



**NICOLE GALLOWAY, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Carroll County, Missouri

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

Nicole R. Galloway, CPA  
State Auditor

September 2020  
Report No. 2020-066

ANNUAL FINANCIAL REPORT

**CARROLL COUNTY, MISSOURI**

For the Years Ended  
December 31, 2019 and 2018

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS  
KANSAS CITY

# CARROLL COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

CARROLL COUNTY, MISSOURI  
List of Elected Officials 2018-2019

*County Commission*

Presiding Commissioner – Stan Falke

Commissioner, District 1 – Bill Boelsen

Commissioner, District 2 – David Martin

*Other Elected Officials*

Assessor – Devin Rae Frazier

Circuit Clerk and ex-officio Recorder of Deeds – Janet Horine

Collector-Treasurer – Janice Hundley

County Clerk – Norma L. Sparks

Coroner – Steven W. Bittiker

Prosecuting Attorney – Cassandra Brown

Public Administrator – Linda Leabo

Sheriff – William Jewell McCoy

Surveyor – Marcus J. Magee

## **FINANCIAL SECTION**

## **McBRIDE, LOCK & ASSOCIATES, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the County Commission and  
Officeholders of Carroll County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash 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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of December 31, 2019 and 2018, and the respective changes in modified cash basis financial position for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County, Missouri's basic financial statements. The Management's Discussion and Analysis, Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Modified Cash Basis, Statement of Receipts, Disbursements and Changes in Fund Balances – Non-Major Governmental Funds – Modified Cash Basis, and Statement of Fiduciary Receipts, Disbursements, and Changes in Cash – Modified Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated August 12, 2020, on our consideration of Carroll 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 Carroll 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 the County's internal control over financial reporting and compliance.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 12, 2020

CARROLL COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018

The discussion and analysis of Carroll County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2019 and 2018. The information below, prepared by the County's management, should be read in conjunction with the financial statements that immediately follow.

**Overview of the Financial Statements**

The contents of this report comply with the presentation requirements of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as applicable to the modified cash basis of accounting. The County's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The County has elected to present its financial statements on the modified cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the modified cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the modified cash basis of accounting. Modification to the cash basis is due to the presentation of investments.

Government-wide Financial Statements

The government-wide Statement of Net Position and the government-wide Statement of Activities report information about the County as a whole. These statements present the County's net position and show how they have changed. Over time, increases or decreases in the County's net position are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the County's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-type activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include governmental funds, which focus on the flow of money into and out of those funds and the balances left at year-end that are available for spending, and fiduciary funds, which focus on funds collected on behalf of and remitted to other

entities within and outside of the County. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the County's programs.

### The County as Trustee

The County is the trustee, or fiduciary, for its custodial funds that are used to account for assets held by the County's elected officials in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The County's fiduciary assets are reported in a separate Statement of Fiduciary Net Position. Fiduciary funds are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Other Information

The report also includes this Management's Discussion and Analysis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Modified Cash Basis for the County's major governmental funds; the Statement of Receipts, Disbursements, and Changes in Fund Balances – Non-Major Governmental Funds – Modified Cash Basis; and the Statement of Fiduciary Receipts, Disbursements, and Changes in Cash – Modified Cash Basis.

### **Financial Highlights**

The County's net position continues to remain steady in uncertain times, with a slight increase for both years 2019 and 2018. The County is highly blessed with state assessed railroad and utility valuations, two major pipelines, and Ethanol plant. The coming years are inspiring in that four Missouri licenses have been issued for Carroll County for Medical Marijuana growing and manufacturing facilities.

- The County's total revenues exceeded total expenditures by \$114,100 in 2019 and \$325,121 in 2018.
- The County's total governmental funds ended with a combined cash and investments balance of \$5,308,294 in 2019 and \$5,194,194 in 2018.

### **Financial Analysis of the County as a Whole**

The following information was derived from the Statement of Net Position for 2018 and 2019 and unaudited 2017 information from the County's budget documents:

Changes in Net Position			
	Governmental Activities		
	2019	2018	2017
Net Position	\$ 5,308,294	\$ 5,194,194	\$ 4,869,073
Program Receipts	2,166,180	1,984,547	2,522,891
General Receipts	1,832,955	1,637,657	1,600,742
Disbursements	(3,885,035)	(3,297,083)	(3,895,775)
Change in Net Position	<u>\$ 114,100</u>	<u>\$ 325,121</u>	<u>\$ 227,858</u>

### **The County's Funds**

- Elected officials and department heads have been diligent in their efforts to follow state statutes and auditor's instruction.
- Each office pays close attention to the spending for their department and only seems to spend what is actually needed.
- The County continues to pay 100% of the health insurance premium for full-time County employees, despite the continual increase in premium rates and increases in liability and property insurance.
- The County Commission voted in 2019 to pay for the Medicare Supplemental insurance premium for elected officials and employees who are Medicare eligible.
- The County has entered into an agreement with the BNSF railroad to replace a railroad bridge, to be reimbursed at 100% by the railroad company. Engineering began in 2019, but construction will be completed in 2020.
- The smaller court funds have all but dried up for the Prosecuting Attorney and many of the Sheriff's funds have depleted by at least 50%. General Revenue will be picking up the cost of many of these.

