

**The County of Phelps
Rolla, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2016 and 2015**



**The County of Phelps
Rolla, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Phelps County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Phelps County, Missouri, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Phelps 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by Phelps County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, 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 Phelps County, Missouri as of December 31, 2016 and 2015, or changes in financial position 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 Phelps County, Missouri as of December 31, 2016 and 2015, 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 Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Phelps County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018 on our consideration of Phelps 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 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 Phelps 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 Phelps County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
November 13, 2018

The County of Phelps
Rolla, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue Fund	\$ 1,089,534	\$ 4,414,429	\$ 4,163,603	\$ 1,340,360
Special Road and Bridge Fund	550,869	3,974,356	3,475,399	1,049,826
Assessment Fund	165,274	612,791	565,097	212,968
Road and Bridge Debt Service Fund	273,215	870	-	274,085
Unemployment Fund	177,803	-	6,373	171,430
Use Tax Fund	302,417	936	868	302,485
Health Department Fund	243,519	863,726	858,593	248,652
Special Election Fund	-	97,649	96,246	1,403
Crisis Intervention Fund	1,436	1,782	2,532	686
Election Services Fund	23,583	6,411	13,189	16,805
Sheriff's Training Fund	32,809	11,896	5,530	39,175
Sheriff's Drug Enforcement Fund	3,059,632	639,373	777,959	2,921,046
Sheriff's Civil Fee Fund	154,187	50,019	49,047	155,159
Sheriff's Revolving Fund	107,752	75,593	43,993	139,352
Law Enforcement Fund	2,384,545	5,384,386	4,072,587	3,696,344
Sheriff's Inmate Security Fund	45,890	55,894	43,699	58,085
Law Enforcement Building Maintenance Fund	238,789	26,047	16,200	248,636
Law Enforcement Restitution Fund	34,725	84,569	90,000	29,294
Prosecuting Attorney Drug Enforcement Fund	365,654	101,046	157,590	309,110
Prosecuting Attorney Training Fund	9,918	2,128	105	11,941
Prosecuting Attorney Delinquent Tax Fund	35,163	390	760	34,793
Administrative Handling Fund	105,810	19,776	29,101	96,485
Shelter Fund	2,925	12,502	11,497	3,930
Recorder User Fee Fund	32,734	23,185	13,842	42,077
Collector's Tax Maintenance Fund	67,491	46,175	49,895	63,771
Public Facilities Authority Fund	837,252	4,795	11,433	830,614
Jay White Estate Fund	214,657	1,138	1,567	214,228
Community Development Block Grant Fund	-	443,996	443,996	-
Developmentally Disabled Fund	438,260	437,931	452,372	423,819
Senior Companions Fund	788	333,252	333,599	441
Senate Bill 40 Board Fund	2,076,258	1,545,275	938,220	2,683,313
Total	<u>\$ 13,072,889</u>	<u>\$ 19,272,316</u>	<u>\$ 16,724,892</u>	<u>\$ 15,620,313</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2015

