



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Chariton County, Missouri

The Office of the State Auditor contracted for an audit of Chariton 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 Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-091



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Chariton County

2019-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, procedures should be developed to ensure that expenditures do not exceed available funds.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**The County of Chariton
Keytesville, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Chariton
Keytesville, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Chariton County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Chariton 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 Chariton County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. 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 opinion.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Chariton County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 Chariton County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Chariton County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2020 on our consideration of Chariton 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 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 Chariton County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
September 4, 2020

The County of Chariton
Keytesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 6,005,433	\$ 1,963,023	\$ 1,311,211	\$ 6,657,245
Special Road and Bridge	89,074	806,429	838,163	57,340
Assessment	549,985	342,326	270,064	622,247
Law Enforcement Sales Tax	4,110	639,787	581,876	62,021
Election Services	40,293	6,741	3,360	43,674
Tax Maintenance	15,692	9,815	13,691	11,816
Deputy Sheriff Salary Supplementation	(284)	36,984	33,314	3,386
Law Enforcement Training	274	1,243	1,280	237
Prosecuting Attorney Training	502	411	-	913
Prosecuting Attorney Tax Fee	173	-	-	173
County Law Enforcement Restitution	11,079	4,649	4,518	11,210
Victims of Domestic Violence	65	182	200	47
Administrative Handling Cost	4,953	621	2,395	3,179
Recorder	20,880	7,880	1,553	27,207
Sheriff	8,014	4,729	3,122	9,621
Local Emergency Planning Committee	6,530	3,406	2,336	7,600
County Sheriff's Revolving	762	2,389	256	2,895
Inmate Prisoner Detainee Security	1,237	616	-	1,853
Drainage District No. 3	10,454	785	-	11,239
Drainage District No. 4	112,520	19,300	10,000	121,820
Drainage District No. 6	4,453	262	-	4,715
Drainage District No. 7	5,417	854	-	6,271
Drainage District No. 8	95	2	-	97
Drainage District No. 17	140	3	-	143
Drainage District No. 18	19,289	1,058	-	20,347
Drainage District No. 19	6,854	159	-	7,013
Drainage District No. 20	8,479	2,293	-	10,772
Senior Citizens Service Board	15,618	115,236	122,854	8,000
Senate Bill 40 Board	499,144	194,214	275,968	417,390
Total	<u>\$ 7,441,235</u>	<u>\$ 4,165,397</u>	<u>\$ 3,476,161</u>	<u>\$ 8,130,471</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 5,445,778	\$ 2,041,100	\$ 1,481,445	\$ 6,005,433
Special Road and Bridge	255,230	804,303	970,459	89,074
Assessment	474,473	288,845	213,333	549,985
Law Enforcement Sales Tax	-	585,764	581,654	4,110
Election Services	34,571	9,464	3,742	40,293
Tax Maintenance	17,124	9,627	11,059	15,692
Deputy Sheriff Salary Supplementation	3,667	34,446	38,397	(284)
Law Enforcement Training	236	1,355	1,317	274
Prosecuting Attorney Training	481	227	206	502
Prosecuting Attorney Tax Fee	173	-	-	173
County Law Enforcement Restitution	10,443	2,189	1,553	11,079
Victims of Domestic Violence	117	198	250	65
Administrative Handling Cost	6,620	901	2,568	4,953
Recorder	19,034	8,446	6,600	20,880
Sheriff	6,597	5,923	4,506	8,014
Local Emergency Planning Committee	6,533	3,457	3,460	6,530
County Sheriff's Revolving	94	668	-	762
Inmate Prisoner Detainee Security	1,491	746	1,000	1,237
Drainage District No. 3	10,683	811	1,040	10,454
Drainage District No. 4	93,408	19,112	-	112,520
Drainage District No. 6	4,197	256	-	4,453
Drainage District No. 7	4,515	902	-	5,417
Drainage District No. 8	93	2	-	95
Drainage District No. 17	137	3	-	140
Drainage District No. 18	18,276	1,013	-	19,289
Drainage District No. 19	6,714	140	-	6,854
Drainage District No. 20	43,433	2,986	37,940	8,479
Senior Citizens Service Board	29,948	122,533	136,863	15,618
Senate Bill 40 Board	448,693	197,595	147,144	499,144
Total	<u>\$ 6,942,759</u>	<u>\$ 4,143,012</u>	<u>\$ 3,644,536</u>	<u>\$ 7,441,235</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 719,500	673,438	\$ 744,500	\$ 689,519
Sales Taxes	595,000	510,200	480,000	593,477
Intergovernmental	67,450	42,141	76,000	93,206
Charges for Services	493,800	503,531	477,300	482,694
Interest	118,000	158,049	70,800	126,590
Other Receipts	58,140	75,664	65,070	54,614
Transfers In	-	-	1,000	1,000
Total Receipts	2,051,890	1,963,023	1,914,670	2,041,100
Disbursements				
County Commission	94,520	88,014	94,520	88,298
County Clerk	154,300	142,053	155,714	135,177
Elections	31,500	22,271	100,000	63,007
Building and Grounds	414,018	182,251	443,394	233,566
Employee Fringe Benefits	172,370	125,829	176,870	128,407
Collector-Treasurer	99,875	92,227	97,088	92,065
Circuit Clerk	57,823	44,854	57,036	51,150
Court Administration	42,780	20,021	57,130	33,586
Public Administrator	28,150	28,498	27,950	26,754
Sheriff	268,750	144,873	252,650	119,435
Jail	135,500	66,602	135,500	55,509
Prosecuting Attorney	93,525	82,657	85,683	81,084
Juvenile Officer	37,835	31,139	37,835	31,807
Coroner	31,635	21,443	31,635	17,415
Health and Welfare	1,000	-	1,000	-
Other Disbursements	186,510	158,479	167,260	144,185
Transfers Out	319,198	60,000	497,430	180,000
Emergency Fund	61,600	-	57,500	-
Total Disbursements	2,230,889	1,311,211	2,476,195	1,481,445
Receipts Over (Under)				
Disbursements	\$ (178,999)	\$ 651,812	\$ (561,525)	\$ 559,655
Cash and Equivalents, Jan 1	6,005,433	6,005,433	5,445,778	5,445,778
Cash and Equivalents, Dec 31	\$ 5,826,434	\$ 6,657,245	\$ 4,884,253	\$ 6,005,433

