

ANNUAL FINANCIAL REPORT

PHELPS COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

PHELPS COUNTY, MISSOURI

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INTRODUCTORY SECTION

PHELPS COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Randy Verkamp

District 1 Commissioner – Larry J. Stratman

District 2 Commissioner – Gary W. Hicks

Other Elected Officials

Assessor – Bill Stoltz

Circuit Clerk – Sue Brown

Collector – Davis R. Haas

County Clerk – Pamela K. Grow

Coroner – Andy Davis

Prosecuting Attorney – Brendon Fox

Public Administrator – Kathleen S. Oliver

Recorder – Robin Kordes

Sheriff – Richard Lisenbe

Surveyor – Terris L. Cates

Treasurer – Carol Green

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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

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

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

As described in Note 1, the financial statements are prepared by Phelps County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2017 and 2018, or the 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, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Phelps County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information 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. The 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 also have issued our report dated July 8, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the County's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

PHELPS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1, 2017	2017	2017	December 31, 2017	2018	2018	December 31, 2018
General Revenue	\$ 1,340,360	\$ 4,501,765	\$ 4,138,923	\$ 1,703,202	\$ 4,500,724	\$ 4,373,776	\$ 1,830,150
Special Road and Bridge	1,049,826	3,919,791	4,216,886	752,731	3,446,432	3,273,824	925,339
Assessment	212,968	720,654	571,524	362,098	714,587	582,638	494,047
Road and Bridge Debt Service	274,085	581	144,000	130,666	412	-	131,078
Unemployment	171,430	-	19,639	151,791	-	17,994	133,797
Use Tax	302,485	925	937	302,473	970	925	302,518
Health Department	248,652	863,782	842,556	269,878	800,786	856,028	214,636
Special Election	1,403	42,370	43,773	-	46,008	45,010	998
Crisis Intervention	686	2,929	3,179	436	3,296	2,796	936
Election Services	16,805	6,826	12,655	10,976	2,496	3,585	9,887
Sheriff's Training	39,175	12,336	8,810	42,701	13,659	3,982	52,378
Sheriff's Drug Enforcement	2,921,046	1,136,688	756,898	3,300,836	485,587	2,255,951	1,530,472
Sheriff's Civil Fee	155,159	49,100	33,930	170,329	48,769	32,318	186,780
Sheriff's Revolving	139,352	7,767	34,718	112,401	10,957	36,103	87,255
Law Enforcement Sales Tax	3,696,344	5,824,324	4,521,036	4,999,632	7,872,714	7,148,903	5,723,443
Sheriff's Inmate Security	58,085	65,827	37,076	86,836	73,767	35,237	125,366
Law Enforcement Building Maintenance	248,636	26,100	-	274,736	26,769	-	301,505
Law Enforcement Restitution	29,294	73,191	90,000	12,485	87,971	85,000	15,456
Prosecuting Attorney Drug Enforcement	309,110	146,656	146,453	309,313	91,144	128,921	271,536
Prosecuting Attorney Training	11,941	2,041	-	13,982	2,466	-	16,448
Prosecuting Attorney Delinquent Tax	34,793	141	615	34,319	109	988	33,440
Administrative Handling	96,485	12,765	33,613	75,637	14,592	64,915	25,314
Shelter	3,930	12,730	13,570	3,090	13,777	13,480	3,387
Recorder User Fee	42,077	21,244	8,097	55,224	20,179	50,411	24,992
Collector's Tax Maintenance	63,771	45,350	65,474	43,647	69,507	40,633	72,521
Public Facilities Authority	830,614	3,984	172,647	661,951	6,380	3,984	664,347
