



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Carter County, Missouri

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

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name. The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-061

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

**THE COUNTY OF CARTER
VAN BUREN, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Carter, Missouri

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

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

Other Matters

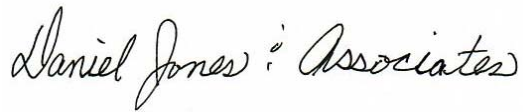
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Carter’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2020, on our consideration of the County of Carter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Carter's internal control over financial reporting and compliance.

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

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

July 9, 2020

FINANCIAL STATEMENTS

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 349,816.57	\$ 1,307,503.39	\$ 1,282,666.55	\$ 374,653.41
Special Road and Bridge Fund	524,976.76	1,211,983.82	1,280,891.62	456,068.96
Assessment Fund	33,669.65	121,021.43	113,343.59	41,347.49
Law Enforcement Sales Tax Fund	182,542.70	283,729.38	304,668.63	161,603.45
Law Enforcement Restitution Fund	39,738.26	13,740.10	9,028.04	44,450.32
Law Enforcement Training Fund	1,070.82	2,527.86	2,687.55	911.13
Sheriff Fee Fund	17,899.39	7,257.23	3,934.17	21,222.45
Sheriff Federal Fund	6,000.57	13,924.79	13,000.00	6,925.36
Sheriff Revolving Fund	7,738.23	2,297.13	1,406.75	8,628.61
Sheriff Security Inmate Fund	21,507.75	4,487.61	3,668.91	22,326.45
Forest Reserve (15%) Fund	-	28,660.67	28,660.67	-
Recorder of Deeds User Fund	5,157.53	2,699.36	3,500.00	4,356.89
Recorders Technical Fund	5,508.98	1,688.85	313.25	6,884.58
Recorders NSD Fund	1,937.25	167.64	-	2,104.89
Collector Tax Maintenance Fund	29,816.93	13,279.79	4,049.75	39,046.97
PA Training Fund	399.50	848.25	-	1,247.75
PA Bad Check Fund	5,931.31	1,607.71	220.00	7,319.02
Prosecuting Attorney Tax Fund	0.08	-	-	0.08
Election Services Fund	7,688.15	3,058.93	1,526.22	9,220.86
H.A.V.A. Administration Fund	2,446.63	51.31	-	2,497.94
Senior Citizen Tax Fund	8,567.03	19,536.84	20,000.00	8,103.87
Domestic Violence Fund	-	204.41	204.41	-
South Van Buren Sewer Fund	28,991.26	41,068.79	19,561.88	50,498.17
PA Admin. Handling Cost Fund	231.86	4.86	-	236.72
911 Fund	-	580.52	-	580.52
Grant Account Fund	-	1,041,415.49	1,027,486.80	13,928.69
Developmentally Disabled Board Fund	20,383.71	60,389.21	58,193.48	22,579.44
TOTAL	\$ 1,302,020.92	\$ 4,183,735.37	\$ 4,179,012.27	\$ 1,306,744.02

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 68,000.00	\$ 83,215.96
Sales Taxes	500,000.00	549,323.73
Intergovernmental	8,576,180.90	429,282.50
Charges for Services	102,500.00	124,199.98
Interest	2,000.00	8,874.33
Other	86,630.00	97,606.89
Transfers In	-	15,000.00
TOTAL RECEIPTS	9,335,310.90	1,307,503.39
DISBURSEMENTS		
County Commission	78,630.00	72,188.00
County Clerk	67,022.56	64,796.51
Elections	15,400.00	13,150.63
Buildings and Grounds	109,750.00	83,288.22
Employee Fringe Benefits	96,300.00	75,099.65
County Treasurer	36,066.00	35,681.77
Collector	43,635.00	46,440.59
Recorder of Deeds	48,983.08	49,284.88
Circuit Clerk	25,700.00	18,317.71
Court Administration	1,330.00	7,706.50
Public Administrator	25,657.00	24,728.03
Sheriff	179,000.00	193,184.78
Jail	39,910.00	71,411.91
Prosecuting Attorney	117,755.00	119,043.28
Juvenile Officer	42,193.41	36,765.89
County Coroner	15,500.00	10,842.62
Court Reporter	722.00	527.02
General County Government	117,136.86	69,415.56
Dispatch	75,750.00	71,673.90
Emergency Management	8,442,648.10	190,756.91
Transfers Out	28,362.19	28,362.19
Emergency Fund	61,600.00	-
TOTAL DISBURSEMENTS	9,669,051.20	1,282,666.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	(333,740.30)	24,836.84
CASH BALANCES, JANUARY 1	349,816.57	349,816.57
CASH BALANCES, DECEMBER 31	\$ 16,076.27	\$ 374,653.41