### **Capital Asset and Debt Administration**

The County Commission continues to be committed to upgrading the equipment at the Road and Bridge department through lease agreements and state bids. They have purchased a Ford pickup, John Deere dozer, and a new Mack dump truck.

The County Commission continues to upgrade the Sheriff patrol cars to have newer, lower mileage vehicles, resulting in less major repairs. They have purchased three Ford Explorers in 2015, two new Ford Explorers in 2017 and two new ones in 2019. The plan is to put these on a rotation schedule to keep newer patrol cars in place.

### **Economic Factors and Next Year's Budgets and Rates**

The economic condition of Carroll County continues to remain constant, even in the face of adversity, with record flooding in 2019 and the continual rural decline of commercial business and industry. Carroll County has been designated an "Agri-Ready" and "Work Ready" County to encourage agricultural related businesses and producers to locate in Carroll County. The state has awarded four Medical Marijuana licenses for Carroll County. One business, Feelz Good Green Products, is currently under construction and has requested a tax abatement for real estate taxes. This was still under advisement at the beginning of 2020.

### **Contacting the County's Financial Management**

Questions about this report or requests for additional information should be addressed to Norma L. Sparks, Carroll County Clerk, 8 South Main, Suite 6, Carrollton, Missouri 64633, Phone 660-542-0615 or email at [countyclerk@carrollcomo.org](mailto:countyclerk@carrollcomo.org).

CARROLL COUNTY, MISSOURI  
 STATEMENTS OF NET POSITION - MODIFIED CASH BASIS  
 DECEMBER 31, 2019 AND 2018

	December 31,	
	2019	2018
	Primary County Government	Primary County Government
ASSETS		
Cash and cash equivalents	\$ 3,612,822	\$ 3,522,721
Investments	1,695,472	1,671,473
Total Assets	<u>\$ 5,308,294</u>	<u>\$ 5,194,194</u>
NET POSITION		
Restricted	\$ 1,804,029	\$ 1,924,579
Unrestricted	3,486,312	3,255,104
Total Net Position	<u>\$ 5,290,341</u>	<u>\$ 5,179,683</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2019

		Program Receipts		Net Receipts/ (Disbursements) and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
General county government	\$ 979,666	\$ 605,630	\$ 34,490	\$ (339,546)
Public safety	847,909	96,110	-	(751,799)
Health and welfare	215,317	-	-	(215,317)
Roads and bridges	1,481,954	32,888	1,127,258	(321,808)
Assessment	292,314	7,082	262,722	(22,510)
Other	67,875	-	-	(67,875)
Total Governmental Activities	<u>\$ 3,885,035</u>	<u>\$ 741,710</u>	<u>\$ 1,424,470</u>	<u>\$ (1,718,855)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 1,008,457
Sales taxes				592,548
Interest				33,828
Other				198,122
Total General Receipts				<u>\$ 1,832,955</u>
Changes in Net Position				114,100
NET POSITION, JANUARY 1				<u>5,194,194</u>
NET POSITION, DECEMBER 31				<u>\$ 5,308,294</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2018

		Program Receipts		Net Receipts (Disbursements) and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
General county government	\$ 967,560	\$ 598,115	\$ 74,558	\$ (294,887)
Public safety	869,449	76,249	-	(793,200)
Health and welfare	230,029	-	-	(230,029)
Roads and bridges	933,225	13,649	952,713	33,137
Assessment	237,904	7,602	261,661	31,359
Courthouse restoration	1	-	-	(1)
Other	58,915	-	-	(58,915)
Total Governmental Activities	<u>\$ 3,297,083</u>	<u>\$ 695,615</u>	<u>\$ 1,288,932</u>	<u>\$ (1,312,536)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 1,008,840
Sales taxes				568,368
Interest				27,030
Other				33,419
Total General Receipts				<u>\$ 1,637,657</u>
Changes in Net Position				325,121
NET POSITION, JANUARY 1				<u>4,869,073</u>
NET POSITION, DECEMBER 31				<u>\$ 5,194,194</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



CARROLL COUNTY, MISSOURI  
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
DECEMBER 31, 2019

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
ASSETS						
Cash and cash equivalents	\$ 2,324,104	\$ 731,045	\$ 216,328	\$ 48,768	\$ 292,577	\$ 3,612,822
Investments	1,162,208	104,950	153,686	154,932	119,696	1,695,472
Total Assets	<u>\$ 3,486,312</u>	<u>\$ 835,995</u>	<u>\$ 370,014</u>	<u>\$ 203,700</u>	<u>\$ 412,273</u>	<u>\$ 5,308,294</u>
FUND BALANCES						
Restricted - Special Revenue Funds	\$ -	\$ 835,995	\$ 370,014	\$ 203,700	\$ 412,273	\$ 1,821,982
Unassigned	3,486,312	-	-	-	-	3,486,312
Total Fund Balances	<u>\$ 3,486,312</u>	<u>\$ 835,995</u>	<u>\$ 370,014</u>	<u>\$ 203,700</u>	<u>\$ 412,273</u>	<u>\$ 5,308,294</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
DECEMBER 31, 2018