<u>Fund</u>	Cash and Equivalents January 1, 2015	Receipts 2015	Disbursements 2015	Cash and Equivalents December 31, 2015
General Revenue Fund	\$ 887,614	\$ 4,400,102	\$ 4,198,182	\$ 1,089,534
Special Road and Bridge Fund	667,720	3,011,427	3,128,278	550,869
Assessment Fund	149,824	595,360	579,910	165,274
Road and Bridge Debt Service Fund	430,977	1,238	159,000	273,215
Unemployment Fund	218,004	-	40,201	177,803
Use Tax Fund	302,300	868	751	302,417
Health Department Fund	220,296	874,066	850,843	243,519
Special Election Fund	3,099	64,117	67,216	-
Crisis Intervention Fund	767	5,131	4,462	1,436
Election Services Fund	31,831	8,557	16,805	23,583
Sheriff's Training Fund	26,090	10,430	3,711	32,809
Sheriff's Drug Enforcement Fund	2,879,994	695,774	516,136	3,059,632
Sheriff's Civil Fee Fund	132,929	55,624	34,366	154,187
Sheriff's Revolving Fund	91,804	57,724	41,776	107,752
Law Enforcement Fund	1,859,664	4,349,974	3,825,093	2,384,545
Sheriff's Inmate Security Fund	26,824	57,081	38,015	45,890
Law Enforcement Building Maintenance Fund	212,512	26,277	-	238,789
Law Enforcement Restitution Fund	35,880	88,845	90,000	34,725
Prosecuting Attorney Drug Enforcement Fund	422,037	119,864	176,247	365,654
Prosecuting Attorney Training Fund	8,120	1,798	-	9,918
Prosecuting Attorney Delinquent Tax Fund	34,628	1,534	999	35,163
Administrative Handling Fund	114,903	18,480	27,573	105,810
Shelter Fund	2,488	11,663	11,226	2,925
Recorder User Fee Fund	37,641	22,176	27,083	32,734
Collector's Tax Maintenance Fund	65,551	44,118	42,178	67,491
Public Facilities Authority Fund	863,551	49,645	75,944	837,252
Jay White Estate Fund	213,634	1,567	544	214,657
Community Development Block Grant Fund	820	392,186	393,006	-
Developmentally Disabled Fund	359,607	380,550	301,897	438,260
Senior Companions Fund	5,444	318,625	323,281	788
Senate Bill 40 Board Fund	1,621,001	1,362,818	907,561	2,076,258
Total	<u>\$ 11,927,554</u>	<u>\$ 17,027,619</u>	<u>\$ 15,882,284</u>	<u>\$ 13,072,889</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	General Revenue Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 785,404	\$ 884,680	\$ 801,920	\$ 791,306
Sales Taxes	1,828,088	1,843,525	1,749,441	1,828,088
Intergovernmental	870,566	804,213	905,579	927,405
Charges for Services	662,025	725,877	802,750	650,104
Interest	4,500	7,358	7,500	7,082
Other Receipts	92,428	81,859	91,605	92,933
Transfers In	75,500	66,917	97,500	103,184
Total Receipts	<u>\$ 4,318,511</u>	<u>\$ 4,414,429</u>	<u>\$ 4,456,295</u>	<u>\$ 4,400,102</u>
Disbursements				
County Commission	\$ 201,683	\$ 201,468	\$ 200,765	\$ 196,304
County Clerk	264,736	258,894	301,454	257,841
Elections	205,867	186,334	88,050	59,793
Buildings and Grounds	527,709	515,932	525,651	523,402
County Treasurer	78,420	78,503	78,864	77,255
County Collector	226,152	219,039	222,506	212,950
Recorder of Deeds	168,032	161,270	167,122	150,308
Circuit Clerk	53,870	44,347	75,590	67,450
Court Administration	36,400	30,252	31,500	31,781
Public Administrator	165,573	157,951	163,141	157,378
Prosecuting Attorney	709,604	717,137	713,254	697,785
Juvenile Officer	493,050	436,214	479,050	442,297
County Coroner	46,319	40,235	48,729	47,279
Circuit Judges	28,100	6,277	162,518	144,192
Courthouse Security	194,354	208,644	263,885	149,382
Surveyor	5,000	5,000	7,500	7,500
Other Disbursements	247,963	180,461	270,090	259,215
Emergency	128,890	-	135,182	-
Transfers Out	766,070	715,645	716,070	716,070
Total Disbursements	<u>\$ 4,547,792</u>	<u>\$ 4,163,603</u>	<u>\$ 4,650,921</u>	<u>\$ 4,198,182</u>
Receipts Over (Under)				
Disbursements	\$ (229,281)	\$ 250,826	\$ (194,626)	\$ 201,920
Cash and Cash Equivalents				
January 1	<u>1,089,534</u>	<u>1,089,534</u>	<u>887,614</u>	<u>887,614</u>
Cash and Cash Equivalents				
December 31	<u>\$ 860,253</u>	<u>\$ 1,340,360</u>	<u>\$ 692,988</u>	<u>\$ 1,089,534</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Special Road and Bridge Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 580,829	\$ 579,132	\$ 588,000	\$ 520,702
Sales Taxes	976,588	984,835	934,574	976,588
Intergovernmental	1,673,979	2,400,297	1,377,102	1,285,316
Charges for Services	-	-	2,000	40,000
Interest	1,500	3,253	1,000	2,976
Other Receipts	16,010	6,839	11,346	26,845
Transfers In	152,000	-	-	159,000
Total Receipts	\$ 3,400,906	\$ 3,974,356	\$ 2,914,022	\$ 3,011,427
Disbursements				
Salaries	\$ 683,512	\$ 656,768	\$ 640,506	\$ 609,246
Employee Fringe Benefits	256,621	238,765	229,404	209,514
Supplies	37,425	33,273	34,425	31,411
Insurance	28,000	27,127	28,000	26,706
Road and Bridge Materials	2,043,500	1,352,688	1,533,051	1,453,677
Equipment Repairs	210,000	243,788	214,612	126,412
Equipment Purchases	71,000	79,001	127,720	292,505
Road and Bridge Construction	215,879	544,129	287,872	56,151
Other Disbursements	379,811	299,860	406,810	322,656
Transfers Out	-	-	-	-
Total Disbursements	\$ 3,925,748	\$ 3,475,399	\$ 3,502,400	\$ 3,128,278
Receipts Over (Under)				
Disbursements	\$ (524,842)	\$ 498,957	\$ (588,378)	\$ (116,851)
Cash and Cash Equivalents				
January 1	550,869	550,869	667,720	667,720
Cash and Cash Equivalents				
December 31	<u>\$ 26,027</u>	<u>\$ 1,049,826</u>	<u>\$ 79,342</u>	<u>\$ 550,869</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Assessment Fund				Road and Bridge Debt Service Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	422,521	466,464	408,776	406,038	-	-	-	-
Charges for Services	81,502	32,337	79,918	83,590	-	-	-	-
Interest	600	867	600	684	600	870	150	1,238
Other Receipts	31,540	38,123	38,048	30,048	-	-	-	-
Transfers In	75,000	75,000	75,000	75,000	-	-	-	-
Total Receipts	\$ 611,163	\$ 612,791	\$ 602,342	\$ 595,360	\$ 600	\$ 870	\$ 150	\$ 1,238
Disbursements								
Salaries	\$ 349,506	\$ 333,364	\$ 319,589	\$ 326,181	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	98,398	99,858	98,431	101,618	-	-	-	-
Materials and Supplies	22,150	20,774	24,100	20,688	-	-	-	-
Services	131,909	108,183	129,060	127,140	-	-	-	-
Capital Outlay	9,200	2,918	7,050	4,167	-	-	-	-
Other Disbursements	-	-	1,000	116	-	-	-	-
Transfers Out	-	-	-	-	152,000	-	159,000	159,000
Total Disbursements	\$ 611,163	\$ 565,097	\$ 579,230	\$ 579,910	\$ 152,000	\$ -	\$ 159,000	\$ 159,000
Receipts Over (Under) Disbursements	\$ -	\$ 47,694	\$ 23,112	\$ 15,450	\$ (151,400)	\$ 870	\$ (158,850)	\$ (157,762)
Cash and Cash Equivalents January 1	165,274	165,274	149,824	149,824	273,215	273,215	430,977	430,977
Cash and Cash Equivalents December 31	<u>\$ 165,274</u>	<u>\$ 212,968</u>	<u>\$ 172,936</u>	<u>\$ 165,274</u>	<u>\$ 121,815</u>	<u>\$ 274,085</u>	<u>\$ 272,127</u>	<u>\$ 273,215</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Unemployment Fund				Use Tax Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	800	936	800	868
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 936</u>	<u>\$ 800</u>	<u>\$ 868</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	10,000	6,373	40,000	201	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	10,000	-	40,000	40,000	800	868	1,600	751
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 6,373</u>	<u>\$ 80,000</u>	<u>\$ 40,201</u>	<u>\$ 800</u>	<u>\$ 868</u>	<u>\$ 1,600</u>	<u>\$ 751</u>
Receipts Over (Under)								
Disbursements	\$ (20,000)	\$ (6,373)	\$ (80,000)	\$ (40,201)	\$ -	\$ 68	\$ (800)	\$ 117
Cash and Cash Equivalents								
January 1	<u>177,803</u>	<u>177,803</u>	<u>218,004</u>	<u>218,004</u>	<u>302,417</u>	<u>302,417</u>	<u>302,300</u>	<u>302,300</u>
Cash and Cash Equivalents								
December 31	<u>\$ 157,803</u>	<u>\$ 171,430</u>	<u>\$ 138,004</u>	<u>\$ 177,803</u>	<u>\$ 302,417</u>	<u>\$ 302,485</u>	<u>\$ 301,500</u>	<u>\$ 302,417</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Health Department Fund			
	2016		2015	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	611,400	630,123	600,900	639,948
Charges for Services	129,850	126,078	118,550	125,266
Interest	600	781	400	651
Other Receipts	17,900	26,744	18,772	27,776
Transfers In	130,425	80,000	80,425	80,425
Total Receipts	<u>\$ 890,175</u>	<u>\$ 863,726</u>	<u>\$ 819,047</u>	<u>\$ 874,066</u>
 <u>Disbursements</u>				
Salaries	\$ 583,455	\$ 591,919	\$ 591,700	\$ 584,147
Employee Fringe Benefits	160,693	152,136	172,136	159,423
Materials and Supplies	7,500	10,226	8,100	7,276
Services	142,775	93,686	79,160	97,129
Capital Outlay	1,600	8,426	1,200	1,342
Other Disbursements	1,500	2,200	450	1,526
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 897,523</u>	<u>\$ 858,593</u>	<u>\$ 852,746</u>	<u>\$ 850,843</u>
Receipts Over (Under)				
Disbursements	\$ (7,348)	\$ 5,133	\$ (33,699)	\$ 23,223
Cash and Cash Equivalents				
January 1	<u>243,519</u>	<u>243,519</u>	<u>220,296</u>	<u>220,296</u>
Cash and Cash Equivalents				
December 31	<u>\$ 236,171</u>	<u>\$ 248,652</u>	<u>\$ 186,597</u>	<u>\$ 243,519</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Special Election Fund				Crisis Intervention Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	1,782	3,000	5,131
Charges for Services	120,000	97,649	-	64,117	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 120,000	\$ 97,649	\$ -	\$ 64,117	\$ 5,000	\$ 1,782	\$ 3,000	\$ 5,131
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	71,000	42,441	-	24,167	-	-	-	-
Services	44,000	38,731	-	40,978	5,000	2,532	3,000	4,462
Capital Outlay	-	-	-	-	-	-	-	-
Other Disbursements	5,000	15,074	-	2,071	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 120,000	\$ 96,246	\$ -	\$ 67,216	\$ 5,000	\$ 2,532	\$ 3,000	\$ 4,462
Receipts Over (Under)								
Disbursements	\$ -	\$ 1,403	\$ -	\$ (3,099)	\$ -	\$ (750)	\$ -	\$ 669
Cash and Cash Equivalents								
January 1	-	-	3,099	3,099	1,436	1,436	767	767
Cash and Cash Equivalents								
December 31	\$ -	\$ 1,403	\$ 3,099	\$ -	\$ 1,436	\$ 686	\$ 767	\$ 1,436