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	795,760	791,542	725,540	785,978
Charges for Services	-	-	-	-
Interest	6,000	4,850	5,000	6,736
Other Receipts	5,500	10,037	40,500	11,589
Transfers In	248,500	-	245,000	-
Total Receipts	1,055,760	806,429	1,016,040	804,303
Disbursements				
Salaries	139,166	122,258	136,254	134,954
Employee Fringe Benefits	67,700	50,846	65,650	53,399
Supplies	6,050	4,906	6,150	4,287
Insurance	13,000	14,054	11,500	11,670
Equipment Repairs	17,500	6,058	27,500	21,796
Equipment Purchases	68,000	7,034	216,000	78,257
Road and Bridge Construction	736,850	594,197	702,900	588,528
Other Disbursements	96,389	38,810	101,000	77,568
Transfers Out	-	-	-	-
Total Disbursements	1,144,655	838,163	1,266,954	970,459
Receipts Over (Under)				
Disbursements	\$ (88,895)	\$ (31,734)	\$ (250,914)	\$ (166,156)
Cash and Equivalents, Jan 1	89,074	89,074	255,230	255,230
Cash and Equivalents, Dec 31	\$ 179	\$ 57,340	\$ 4,316	\$ 89,074

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	276,234	322,160	276,234	271,207
Charges for Services	-	-	-	-
Interest	12,500	16,090	7,000	12,368
Other Receipts	4,500	4,076	5,250	5,270
Transfers In	-	-	-	-
Total Receipts	<u>293,234</u>	<u>342,326</u>	<u>288,484</u>	<u>288,845</u>
<u>Disbursements</u>				
Salaries	150,652	130,652	153,741	128,741
Employee Fringe Benefits	47,961	45,052	48,139	43,757
Materials and Supplies	16,500	5,902	14,000	8,721
Services	126,250	78,235	120,750	27,240
Other Disbursements	-	-	-	-
Capital Outlay	15,000	10,223	10,000	4,874
Transfers Out	-	-	-	-
Total Disbursements	<u>356,363</u>	<u>270,064</u>	<u>346,630</u>	<u>213,333</u>
Receipts Over (Under)				
Disbursements	\$ (63,129)	\$ 72,262	\$ (58,146)	\$ 75,512
Cash and Equivalents, Jan 1	<u>549,985</u>	<u>549,985</u>	<u>474,473</u>	<u>474,473</u>
Cash and Equivalents, Dec 31	<u><u>\$ 486,856</u></u>	<u><u>\$ 622,247</u></u>	<u><u>\$ 416,327</u></u>	<u><u>\$ 549,985</u></u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Sales Tax Fund				Election Services Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	350,000	337,728	320,000	348,675	-	-	-	-
Intergovernmental	200,000	207,200	50,000	48,440	2,650	2,650	2,665	2,665
Charges for Services	-	-	-	-	2,750	3,131	6,285	6,043
Interest	700	1,824	300	642	850	960	450	756
Other Receipts	32,730	32,505	18,000	6,900	-	-	-	-
Transfers In	71,998	60,530	254,430	181,107	-	-	-	-
Total Receipts	655,428	639,787	642,730	585,764	6,250	6,741	9,400	9,464
Disbursements								
Salaries	490,038	438,056	481,930	446,302	-	-	-	-
Employee Fringe Benefits	169,500	143,820	160,800	135,352	-	-	-	-
Materials and Supplies	-	-	-	-	4,000	-	1,000	451
Services	-	-	-	-	1,400	710	1,400	626
Other Disbursements	-	-	-	-	2,650	2,650	2,665	2,665
Capital Outlay	-	-	-	-	7,500	-	11,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	659,538	581,876	642,730	581,654	15,550	3,360	16,065	3,742
Receipts Over (Under)								
Disbursements	\$ (4,110)	\$ 57,911	\$ -	\$ 4,110	\$ (9,300)	\$ 3,381	\$ (6,665)	\$ 5,722
Cash and Equivalents, Jan 1	4,110	4,110	-	-	40,293	40,293	34,571	34,571
Cash and Equivalents, Dec 31	\$ -	\$ 62,021	\$ -	\$ 4,110	\$ 30,993	\$ 43,674	\$ 27,906	\$ 40,293

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Tax Maintenance Fund				Deputy Sheriff Salary Supplementation Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	37,900	34,511	35,000	31,471
Charges for Services	9,500	9,387	10,500	9,272	3,100	2,390	3,000	2,910
Interest	350	428	250	355	100	83	50	65
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	9,850	9,815	10,750	9,627	41,100	36,984	38,050	34,446
Disbursements								
Salaries	-	-	-	-	31,128	27,476	31,512	31,090
Employee Fringe Benefits	-	-	-	-	3,600	2,901	3,300	3,270
Materials and Supplies	3,500	2,548	3,500	3,151	-	-	-	-
Services	7,250	3,751	7,450	5,045	-	-	-	-
Other Disbursements	-	-	-	-	3,100	2,407	3,000	2,930
Capital Outlay	7,500	7,392	10,000	2,863	-	-	-	-
Transfers Out	-	-	-	-	1,300	530	2,000	1,107
Total Disbursements	18,250	13,691	20,950	11,059	39,128	33,314	39,812	38,397
Receipts Over (Under)								
Disbursements	\$ (8,400)	\$ (3,876)	\$ (10,200)	\$ (1,432)	\$ 1,972	\$ 3,670	\$ (1,762)	\$ (3,951)
Cash and Equivalents, Jan 1	15,692	15,692	17,124	17,124	(284)	(284)	3,667	3,667
Cash and Equivalents, Dec 31	\$ 7,292	\$ 11,816	\$ 6,924	\$ 15,692	\$ 1,688	\$ 3,386	\$ 1,905	\$ (284)

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,000	1,232	1,500	1,344	300	394	300	214
Interest	20	11	10	11	5	17	20	13
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	2,020	1,243	1,510	1,355	305	411	320	227
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	1,200	530	900	567	450	-	450	206
Other Disbursements	1,000	750	750	750	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	2,200	1,280	1,650	1,317	450	-	450	206
Receipts Over (Under)								
Disbursements	\$ (180)	\$ (37)	\$ (140)	\$ 38	\$ (145)	\$ 411	\$ (130)	\$ 21
Cash and Equivalents, Jan 1	274	274	236	236	502	502	481	481
Cash and Equivalents, Dec 31	\$ 94	\$ 237	\$ 96	\$ 274	\$ 357	\$ 913	\$ 351	\$ 502