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
ASSETS						
Cash and cash equivalents	\$ 2,110,497	\$ 806,137	\$ 234,899	\$ 48,658	\$ 322,530	\$ 3,522,721
Investments	<u>1,144,607</u>	<u>103,291</u>	<u>152,307</u>	<u>153,184</u>	<u>118,084</u>	<u>1,671,473</u>
Total Assets	<u>\$ 3,255,104</u>	<u>\$ 909,428</u>	<u>\$ 387,206</u>	<u>\$ 201,842</u>	<u>\$ 440,614</u>	<u>\$ 5,194,194</u>
FUND BALANCES						
Restricted - Special Revenue Funds	\$ -	\$ 909,428	\$ 387,206	\$ 201,842	\$ 440,614	\$ 1,939,090
Unassigned	<u>3,255,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,255,104</u>
Total Fund Balances	<u>\$ 3,255,104</u>	<u>\$ 909,428</u>	<u>\$ 387,206</u>	<u>\$ 201,842</u>	<u>\$ 440,614</u>	<u>\$ 5,194,194</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
<b>RECEIPTS</b>						
Property taxes	\$ 628,048	\$ 116,577	\$ -	\$ -	\$ 263,832	\$ 1,008,457
Sales taxes	592,548	-	-	-	-	592,548
Intergovernmental	34,476	1,127,258	262,723	-	13	1,424,470
Charges for services	652,897	32,888	7,082	-	48,843	741,710
Interest	23,634	3,798	2,088	1,858	2,450	33,828
Other	20,698	171,737	5,442	-	245	198,122
Total Receipts	<u>\$ 1,952,301</u>	<u>\$ 1,452,258</u>	<u>\$ 277,335</u>	<u>\$ 1,858</u>	<u>\$ 315,383</u>	<u>\$ 3,999,135</u>
<b>DISBURSEMENTS</b>						
General county government	\$ 949,868	\$ -	\$ -	\$ -	\$ 29,798	\$ 979,666
Public safety	828,867	-	-	-	19,042	847,909
Health and welfare	-	-	-	-	215,317	215,317
Roads and bridges	-	1,481,954	-	-	-	1,481,954
Assessment	-	-	292,314	-	-	292,314
Other	221	-	-	-	67,654	67,875
Total Disbursements	<u>\$ 1,778,956</u>	<u>\$ 1,481,954</u>	<u>\$ 292,314</u>	<u>\$ -</u>	<u>\$ 331,811</u>	<u>\$ 3,885,035</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 173,345	\$ (29,696)	\$ (14,979)	\$ 1,858	\$ (16,428)	\$ 114,100
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 62,392	\$ 16,297	\$ 111	\$ -	\$ 4,418	\$ 83,218
Transfers out	(4,529)	(60,034)	(2,324)	-	(16,331)	(83,218)
Total Other Financing Sources (Uses)	<u>\$ 57,863</u>	<u>\$ (43,737)</u>	<u>\$ (2,213)</u>	<u>\$ -</u>	<u>\$ (11,913)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	\$ 231,208	\$ (73,433)	\$ (17,192)	\$ 1,858	\$ (28,341)	\$ 114,100
FUND BALANCE, JANUARY 1	<u>3,255,104</u>	<u>909,428</u>	<u>387,206</u>	<u>201,842</u>	<u>440,614</u>	<u>5,194,194</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 3,486,312</u></u>	<u><u>\$ 835,995</u></u>	<u><u>\$ 370,014</u></u>	<u><u>\$ 203,700</u></u>	<u><u>\$ 412,273</u></u>	<u><u>\$ 5,308,294</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2018