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Election Services Fund				Sheriff's Training Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,000	6,358	6,600	8,477	3,350	3,556	4,000	3,341
Charges for Services	-	-	-	-	7,090	8,340	7,000	7,089
Interest	100	49	100	76	-	-	-	-
Other Receipts	4	4	-	4	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 9,104	\$ 6,411	\$ 6,700	\$ 8,557	\$ 10,440	\$ 11,896	\$ 11,000	\$ 10,430
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	500	37	500	1,140	-	-	-	-
Services	1,600	2,057	1,100	1,557	4,000	5,530	4,900	3,711
Capital Outlay	14,715	11,095	2,000	13,591	-	-	-	-
Other Disbursements	1,725	-	1,000	517	-	-	100	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 18,540	\$ 13,189	\$ 4,600	\$ 16,805	\$ 4,000	\$ 5,530	\$ 5,000	\$ 3,711
Receipts Over (Under)								
Disbursements	\$ (9,436)	\$ (6,778)	\$ 2,100	\$ (8,248)	\$ 6,440	\$ 6,366	\$ 6,000	\$ 6,719
Cash and Cash Equivalents								
January 1	23,583	23,583	31,831	31,831	32,809	32,809	26,090	26,090
Cash and Cash Equivalents								
December 31	<u>\$ 14,147</u>	<u>\$ 16,805</u>	<u>\$ 33,931</u>	<u>\$ 23,583</u>	<u>\$ 39,249</u>	<u>\$ 39,175</u>	<u>\$ 32,090</u>	<u>\$ 32,809</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Sheriff's Drug Enforcement Fund				Sheriff's Civil Fee Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	558,766	608,911	225,000	672,355	18,500	16,510	21,500	18,396
Charges for Services	-	-	-	-	37,000	33,034	38,500	36,820
Interest	13,000	11,401	6,000	12,669	400	475	300	408
Other Receipts	12,000	19,061	8,000	10,750	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 583,766</u>	<u>\$ 639,373</u>	<u>\$ 239,000</u>	<u>\$ 695,774</u>	<u>\$ 55,900</u>	<u>\$ 50,019</u>	<u>\$ 60,300</u>	<u>\$ 55,624</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ 49,525	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,200	16,828	20,000	5,160	3,500	3,569	3,900	3,272
Services	105,000	134,145	86,700	94,434	18,800	33,895	21,400	19,835
Capital Outlay	294,000	499,364	342,000	346,196	-	-	2,700	423
Other Disbursements	10,000	54,779	40,000	8,966	1,200	1,190	4,000	1,123
Transfers Out	58,000	72,843	40,000	61,380	10,425	10,393	10,000	9,713
Total Disbursements	<u>\$ 472,200</u>	<u>\$ 777,959</u>	<u>\$ 578,225</u>	<u>\$ 516,136</u>	<u>\$ 33,925</u>	<u>\$ 49,047</u>	<u>\$ 42,000</u>	<u>\$ 34,366</u>
Receipts Over (Under)								
Disbursements	\$ 111,566	\$ (138,586)	\$ (339,225)	\$ 179,638	\$ 21,975	\$ 972	\$ 18,300	\$ 21,258
Cash and Cash Equivalents								
January 1	<u>3,059,632</u>	<u>3,059,632</u>	<u>2,879,994</u>	<u>2,879,994</u>	<u>154,187</u>	<u>154,187</u>	<u>132,929</u>	<u>132,929</u>
Cash and Cash Equivalents								
December 31	<u>\$ 3,171,198</u>	<u>\$ 2,921,046</u>	<u>\$ 2,540,769</u>	<u>\$ 3,059,632</u>	<u>\$ 176,162</u>	<u>\$ 155,159</u>	<u>\$ 151,229</u>	<u>\$ 154,187</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Sheriff's Revolving Fund				Law Enforcement Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	2,103,490	2,121,011	1,987,966	2,103,490
Intergovernmental	-	-	-	-	1,227,837	2,316,696	1,110,500	1,339,733
Charges for Services	40,000	75,180	40,000	56,639	141,860	149,555	155,600	146,467
Interest	300	413	250	289	5,790	8,555	3,700	5,792
Other Receipts	-	-	-	-	61,400	80,628	42,000	62,920
Transfers In	-	-	-	796	696,394	707,941	702,406	691,572
Total Receipts	\$ 40,300	\$ 75,593	\$ 40,250	\$ 57,724	\$ 4,236,771	\$ 5,384,386	\$ 4,002,172	\$ 4,349,974
Disbursements								
Salaries	\$ -	\$ -	\$ 23,836	\$ 2,185	\$ 2,309,543	\$ 2,254,228	\$ 2,141,689	\$ 2,176,030
Employee Fringe Benefits	1,400	-	-	1,274	706,366	710,106	651,060	653,278
Materials and Supplies	2,300	608	2,500	2,273	310,000	358,003	254,200	302,067
Services	14,000	17,685	12,100	13,564	667,650	658,927	669,750	612,883
Capital Outlay	-	-	-	-	55,650	51,998	52,000	40,422
Other Disbursements	-	-	-	-	15,900	14,325	15,500	15,413
Transfers Out	24,970	25,700	-	22,480	25,000	25,000	25,000	25,000
Total Disbursements	\$ 42,670	\$ 43,993	\$ 38,436	\$ 41,776	\$ 4,090,109	\$ 4,072,587	\$ 3,809,199	\$ 3,825,093
Receipts Over (Under)								
Disbursements	\$ (2,370)	\$ 31,600	\$ 1,814	\$ 15,948	\$ 146,662	\$ 1,311,799	\$ 192,973	\$ 524,881
Cash and Cash Equivalents								
January 1	107,752	107,752	91,804	91,804	2,384,545	2,384,545	1,859,664	1,859,664
Cash and Cash Equivalents								
December 31	<u>\$ 105,382</u>	<u>\$ 139,352</u>	<u>\$ 93,618</u>	<u>\$ 107,752</u>	<u>\$ 2,531,207</u>	<u>\$ 3,696,344</u>	<u>\$ 2,052,637</u>	<u>\$ 2,384,545</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Sheriff's Inmate Security Fund				Law Enforcement Building Maintenance Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	55,000	55,717	45,000	56,978	-	-	-	-
Interest	100	177	50	103	1,276	1,047	500	1,277
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	25,000	25,000	25,000	25,000
Total Receipts	\$ 55,100	\$ 55,894	\$ 45,050	\$ 57,081	\$ 26,276	\$ 26,047	\$ 25,500	\$ 26,277
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	33,400	33,398	32,400	29,114	-	-	-	-
Capital Outlay	5,800	6,941	5,500	5,751	80,000	16,200	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	3,360	-	3,150	-	-	-	-
Total Disbursements	\$ 39,200	\$ 43,699	\$ 37,900	\$ 38,015	\$ 80,000	\$ 16,200	\$ -	\$ -
Receipts Over (Under)								
Disbursements	\$ 15,900	\$ 12,195	\$ 7,150	\$ 19,066	\$ (53,724)	\$ 9,847	\$ 25,500	\$ 26,277
Cash and Cash Equivalents								
January 1	45,890	45,890	26,824	26,824	238,789	238,789	212,512	212,512
Cash and Cash Equivalents								
December 31	\$ 61,790	\$ 58,085	\$ 33,974	\$ 45,890	\$ 185,065	\$ 248,636	\$ 238,012	\$ 238,789