Jay White Estate	214,228	1,175	1,138	214,265	2,387	1,175	215,477
Community Development Block Grant	-	324,856	324,856	-	5,000	5,000	-
Developmentally Disabled	423,819	429,016	310,291	542,544	476,668	435,347	583,865
Senior Companions	441	327,858	327,467	832	343,075	343,715	192
Senate Bill 40 Board	2,683,313	1,572,894	1,010,576	3,245,631	1,690,640	1,111,848	3,824,423
Total	<u>\$ 15,620,313</u>	<u>\$ 20,155,666</u>	<u>\$ 17,891,337</u>	<u>\$ 17,884,642</u>	<u>\$ 20,871,828</u>	<u>\$ 20,954,487</u>	<u>\$ 17,801,983</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2017		2018	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 884,809	\$ 821,780	\$ 800,000	\$ 798,028
Sales taxes	1,843,525	1,875,487	1,875,487	1,864,803
Intergovernmental	754,796	910,243	849,958	912,625
Charges for services	710,603	750,179	769,200	793,477
Interest	15,000	8,358	15,000	10,240
Other	92,321	41,313	89,378	30,416
Transfers in	87,818	94,405	81,854	91,135
Total Receipts	<u>\$ 4,388,872</u>	<u>\$ 4,501,765</u>	<u>\$ 4,480,877</u>	<u>\$ 4,500,724</u>
DISBURSEMENTS				
County Commission	\$ 171,288	\$ 170,521	\$ 176,625	\$ 176,184
County Clerk	217,451	206,449	212,032	214,398
Elections	45,072	57,075	177,260	156,182
Buildings and grounds	484,816	485,294	485,259	463,896
Employee fringe benefits	566,919	572,557	610,308	624,175
Treasurer	67,622	67,635	72,647	72,343
Collector	184,418	159,562	183,732	160,774
Recorder of Deeds	133,589	130,890	133,557	129,843
Circuit Clerk	47,020	39,970	44,220	47,777
Court administration	32,900	20,197	32,900	32,380
Public Administrator	129,165	117,392	135,073	142,093
Prosecuting Attorney	648,485	605,570	707,001	654,753
Juvenile Officer	446,600	412,149	439,050	396,507
Coroner	43,508	47,241	53,218	46,370
Other County government	340,329	330,776	351,992	321,692
Transfers out	765,645	715,645	715,645	734,409
Emergency fund	131,666	-	232,473	-
Total Disbursements	<u>\$ 4,456,493</u>	<u>\$ 4,138,923</u>	<u>\$ 4,762,992</u>	<u>\$ 4,373,776</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (67,621)	\$ 362,842	\$ (282,115)	\$ 126,948
CASH AND INVESTMENTS, JANUARY 1	<u>1,340,360</u>	<u>1,340,360</u>	<u>1,703,202</u>	<u>1,703,202</u>
CASH AND CASH INVESTMENTS, DECEMBER 31	<u>\$ 1,272,739</u>	<u>\$ 1,703,202</u>	<u>\$ 1,421,087</u>	<u>\$ 1,830,150</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 565,000	\$ 586,499	\$ 650,000	\$ 782,327	\$ -	\$ -	\$ -	\$ -
Sales taxes	980,000	1,001,910	985,000	996,202	-	-	-	-
Intergovernmental	1,822,516	1,813,061	1,546,755	1,570,369	477,336	499,810	488,789	551,869
Charges for services	-	-	-	72,835	144,130	143,594	95,880	86,347
Interest	2,000	4,436	3,000	3,853	600	1,014	1,100	1,371
Other	5,000	48,101	17,154	20,846	1,493	1,236	-	-
Transfers in	100,000	465,784	100,000	-	75,000	75,000	75,000	75,000
Total Receipts	<u>\$ 3,474,516</u>	<u>\$ 3,919,791</u>	<u>\$ 3,301,909</u>	<u>\$ 3,446,432</u>	<u>\$ 698,559</u>	<u>\$ 720,654</u>	<u>\$ 660,769</u>	<u>\$ 714,587</u>
DISBURSEMENTS								
Salaries	\$ 692,569	\$ 659,395	\$ 701,077	\$ 654,757	\$ 342,745	\$ 325,977	\$ 344,030	\$ 332,590
Employee fringe benefits	272,598	214,294	271,978	244,981	122,656	102,009	106,651	112,514
Materials and supplies	243,200	183,585	244,200	232,142	22,250	19,914	22,250	18,972
Services and other	151,586	93,107	172,440	97,992	28,475	19,897	31,475	18,784
Capital outlay	1,105,802	1,149,112	559,088	813,109	107,543	98,052	125,149	94,103
Construction	2,052,842	1,917,393	2,095,000	1,230,843	-	-	-	-
Transfers out	-	-	-	-	5,675	5,675	5,725	5,675