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL ROAD AND BRIDGE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 130,000.00	\$ 155,891.21
Intergovernmental	1,445,988.00	1,033,080.46
Charges for Services	50.00	11,180.00
Interest	5,000.00	11,832.15
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	1,581,038.00	1,211,983.82
DISBURSEMENTS		
Salaries	262,600.00	284,244.00
Employee Fringe Benefits	44,500.00	28,004.96
Supplies	105,765.00	137,196.07
Insurance	47,500.00	59,184.00
Road and Bridge Materials	351,000.00	313,608.59
Equipment Repairs	15,000.00	42,213.98
Rentals	1,100.00	607.97
Equipment Purchases	26,000.00	17,751.04
Road and Bridge Construction	15,000.00	178,085.62
Other Expenditures/FEMA	1,166,654.68	204,995.39
Transfers Out	15,000.00	15,000.00
TOTAL DISBURSEMENTS	2,050,119.68	1,280,891.62
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(469,081.68)	(68,907.80)
CASH BALANCES, JANUARY 1	524,976.76	524,976.76
CASH BALANCES, DECEMBER 31	\$ 55,895.08	\$ 456,068.96

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THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		LAW ENFORCEMENT SALES TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 250,000.00	\$ 274,479.99
Intergovernmental	79,408.00	84,622.98	4,000.00	4,506.58
Charges for Services	-	-	-	-
Interest	700.00	1,183.11	1,500.00	3,941.81
Other	1,000.00	3,853.15	-	801.00
Transfers In	31,362.19	31,362.19	-	-
TOTAL RECEIPTS	112,470.19	121,021.43	255,500.00	283,729.38
DISBURSEMENTS				
Salaries	69,000.00	68,122.25	179,000.00	150,616.13
Employee Fringe Benefits	12,500.00	11,795.08	21,500.00	18,436.57
Office	7,950.22	7,700.57	169,542.70	85,648.20
Mileage and Training	8,000.00	4,588.59	-	-
Appraisal Contract	13,000.00	6,890.48	-	-
Equipment and Maintenance	10,250.00	4,504.40	30,000.00	26,386.26
Software Support	9,600.00	9,512.37	-	-
Buildings and Grounds	-	-	5,000.00	3,678.90
Services and Other	750.00	229.85	33,000.00	19,902.57
TOTAL DISBURSEMENTS	131,050.22	113,343.59	438,042.70	304,668.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,580.03)	7,677.84	(182,542.70)	(20,939.25)
CASH BALANCES, JANUARY 1	33,669.65	33,669.65	182,542.70	182,542.70
CASH BALANCES, DECEMBER 31	\$ 15,089.62	\$ 41,347.49	\$ -	\$ 161,603.45

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT RESTITUTION FUND		LAW ENFORCEMENT TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	12,000.00	12,903.08	2,300.00	2,258.74
Interest	300.00	837.02	-	13.12
Other	-	-	1,500.00	256.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	12,300.00	13,740.10	3,800.00	2,527.86
DISBURSEMENTS				
Sheriff	27,038.26	6,017.90	4,870.82	2,687.55
Prosecuting Attorney	25,000.00	3,010.14	-	-
Services and Other	-	-	-	-
TOTAL DISBURSEMENTS	52,038.26	9,028.04	4,870.82	2,687.55
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(39,738.26)	4,712.06	(1,070.82)	(159.69)
CASH BALANCES, JANUARY 1	39,738.26	39,738.26	1,070.82	1,070.82
CASH BALANCES, DECEMBER 31	\$ -	\$ 44,450.32	\$ -	\$ 911.13