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Law Enforcement Restitution Fund				Prosecuting Attorney Drug Enforcement Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	300,000	98,114	40,000	111,523
Charges for Services	88,000	84,442	85,000	88,739	-	-	-	-
Interest	100	127	100	106	2,000	1,820	600	2,416
Other Receipts	-	-	-	-	5,000	1,112	1,000	5,925
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 88,100</u>	<u>\$ 84,569</u>	<u>\$ 85,100</u>	<u>\$ 88,845</u>	<u>\$ 307,000</u>	<u>\$ 101,046</u>	<u>\$ 41,600</u>	<u>\$ 119,864</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	8,000	7,739	8,000	6,279
Services	-	-	5,000	-	114,500	80,430	114,500	75,081
Capital Outlay	-	-	-	-	17,000	50,894	17,000	46,127
Other Disbursements	-	-	-	-	22,000	15,988	22,000	43,953
Transfers Out	90,000	90,000	90,000	90,000	10,000	2,539	10,000	4,807
Total Disbursements	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 95,000</u>	<u>\$ 90,000</u>	<u>\$ 171,500</u>	<u>\$ 157,590</u>	<u>\$ 171,500</u>	<u>\$ 176,247</u>
Receipts Over (Under)								
Disbursements	\$ (1,900)	\$ (5,431)	\$ (9,900)	\$ (1,155)	\$ 135,500	\$ (56,544)	\$ (129,900)	\$ (56,383)
Cash and Cash Equivalents								
January 1	<u>34,725</u>	<u>34,725</u>	<u>35,880</u>	<u>35,880</u>	<u>365,654</u>	<u>365,654</u>	<u>422,037</u>	<u>422,037</u>
Cash and Cash Equivalents								
December 31	<u>\$ 32,825</u>	<u>\$ 29,294</u>	<u>\$ 25,980</u>	<u>\$ 34,725</u>	<u>\$ 501,154</u>	<u>\$ 309,110</u>	<u>\$ 292,137</u>	<u>\$ 365,654</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Prosecuting Attorney Training Fund				Prosecuting Attorney Delinquent Tax Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,780	2,128	2,500	1,798	1,500	288	3,000	1,431
Interest	-	-	-	-	100	102	80	103
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,780	\$ 2,128	\$ 2,500	\$ 1,798	\$ 1,600	\$ 390	\$ 3,080	\$ 1,534
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,000	105	2,000	-	500	-	500	214
Capital Outlay	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	3,500	760	3,500	785
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,000	\$ 105	\$ 2,000	\$ -	\$ 4,000	\$ 760	\$ 4,000	\$ 999
Receipts Over (Under)								
Disbursements	\$ (220)	\$ 2,023	\$ 500	\$ 1,798	\$ (2,400)	\$ (370)	\$ (920)	\$ 535
Cash and Cash Equivalents								
January 1	9,918	9,918	8,120	8,120	35,163	35,163	34,628	34,628
Cash and Cash Equivalents								
December 31	<u>\$ 9,698</u>	<u>\$ 11,941</u>	<u>\$ 8,620</u>	<u>\$ 9,918</u>	<u>\$ 32,763</u>	<u>\$ 34,793</u>	<u>\$ 33,708</u>	<u>\$ 35,163</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Administrative Handling Fund				Shelter Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,443	19,253	17,000	18,063	10,000	12,501	12,000	11,644
Interest	319	315	300	406	15	1	10	19
Other Receipts	483	208	300	11	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 18,245	\$ 19,776	\$ 17,600	\$ 18,480	\$ 10,015	\$ 12,502	\$ 12,010	\$ 11,663
Disbursements								
Salaries	\$ 20,000	\$ 20,583	\$ 20,000	\$ 20,250	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	4,125	3,808	3,695	3,865	-	-	-	-
Materials and Supplies	500	-	500	98	-	-	-	-
Services	4,000	2,858	5,000	1,795	10,015	11,497	12,010	11,226
Capital Outlay	500	-	500	-	-	-	-	-
Other Disbursements	1,570	1,852	1,000	1,565	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 30,695	\$ 29,101	\$ 30,695	\$ 27,573	\$ 10,015	\$ 11,497	\$ 12,010	\$ 11,226
Receipts Over (Under)								
Disbursements	\$ (12,450)	\$ (9,325)	\$ (13,095)	\$ (9,093)	\$ -	\$ 1,005	\$ -	\$ 437
Cash and Cash Equivalents								
January 1	105,810	105,810	114,903	114,903	2,925	2,925	2,488	2,488
Cash and Cash Equivalents								
December 31	<u>\$ 93,360</u>	<u>\$ 96,485</u>	<u>\$ 101,808</u>	<u>\$ 105,810</u>	<u>\$ 2,925</u>	<u>\$ 3,930</u>	<u>\$ 2,488</u>	<u>\$ 2,925</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Recorder User Fee Fund				Collector's Tax Maintenance Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	22,578	23,025	21,400	22,020	53,000	45,946	55,000	43,876
Interest	116	120	116	113	280	229	150	242
Other Receipts	-	40	-	43	-	-	500	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 22,694</u>	<u>\$ 23,185</u>	<u>\$ 21,516</u>	<u>\$ 22,176</u>	<u>\$ 53,280</u>	<u>\$ 46,175</u>	<u>\$ 55,650</u>	<u>\$ 44,118</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	400	255	400	55	6,000	5,769	5,300	5,889
Services	35,000	11,350	26,000	20,725	45,900	27,242	45,900	25,568
Capital Outlay	4,000	2,237	3,400	4,712	24,200	8,961	25,550	7,691
Other Disbursements	2,000	-	2,000	1,591	7,000	7,923	7,350	3,030
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 41,400</u>	<u>\$ 13,842</u>	<u>\$ 31,800</u>	<u>\$ 27,083</u>	<u>\$ 83,100</u>	<u>\$ 49,895</u>	<u>\$ 84,100</u>	<u>\$ 42,178</u>
Receipts Over (Under)								
Disbursements	\$ (18,706)	\$ 9,343	\$ (10,284)	\$ (4,907)	\$ (29,820)	\$ (3,720)	\$ (28,450)	\$ 1,940
Cash and Cash Equivalents								
January 1	<u>32,734</u>	<u>32,734</u>	<u>37,641</u>	<u>37,641</u>	<u>67,491</u>	<u>67,491</u>	<u>65,551</u>	<u>65,551</u>
Cash and Cash Equivalents								
December 31	<u>\$ 14,028</u>	<u>\$ 42,077</u>	<u>\$ 27,357</u>	<u>\$ 32,734</u>	<u>\$ 37,671</u>	<u>\$ 63,771</u>	<u>\$ 37,101</u>	<u>\$ 67,491</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Public Facilities Authority Fund				Jay White Estate Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	4,000	4,795	2,000	6,943	1,500	1,138	500	1,567
Other Receipts	-	-	-	42,702	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,000	\$ 4,795	\$ 2,000	\$ 49,645	\$ 1,500	\$ 1,138	\$ 500	\$ 1,567
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Capital Outlay	177,000	4,490	115,000	73,862	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	4,000	6,943	2,000	2,082	1,500	1,567	500	544
Total Disbursements	\$ 181,000	\$ 11,433	\$ 117,000	\$ 75,944	\$ 1,500	\$ 1,567	\$ 500	\$ 544
Receipts Over (Under)								
Disbursements	\$ (177,000)	\$ (6,638)	\$ (115,000)	\$ (26,299)	\$ -	\$ (429)	\$ -	\$ 1,023
Cash and Cash Equivalents								
January 1	837,252	837,252	863,551	863,551	214,657	214,657	213,634	213,634
Cash and Cash Equivalents								
December 31	<u>\$ 660,252</u>	<u>\$ 830,614</u>	<u>\$ 748,551</u>	<u>\$ 837,252</u>	<u>\$ 214,657</u>	<u>\$ 214,228</u>	<u>\$ 213,634</u>	<u>\$ 214,657</u>