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
<b>RECEIPTS</b>						
Property taxes	\$ 635,126	\$ 112,203	\$ -	\$ -	\$ 261,511	\$ 1,008,840
Sales taxes	568,368	-	-	-	-	568,368
Intergovernmental	70,318	952,713	261,661	-	4,240	1,288,932
Charges for services	624,287	13,649	7,602	-	50,077	695,615
Interest	18,518	3,562	1,642	1,309	1,999	27,030
Other	19,066	6,673	6,980	-	700	33,419
Total Receipts	\$ 1,935,683	\$ 1,088,800	\$ 277,885	\$ 1,309	\$ 318,527	\$ 3,622,204
<b>DISBURSEMENTS</b>						
General county government	\$ 950,736	\$ -	\$ -	\$ -	\$ 16,824	\$ 967,560
Public safety	863,406	-	-	-	6,043	869,449
Health and welfare	-	-	-	-	230,029	230,029
Roads and bridges	-	933,225	-	-	-	933,225
Assessment	-	-	237,904	-	-	237,904
Courthouse restoration	-	-	-	1	-	1
Other	-	-	-	-	58,915	58,915
Total Disbursements	\$ 1,814,142	\$ 933,225	\$ 237,904	\$ 1	\$ 311,811	\$ 3,297,083
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>						
	\$ 121,541	\$ 155,575	\$ 39,981	\$ 1,308	\$ 6,716	\$ 325,121
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 63,894	\$ -	\$ -	\$ -	\$ 7,975	\$ 71,869
Transfers out	(7,975)	(60,026)	(2,749)	-	(1,119)	(71,869)
Total Other Financing Sources (Uses)	\$ 55,919	\$ (60,026)	\$ (2,749)	\$ -	\$ 6,856	\$ -
<b>NET CHANGE IN FUND BALANCES</b>						
	\$ 177,460	\$ 95,549	\$ 37,232	\$ 1,308	\$ 13,572	\$ 325,121
<b>FUND BALANCE, JANUARY 1</b>						
	3,077,644	813,879	349,974	200,534	427,042	4,869,073
<b>FUND BALANCE, DECEMBER 31</b>						
	<u>\$ 3,255,104</u>	<u>\$ 909,428</u>	<u>\$ 387,206</u>	<u>\$ 201,842</u>	<u>\$ 440,614</u>	<u>\$ 5,194,194</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
 STATEMENTS OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS  
 DECEMBER 31,

	Custodial Funds	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 6,479,426	\$ 5,316,784
Investments	5,000	5,000
Total Assets	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>
NET POSITION		
Restricted for:		
Other Entities	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>
Total Net Position	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS  
 YEAR ENDED DECEMBER 31,

	Custodial Funds	
	2019	2018
ADDITIONS		
Collections on behalf of other entities	\$ 17,153,201	\$ 15,874,236
Total Additions	\$ 17,153,201	\$ 15,874,236
DEDUCTIONS		
Payments to other entities	\$ 15,990,559	\$ 15,884,490
Total Deductions	\$ 15,990,559	\$ 15,884,490
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	\$ 1,162,642	\$ (10,254)
NET POSITION, JANUARY 1	5,321,784	5,332,038
NET POSITION, DECEMBER 31	\$ 6,484,426	\$ 5,321,784

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carroll County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk and ex-officio Recorder of Deeds, Collector-Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff and Surveyor.

The financial statements of Carroll County, Missouri (the County) have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County’s accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County’s financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Carroll County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity, including the Senate Bill 40 Board Fund. The 911 Board and Health Center Board are not included as they are considered separate governing entities under state law.

The financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

*Government-wide Financial Statements:*

The statements of net position and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

*Fund Financial Statements:*

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The County's major governmental funds are as follows:

General Revenue Fund - The General Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Assessment Fund – A special revenue fund used to account for property tax withholdings and state reimbursements that are legally restricted to expenditures for assessment purposes.

Courthouse Restoration Fund – A special revenue fund used to account for delinquent sales taxes and other revenue that are legally restricted to expenditures for courthouse restoration purposes.

Fiduciary funds account for assets held by the County as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net position and changes in net position; fiduciary assets are reported in separate Statements of Fiduciary Net Position because the County cannot use those assets to finance its operations. The County's fiduciary funds consist of custodial funds, which report assets held in a purely custodial capacity.



### C. Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modification of the cash basis is due to the presentation of investments.

As a result of the use of this modified cash 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, notes payable, revenue 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 government-wide financial statements would be presented on the accrual basis of accounting.

### D. Equity Classifications

#### *Government-wide Financial Statements*

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

Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

#### *Fund Financial Statements*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Commission. Assigned fund balances is a limitation imposed by a designee of the Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

### E. Budgets 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's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the modified cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2019</u>	<u>2018</u>
Law Enforcement Training - POST	N/A	✓
Deputy Sheriff Salary Supplemental	N/A	✓
Administrative Handling	✓	N/A

- F. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 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 valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation were:

	2019	2018
Real Estate	\$ 85,489,972	\$ 84,468,628
Personal Property	34,401,960	38,546,580
Railroad and Utilities	116,296,457	110,347,518
Total	<u>\$ 236,188,389</u>	<u>\$ 233,362,726</u>

For calendar years 2019 and 2018, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2019	2018
General Revenue	0.2655	0.2588
Johnson Grass	0.0099	0.0099
Senate Bill 40 Board	0.0954	0.0954

In addition to the levies above, the Drainage District III Fund receives .025% per \$1 of net benefit, and the Special Road and Bridge Fund receives \$.05 per \$100 of assessed valuation of each township Road and Bridge levy for administrative purposes.

#### G. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the Collector-Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below 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 and investment balances are presented in Note 2.

#### H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

## I. Long-Term Debt

Consistent with the modified cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

## J. New Accounting Pronouncements

The County has implemented GASB Statement No. 84, *Fiduciary Activities*, effective for periods beginning after December 15, 2018, which establishes criteria for identifying and reporting fiduciary activities of state and local governments. As a result of the implementation of this statement, the County's financial statements include Statements of Changes in Fiduciary Net Position which report Additions and Deductions of the County's custodial funds.

## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019 and 2018, the carrying amounts of the County's deposits were \$5,308,294 and \$5,194,194, respectively, and the bank balances were \$5,621,754 and \$5,507,620, respectively. Of the bank balances, \$537,196 and \$530,539 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2019 and 2018, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2019 and 2018, the carrying amounts of the County's custodial funds were \$6,484,426 and \$5,321,784, respectively, and the bank balances were \$6,438,345 and \$5,380,592, respectively. Of the bank balances, \$1,279,142 and \$1,069,966 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

### 3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2019				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	Assessment	Non-Major Funds
General Revenue	-	-	111	4,418
Special Road and Bridge	60,034	-	-	-
Assessment	2,324	-	-	-
Non-Major Funds	34	16,297	-	-

  

Year Ended December 31, 2018				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	Assessment	Non-Major Funds
General Revenue	-	-	-	7,975
Special Road and Bridge	60,026	-	-	-
Assessment	2,749	-	-	-
Non-Major Funds	1,119	-	-	-

### 4. COUNTY EMPLOYEES' RETIREMENT PLANS

#### A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

##### 1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

## 2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

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, by calling 1-877-632-2373, or by the following website, [www.mocerf.org](http://www.mocerf.org).

## 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2019 and 2018, the County collected and remitted to CERF employee withholdings and fees collected of \$139,388 and \$121,364, respectively, for the years then ended.

## B. Defined Contribution and Deferred Compensation Plans

### 1) Plan Description

The County offers employees the opportunity to participate in the CERF defined benefit plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

### 2) Contributions

Pension plan members are required to contribute 0.7 % of gross compensation to the defined contribution plan. During the years ended December 31, 2019 and 2018, contributions for the mandatory 401(a) totaled \$8,484 and \$8,359, respectively.

Participation in the deferred compensation plan is voluntary, and the employee elects the contribution level, subject to the limitations of IRC Sections 401(a) and 457. The CERF Board of Directors decides if matching contributions from the pension plan trust funds for the calendar year will be made to the defined contribution accounts of those who participated in the deferred compensation plan. The amount of any matching contribution is determined by the Board and is limited to 50% of a member's voluntary contributions to

the deferred compensation plan, up to 6% of the member's compensation. During the years ended December 31, 2019 and 2018, contributions to the 457 plan totaled \$35,491 and \$36,541, respectively.

### 3) Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends member contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions.

### C. 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 and \$4,862, respectively, for the years ended December 31, 2019 and 2018.

## 5. 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.

## 6. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides regular full-time employees with up to 15 days of sick time to accrue at 1.25 days for each calendar month worked. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for full-time employees at the rate of 10 days per year for employees with 1-5 years of service; 11 days per year with 6 years of service; 12 days per year with 7 years of service; 13 days per year with 8 years of service; 14 days per year with 9 years of service; and 15 days per year with 10 or more years of service, up to a maximum of 30 days. Upon termination, the employee is compensated for accrued vacation time up to a maximum of 30 days.

### B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

### C. Intergovernmental Agreement

Effective June 1, 2014, the County entered into an intergovernmental agreement with the Town of Carrollton to have the Deputy Recorder of Deeds serve as the municipal court clerk. The agreement ended December 31, 2014, but has been renewed every year. The agreement is considered a renewable leave agreement. The County pays 75% of the total salary and fringe benefits and related office expenditures with the Town of Carrollton reimbursing the County the remaining 25%.

## 7. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body. 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 which are intended 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 a member of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. 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.

## 8. LONG-TERM DEBT

- A. In June 2015, the County entered into a \$36,952, three-year capital lease for a 2015 John Deere Dozer for the Road and Bridge department. The lease called for annual payments of \$12,959 through March 2018. The last annual payment was made in March 2018. The payments included interest of 3%.
- B. In April 2015, the County entered into a \$62,100, five-year capital lease for three Ford Explorers for the Sheriff's office. The lease calls for annual payments of \$13,680 through February 2020. The payments include interest of 3.5%.

Fiscal Year Ending			
December 31,	Principal	Interest	Total
2020	\$ 13,644	\$ 36	\$ 13,680



- C. In April 2017, the County entered into a \$46,260, five-year capital lease for two Ford Explorers for the Sheriff's office. In August 2018, the lease was amended due to an accident and replacement of one of the vehicles. The amended lease calls for annual payments of \$11,234 through February 2022. The payments include interest of 3.75%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 10,060	\$ 1,174	\$ 11,234
2021	10,437	797	11,234
2022	10,828	406	11,234
Totals	<u>\$ 31,325</u>	<u>\$ 2,377</u>	<u>\$ 33,702</u>

- D. In September 2019, the County entered into a \$67,203, five-year capital lease for two Ford Utility Vehicles for the Sheriff's office. The lease calls for annual payments of \$14,695 through September 2023. The payments include interest of 3.9%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 12,607	\$ 2,088	\$ 14,695
2021	13,111	1,584	14,695
2022	13,630	1,065	14,695
2023	13,313	526	13,839
Totals	<u>\$ 52,661</u>	<u>\$ 5,263</u>	<u>\$ 57,924</u>