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Tax Fee Fund				County Law Enforcement Restitution Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	2,000	4,400	3,000	1,974
Interest	-	-	-	-	200	249	125	215
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	2,200	4,649	3,125	2,189
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	2,400	2,028	1,800	1,553
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,000	2,490	5,500	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	7,400	4,518	7,300	1,553
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (5,200)	\$ 131	\$ (4,175)	\$ 636
Cash and Equivalents, Jan 1	173	173	173	173	11,079	11,079	10,443	10,443
Cash and Equivalents, Dec 31	\$ 173	\$ 173	\$ 173	\$ 173	\$ 5,879	\$ 11,210	\$ 6,268	\$ 11,079

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Victims of Domestic Violence Fund				Administrative Handling Cost Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	205	182	255	198	1,053	550	700	790
Interest	-	-	-	-	100	71	100	111
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	205	182	255	198	1,153	621	800	901
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	798	1,000	674
Services	200	200	250	250	2,200	1,547	2,200	1,814
Other Disbursements	-	-	-	-	100	50	100	80
Capital Outlay	-	-	-	-	500	-	500	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	200	200	250	250	3,800	2,395	3,800	2,568
Receipts Over (Under)								
Disbursements	\$ 5	\$ (18)	\$ 5	\$ (52)	\$ (2,647)	\$ (1,774)	\$ (3,000)	\$ (1,667)
Cash and Equivalents, Jan 1	65	65	117	117	4,953	4,953	6,620	6,620
Cash and Equivalents, Dec 31	\$ 70	\$ 47	\$ 122	\$ 65	\$ 2,306	\$ 3,179	\$ 3,620	\$ 4,953

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Recorder Fund				Sheriff Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,000	7,322	8,000	8,001	6,000	4,540	5,000	5,780
Interest	300	558	200	445	100	189	100	143
Other Receipts	-	-	-	-	2,250	-	2,250	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	8,300	7,880	8,200	8,446	8,350	4,729	7,350	5,923
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,000	287	1,000	942	4,450	620	4,100	1,496
Services	7,500	1,266	7,000	5,658	5,000	1,492	5,000	2,107
Other Disbursements	-	-	-	-	1,750	1,010	1,750	903
Capital Outlay	1,000	-	1,000	-	2,400	-	2,400	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	9,500	1,553	9,000	6,600	13,600	3,122	13,250	4,506
Receipts Over (Under)								
Disbursements	\$ (1,200)	\$ 6,327	\$ (800)	\$ 1,846	\$ (5,250)	\$ 1,607	\$ (5,900)	\$ 1,417
Cash and Equivalents, Jan 1	20,880	20,880	19,034	19,034	8,014	8,014	6,597	6,597
Cash and Equivalents, Dec 31	\$ 19,680	\$ 27,207	\$ 18,234	\$ 20,880	\$ 2,764	\$ 9,621	\$ 697	\$ 8,014

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Local Emergency Planning Committee Fund				County Sheriff's Revolving Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,200	3,276	3,200	3,356	-	-	-	-
Charges for Services	-	-	60	-	600	2,346	100	660
Interest	60	130	-	101	8	43	-	8
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	3,260	3,406	3,260	3,457	608	2,389	100	668
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	225	-	225	11	-	256	-	-
Services	2,400	1,861	2,400	1,800	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	4,000	475	3,000	1,649	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	6,625	2,336	5,625	3,460	-	256	-	-
Receipts Over (Under)								
Disbursements	\$ (3,365)	\$ 1,070	\$ (2,365)	\$ (3)	\$ 608	\$ 2,133	\$ 100	\$ 668
Cash and Equivalents, Jan 1	6,530	6,530	6,533	6,533	762	762	94	94
Cash and Equivalents, Dec 31	\$ 3,165	\$ 7,600	\$ 4,168	\$ 6,530	\$ 1,370	\$ 2,895	\$ 194	\$ 762