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Community Development Block Grant Fund				Developmentally Disabled Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 409,100	\$ 434,211	\$ 385,350	\$ 377,676
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	443,996	-	389,912	1,500	1,974	1,000	1,473
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,746	1,000	1,401
Other Receipts	-	-	-	2,274	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 443,996</u>	<u>\$ -</u>	<u>\$ 392,186</u>	<u>\$ 411,600</u>	<u>\$ 437,931</u>	<u>\$ 387,350</u>	<u>\$ 380,550</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	443,996	-	389,912	421,395	452,372	400,656	301,897
Capital Outlay	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	3,094	-	-	15,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 443,996</u>	<u>\$ -</u>	<u>\$ 393,006</u>	<u>\$ 421,395</u>	<u>\$ 452,372</u>	<u>\$ 415,656</u>	<u>\$ 301,897</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ (820)	\$ (9,795)	\$ (14,441)	\$ (28,306)	\$ 78,653
Cash and Cash Equivalents								
January 1	<u>-</u>	<u>-</u>	<u>820</u>	<u>820</u>	<u>438,260</u>	<u>438,260</u>	<u>359,607</u>	<u>359,607</u>
Cash and Cash Equivalents								
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ 428,465</u>	<u>\$ 423,819</u>	<u>\$ 331,301</u>	<u>\$ 438,260</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2016 and 2015

	Senior Companions Fund				Senate Bill 40 Board Fund			
	2016		2015		2016		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	332,150	333,252	332,150	318,625	1,157,504	1,544,083	1,077,832	1,361,892
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1,168	-	926
Other Receipts	-	-	4,500	-	-	24	15,000	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 332,150	\$ 333,252	\$ 336,650	\$ 318,625	\$ 1,157,504	\$ 1,545,275	\$ 1,092,832	\$ 1,362,818
Disbursements								
Salaries	\$ 83,045	\$ 79,853	\$ 80,601	\$ 80,280	\$ 530,000	\$ 606,221	\$ 489,462	\$ 600,828
Employee Fringe Benefits	21,196	22,264	25,376	19,851	124,500	154,808	119,500	138,437
Materials and Supplies	-	-	-	-	50,000	22,906	50,000	24,605
Services	227,909	231,482	226,173	223,150	177,600	140,171	195,641	131,153
Capital Outlay	-	-	-	-	-	-	-	2,292
Other Disbursements	-	-	-	-	17,500	14,114	17,500	10,246
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 332,150	\$ 333,599	\$ 332,150	\$ 323,281	\$ 899,600	\$ 938,220	\$ 872,103	\$ 907,561
Receipts Over (Under)								
Disbursements	\$ -	\$ (347)	\$ 4,500	\$ (4,656)	\$ 257,904	\$ 607,055	\$ 220,729	\$ 455,257
Cash and Cash Equivalents								
January 1	788	788	5,444	5,444	2,076,258	2,076,258	1,621,001	1,621,001
Cash and Cash Equivalents								
December 31	<u>788</u>	<u>441</u>	<u>9,944</u>	<u>788</u>	<u>2,334,162</u>	<u>2,683,313</u>	<u>1,841,730</u>	<u>2,076,258</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies

Phelps County, Missouri, which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, 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 Phelps County, Missouri and the Phelps County Senate Bill 40 Board.

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

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

The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Phelps County Regional Medical Center has issued separate reporting entity financial statements. For information on this component unit, please contact the Phelps County Regional Medical Center at (573) 458-8899 or write to 1000 West Tenth Street, Rolla, MO 65401.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Phelps County, Missouri, 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.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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 Phelps 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, Phelps 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 his or her 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.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2016: Use Tax Fund, Sheriff's Training Fund, Sheriff's Drug Enforcement Training Fund, Sheriff's Civil Fee Fund, Sheriff's Revolving Fund, Sheriff's Inmate Security Fund, Shelter Fund, Jay White Estate Fund, Developmentally Disabled Fund, Senior Companions Fund, and the Senate Bill 40 Board Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2015: Assessment Fund, Crisis Intervention Fund, Election Services Fund, Sheriff's Revolving Fund, Law Enforcement Fund, Inmate Security Fund, Prosecuting Attorney Drug Enforcement Fund, Jay White Estate Fund, and the Senate Bill 40 Board Fund. The following fund did not have a budget prepared for 2016: Community Development Block Grant Fund. The following funds did not have a budget prepared for 2015: Special Election Fund and Community Development Block Grant Fund.

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 Phelps County's boundaries for the calendar year 2016 and 2015, respectively, for the purposes of County taxation, was:

	<u>2016</u>	<u>2015</u>
Real Estate	\$ 446,236,640	\$ 444,490,160
Personal Property	111,884,567	105,218,364
Railroad and Utilities	21,671,978	20,863,588
	<u>\$ 579,793,185</u>	<u>\$ 570,572,112</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2016 and 2015, respectively, for the purpose of County taxation, was as follows:

	<u>2016</u>	<u>2015</u>
General Revenue Fund	\$ 0.1447	\$ 0.1490
Special Road and Bridge Fund	0.0887	0.0914
Developmentally Disabled Fund	0.0717	0.0717

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.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County 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 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 Phelps County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

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

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

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

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2016, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 13,943,344	\$ 13,595,313
Investments	2,025,000	2,025,000
Restricted Cash	-	-
Total Deposits and Investments as of December 31, 2016	\$ 15,968,344	\$ 15,620,313

**The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015**

Note 2 - Deposits and Investments (continued)

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2015, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 11,179,360	\$ 10,847,889
Investments	2,225,000	2,225,000
Restricted Cash	-	-
Total Deposits and Investments as of December 31, 2015	<u>\$ 13,404,360</u>	<u>\$ 13,072,889</u>

Note: Bank balances are inclusive of all funds of Phelps County, and as such, include balances of unaudited funds which are not included in the scope of this report.

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. Phelps County's investment policy does include custodial credit risk requirements. Phelps County's deposits were not exposed to custodial credit risk for the years ended December 31, 2016 and 2015.

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

All investments, evidenced by individual securities, are registered in the name of Phelps 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. Phelps County does 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 Phelps 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). Phelps County has a policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 2 - Deposits and Investments (continued)

Concentration of Investment Credit Risk (continued)

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2016 Balance	% of Portfolio	2015 Balance	% of Portfolio
First State Community Bank	Bank CD	\$ 225,000	11.11%	\$ 225,000	10.11%
First State Community Bank	Bank CD	600,000	29.63%	700,000	31.46%
First State Community Bank	Bank CD	150,000	7.41%	150,000	6.74%
First State Community Bank	Bank CD	700,000	34.57%	700,000	31.46%
First State Community Bank	Bank CD	150,000	7.41%	250,000	11.24%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2016 and 2015 are as follows:

<u>Fund</u>	<u>2016</u>		<u>2015</u>	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 66,917	\$ 715,645	\$ 103,184	\$ 716,070
Special Road and Bridge Fund	-	-	159,000	-
Assessment Fund	75,000	-	75,000	-
Road and Bridge Debt Service Fund	-	-	-	159,000
Unemployment Fund	-	-	-	40,000
Use Tax Fund	-	868	-	751
Health Department Fund	80,000	-	80,425	-
Sheriff's Drug Enforcement Fund	-	72,843	-	61,380
Sheriff's Civil Fee Fund	-	10,393	-	9,713
Sheriff's Revolving Fund	-	25,700	796	22,480
Law Enforcement Fund	707,941	25,000	691,572	25,000
Sheriff's Inmate Security Fund	-	3,360	-	3,150
Law Enforcement Building Maintenance Fund	25,000	-	25,000	-
Law Enforcement Restitution Fund	-	90,000	-	90,000
Prosecuting Attorney Drug Enforcement Fund	-	2,539	-	4,807
Public Facilities Authority Fund	-	6,943	-	2,082
Jay White Estate Fund	-	1,567	-	544
Total	<u>\$ 954,858</u>	<u>\$ 954,858</u>	<u>\$ 1,134,977</u>	<u>\$ 1,134,977</u>

**The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015**

Note 4 - 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 RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). 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.