Total Disbursements	<u>\$ 4,518,597</u>	<u>\$ 4,216,886</u>	<u>\$ 4,043,783</u>	<u>\$ 3,273,824</u>	<u>\$ 629,344</u>	<u>\$ 571,524</u>	<u>\$ 635,280</u>	<u>\$ 582,638</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,044,081)	\$ (297,095)	\$ (741,874)	\$ 172,608	\$ 69,215	\$ 149,130	\$ 25,489	\$ 131,949
CASH AND INVESTMENTS, JANUARY 1	<u>1,049,826</u>	<u>1,049,826</u>	<u>752,731</u>	<u>752,731</u>	<u>212,968</u>	<u>212,968</u>	<u>362,098</u>	<u>362,098</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,745</u>	<u>\$ 752,731</u>	<u>\$ 10,857</u>	<u>\$ 925,339</u>	<u>\$ 282,183</u>	<u>\$ 362,098</u>	<u>\$ 387,587</u>	<u>\$ 494,047</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ROAD AND BRIDGE DEBT SERVICE FUND				UNEMPLOYMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	800	581	300	412	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 800</u>	<u>\$ 581</u>	<u>\$ 300</u>	<u>\$ 412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	2,000	2,496	2,500	2,815
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	100,000	144,000	100,000	-	17,143	17,143	15,179	15,179
Total Disbursements	<u>\$ 100,000</u>	<u>\$ 144,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 19,143</u>	<u>\$ 19,639</u>	<u>\$ 17,679</u>	<u>\$ 17,994</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (99,200)</u>	<u>\$ (143,419)</u>	<u>\$ (99,700)</u>	<u>\$ 412</u>	<u>\$ (19,143)</u>	<u>\$ (19,639)</u>	<u>\$ (17,679)</u>	<u>\$ (17,994)</u>
CASH AND INVESTMENTS, JANUARY 1	<u>274,085</u>	<u>274,085</u>	<u>130,666</u>	<u>130,666</u>	<u>171,430</u>	<u>171,430</u>	<u>151,791</u>	<u>151,791</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 174,885</u></u>	<u><u>\$ 130,666</u></u>	<u><u>\$ 30,966</u></u>	<u><u>\$ 131,078</u></u>	<u><u>\$ 152,287</u></u>	<u><u>\$ 151,791</u></u>	<u><u>\$ 134,112</u></u>	<u><u>\$ 133,797</u></u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	USE TAX FUND				HEALTH DEPARTMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	607,377	602,572	553,439	571,297
Charges for services	-	-	-	-	128,500	123,604	120,486	123,653
Interest	850	925	900	970	650	816	800	808
Other	-	-	-	-	28,000	56,790	22,790	25,028
Transfers in	-	-	-	-	130,400	80,000	80,000	80,000
Total Receipts	<u>\$ 850</u>	<u>\$ 925</u>	<u>\$ 900</u>	<u>\$ 970</u>	<u>\$ 894,927</u>	<u>\$ 863,782</u>	<u>\$ 777,515</u>	<u>\$ 800,786</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 595,000	\$ 526,897	\$ 556,000	\$ 542,713
Employee fringe benefits	-	-	-	-	173,403	165,128	193,184	200,166
Materials and supplies	-	-	-	-	11,100	10,187	9,500	7,476
Services and other	-	-	-	-	83,630	140,344	57,383	101,028
Capital outlay	-	-	-	-	-	-	3,000	4,645
Construction	-	-	-	-	-	-	-	-
Transfers out	850	937	925	925	-	-	-	-
Total Disbursements	<u>\$ 850</u>	<u>\$ 937</u>	<u>\$ 925</u>	<u>\$ 925</u>	<u>\$ 863,133</u>	<u>\$ 842,556</u>	<u>\$ 819,067</u>	<u>\$ 856,028</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (12)	\$ (25)	\$ 45	\$ 31,794	\$ 21,226	\$ (41,552)	\$ (55,242)
CASH AND INVESTMENTS, JANUARY 1	<u>302,485</u>	<u>302,485</u>	<u>302,473</u>	<u>302,473</u>	<u>248,652</u>	<u>248,652</u>	<u>269,878</u>	<u>269,878</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 302,485</u>	<u>\$ 302,473</u>	<u>\$ 302,448</u>	<u>\$ 302,518</u>	<u>\$ 280,446</u>	<u>\$ 269,878</u>	<u>\$ 228,326</u>	<u>\$ 214,636</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ELECTION FUND				CRISIS INTERVENTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,500	2,929	5,000	3,296