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SHERIFF FEE FUND		SHERIFF FEDERAL FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,100.00	6,838.87	10,000.00	-
Interest	100.00	418.36	30.00	264.12
Other	-	-	-	-
Transfers In	-	-	-	13,660.67
TOTAL RECEIPTS	10,200.00	7,257.23	10,030.00	13,924.79
DISBURSEMENTS				
Supplies	5,000.00	-	-	-
Equipment	2,000.00	-	3,000.00	-
Vehicle	1,000.00	-	13,000.00	13,000.00
Services and Other	20,099.39	3,934.17	30.57	-
TOTAL DISBURSEMENTS	28,099.39	3,934.17	16,030.57	13,000.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(17,899.39)	3,323.06	(6,000.57)	924.79
CASH BALANCES, JANUARY 1	17,899.39	17,899.39	6,000.57	6,000.57
CASH BALANCES, DECEMBER 31	\$ -	\$ 21,222.45	\$ -	\$ 6,925.36

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SHERIFF REVOLVING FUND		SHERIFF SECURITY INMATE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,000.00	60.00	1,200.00	3,295.22
Interest	50.00	167.13	-	438.39
Other	-	2,070.00	-	754.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,050.00	2,297.13	1,200.00	4,487.61
DISBURSEMENTS				
Equipment	3,000.00	-	-	147.79
Inmate Expense	-	-	-	-
Services and Other	5,788.23	1,406.75	22,707.75	3,521.12
TOTAL DISBURSEMENTS	8,788.23	1,406.75	22,707.75	3,668.91
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,738.23)	890.38	(21,507.75)	818.70
CASH BALANCES, JANUARY 1	7,738.23	7,738.23	21,507.75	21,507.75
CASH BALANCES, DECEMBER 31	\$ -	\$ 8,628.61	\$ -	\$ 22,326.45

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	FOREST RESERVE (15%) FUND		RECORDER OF DEEDS USER FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	35,000.00	28,633.50	-	-
Charges for Services	-	-	2,500.00	2,568.00
Interest	-	27.17	100.00	131.36
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	35,000.00	28,660.67	2,600.00	2,699.36
DISBURSEMENTS				
Fire and Rescue	20,000.00	15,000.00	-	-
Maintenance	-	-	3,500.00	3,500.00
Equipment	-	-	2,500.00	-
Transfers Out	15,000.00	13,660.67	-	-
TOTAL DISBURSEMENTS	35,000.00	28,660.67	6,000.00	3,500.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(3,400.00)	(800.64)
CASH BALANCES, JANUARY 1	-	-	5,157.53	5,157.53
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ 1,757.53	\$ 4,356.89

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	RECORDERS TECHNICAL FUND		RECORDERS NSD FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,600.00	1,555.00	100.00	125.00
Interest	55.00	133.85	25.00	42.64
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,655.00	1,688.85	125.00	167.64
DISBURSEMENTS				
Services and Other	3,500.00	313.25	1,500.00	-
TOTAL DISBURSEMENTS	3,500.00	313.25	1,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,845.00)	1,375.60	(1,375.00)	167.64
CASH BALANCES, JANUARY 1	5,508.98	5,508.98	1,937.25	1,937.25
CASH BALANCES, DECEMBER 31	<u>\$ 3,663.98</u>	<u>\$ 6,884.58</u>	<u>\$ 562.25</u>	<u>\$ 2,104.89</u>