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.

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 65109, or by calling 1-877-632-2373.

Contributions

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2016 and 2015, the County collected and remitted to CERF employee contributions of \$164,348 and \$153,799, respectively, for the years ended.

Note 5 - Missouri 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, RSMo. Sections 70.600-70.755. 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 County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Plan Description (continued)

The Missouri Local Government Employees Retirement System issues a publically 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 employer contribution rates were 7.50% (General) and 8.10% (Police) of annual covered payroll for the year ended December 31, 2016, and 8.90% (General) and 9.00% (Police) of annual covered payroll for the year ended December 31, 2015. 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, 2016 and 2015, the County contributed \$385,607 and \$436,772 to LAGERS.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Phelps County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Phelps County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2016 and 2015.

Note 7 - Post-Employment Benefits

Phelps County post-employment benefits include those which are mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA) and retiree participation in the County health insurance plan. The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Phelps County. Also, retirees with more than 15 years may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that was paid before the employee retired, until the employee becomes Medicare eligible. The cost of the post-employment benefits to Phelps County was \$37,439 and \$31,369 for the years ended December 31, 2016 and 2015, respectively.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 8 - Claims, Commitments and Contingencies

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service with four weeks being the maximum amount that can be accrued. Sick leave is accumulated at the rate of four hours per month with no limit on the amount that can be accrued. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 9 - 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 created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured 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 10 - Long-Term Debt

In February of 2015, the County entered into a non-cancelable lease purchase agreement to finance the purchase of one 2015 Caterpillar excavator at a cost of \$106,872. The agreement requires two annual payments of \$20,769 and one final payment of \$70,000 ending in 2017, which includes interest payable at 2.98%.

Year ending December 31,	Principal	Interest	Total
2017	<u>\$ 67,939</u>	<u>\$ 2,061</u>	<u>\$ 70,000</u>

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015

Note 11 - Operating Leases

In September of 2013, the County entered into a non-cancelable lease agreement for a postage meter inclusive of maintenance and updates. The agreement requires monthly payments for \$975 for 60 months. At the end of the lease, the County has an option to purchase the postage meter at fair market value.

In July of 2016, the County entered into a non-cancelable lease agreement for one 2016 Caterpillar 12M3AWD Motor Grader. The agreement requires annual payments of \$23,766 ending in July of 2018. At the end of the lease, the County has an option to purchase the grader for \$230,790.

In December of 2016, the County entered into a non-cancelable lease agreement for two 2016 Caterpillar 12M3AWD Motor Graders. The agreement requires annual payments of \$41,093 ending in December of 2018. At the end of the lease, the County has an option to purchase the graders for \$234,885 each.

Future minimum payments for the year ended December 31, 2016, are as follows:

Year ending December 31,	Postage Meter	Caterpillar Grader Lease #1	Caterpillar Grader Lease #2	Total
2017	\$ 11,700	\$ 23,766	\$ 41,093	\$ 76,559
2018	8,775	-	-	8,775
	<u>\$ 20,475</u>	<u>\$ 23,766</u>	<u>\$ 41,093</u>	<u>\$ 85,334</u>

Note 12 - Subsequent Events

The County has evaluated events subsequent to December 31, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through November 13, 2018, the date the financial statements were available to be issued.

In February of 2017, the County entered into a non-cancelable lease agreement for one 2017 Caterpillar excavator. The agreement requires annual payments of \$21,376 ending in February of 2018. At the end of the lease, the County has an option to purchase the excavator for \$73,375.

In August of 2018, the County entered into a non-cancelable lease agreement for one 2018 Caterpillar 12M3AWD Motor Grader. The agreement requires annual payments of \$25,676 ending in August of 2025. At the end of the lease, the County has an option to purchase the grader for \$140,280.

In August of 2018, the County entered into a non-cancelable lease agreement for one 2018 Caterpillar 12M3AWD Motor Grader. The agreement requires annual payments of \$25,676 ending in August of 2025. At the end of the lease, the County has an option to purchase the grader for \$140,280.

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 Phelps 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 Phelps County, Missouri as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Phelps County, Missouri's basic financial statements, and have issued our report thereon dated November 13, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Phelps 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 Phelps County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Phelps 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2016-001 and 2016-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Phelps 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 are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2016-003.

Phelps County, Missouri's Response to Findings

Phelps County, Missouri's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Creve Coeur, Missouri
November 13, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Phelps County, Missouri

Report on Compliance for the Major Federal Program

We have audited Phelps County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Phelps County, Missouri's major federal program for the years ended December 31, 2016 and 2015. Phelps County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Phelps County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the years ended December 31, 2016 and 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-004. Our opinion on the major federal programs is not modified with respect to this matter.

Phelps County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2016-004, that we consider to be a material weaknesses.

Phelps County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Stopp & Vanehey

Creve Coeur, Missouri
November 13, 2018

The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2016 and 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients	
			2016	2015	2016	2015
U.S. Department of Agriculture						
Passed through state:						
Missouri Department of Health and Senior Services -						
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04515026	\$ -	\$ 188,874	\$ -	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04516028	168,795	68,484	-	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04517045	65,618	-	-	-
			234,413	257,358	-	-
Forest Services Schools and Roads Cluster						
Passed through state:						
Missouri Office of Administration -						
Schools and Roads - Grants to States	10.665	n/a	191,949	199,925	143,962	149,944
Total Forest Services Schools and Roads Cluster			191,949	199,925	143,962	149,944
Passed through state:						
Missouri Office of Administration -						
Law Enforcement Agreements	10.XXX	n/a	-	4,064	-	-
Law Enforcement Agreements	10.704	13-LE-1109-0500-010	1,992	-	-	-
Law Enforcement Agreements	10.704	13-LE-1109-0500-026	2,500	-	-	-
			4,492	-	-	-
Total U.S. Department of Agriculture			430,854	461,347	143,962	149,944
U.S. Department of Housing and Urban Development						
Passed through state:						
Missouri Department of Economic Development -						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	2015-PF-03	248,000	-	248,000	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	2014-PF-12	93,545	2,000	-	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	2010-PF-63	2,500	305,669	2,500	305,669
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	2009-PF-49	99,951	82,243	99,951	82,243
Total U.S. Department of Housing and Urban Development			443,996	389,912	350,451	387,912
U.S. Department of the Interior						
Direct Program:						
PILT - Payment in Lieu of Taxes	15.226	n/a	113,653	114,177	-	-
Total U.S. Department of the Interior			113,653	114,177	-	-
U.S. Department of Justice						
Direct Program:						
Organized Crime Drug Enforcement Task Force	16.XXX	n/a	-	23,522	-	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0151	1,247	-	-	-
Equitable Sharing Program	16.922	MO081013A	157,588	176,249	13,027	14,434
Equitable Sharing Program	16.922	MO0810000	777,960	516,136	57,280	10,300
			935,548	692,385	70,307	24,734
Total U.S. Department of Justice			936,795	715,907	70,307	24,734