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Inmate Prisoner Detainee Security Fund				Drainage District No. 3 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 585	\$ 530	\$ 585	\$ 578
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000	580	600	727	-	-	-	-
Interest	25	36	15	19	200	255	135	233
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,025	616	615	746	785	785	720	811
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	50	-	50	-
Services	-	-	-	-	5,000	-	5,000	1,040
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	1,000	1,000	-	-	-	-
Total Disbursements	-	-	1,000	1,000	5,050	-	5,050	1,040
Receipts Over (Under)								
Disbursements	\$ 1,025	\$ 616	\$ (385)	\$ (254)	\$ (4,265)	\$ 785	\$ (4,330)	\$ (229)
Cash and Equivalents, Jan 1	1,237	1,237	1,491	1,491	10,454	10,454	10,683	10,683
Cash and Equivalents, Dec 31	<u>\$ 2,262</u>	<u>\$ 1,853</u>	<u>\$ 1,106</u>	<u>\$ 1,237</u>	<u>\$ 6,189</u>	<u>\$ 11,239</u>	<u>\$ 6,353</u>	<u>\$ 10,454</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 4 Fund				Drainage District No. 6 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 18,300	\$ 16,340	\$ 18,300	\$ 16,853	\$ 185	\$ 155	\$ 185	\$ 166
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	2,500	2,960	1,500	2,259	100	107	55	90
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	20,800	19,300	19,800	19,112	285	262	240	256
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	500	-	200	-	50	-	50	-
Services	80,000	10,000	80,000	-	2,000	-	2,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	80,500	10,000	80,200	-	2,050	-	2,050	-
Receipts Over (Under)								
Disbursements	\$ (59,700)	\$ 9,300	\$ (60,400)	\$ 19,112	\$ (1,765)	\$ 262	\$ (1,810)	\$ 256
Cash and Equivalents, Jan 1	112,520	112,520	93,408	93,408	4,453	4,453	4,197	4,197
Cash and Equivalents, Dec 31	\$ 52,820	\$ 121,820	\$ 33,008	\$ 112,520	\$ 2,688	\$ 4,715	\$ 2,387	\$ 4,453

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 7 Fund				Drainage District No. 8 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 810	\$ 718	\$ 810	\$ 797	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	100	136	55	105	2	2	1	2
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	910	854	865	902	2	2	1	2
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	-	-	-	-
Services	4,000	-	5,000	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	4,050	-	5,050	-	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ (3,140)	\$ 854	\$ (4,185)	\$ 902	\$ 2	\$ 2	\$ 1	\$ 2
Cash and Equivalents, Jan 1	5,417	5,417	4,515	4,515	95	95	93	93
Cash and Equivalents, Dec 31	<u>\$ 2,277</u>	<u>\$ 6,271</u>	<u>\$ 330</u>	<u>\$ 5,417</u>	<u>\$ 97</u>	<u>\$ 97</u>	<u>\$ 94</u>	<u>\$ 95</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 17 Fund				Drainage District No. 18 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 620	\$ 596	\$ 620	\$ 619
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3	3	2	3	380	462	280	394