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	COLLECTOR TAX MAINTENANCE FUND		PA TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	11,000.00	12,521.75	-	768.85
Interest	300.00	758.04	-	15.40
Other	-	-	-	64.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	11,300.00	13,279.79	-	848.25
DISBURSEMENTS				
Office	975.00	27.00	-	-
Equipment and Maintenance	700.00	-	-	-
Mileage and Training	1,000.00	847.75	-	-
Dues	-	175.00	-	-
Transfers Out	3,000.00	3,000.00	-	-
TOTAL DISBURSEMENTS	5,675.00	4,049.75	-	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	5,625.00	9,230.04	-	848.25
CASH BALANCES, JANUARY 1	29,816.93	29,816.93	399.50	399.50
CASH BALANCES, DECEMBER 31	\$ 35,441.93	\$ 39,046.97	\$ 399.50	\$ 1,247.75

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	PA BAD CHECK FUND		PROSECUTING ATTORNEY TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	500.00	1,245.00	-	-
Interest	-	142.71	-	-
Other	-	220.00	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	500.00	1,607.71	-	-
DISBURSEMENTS				
Dues	1,350.00	-	-	-
Services and Other	5,081.31	220.00	-	-
TOTAL DISBURSEMENTS	6,431.31	220.00	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,931.31)	1,387.71	-	-
CASH BALANCES, JANUARY 1	5,931.31	5,931.31	0.08	0.08
CASH BALANCES, DECEMBER 31	\$ -	\$ 7,319.02	\$ 0.08	\$ 0.08

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ELECTION SERVICES FUND		H.A.V.A. ADMINISTRATION FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	50.00	948.60	-	-
Charges for Services	1,580.00	1,922.79	-	-
Interest	-	187.54	25.00	51.31
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,630.00	3,058.93	25.00	51.31
DISBURSEMENTS				
Office	5,000.00	951.78	-	-
Mileage and Training	650.00	185.45	-	-
Equipment	1,000.00	311.00	-	-
Election	2,500.00	77.99	-	-
TOTAL DISBURSEMENTS	9,150.00	1,526.22	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,520.00)	1,532.71	25.00	51.31
CASH BALANCES, JANUARY 1	7,688.15	7,688.15	2,446.63	2,446.63
CASH BALANCES, DECEMBER 31	\$ 168.15	\$ 9,220.86	\$ 2,471.63	\$ 2,497.94

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENIOR CITIZEN TAX FUND		DOMESTIC VIOLENCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 18,500.00	\$ 19,307.10	\$ -	\$ -
Intergovernmental	-	-	300.00	202.00
Interest	200.00	229.74	5.00	2.41
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	18,700.00	19,536.84	305.00	204.41
DISBURSEMENTS				
Van Buren Senior Center	27,267.03	20,000.00	-	-
Domestic Shelters	-	-	305.00	204.41
TOTAL DISBURSEMENTS	27,267.03	20,000.00	305.00	204.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,567.03)	(463.16)	-	-
CASH BALANCES, JANUARY 1	8,567.03	8,567.03	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ 8,103.87	\$ -	\$ -

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SOUTH VAN BUREN SEWER FUND		PA ADMIN. HANDLING COST FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	26,000.00	40,113.88	-	-
Interest	-	-	-	4.86
Other	320.00	954.91	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	26,320.00	41,068.79	-	4.86
DISBURSEMENTS				
Bond Payment	14,928.00	14,928.00	-	-
Equipment	3,500.00	-	-	-
Insurance	6,000.00	4,520.00	-	-
Repairs and Upkeep	1,560.00	-	-	-
Services and Other	-	113.88	-	-
TOTAL DISBURSEMENTS	25,988.00	19,561.88	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	332.00	21,506.91	-	4.86
CASH BALANCES, JANUARY 1	28,991.26	28,991.26	231.86	231.86
CASH BALANCES, DECEMBER 31	\$ 29,323.26	\$ 50,498.17	\$ 231.86	\$ 236.72

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	911 FUND		GRANT ACCOUNT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 9,220,096.10	\$ 1,041,415.49
Charges for Services	-	576.65	-	-
Interest	-	3.87	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	580.52	9,220,096.10	1,041,415.49
DISBURSEMENTS				
Bond Payment	-	-	-	-
Equipment	-	-	-	-
Insurance	-	-	-	-
Repairs and Upkeep	-	-	-	-
Services and Other	-	-	8,540,108.10	1,027,486.80
TOTAL DISBURSEMENTS	-	-	8,540,108.10	1,027,486.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	580.52	679,988.00	13,928.69
CASH BALANCES, JANUARY 1	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ 580.52	\$ 679,988.00	\$ 13,928.69