Charges for services	53,050	42,370	48,000	46,008	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 53,050</u>	<u>\$ 42,370</u>	<u>\$ 48,000</u>	<u>\$ 46,008</u>	<u>\$ 3,500</u>	<u>\$ 2,929</u>	<u>\$ 5,000</u>	<u>\$ 3,296</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	600	283	600	717	-	-	-	-
Services and other	52,450	43,490	47,400	44,293	3,500	3,179	5,000	2,796
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 53,050</u>	<u>\$ 43,773</u>	<u>\$ 48,000</u>	<u>\$ 45,010</u>	<u>\$ 3,500</u>	<u>\$ 3,179</u>	<u>\$ 5,000</u>	<u>\$ 2,796</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (1,403)	\$ -	\$ 998	\$ -	\$ (250)	\$ -	\$ 500
CASH AND INVESTMENTS, JANUARY 1	<u>1,403</u>	<u>1,403</u>	<u>-</u>	<u>-</u>	<u>686</u>	<u>686</u>	<u>436</u>	<u>436</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 998</u>	<u>\$ 686</u>	<u>\$ 436</u>	<u>\$ 436</u>	<u>\$ 936</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				SHERIFF'S TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	13,331	6,786	13,909	2,470	3,500	3,816	4,000	3,993
Charges for services	-	-	-	-	8,300	8,064	8,200	9,666
Interest	49	40	40	26	-	-	200	-
Other	4	-	-	-	-	456	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 13,384</u>	<u>\$ 6,826</u>	<u>\$ 13,949</u>	<u>\$ 2,496</u>	<u>\$ 11,800</u>	<u>\$ 12,336</u>	<u>\$ 12,400</u>	<u>\$ 13,659</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	150	-	-	-	-	-	-	-
Services and other	2,075	1,560	1,575	64	5,000	8,810	9,000	3,982
Capital outlay	11,095	11,095	11,095	3,521	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 13,320</u>	<u>\$ 12,655</u>	<u>\$ 12,670</u>	<u>\$ 3,585</u>	<u>\$ 5,000</u>	<u>\$ 8,810</u>	<u>\$ 9,000</u>	<u>\$ 3,982</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 64	\$ (5,829)	\$ 1,279	\$ (1,089)	\$ 6,800	\$ 3,526	\$ 3,400	\$ 9,677
CASH AND INVESTMENTS, JANUARY 1	<u>16,805</u>	<u>16,805</u>	<u>10,976</u>	<u>10,976</u>	<u>39,175</u>	<u>39,175</u>	<u>42,701</u>	<u>42,701</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 16,869</u>	<u>\$ 10,976</u>	<u>\$ 12,255</u>	<u>\$ 9,887</u>	<u>\$ 45,975</u>	<u>\$ 42,701</u>	<u>\$ 46,101</u>	<u>\$ 52,378</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S DRUG ENFORCEMENT FUND				SHERIFF'S CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	700,000	1,098,638	360,000	466,013	-	16,210	16,300	16,070
Charges for services	-	-	-	-	35,000	32,385	32,400	32,140
Interest	11,000	11,360	700	13,979	475	505	500	559
Other	10,000	26,690	-	1,365	-	-	-	-
Transfers in	-	-	-	4,230	-	-	-	-
Total Receipts	<u>\$ 721,000</u>	<u>\$ 1,136,688</u>	<u>\$ 360,700</u>	<u>\$ 485,587</u>	<u>\$ 35,475</u>	<u>\$ 49,100</u>	<u>\$ 49,200</u>	<u>\$ 48,769</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Employee fringe benefits	-	-	-	-	-	-		-
Materials and supplies	7,000	5,572	-	-	3,500	3,993	3,500	2,582
Services and other	91,120	58,449	-	29,480	20,000	18,390	18,800	17,641
Capital outlay	310,000	414,943	-	43,390	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	75,000	277,934	2,200,000	2,183,081	11,612	11,547	11,652	12,095
Total Disbursements	<u>\$ 483,120</u>	<u>\$ 756,898</u>	<u>\$ 2,200,000</u>	<u>\$ 2,255,951</u>	<u>\$ 35,112</u>	<u>\$ 33,930</u>	<u>\$ 33,952</u>	<u>\$ 32,318</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 237,880</u>	<u>\$ 379,790</u>	<u>\$ (1,839,300)</u>	<u>\$ (1,770,364)</u>	<u>\$ 363</u>	<u>\$ 15,170</u>	<u>\$ 15,248</u>	<u>\$ 16,451</u>