See Notes to the Schedule of Expenditures of Federal Awards

The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2016 and 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients	
			2016	2015	2016	2015
U.S Department of Transportation						
Highway Planning and Construction Cluster						
Passed through state:						
Missouri Department of Transportation						
Highway Planning and Construction	20.205	FLAP-9900(597)	94,990	12,594	-	-
Highway Planning and Construction	20.205	BRO-B081(12)	225,081	22,818	-	-
Total Highway Planning and Construction Cluster			320,071	35,412	-	-
Highway Safety Cluster						
Passed through state:						
Missouri Department of Transportation						
State and Community Highway Safety	20.600	16-PT-02-098	4,963	-	-	-
State and Community Highway Safety	20.600	15-PT-02-127	-	4,620	-	-
			4,963	4,620	-	-
National Priority Safety Programs						
	20.616	n/a	-	11,638	-	-
Total Highway Safety Cluster			4,963	16,258	-	-
Passed through state:						
Missouri Department of Transportation						
Alcohol Open Container Requirements	20.607	16-154-AL-102	6,342	-	-	-
Alcohol Open Container Requirements	20.607	15-154-AL-117	-	6,326	-	-
			6,342	6,326	-	-
Total U.S. Department of Transportation			331,376	57,996	-	-
U.S. Department of Health and Human Services						
Passed through state:						
Missouri Department of Social Services -						
Child Support Enforcement	93.563	ER10214C070	71,461	54,499	-	-
Missouri Department of Health and Senior Services -						
Medical Reserve Corps Small Grant Program	93.008	MRC15-0269	-	3,500	-	-
Hospital Preparedness Program (HPP) and Public						
Health Emergency Preparedness (PHEP) Aligned	93.074	AOC16380077	14,441	6,707	-	-
Cooperative Agreements	93.069	AOC14380115	43,959	38,357	-	-
Public Health Emergency Preparedness	93.758	AOC15380136	15,835	18,493	-	-
Preventative Health and Health Services Block Grant						
Children's Health Insurance Program	93.767	AOC15380228	66,062	55,922	-	-
Children's Health Insurance Program	93.767	AOC12380259	-	14,126	-	-
			66,062	70,048	-	-
Assistance Programs for Chronic Disease						
Prevention and Control	93.945	AOC15380136	-	377	-	-
Maternal Child and Health Services						
Block Grant to the States	93.994	AOC13380061	-	24,032	-	-
Maternal Child and Health Services	93.994	AOC16380041	25,700	5,287	-	-
Block Grant to the States	93.994	AOC15380065	42,288	46,275	-	-
Maternal Child and Health Services	93.994	AOC15380015	94,965	89,852	-	-
Block Grant to the States			162,953	165,446	-	-

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2016 and 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients		
			2016	2015	2016	2015	
U.S. Department of Health and Human Services (Cont.)							
CCDF Cluster							
Passed through state:							
Missouri Department of Health and Senior Services -							
Child Care and Development Block Grant	93.575	DH160014064	5,156	-	-	-	
Child Care and Development Block Grant	93.575	ERS22014072	4,285	5,075	-	-	
Child Care and Development Block Grant	93.575	DH150008023	-	8,956	-	-	
Total CCDF Cluster			9,441	14,031	-	-	
Foster Grandparent/Senior Companion Cluster							
Passed through:							
U.S. Corporation for National and Community Service							
Senior Companion Program	94.016	16SCWMO001	175,972	157,627	-	-	
Senior Companion Program	94.016	13SXWMO001	-	323,282	-	-	
Total Foster Grandparent/Senior Companion Cluster			175,972	480,909	-	-	
Total U.S. Department of Health and Human Services			560,124	852,367	-	-	
U.S. Department of Homeland Security							
Passed through state:							
Missouri Emergency Management Agency -							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4238-DR-MO	592,134	-	-	-	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4250-DR-MO	1,335,983	-	-	-	
			1,928,117	-	-	-	
Emergency Management Performance Grants	97.042	2015-EP-00043-086	1,386	9,654	-	-	
Total U.S. Department of Homeland Security			1,929,503	9,654	-	-	
Total Expenditures of Federal Awards			<u>\$ 4,746,301</u>	<u>\$ 2,601,360</u>	<u>\$ 564,720</u>	<u>\$ 562,590</u>	

**The County of Phelps
Rolla, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the years ended December 31, 2016 and 2015**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Phelps County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Phelps County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Reconciliation of Expenditures

The County accounts for receipts and disbursements of federal awards for CFDA #10.665 - Schools and Roads - Grants to States on behalf of subrecipients in an agency capacity. Because agency funds are not reported, the financial statements only present the County's portion of the award. A reconciliation of total expenditures is as follows:

	2016	2015
Total expenditures as reported on the Schedule of Expenditures of Federal Awards:	\$ 191,949	\$ 199,925
Less: Awards provided to subrecipients	(143,962)	(149,944)
County expenditures as reported on the financial statements:	\$ 47,987	\$ 49,981

**The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2016 and 2015**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ X Yes _____ None Reported

Any noncompliance material to financial statements noted? _____ X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ X Yes _____ No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)? _____ X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
14.228	Community Development Block Grant Program/State's Program and Non-Entitlement Grants in Hawaii
15.226	Payments in Lieu of Taxes
16.922	Equitable Sharing Program

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

Auditee qualified as low-risk auditee? _____ Yes X No

The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2016 and 2015

Section 2 - Financial Statement Findings

2016-001 **Condition:** Documentation of the County's internal controls has not been prepared for all offices.

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.

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 for all offices.

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: Internal control methodology will be reflected across the county as a whole; the written policy maintained by the Treasurer will be inculcated into a county-wide framework. The expected completion date is December 31, 2018. The phone number for the Clerk's office is 573-458-6115.

2016-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

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.

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 initial report of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, more than twenty years ago, included as a major component an assessment of risk and elaborated upon organizational strategies for mitigating said risk. These strategies, which included authorizations, verifications, reconciliations, and segregation of duties, are felt by the County to be inextricably linked to internal control. Hence the County feels that proper internal control methodology will inevitably yield extensive and thorough fraud risk assessment, and thus expects written fraud risk guidelines to be a byproduct of the response to Finding 2016-001. The expected completion date is December 31, 2018. The phone number for the Clerk's office is 573-458-6115.

The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2016 and 2015

Section 2 - Financial Statement Findings (continued)

2016-003 **Condition:** During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2016: Use Tax Fund, Sheriff's Training Fund, Sheriff's Drug Enforcement Training Fund, Sheriff's Civil Fee Fund, Sheriff's Revolving Fund, Sheriff's Inmate Security Fund, Shelter Fund, Jay White Estate Fund, Developmentally Disabled Fund, Senior Companions Fund, and the Senate Bill 40 Board Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2015: Assessment Fund, Crisis Intervention Fund, Election Services Fund, Sheriff's Revolving Fund, Law Enforcement Fund, Inmate Security Fund, Prosecuting Attorney Drug Enforcement Fund, Jay White Estate Fund, and the Senate Bill 40 Board Fund. The following fund did not have a budget prepared for 2016: Community Development Block Grant Fund. The following funds did not have a budget prepared for 2015: Special Election Fund and Community Development Block Grant Fund.

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.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and not prepared budgets for certain funds.

Cause: Lack of oversight.