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>DEVELOPMENTALLY DISABLED BOARD FUND</u>	
	<u>2019</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS		
Property Taxes	\$ 55,000.00	\$ 60,215.51
Charges for Services	-	-
Interest	60.00	173.70
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	55,060.00	60,389.21
DISBURSEMENTS		
Bond	147.50	147.50
Equipment	4,716.50	6,614.50
Insurance	9,576.00	9,549.50
Repairs and Upkeep	-	-
Services and Other	40,620.00	41,881.98
TOTAL DISBURSEMENTS	55,060.00	58,193.48
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	-	2,195.73
CASH BALANCES, JANUARY 1	20,383.71	20,383.71
CASH BALANCES, DECEMBER 31	\$ 20,383.71	\$ 22,579.44

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Tax Sale Surplus</u>	<u>Ambulance</u>	<u>Schools Fund</u>	<u>School Building Revolving</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	<u>\$ 18,643.75</u>	<u>\$ 56,031.35</u>	<u>\$ 48,973.85</u>	<u>\$ 227.66</u>	<u>\$ 2,405,914.33</u>
Total Assets	18,643.75	56,031.35	48,973.85	227.66	2,405,914.33
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>18,643.75</u>	<u>56,031.35</u>	<u>48,973.85</u>	<u>227.66</u>	<u>2,405,914.33</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,643.75</u>	<u>\$ 56,031.35</u>	<u>\$ 48,973.85</u>	<u>\$ 227.66</u>	<u>\$ 2,405,914.33</u>
			Grand Total		
	<u>Recorder of Deeds</u>	<u>Sheriff</u>	Agency Funds		
ASSETS					
Cash and Cash Equivalents	<u>\$ 336.00</u>	<u>\$ 5,712.69</u>	<u>\$ 2,535,839.63</u>		
Total Assets	336.00	5,712.69	2,535,839.63		
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>336.00</u>	<u>5,712.69</u>	<u>2,535,839.63</u>		
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 336.00</u>	<u>\$ 5,712.69</u>	<u>\$ 2,535,839.63</u>		

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Carter, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1859 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Prosecuting Attorney and Public Administrator. The Emergency Management Director is appointed.

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

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

C. Basis of Accounting

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

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

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

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

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

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

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

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

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

	<u>2019</u>
Real Estate	\$ 56,170,779
Personal Property	18,033,799
Railroad and Utilities	<u>883,583</u>
	<u>\$ 75,088,161</u>

During 2019, the County Commission approved a \$0.4165 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.0979
Special Road and Bridge Fund	0.2153
Senior Citizen Tax Fund	0.0268
Developmentally Disabled Board Fund	<u>0.0765</u>
	<u>\$ 0.4165</u>

F. Cash Deposits and Investments

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

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

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

II. CASH AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$1,306,744.02, and the bank balances were \$3,408,167.77. The total bank balances as of December 31, 2019, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

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

Included in the following fund financial statement captions:

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

Deposits and cash equivalents	\$ 1,306,744.02
Total Deposits as of December 31, 2019	1,306,744.02

Statements of Assets and Liabilities Arising from Cash
Transactions – Agency Funds:

Deposits and cash equivalents	2,535,839.63
Total Agency Funds	2,535,839.63
Total Deposits and cash equivalents as of December 31, 2019	\$ <u>3,842,583.65</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

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

III. LONG-TERM DEBT

Revenue Bonds

On November 22, 2000, the County issued Sewer Revenue Bonds in the amount of \$250,000 through the U.S. Department of Agriculture used to construct the South Van Buren Sewer District. The agreement calls for monthly payments of \$1,244 for twenty-five years and carries a 4.5% interest rate. The revenue bonds mature April 30, 2033.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (continued)

As of December 31, 2019, the unpaid principal balance of the sewer revenue bonds was as follows:

	Balance 12/31/2018	Current year Additions	Current year Refunding & Payments	Balance 12/31/2019	Interest Paid 2019
Revenue Bonds	\$ 157,805.29	\$ -	\$ 7,990.24	\$ 149,815.05	\$ 6,937.76
Total	<u>\$ 157,805.29</u>	<u>\$ -</u>	<u>\$ 7,990.24</u>	<u>\$ 149,815.05</u>	<u>\$ 6,937.76</u>

The future payments for the sewer revenue bonds as of December 31, 2019, are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 8,357.29	\$ 6,570.71	\$ 14,928.00
2021	8,741.22	6,186.78	14,928.00
2022	9,142.79	5,785.21	14,928.00
2023	9,562.81	5,365.19	14,928.00
2024	10,002.12	4,925.88	14,928.00
2025-2029	57,340.05	17,299.95	74,640.00
2030-2034	46,668.77	3,719.73	50,388.50
	<u>\$ 149,815.05</u>	<u>\$ 49,853.45</u>	<u>\$ 199,668.50</u>

Promissory Notes

On December 14, 2009, the County entered into a promissory note with the U.S. Department of Agriculture to purchase and remodel a building for a County Justice Center in the amount of \$160,000. The grant agreement calls for monthly payments of \$880.00 for twenty-five years. The rate of interest is 4.25%. The grant agreement matures on August 31, 2033.

As of December 31, 2019, the principal unpaid balances for the promissory notes of the County are as follows:

	Balance at December 31, 2018	Amount Borrowed	Amount Repaid	Balance at December 31, 2019	Interest Paid 2019
Justice Center Promissory Note	\$ 115,561.45	\$ -	\$ 115,561.45	\$ -	\$ -
Totals	<u>\$ 115,561.45</u>	<u>\$ -</u>	<u>\$ 115,561.45</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

Lease Purchases

On November 14, 2017, the County entered into a lease purchase agreement with the Missouri Development Finance Board in the amount of \$150,000.00 to finance the costs of repairs caused by the 2017 flood. The lease purchase agreement calls for twenty annual payments of \$9,891.62 and carries a 3.00% interest rate. The County's payments for the lease were deferred for 2018.

As of December 31, 2019, the unpaid principal balance for the lease purchases of the County are as follows:

	Balance at December 31, 2018	Amount Borrowed	Amount Repaid	Balance at December 31, 2019	Interest Paid During Year
Missouri Development	\$ 150,000.00	\$ -	\$ 9,891.62	\$ 140,108.38	\$ -
Totals	<u>\$ 150,000.00</u>	<u>\$ -</u>	<u>\$ 9,891.62</u>	<u>\$ 140,108.38</u>	<u>\$ -</u>

The future payments for the lease purchases as of December 31, 2019, are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 9,891.62	\$ -	\$ 9,891.62
2021	5,985.12	3,906.50	9,891.62
2022	6,164.67	3,726.95	9,891.62
2023	6,349.61	3,542.01	9,891.62
2024	6,530.92	3,360.70	9,891.62
2025-2029	35,755.34	13,702.76	49,458.10
2030-2034	41,452.71	8,005.39	49,458.10
2035-2037	27,978.39	1,696.81	29,675.20
	<u>\$ 140,108.38</u>	<u>\$ 37,941.12</u>	<u>\$ 178,049.50</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	2019	
	Transfers In	Transfers Out
General Revenue Fund	\$ 15,000.00	\$ 28,362.19
Special Road and Bridge Fund	-	15,000.00
Assessment Fund	31,362.19	-
Sheriff Federal Fund	13,660.67	-
Forest Reserve (15%) Fund	-	13,660.67
Collector Tax Maintenance Fund	-	3,000.00
TOTAL	\$ <u>60,022.86</u>	\$ <u>60,022.86</u>

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

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

A. Plan Description (concluded)

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 and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) 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. Total contributions remitted to CERF for the year ended December 31, 2019, were \$79,865.42

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County did not have any COBRA participants at December 31, 2019.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366.00 for the year ended December 31, 2019.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. This ranges from getting one week after the first year of service, to three weeks after fifteen years of service. Upon termination from county employment, an employee is reimbursed for unused vacation, if applicable. These have not been subjected to auditing procedures.