CASH AND INVESTMENTS, JANUARY 1	<u>2,921,046</u>	<u>2,921,046</u>	<u>3,300,836</u>	<u>3,300,836</u>	<u>155,159</u>	<u>155,159</u>	<u>170,329</u>	<u>170,329</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 3,158,926</u></u>	<u><u>\$ 3,300,836</u></u>	<u><u>\$ 1,461,536</u></u>	<u><u>\$ 1,530,472</u></u>	<u><u>\$ 155,522</u></u>	<u><u>\$ 170,329</u></u>	<u><u>\$ 185,577</u></u>	<u><u>\$ 186,780</u></u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	2,120,000	2,158,050	2,200,000	2,145,754
Intergovernmental	-	-	-	-	1,684,500	2,556,803	1,824,792	2,743,546
Charges for services	50,000	7,370	8,000	10,631	134,980	158,822	126,500	153,707
Interest	400	397	300	326	8,500	16,639	12,000	23,440
Other	-	-	-	-	7,000	18,808	9,000	6,775
Transfers in	-	-	-	-	712,105	915,202	2,833,186	2,799,492
Total Receipts	<u>\$ 50,400</u>	<u>\$ 7,767</u>	<u>\$ 8,300</u>	<u>\$ 10,957</u>	<u>\$ 4,667,085</u>	<u>\$ 5,824,324</u>	<u>\$ 7,005,478</u>	<u>\$ 7,872,714</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 2,424,339	\$ 2,316,955	\$ 2,619,702	\$ 2,437,854
Employee fringe benefits	-	-	-	-	904,050	772,524	1,049,349	950,385
Materials and supplies	2,000	675	1,500	1,231	504,300	537,992	459,200	510,333
Services and other	20,000	6,556	10,000	6,367	559,425	601,810	1,004,900	758,848
Capital outlay	-	-	-	-	103,150	123,785	395,350	318,716
Construction	-	-	-	-	-	142,970	2,200,000	2,147,767
Transfers out	26,489	27,487	27,489	28,505	25,000	25,000	25,000	25,000
Total Disbursements	<u>\$ 48,489</u>	<u>\$ 34,718</u>	<u>\$ 38,989</u>	<u>\$ 36,103</u>	<u>\$ 4,520,264</u>	<u>\$ 4,521,036</u>	<u>\$ 7,753,501</u>	<u>\$ 7,148,903</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 1,911</u>	<u>\$ (26,951)</u>	<u>\$ (30,689)</u>	<u>\$ (25,146)</u>	<u>\$ 146,821</u>	<u>\$ 1,303,288</u>	<u>\$ (748,023)</u>	<u>\$ 723,811</u>
CASH AND INVESTMENTS, JANUARY 1	<u>139,352</u>	<u>139,352</u>	<u>112,401</u>	<u>112,401</u>	<u>3,696,344</u>	<u>3,696,344</u>	<u>4,999,632</u>	<u>4,999,632</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 141,263</u>	<u>\$ 112,401</u>	<u>\$ 81,712</u>	<u>\$ 87,255</u>	<u>\$ 3,843,165</u>	<u>\$ 4,999,632</u>	<u>\$ 4,251,609</u>	<u>\$ 5,723,443</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S INMATE SECURITY FUND				LAW ENFORCEMENT BUILDING MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	56,000	65,610	65,000	73,443	-	-	-	-
Interest	150	217	200	324	1,050	1,100	1,150	1,769
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	25,000	25,000	25,000	25,000
Total Receipts	<u>\$ 56,150</u>	<u>\$ 65,827</u>	<u>\$ 65,200</u>	<u>\$ 73,767</u>	<u>\$ 26,050</u>	<u>\$ 26,100</u>	<u>\$ 26,150</u>	<u>\$ 26,769</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	17,200	18,923	20,000	18,432	-	-	-	-
Services and other	25,500	14,793	25,000	13,405	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	3,400	3,360	3,400	3,400	-	-	-	-
Total Disbursements	<u>\$ 46,100</u>	<u>\$ 37,076</u>	<u>\$ 48,400</u>	<u>\$ 35,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 10,050	\$ 28,751	\$ 16,800	\$ 38,530	\$ 26,050	\$ 26,100	\$ 26,150	\$ 26,769
CASH AND INVESTMENTS, JANUARY 1	<u>58,085</u>	<u>58,085</u>	<u>86,836</u>	<u>86,836</u>	<u>248,636</u>	<u>248,636</u>	<u>274,736</u>	<u>274,736</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 68,135</u>	<u>\$ 86,836</u>	<u>\$ 103,636</u>	<u>\$ 125,366</u>	<u>\$ 274,686</u>	<u>\$ 274,736</u>	<u>\$ 300,886</u>	<u>\$ 301,505</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY DRUG ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	100,000	145,234	75,000	37,722
Charges for services	90,000	73,110	73,000	87,930	2,000	1,422	1,200	-
Interest	100	81	80	41	1,300	-	-	2,222
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	51,200