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: A budget was prepared in 2016 for the CDBG fund, contrary to the statement of findings; it was placed at the back of the budget book since it was considered extra-budgetary. CDBG monies are receipted into, and paid out of, a non-interest-bearing (as required by federal law) checking account which stands alone outside of the Phelps County General Fund. For this reason the CDBG fund, which maintains no balance as disbursements must be made within 5 days of their receipt from the Missouri Department of Economic Development, has been considered "extra-budgetary" and was put into the closing portions of the hardbound budget for 2016. Beginning in 2017, however, the CDBG fund was incorporated in the Missouri State Auditor's spreadsheet document, though there continues to be no representation of the CDBG fund per se in the financial software structure. The Developmentally Disabled fund should have been amended for increased expenditure to the Mental Health Trust Fund which was requested. The Use Tax and Jay White Fund expenditures were only budgeted as transfers of the prior year's accrued interest; the clerk now knows how to construct the budget so that this expense will be reflected accurately instead of as an estimate. Remaining funds spent in excess of budgeted amounts were never spent without cash balance funds available and never without elected official/department head approval.

The county's financial software prevents expenditures in excess of monies available in a given fund; disbursements simply cannot be generated. Department heads receive budget performance reports for the funds under their guidance and control at the end of every month. The county feels that avoidance of "budget creep" by tight control of budgeted expenditures is a worthwhile goal. Amending the budget upward will result in pressure to leave the given expenditure at the higher level for the next year.

The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2016 and 2015

Section 2 - Financial Statement Findings (continued)

2016-003 Many of these statements equally apply to the 2015 Funds mentioned. Again, the Jay White fund was not budgeted
(cont.) with an accurate interest transfer figure, simply due to the clerk's inexperience. Crisis Intervention Fund cannot be accurately predicted, as funds received and disbursed depend on the needs of the community; sometimes transactions extend into the next calendar year. Regardless, this fund does not accrue any cash reserve; all monies received are disbursed when instructions to do so are received from the Department of Social Services. The over expenditure in Election Services was wholly due to an omission in budgeting for an equipment warranty expense, which should have been addressed with a budget amendment. The expected completion date is December 31, 2018. The phone number for the Clerk's office is 573-458-6115.

Section 3 - Federal Award Findings and Questioned Cost

2016-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: Strenuous efforts will continue in the preparation of an accurate SEFA. Office holders responsible for the receipt of federal monies, state pass-through agencies, and the guidance of the State Auditor's Office will be recruited for their assistance. The expected completion date is December 31, 2018. The phone number for the Clerk's office is 573-458-6115.

The County of Phelps
Rolla, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2016 and 2015

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Phelps County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2014.

Prior Year Financial Statement Findings

14/13-001 **Condition:** Documentation of the County's internal controls has not been prepared.

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.

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: Internal control methodology will be reflected across the county as a whole; the written policy maintained by the Treasurer will be inculcated into a county-wide framework. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: Management has not corrected this issue and the finding will be repeated in the current year as finding 2016-001. This finding initially occurred in the 2008 and 2007 fiscal years.

14/13-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

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.

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.

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14/13-002 *Management's Response:* The initial report of the Committee of Sponsoring Organizations (COSO) of the (cont.) Treadway Commission, more than twenty years ago, included as a major component an assessment of risk and elaborated upon organizational strategies for mitigating said risk. These strategies, which included authorizations, verifications, reconciliations, and segregation of duties, are felt by the County to be inextricably linked to internal control. Hence the County feels that proper internal control methodology will inevitably yield extensive and thorough fraud risk assessment, and thus expects written fraud risk guidelines to be a byproduct of the response to Finding 14/13-001. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: Management has not corrected this issue and the finding will be repeated in the current year as finding 2016-002. This finding initially occurred in the 2008 and 2007 fiscal years.

14/13-003 *Condition:* During our audit, we noted two funds for which no budget was prepared.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to not preparing a budget in two funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight.

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: These funds, Special Elections and Community Development Block Grants (CDBG), do have idiosyncrasies not found in the other funds of the County. Special Elections is dependent on candidate races and ballot issues which are determined by the will of political subdivisions operating independently from the county; thus, the Special Elections fund must respond to the often unpredictable demands of these outside political subdivisions for electoral input, and consists of monies in the form of election deposits from those political subdivisions which the office of the County Clerk—as election authority—must administrate. The County Clerk is, however, willing to prepare a budget for Special Elections to the extent possible. CDBG funds have been included in the budget appendix, in the past, and the County will adhere to this practice. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: Management has not corrected this issue and the finding will be repeated in the current year as finding 2016-003. This finding initially occurred in the 2014 and 2013 fiscal years.

14/13-004 *Condition:* During our audit, we noted that the three signatures required on all checks are being imprinted automatically by the accounting system without any formal approval process.

Criteria: Strong internal control over financial statements require that there be a formal approval process over signatures being automatically imprinted by the accounting system.

Effect: Signed cash disbursement checks could be issued without the knowledge of those authorized to sign checks due to either error or fraud.

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Prior Year Financial Statement Findings

14/13-004 **Cause:** Accounting system was setup without limitation on user rights.
(cont.)

Recommendation: We recommend that the County develop a process in which all signatures cannot be imprinted on checks without the knowledge of those who are authorized to sign checks.

Management's Response: The Commission reviews each payment batch register presented with invoices which have check numbers and EFT numbers affixed; this allows not only for Commission oversight but that of the County Clerk as well. Sequential numbering of checks and EFT's can be documented with the invoices they represent. The Commission must sign off on these payment batches, as well as payroll payment batches which are treated essentially the same way. No disbursements are made without these approvals. The County is currently considering a secure log-in approval mechanism with the guidance of its financial management software provider. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: This issue has been corrected. This finding initially occurred in the 2014 and 2013 fiscal years.

14/13-005 **Condition:** During our audit, we noted that journal entries are being made into the accounting system without the formal approval of the Commission, County Clerk, or Treasurer.

Criteria: Strong internal control over financial statements require that there be a formal approval process over journal entries into the accounting system.

Effect: Entries into the accounting system can be made that affect revenues, expenses, and fund balance without approval due to either error or fraud.

Cause: The County does not have any controls related to entering journal entries into the accounting system.

Recommendation: We recommend that the County develop a process to approve all journal entries being made into the accounting system. This should be part of the documentation of internal controls as discussed in finding 14/13-001.

Management's Response: The monthly journal entries consist in large measure of transfers approved within the annual budget. Salary journal entries requested by the elected official require, as do the monthly transfers, Treasurer approval. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: This issue has been corrected. This finding initially occurred in the 2014 and 2013 fiscal years.

14/13-006 **Condition:** During our audit, we noted that payroll reports are not being reviewed or approved prior to the disbursement of cash to employees being paid.

Criteria: Strong internal control over financial statements require that there be a formal approval process over payroll prior to the disbursement of cash to employees.

Effect: Payroll could be processed incorrectly either due to error or fraud.

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Prior Year Financial Statement Findings

14/13-006 *Cause:* The County does not have any controls related to the approval of payroll.
(cont.)

Recommendation: We recommend that the County develop a process to approve all payroll reports prior to the disbursement of cash to employees. This should be part of the documentation of internal controls as discussed in finding 14/13 - 001.

Management's Response: This has been corrected; payroll batches and their supporting documentation are presented to the Commission for their review and approval before disbursements can be initiated. The phone number for the Clerk's office is 573-458-6115.

Status: This issue has been corrected. This finding initially occurred in the 2014 and 2013 fiscal years.

14/13-007 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Effect: Federal expenditures reported on the SEFA were incorrect.

Cause: Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The County is aware that numerous counties have problems with preparing accurate SEFA reports. Phelps County continues to emphasize accuracy in the SEFA and will continue efforts to identify these expenditures accurately. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

Status: Management has not corrected this issue and the finding will be repeated in the current year as finding 2016-004. This finding initially occurred in the 2014 and 2013 fiscal years.