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>1,000</u>	<u>1,058</u>	<u>900</u>	<u>1,013</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	50	-	50	-
Services	-	-	-	-	10,000	-	5,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,050</u>	<u>-</u>	<u>5,050</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ 3	\$ 3	\$ 2	\$ 3	\$ (9,050)	\$ 1,058	\$ (4,150)	\$ 1,013
Cash and Equivalents, Jan 1	<u>140</u>	<u>140</u>	<u>137</u>	<u>137</u>	<u>19,289</u>	<u>19,289</u>	<u>18,276</u>	<u>18,276</u>
Cash and Equivalents, Dec 31	<u>\$ 143</u>	<u>\$ 143</u>	<u>\$ 139</u>	<u>\$ 140</u>	<u>\$ 10,239</u>	<u>\$ 20,347</u>	<u>\$ 14,126</u>	<u>\$ 19,289</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 19 Fund				Drainage District No. 20 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,450	\$ 2,054	\$ 2,450	\$ 2,619
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	150	159	100	140	250	239	550	367
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	150	159	100	140	2,700	2,293	3,000	2,986
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	-	-	50	-	50	-
Services	5,000	-	5,000	-	10,000	-	20,000	37,940
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	5,050	-	5,000	-	10,050	-	20,050	37,940
Receipts Over (Under)								
Disbursements	\$ (4,900)	\$ 159	\$ (4,900)	\$ 140	\$ (7,350)	\$ 2,293	\$ (17,050)	\$ (34,954)
Cash and Equivalents, Jan 1	6,854	6,854	6,714	6,714	8,479	8,479	43,433	43,433
Cash and Equivalents, Dec 31	<u>\$ 1,954</u>	<u>\$ 7,013</u>	<u>\$ 1,814</u>	<u>\$ 6,854</u>	<u>\$ 1,129</u>	<u>\$ 10,772</u>	<u>\$ 26,383</u>	<u>\$ 8,479</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Senior Citizens Service Board Fund				Senate Bill 40 Board Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 109,000	\$ 113,693	\$ 113,000	\$ 106,098	\$ 196,540	\$ 185,198	\$ 203,187	\$ 192,810
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	5,000	9,016	3,000	4,785
Other Receipts	-	1,543	-	16,435	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>109,000</u>	<u>115,236</u>	<u>113,000</u>	<u>122,533</u>	<u>201,540</u>	<u>194,214</u>	<u>206,187</u>	<u>197,595</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	520	283	510	695	300	835	300	50
Services	123,000	122,571	140,000	136,168	347,225	275,133	217,551	147,094
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>123,520</u>	<u>122,854</u>	<u>140,510</u>	<u>136,863</u>	<u>347,525</u>	<u>275,968</u>	<u>217,851</u>	<u>147,144</u>
Receipts Over (Under)								
Disbursements	\$ (14,520)	\$ (7,618)	\$ (27,510)	\$ (14,330)	\$ (145,985)	\$ (81,754)	\$ (11,664)	\$ 50,451
Cash and Equivalents, Jan 1	<u>15,618</u>	<u>15,618</u>	<u>29,948</u>	<u>29,948</u>	<u>499,144</u>	<u>499,144</u>	<u>448,693</u>	<u>448,693</u>
Cash and Equivalents, Dec 31	<u>\$ 1,098</u>	<u>\$ 8,000</u>	<u>\$ 2,438</u>	<u>\$ 15,618</u>	<u>\$ 353,159</u>	<u>\$ 417,390</u>	<u>\$ 437,029</u>	<u>\$ 499,144</u>