Total Receipts	<u>\$ 90,100</u>	<u>\$ 73,191</u>	<u>\$ 73,080</u>	<u>\$ 87,971</u>	<u>\$ 103,300</u>	<u>\$ 146,656</u>	<u>\$ 76,200</u>	<u>\$ 91,144</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	7,700	7,476	7,700	7,936
Services and other	-	-	-	-	78,500	83,380	93,100	78,867
Capital outlay	-	-	-	-	70,100	46,650	53,500	32,921
Construction	-	-	-	-	-	-	-	-
Transfers out	90,000	90,000	85,000	85,000	10,000	8,947	12,000	9,197
Total Disbursements	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 166,300</u>	<u>\$ 146,453</u>	<u>\$ 166,300</u>	<u>\$ 128,921</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 100	\$ (16,809)	\$ (11,920)	\$ 2,971	\$ (63,000)	\$ 203	\$ (90,100)	\$ (37,777)
CASH AND INVESTMENTS, JANUARY 1	<u>29,294</u>	<u>29,294</u>	<u>12,485</u>	<u>12,485</u>	<u>309,110</u>	<u>309,110</u>	<u>309,313</u>	<u>309,313</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 29,394</u></u>	<u><u>\$ 12,485</u></u>	<u><u>\$ 565</u></u>	<u><u>\$ 15,456</u></u>	<u><u>\$ 246,110</u></u>	<u><u>\$ 309,313</u></u>	<u><u>\$ 219,213</u></u>	<u><u>\$ 271,536</u></u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	200	29	-	-
Charges for services	2,000	2,041	2,000	2,466	-	-	-	-
Interest	-	-	-	-	100	112	112	109
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,000</u>	<u>\$ 2,041</u>	<u>\$ 2,000</u>	<u>\$ 2,466</u>	<u>\$ 300</u>	<u>\$ 141</u>	<u>\$ 112</u>	<u>\$ 109</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	-	2,000	-	1,000	615	1,000	988
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 615</u>	<u>\$ 1,000</u>	<u>\$ 988</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 2,041	\$ -	\$ 2,466	\$ (700)	\$ (474)	\$ (888)	\$ (879)
CASH AND INVESTMENTS, JANUARY 1	<u>11,941</u>	<u>11,941</u>	<u>13,982</u>	<u>13,982</u>	<u>34,793</u>	<u>34,793</u>	<u>34,319</u>	<u>34,319</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 11,941</u>	<u>\$ 13,982</u>	<u>\$ 13,982</u>	<u>\$ 16,448</u>	<u>\$ 34,093</u>	<u>\$ 34,319</u>	<u>\$ 33,431</u>	<u>\$ 33,440</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING FUND				SHELTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	19,500	12,461	14,500	14,369	10,000	12,729	12,000	13,776
Interest	300	299	300	216	5	1	1	1
Other	200	5	20	7	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 12,765</u>	<u>\$ 14,820</u>	<u>\$ 14,592</u>	<u>\$ 10,005</u>	<u>\$ 12,730</u>	<u>\$ 12,001</u>	<u>\$ 13,777</u>
DISBURSEMENTS								
Salaries	\$ 20,000	\$ 23,615	\$ 24,000	\$ 19,035	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	4,125	5,371	5,710	5,885	-	-	-	-
Materials and supplies	500	328	350	-	-	-	-	-
Services and other	5,570	4,299	4,300	2,799	10,000	13,570	12,000	13,480
Capital outlay	500	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	37,196	-	-	-	-
Total Disbursements	<u>\$ 30,695</u>	<u>\$ 33,613</u>	<u>\$ 34,360</u>	<u>\$ 64,915</u>	<u>\$ 10,000</u>	<u>\$ 13,570</u>	<u>\$ 12,000</u>	<u>\$ 13,480</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (10,695)</u>	<u>\$ (20,848)</u>	<u>\$ (19,540)</u>	<u>\$ (50,323)</u>	<u>\$ 5</u>	<u>\$ (840)</u>	<u>\$ 1</u>	<u>\$ 297</u>
CASH AND INVESTMENTS, JANUARY 1	<u>96,485</u>	<u>96,485</u>	<u>75,637</u>	<u>75,637</u>	<u>3,930</u>	<u>3,930</u>	<u>3,090</u>	<u>3,090</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 85,790</u></u>	<u><u>\$ 75,637</u></u>	<u><u>\$ 56,097</u></u>	<u><u>\$ 25,314</u></u>	<u><u>\$ 3,935</u></u>	<u><u>\$ 3,090</u></u>	<u><u>\$ 3,091</u></u>	<u><u>\$ 3,387</u></u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	22,828	21,100	21,583	20,032	49,695	45,124	47,000	50,532
Interest	116	144	120	147	200	226	225	211