- E. In October 2019, the County entered into a \$112,145, three-year capital lease for a Case Trackhoe for the Road and Bridge department. The lease calls for annual payments of \$39,684 through March 2022. The payments include interest of 4.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 37,558	\$ 2,126	\$ 39,684
2021	36,521	3,163	39,684
2022	38,066	1,618	39,684
Totals	<u>\$ 112,145</u>	<u>\$ 6,907</u>	<u>\$ 119,052</u>

- F. In December 2019, the County entered into a \$107,615, three-year finance/ownership contract for a Mack Dump Truck for the Road and Bridge department. The contract calls for annual payments of \$37,011 through April 2022. The payments include interest of 3.61%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 37,011	\$ -	\$ 37,011
2021	34,744	2,267	37,011
2022	35,860	1,151	37,011
Totals	<u>\$ 107,615</u>	<u>\$ 3,418</u>	<u>\$ 111,033</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2015 John Deere Dozer	\$ 12,610	\$ -	\$ (12,610)	\$ -	\$ 373
Three 2015 Ford Explorers	38,612	-	(12,259)	26,353	1,420
Two 2017 Ford Explorers	46,260	29,090	(33,602)	41,748	1,492

The following schedule shows changes in long-term debt during the year ended December 31, 2019:

Description	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
Three 2015 Ford Explorers	\$ 26,353	\$ -	\$ (12,709)	\$ 13,644	\$ 970
Two 2017 Ford Explorers	41,748	-	(10,423)	31,325	811
Two 2019 Ford Utility Vehicles	-	67,203	(14,542)	52,661	153
2019 Case Trackhoe	-	152,145	(40,000)	112,145	-
2019 Mack Dump Truck	-	147,615	(40,000)	107,615	-

## 9. OPERATING LEASES

In November 2015, the County entered into an operating lease for several copiers. The lease calls for monthly payments of \$948 through January 2021. The future payments for the operating lease is as follows:

Fiscal Year Ending December 31,	Amount
2020	\$ 11,376
2021	948

## 10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 12, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the County has been impacted by the coronavirus pandemic in the United States. This event has led to a decrease in business and consumer activity within the County and could have a negative impact on sales and other tax revenues in 2020, as well as potentially affecting the availability of grants and other assistance from the state and federal governments.

## **SUPPLEMENTARY INFORMATION**

CARROLL COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS

GENERAL REVENUE FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
<b>RECEIPTS</b>						
Property taxes	\$ 598,500	\$ 635,126	\$ 36,626	\$ 644,650	\$ 628,048	\$ (16,602)
Sales taxes	511,000	568,368	57,368	521,000	592,548	71,548
Intergovernmental	39,298	70,318	31,020	28,278	34,476	6,198
Charges for services	632,230	624,287	(7,943)	629,722	652,897	23,175
Interest	10,000	18,518	8,518	15,000	23,634	8,634
Other	12,547	19,066	6,519	12,557	20,698	8,141
Transfers in	65,050	63,894	(1,156)	65,050	62,392	(2,658)
Total Receipts	\$ 1,868,625	\$ 1,999,577	\$ 130,952	\$ 1,916,257	\$ 2,014,693	\$ 98,436
<b>DISBURSEMENTS</b>						
County Commission	\$ 146,980	\$ 123,752	\$ (23,228)	\$ 142,921	\$ 123,720	\$ (19,201)
County Clerk	155,322	148,655	(6,667)	157,349	131,843	(25,506)
Election	162,416	106,970	(55,446)	86,265	46,014	(40,251)
Building & Grounds	183,438	106,388	(77,050)	190,927	136,845	(54,082)
Employee Fringe Benefits	195,215	166,381	(28,834)	208,715	183,512	(25,203)
County Collector/Treasurer	135,732	124,725	(11,007)	148,208	132,847	(15,361)
Recorder	38,566	34,518	(4,048)	40,406	36,270	(4,136)
Circuit Clerk	22,860	8,405	(14,455)	28,460	15,845	(12,615)
Court Administration	4,131	3,657	(474)	2,050	1,340	(710)
Court Reporter	425	-	(425)	720	-	(720)
Other General County Government	90,540	82,637	(7,903)	95,660	91,300	(4,360)
Public Administrator	48,700	44,648	(4,052)	50,552	50,332	(220)
Sheriff	677,435	705,972	28,537	796,721	675,893	(120,828)
Prosecuting Attorney	128,345	104,593	(23,752)	134,330	110,080	(24,250)
Juvenile Officer	24,035	34,081	10,046	27,535	21,082	(6,453)
County Coroner	20,665	18,760	(1,905)	21,472	21,812	340
Other and Flood Control Lease	-	-	-	-	221	221
Transfers out	10,200	7,975	(2,225)	6,700	4,529	(2,171)
Emergency fund	55,900	-	(55,900)	60,000	-	(60,000)
Total Disbursements	\$ 2,100,905	\$ 1,822,117	\$ (278,788)	\$ 2,198,991	\$ 1,783,485	\$ (415,506)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (232,280)	\$ 177,460	\$ 409,740	\$ (282,734)	\$ 231,208	\$ 513,942
FUND BALANCE, JANUARY 1	3,077,644	3,077,644	-	3,255,104	3,255,104	-
FUND BALANCE, DECEMBER 31	\$ 2,845,364	\$ 3,255,104	\$ 409,740	\$ 2,972,370	\$ 3,486,312	\$ 513,942