See Notes to the Financial Statements

	2018				
	Collector-Treasurer	Recorder	Prosecuting Attorney	Sheriff	Total
Assets					
Cash and Equivalents	\$ 10,762,744	\$ 4,415	\$ -	\$ 2,145	\$ 10,769,304
Total Assets	10,762,744	4,415	-	2,145	10,769,304
Liabilities and Fund Balances					
Total Liabilities	10,762,744	4,415	-	2,145	10,769,304
	10,762,744	4,415	-	2,145	10,769,304
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 10,762,744	\$ 4,415	\$ -	\$ 2,145	\$ 10,769,304

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The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies

Organized in 1820, the county of Chariton is named for the Chariton River. It is a third-class county, and the county seat is Keytesville. Chariton County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector-Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk/*ex-officio* Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, 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).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Chariton County, Missouri, the Chariton County Senior Citizens Service Board, and the Chariton County Senate Bill 40 Board.

Chariton County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Chariton County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Chariton County's legal entity. The Senior Citizens Service Board and the Senate Bill 40 Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector-Treasurer, *Ex-officio* Recorder, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Chariton County and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

If Chariton 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.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo., Chariton County adopts a budget for each governmental fund.

On or before January 15th, each elected official 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.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

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.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

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 financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019: County Sheriff's Revolving Fund. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: Drainage District No. 20 Fund. The following fund expended more funds than available, resulting in a deficit fund balance in 2018: Deputy Sheriff Salary Supplementation Fund.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

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 Chariton County's boundaries for the calendar year 2019 and 2018, for the purposes of taxation was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 78,077,830	\$ 69,218,330
Personal Property	40,670,860	41,926,400
Railroad and Utilities	125,770,348	134,897,232
	<u>\$ 244,519,038</u>	<u>\$ 246,041,962</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.2650	\$ 0.2750
Special Road and Bridge Fund	0.1000	0.1000
Senior Citizens Service Board Fund	0.0500	0.0500
Senate Bill 40 Board Fund	0.0800	0.0800

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's 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 balance. Cash equivalents 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, provided, however, that no such investments 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 2.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

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.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

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

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 18,597,232	\$ 18,337,755
Investments	919,772	919,772
Total Deposits and Investments as of December 31, 2019	<u>\$ 19,517,004</u>	<u>\$ 19,257,527</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 8,130,471	
Total Cash and Equivalents - Agency Funds	11,386,533	
	<u>\$ 19,517,004</u>	

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 17,227,615	\$ 15,982,572
Investments	982,924	982,924
Total Deposits and Investments as of December 31, 2018	<u>\$ 18,210,539</u>	<u>\$ 16,965,496</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 7,441,235	
Total Cash and Equivalents - Agency Funds	10,769,304	
	<u>\$ 18,210,539</u>	