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	18,603	18,764
Total Receipts	<u>\$ 22,944</u>	<u>\$ 21,244</u>	<u>\$ 21,703</u>	<u>\$ 20,179</u>	<u>\$ 49,895</u>	<u>\$ 45,350</u>	<u>\$ 65,828</u>	<u>\$ 69,507</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	500	493	1,000	122	6,000	18,966	3,000	3,906
Services and other	37,350	5,675	37,350	38,489	53,900	27,181	29,250	29,416
Capital outlay	3,900	1,929	6,900	11,800	25,200	19,327	17,000	7,311
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 41,750</u>	<u>\$ 8,097</u>	<u>\$ 45,250</u>	<u>\$ 50,411</u>	<u>\$ 85,100</u>	<u>\$ 65,474</u>	<u>\$ 49,250</u>	<u>\$ 40,633</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,806)	\$ 13,147	\$ (23,547)	\$ (30,232)	\$ (35,205)	\$ (20,124)	\$ 16,578	\$ 28,874
CASH AND INVESTMENTS, JANUARY 1	<u>42,077</u>	<u>42,077</u>	<u>55,224</u>	<u>55,224</u>	<u>63,771</u>	<u>63,771</u>	<u>43,647</u>	<u>43,647</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 23,271</u></u>	<u><u>\$ 55,224</u></u>	<u><u>\$ 31,677</u></u>	<u><u>\$ 24,992</u></u>	<u><u>\$ 28,566</u></u>	<u><u>\$ 43,647</u></u>	<u><u>\$ 60,225</u></u>	<u><u>\$ 72,521</u></u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PUBLIC FACILITIES AUTHORITY FUND				JAY WHITE ESTATE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3,000	3,984	3,500	6,380	1,100	1,175	1,100	2,387
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,984</u>	<u>\$ 3,500</u>	<u>\$ 6,380</u>	<u>\$ 1,100</u>	<u>\$ 1,175</u>	<u>\$ 1,100</u>	<u>\$ 2,387</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	197,700	167,853	29,850	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	4,794	4,794	3,984	3,984	1,138	1,138	1,175	1,175
Total Disbursements	<u>\$ 202,494</u>	<u>\$ 172,647</u>	<u>\$ 33,834</u>	<u>\$ 3,984</u>	<u>\$ 1,138</u>	<u>\$ 1,138</u>	<u>\$ 1,175</u>	<u>\$ 1,175</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (199,494)	\$ (168,663)	\$ (30,334)	\$ 2,396	\$ (38)	\$ 37	\$ (75)	\$ 1,212
CASH AND INVESTMENTS, JANUARY 1	<u>830,614</u>	<u>830,614</u>	<u>661,951</u>	<u>661,951</u>	<u>214,228</u>	<u>214,228</u>	<u>214,265</u>	<u>214,265</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 631,120</u>	<u>\$ 661,951</u>	<u>\$ 631,617</u>	<u>\$ 664,347</u>	<u>\$ 214,190</u>	<u>\$ 214,265</u>	<u>\$ 214,190</u>	<u>\$ 215,477</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COMMUNITY DEVELOPMENT BLOCK GRANT FUND				DEVELOPMENTALLY DISABLED FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 407,121	\$ 426,337	\$ 407,271	\$ 473,971
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	347,827	324,856	25,870	5,000	1,680	955	1,300	806
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	1,724	1,700	1,891
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 347,827</u>	<u>\$ 324,856</u>	<u>\$ 25,870</u>	<u>\$ 5,000</u>	<u>\$ 410,301</u>	<u>\$ 429,016</u>	<u>\$ 410,271</u>	<u>\$ 476,668</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,072	3,072	25,870	5,000	386,644	310,291	443,934	435,347
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	342,755	321,784	-	-	-	-	-	-
Total Disbursements	<u>\$ 347,827</u>	<u>\$ 324,856</u>	<u>\$ 25,870</u>	<u>\$ 5,000</u>	<u>\$ 386,644</u>	<u>\$ 310,291</u>	<u>\$ 443,934</u>	<u>\$ 435,347</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 23,657	\$ 118,725	\$ (33,663)	\$ 41,321
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	423,819	423,819	542,544	542,544
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,476</u>	<u>\$ 542,544</u>	<u>\$ 508,881</u>	<u>\$ 583,865</u>