CARROLL COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS

SPECIAL ROAD AND BRIDGE FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ 112,203	\$ 112,203	\$ -	\$ 115,000	\$ 116,577	\$ 1,577
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,602,270	952,713	(649,557)	1,362,555	1,127,258	(235,297)
Charges for services	15,000	13,649	(1,351)	16,000	32,888	16,888
Interest	2,800	3,562	762	3,700	3,798	98
Other	3,300	6,673	3,373	2,806,000	171,737	(2,634,263)
Transfers in	-	-	-	5,000	16,297	11,297
Total Receipts	<u>\$ 1,735,573</u>	<u>\$ 1,088,800</u>	<u>\$ (646,773)</u>	<u>\$ 4,308,255</u>	<u>\$ 1,468,555</u>	<u>\$ (2,839,700)</u>
DISBURSEMENTS						
Salaries	\$ 232,851	\$ 233,755	\$ 904	\$ 239,096	\$ 241,079	\$ 1,983
Employee fringe benefits	73,630	68,075	(5,555)	77,201	73,908	(3,293)
Materials and supplies	327,475	293,065	(34,410)	297,650	368,142	70,492
Services and other	221,250	115,418	(105,832)	227,000	92,881	(134,119)
Capital outlay	14,000	12,983	(1,017)	-	80,000	80,000
Construction	1,049,500	209,929	(839,571)	3,670,000	625,944	(3,044,056)
Transfers out	60,050	60,026	(24)	60,050	60,034	(16)
Total Disbursements	<u>\$ 1,978,756</u>	<u>\$ 993,251</u>	<u>\$ (985,505)</u>	<u>\$ 4,570,997</u>	<u>\$ 1,541,988</u>	<u>\$ (3,029,009)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (243,183)	\$ 95,549	\$ 338,732	\$ (262,742)	\$ (73,433)	\$ 189,309
FUND BALANCE, JANUARY 1	<u>813,879</u>	<u>813,879</u>	<u>-</u>	<u>909,428</u>	<u>909,428</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 570,696</u>	<u>\$ 909,428</u>	<u>\$ 338,732</u>	<u>\$ 646,686</u>	<u>\$ 835,995</u>	<u>\$ 189,309</u>

CARROLL COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS

ASSESSMENT FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	255,468	261,661	6,193	255,468	262,723	7,255
Charges for services	3,800	7,602	3,802	4,550	7,082	2,532
Interest	800	1,642	842	1,600	2,088	488
Other	5,000	6,980	1,980	5,000	5,442	442
Transfers in	-	-	-	-	111	111
Total Receipts	<u>\$ 265,068</u>	<u>\$ 277,885</u>	<u>\$ 12,817</u>	<u>\$ 266,618</u>	<u>\$ 277,446</u>	<u>\$ 10,828</u>
DISBURSEMENTS						
Salaries	\$ 156,658	\$ 157,046	\$ 388	\$ 164,624	\$ 161,711	\$ (2,913)
Employee fringe benefits	30,854	31,349	495	38,995	38,350	(645)
Materials and Supplies	53,800	45,492	(8,308)	104,333	87,007	(17,326)
Services and Other	8,500	4,017	(4,483)	9,000	5,246	(3,754)
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	5,000	2,749	(2,251)	5,000	2,324	(2,676)
Total Disbursements	<u>\$ 254,812</u>	<u>\$ 240,653</u>	<u>\$ (14,159)</u>	<u>\$ 321,952</u>	<u>\$ 294,638</u>	<u>\$ (27,314)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10,256	\$ 37,232	\$ 26,976	\$ (55,334)	\$ (17,192)	\$ 38,142
FUND BALANCE, JANUARY 1	<u>349,974</u>	<u>349,974</u>	<u>-</u>	<u>387,206</u>	<u>387,206</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 360,230</u>	<u>\$ 387,206</u>	<u>\$ 26,976</u>	<u>\$ 331,872</u>	<u>\$ 370,014</u>	<u>\$ 38,142</u>

CARROLL COUNTY, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS

COURTHOUSE RESTORATION FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	900	1,309	409	1,100	1,858	758
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 1,309</u>	<u>\$ 409</u>	<u>\$ 1,100</u>	<u>\$ 1,858</u>	<u>\$ 758</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-
Services and Other	50,001	1	(50,000)	50,000	-	(50,000)
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 50,001</u>	<u>\$ 1</u>	<u>\$ (50,000)</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (49,101)	\$ 1,308	\$ 50,409	\$ (48,900)	\$ 1,858	\$ 50,758
FUND BALANCE, JANUARY 1	<u>200,534</u>	<u>200,534</u>	<u>-</u>	<u>201,842</u>	<u>201,842</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 151,433</u></u>	<u><u>\$ 201,842</u></u>	<u><u>\$ 50,409</u></u>	<u><u>\$ 152,942</u></u>	<u><u>\$ 203,700</u></u>	<u><u>\$ 50,758</u></u>