Employees in the County earn 6 days of sick leave per year and this can be accrued to a maximum of 30 calendar days. It is not paid to the employee upon separation of employment of the County.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IX. RISK MANAGEMENT

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

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

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

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Developmentally Disabled Board Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To the County Commission
The County of Carter, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Carter ("County"), Missouri as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 9, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

July 9, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To The County Commission
The County of Carter, Missouri

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.


Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



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

July 9, 2020

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY VERIFYING NUMBER	PROVIDED TO SUB- RECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Office of Administration: School and Roads - Grants to States	10.665	N/A	\$ 121,692.38	\$ 190,890.01
<i>Total U.S. Department of Agriculture</i>			121,692.38	190,890.01
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Missouri Department of Economic Development: Community Development Block Grant	14.228	FR-2018-04	-	111,937.14
<i>Total U.S. Department of Housing and Urban Development</i>			-	111,937.14
U.S. DEPARTMENT OF INTERIOR				
DIRECT PROGRAM				
PILT - Payment in Lieu of Taxes	15.226	N/A	-	171,574.00
Office of Administration: National Forest Acquired Lands	15.438	N/A	96,732.04	128,976.06
<i>Total U.S. Department of Interior</i>			96,732.04	300,550.06
U.S. DEPARTMENT OF JUSTICE				
Department of Public Safety: Crime Victim Assistance	16.575	N/A	-	40,284.23
<i>Total U.S. Department of Justice</i>			-	40,284.23
U.S. DEPARTMENT OF TRANSPORTATION				
Highway and Transportation Commission: Federal Lands Access Program	20.224	FLAP-021	-	108,176.00
Federal Lands Access Program	20.224	FLAP-048		23,266.15
<i>Total U.S. Department of Transportation</i>			-	131,442.15
U.S. DEPARTMENT OF HOMELAND SECURITY				
State Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	-	615,251.36
Hazard Mitigation Grant	97.039	FEMA-4317-DR-MO		337,637.84
Emergency Management Performance Grants	97.042	EMK-2019-EP-00001-023	-	3,895.21
<i>Total U.S. Department of Homeland Security</i>			-	956,784.41
Total Expenditures of Federal Awards			\$ 218,424.42	\$ 1,731,888.00

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Carter under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Carter, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Carter.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients as follows:

Program Title	Sub-Recipients	Federal CFDA Number		Amount Provided to Sub- Recipients
Schools and Roads – Grants to States	Van Buren R-I School District	10.665	2019	\$ 94,901.50
Schools and Roads – Grants to States	East Carter R-II School District	10.665	2019	26,790.88
National Forest Acquired Lands	Van Buren R-I School District	15.438	2019	75,436.24
National Forest Acquired Lands	East Carter R-II School District	15.438	2019	21,295.80
				<u>\$ 218,424.42</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

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

B. Federal Awards

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

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019	14.228	Community Development Block Grant
2019	15.438	National Forest Acquired Lands
2019	20.224	Federal Lands Access Program
2019	97.039	Hazard Mitigation Grant

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

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

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended December 31, 2019.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: The County's deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our review of the County's bank accounts, it was noted that the County's deposits were under-collateralized for the year ended December 31, 2018.

Context: The County's bank accounts were under-collateralized for the year ended December 31, 2018.

Effect: There is a risk that the County's under-collateralized bank balances may not be returned to the County because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer will monitor this closer in the future and the bank is also aware of the issue. The Treasurer is Velvet Ricker and her office number is 573-323-8271.

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

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended December 31, 2018.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
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CERTIFIED PUBLIC ACCOUNTANTS

July 9, 2020

To the Board of Commissioners
County of Carter

In planning and performing our audit of the regulatory based financial statements of the County of Carter (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

I. Information Required by Professional Standards

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

Very truly yours,

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

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 fiscal year. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 9, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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