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 2 - Deposits and Investments (continued)

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. At December 31, 2019 and 2018, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

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 that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Chariton 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 following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2019 Balance	% of Portfolio	2018 Balance	% of Portfolio
Merchants and Farmers Bank	Cert. of Deposit	\$ 539,177	58.62%	\$ 526,809	53.60%
Regional Missouri Bank	Cert. of Deposit	105,992	11.52%	104,105	10.59%
Regional Missouri Bank	Cert. of Deposit	274,603	29.86%	201,575	20.51%
Regional Missouri Bank	Cert. of Deposit	-	n/a	150,435	15.30%

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 3 - Interfund Transfers

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

<u>Fund</u>	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 60,000	\$ 1,000	\$ 180,000
Law Enforcement Sales Tax Fund	60,530	-	181,107	-
Deputy Sheriff Salary Supplementation Fund	-	530	-	1,107
Inmate Prisoner Detainee Security Fund	-	-	-	1,000
Total	<u>\$ 60,530</u>	<u>\$ 60,530</u>	<u>\$ 182,107</u>	<u>\$ 182,107</u>

Note 4 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute Sections 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credited service time.

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 7.10% (General) and 3.50% (Police) of annual covered payroll for the year ended December 31, 2019, and 8.00% (General) and 3.20% (Police) of annual covered payroll for the year ended December 31, 2018. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2019 and 2018, the County contributed \$62,071 and \$70,266, respectively.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected 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 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.

Benefits Provided

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, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. During 2019 and 2018, the County remitted to CERF, employee contributions of \$25,445 and \$23,893, respectively, for the years ended.

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

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;

**The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$59,396 and \$52,551 for the years ended December 31, 2019 and 2018, respectively.

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

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019 and 2018.

Note 7 - Other Retirement Plans

Chariton County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by deductions from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$34,294 and \$34,003, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$519 and \$405, respectively.

Note 8 - 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.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Regular full-time employees who have completed twelve consecutive calendar months of service are eligible to receive vacation time as follows: 1 to 2 years, 1 week; 2 to 10 years, 2 weeks; and over 10 years, 3 weeks. Employees may accumulate and carry forward vacation leave as follows: 1-10 years of continuous services, 20 days; and, over 10 years of continuous service, 30 days. Upon termination of employment, an employee with more than one year of service will receive equivalent cash reimbursement for all unused accrued vacation leave. These have not been subject to auditing procedures.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 9 - Claims, Commitments, and Contingencies (continued)

Compensated Absences (continued)

Regular full-time employees earn one full day of sick leave for each complete calendar month of employment. Sick leave may accrue up to a maximum of 30 days. Upon termination of employment, no payment will be made for unused sick days.

Federal and State Assisted Programs

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

Other Commitments

In 2009, the County adopted a resolution authorizing the creation of the Chariton County, Missouri Enhanced Enterprise Zone Board. Part of the County's taxing district contains a development area subject to an Enhanced Enterprise Zone (EEZ) plan where the County must abate 50% of the real property tax assessed on improvements. If approved, the abatements within the EEZ must continue for 10 years if the business maintains operations and eligibility with special provisions allowing for up to 25 years. Future amounts abated are based on maintaining operations and eligibility and cannot be estimated.

Note 10 - 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 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 \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - 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 have been evaluated through September 4, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

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 and
Officeholders of Chariton County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Chariton 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 Chariton County, Missouri's basic financial statements, and have issued our report thereon dated September 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chariton County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chariton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Chariton 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chariton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

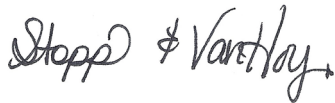
direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Chariton County, Missouri's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
September 4, 2020

The County of Chariton
Keytesville, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit. Additionally, expenditures are not to exceed available funds, resulting in a deficit fund balance available.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019: County Sheriff's Revolving Fund. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: Drainage District No. 20 Fund. The following fund expended more funds than available, resulting in a deficit fund balance in 2018: Deputy Sheriff Salary Supplementation Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and expending funds in excess of funds available in certain funds.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, procedures should be developed to ensure that expenditures do not exceed available funds.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure compliance with Chapter 50, RSMo., and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

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

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

The County of Chariton
Keytesville, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

The County of Chariton
Keytesville, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2019 and 2018

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Chariton County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2015.

Prior Year Financial Statement Findings

None