CARROLL COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
 YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
Law Enforcement Training	\$ 817	\$ 1,084	\$ 15	\$ 1,886	\$ 565	\$ 483	\$ 1,968
Prosecuting Attorney Training	271	269	251	289	272	251	310
Drainage District III	109,755	23,941	4	133,692	23,957	18,929	138,720
Special Sheriff	6,487	7,172	1,115	12,544	5,348	14,291	3,601
Johnson Grass	139,602	22,941	39,649	122,894	23,490	48,339	98,045
Recorder's Preservation	23,842	3,027	124	26,745	3,147	1,799	28,093
Prosecuting Attorney Delinquent	846	2	200	648	273	250	671
Election Services	31,556	8,717	5,589	34,684	5,547	7,906	32,325
Law Enforcement Training - POST	-	523	523	-	500	500	-
Tax Maintenance	59,915	15,050	11,012	63,953	16,669	20,068	60,554
Local Emergency Planning Committee	13,506	4,227	99	17,634	-	58	17,576
Sheriff Revolving	259	2,122	827	1,554	2,496	453	3,597
County Law Enforcement Restitution	5,931	13,060	13,897	5,094	13,552	10,472	8,174
Deputy Sheriff Salary Supplementation	816	3,553	3,563	806	2,707	3,317	196
Emergency Management	322	-	-	322	-	-	322
Administrative Handling Cost	5,199	4,192	6,033	3,358	2,519	5,709	168
Senate Bill 40 Board	27,918	216,622	230,029	14,511	218,759	215,317	17,953
Total	<u>\$ 427,042</u>	<u>\$ 326,502</u>	<u>\$ 312,930</u>	<u>\$ 440,614</u>	<u>\$ 319,801</u>	<u>\$ 348,142</u>	<u>\$ 412,273</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



CARROLL COUNTY, MISSOURI  
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - MODIFIED CASH BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund/Account	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
Treasurer CERF	\$ -	\$ 10,685	\$ 10,685	\$ -	\$ 11,587	\$ 11,587	\$ -
Treasurer EFTPS	-	22,864	22,864	-	24,141	24,141	-
Treasurer Tax Sales Surplus	1,185	1,208	725	1,668	20,633	-	22,301
Treasurer Unclaimed Magistrate Fees	-	-	-	-	202	-	202
Treasurer Distributable Schools	22,022	64,252	67,825	18,449	36,930	45,270	10,109
Treasurer Law Library	11,493	5,396	2,227	14,662	4,960	9,021	10,601
Treasurer Children's Trust	1,471	313	1,002	782	247	502	527
Treasurer Time Payment Fee	3,240	1,055	1,887	2,408	919	4	3,323
Treasurer Garnishment Clerk Fees	5,091	1,274	-	6,365	1,366	-	7,731
Treasurer Financial Institution Tax	-	45,014	45,014	-	12,966	12,966	-
Treasurer RAHN CD	5,000	-	-	5,000	-	-	5,000
County Clerk	312	9,672	9,984	-	8,938	8,938	-
Collector	4,456,261	15,041,030	15,040,159	4,457,132	16,032,103	15,090,175	5,399,060
Collector Bankruptcy	247	722	-	969	834	1,089	714
Collector Tax Escrow	1,753	4,678	5,254	1,177	6,422	6,040	1,559
Sheriff	1,487	30,758	31,222	1,023	33,662	33,004	1,681
Sheriff Auxiliary	1,080	-	-	1,080	-	-	1,080
Recorder	5,092	55,662	60,754	-	59,628	59,628	-
Prosecuting Attorney Trust	250	2,336	2,586	-	556	556	-
Public Administrator	815,540	559,733	564,204	811,069	886,664	677,195	1,020,538
Assessor	514	17,584	18,098	-	10,443	10,443	-
Total	<u>\$ 5,332,038</u>	<u>\$ 15,874,236</u>	<u>\$ 15,884,490</u>	<u>\$ 5,321,784</u>	<u>\$ 17,153,201</u>	<u>\$ 15,990,559</u>	<u>\$ 6,484,426</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Carroll 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 Carroll County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Carroll County, Missouri's basic financial statements, and have issued our report thereon dated August 12, 2020.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carroll County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carroll County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Carroll 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. 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 Carroll County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

*(Original Signed by McBride, Lock & Associates, LLC)*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
August 12, 2020

## **FINDINGS AND RECOMMENDATIONS**

CARROLL COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None

**ITEMS OF NONCOMPLIANCE**

None

CARROLL COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Carroll County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016. There were no financial statement findings issued as a result of this audit. There was one federal award finding that was not required to be followed-up on as the criteria for a Uniform Guidance audit was not met in the current audit period.