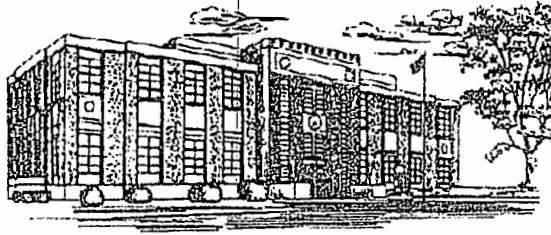
There were no federal award findings or questioned costs in the audit of the year ended December 31, 2019.

# CALLAWAY COUNTY COMMISSION

10. East 5<sup>th</sup> St.  
Fulton, MO 65251

Roger Fischer  
Western Associate  
Commissioner

Randall Kleindienst  
Eastern Associate Commissioner



Phone: 573-642-0737  
642-0738  
Fax: 642-1032

Gary Jungermann  
Presiding Commissioner

Myra Winters  
Deputy to Commission

## CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2020

Callaway County, Missouri respectfully submits the following corrective action plan for its findings in the Schedule of Finding and Questioned Costs.

Finding:	2020-001	<u>Significant Audit Adjustments</u>
Finding Type:	Internal Control over preparation of the financial statements.	
Name of Contact Person:	Ms. Karen Rentschler, County Auditor, (573) 642-0727.	
Recommendation:	We recommend that all transactions be recorded to ensure that the financial statements are accurate.	
Corrective Action:	We will monitor all manual adjusting and reversing entries closely to ensure that all adjustments are made properly.	
Proposed Completion Date:	Immediately	
Finding:	2020-002	<u>Internal Controls Over the Tax Billing Software</u>
Finding Type:	Internal Control over preparation of the financial statements.	
Name of Contact Person:	Ms. Sarah Gladman, County Collector, (573) 642-0747.	
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, or another office independent of the responsibility for collecting tax payments. The Collector's Office should not have access to make changes to charges for collection.	

Corrective Action: We have contacted the software company to make the appropriate changes. They are currently working on the same revisions to another County and when that is corrected properly, they will return and make the same adjustments to our software to correct the deficiency.

Proposed  
Completion Date: Immediately

Finding: 2020-003 Written Policies and Procedures for Federal Grants

Finding Type: Internal Control, COVID-19 Coronavirus Relief Fund (CFDA #21.019).

Name of  
Contact Person: Mr. Gary Jungermann, Presiding Commissioner, (573) 642-0737.

Recommendation: We recommend the County develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.

Corrective Action: The County has already developed and adopted written policies in order to implement this recommendation.

Proposed  
Completion Date: Immediately