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

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR COMPANIONS FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	339,849	327,858	339,849	343,075	1,645,000	1,571,418	1,683,434	1,668,676
Charges for services	-	-	-	-	-	-	-	18,000
Interest	-	-	-	-	-	1,476	-	1,762
Other	-	-	-	-	-	-	-	2,202
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 339,849</u>	<u>\$ 327,858</u>	<u>\$ 339,849</u>	<u>\$ 343,075</u>	<u>\$ 1,645,000</u>	<u>\$ 1,572,894</u>	<u>\$ 1,683,434</u>	<u>\$ 1,690,640</u>
DISBURSEMENTS								
Salaries	\$ 82,646	\$ 84,484	\$ 84,298	\$ 85,084	\$ 675,000	\$ 650,889	\$ 750,000	\$ 717,041
Employee fringe benefits	25,133	26,630	27,224	28,227	175,000	165,548	200,000	203,987
Materials and supplies	-	-	-	-	50,000	13,208	50,000	17,883
Services and other	232,070	216,353	228,327	230,404	289,600	180,931	272,500	172,937
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 339,849</u>	<u>\$ 327,467</u>	<u>\$ 339,849</u>	<u>\$ 343,715</u>	<u>\$ 1,189,600</u>	<u>\$ 1,010,576</u>	<u>\$ 1,272,500</u>	<u>\$ 1,111,848</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS								
	\$ -	\$ 391	\$ -	\$ (640)	\$ 455,400	\$ 562,318	\$ 410,934	\$ 578,792
CASH AND INVESTMENTS, JANUARY 1								
	<u>441</u>	<u>441</u>	<u>832</u>	<u>832</u>	<u>2,683,313</u>	<u>2,683,313</u>	<u>3,245,631</u>	<u>3,245,631</u>
CASH AND INVESTMENTS, DECEMBER 31								
	<u>\$ 441</u>	<u>\$ 832</u>	<u>\$ 832</u>	<u>\$ 192</u>	<u>\$ 3,138,713</u>	<u>\$ 3,245,631</u>	<u>\$ 3,656,565</u>	<u>\$ 3,824,423</u>

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

PHELPS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Cash Equivalents			Cash and Cash Equivalents			Cash and Cash Equivalents
	January 1, 2017	Receipts 2017	Disbursements 2017	December 31, 2017	Receipts 2018	Disbursements 2018	December 31, 2018
Treasurer Criminal Cost	\$ -	\$ 482,328	\$ 482,328	\$ -	\$ 466,785	\$ 466,785	\$ -
Treasurer Surplus Tax	29,092	22,662	9,831	41,923	77,372	15,973	103,322
Treasurer School Principal	216,831	407,018	420,412	203,437	519,750	463,075	260,112
Treasurer School District	-	20,531,645	20,531,645	-	23,542,577	23,542,577	-
Treasurer Intangible Tax	-	3,663	3,663	-	4,278	4,278	-
Treasurer Fire District/Ambulance/Cities	-	3,115,989	3,115,989	-	3,517,902	3,517,902	-
Treasurer CERF	-	193,364	193,364	-	247,211	247,211	-
Collector	15,010,735	28,032,695	27,316,778	15,726,652	29,927,249	30,704,439	14,949,462
Public Administrator	1,408,894	952,878	1,172,591	1,189,181	799,106	966,551	1,021,736
Recorder	21,984	264,743	267,739	18,988	264,139	264,641	18,486
Prosecuting Attorney	11,235	242,976	233,528	20,683	229,059	245,086	4,656
Sheriff Civil Fees	5,762	151,931	151,678	6,015	167,820	168,488	5,347
Sheriff Inmate Security	44,525	417,459	413,754	48,230	388,328	397,817	38,741
Sheriff Civil Asset Forfeiture	11,670	1,132,285	732,262	411,693	1,899,627	2,284,535	26,785
County Clerk Fees	3	1,663	1,383	283	1,529	1,293	519
County Clerk Passport	650	29,855	28,580	1,925	35,910	34,170	3,665
Total	<u>\$ 16,761,381</u>	<u>\$ 55,983,154</u>	<u>\$ 55,075,525</u>	<u>\$ 17,669,010</u>	<u>\$ 62,088,642</u>	<u>\$ 63,324,821</u>	<u>\$ 16,432,831</u>

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

PHELPS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

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

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

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

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County’s custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from

accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2018</u>
Road and Bridge Debt Service	✓	N/A
Unemployment	✓	✓
Use Tax	✓	N/A
Health Department	N/A	✓
Sheriff's Training	✓	N/A
Sheriff's Drug Enforcement	✓	✓
Law Enforcement Sales Tax	✓	N/A
Administrative Handling	✓	✓
Shelter	✓	✓
Recorder User Fee	N/A	✓
Senior Companions	N/A	✓

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on 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 valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	<u>2018</u>	<u>2017</u>
Real Estate	\$ 459,768,110	\$ 451,087,290
Personal Property	118,054,723	114,587,253
Railroad and Utilities	21,166,509	20,847,223
Total	<u>\$ 598,989,342</u>	<u>\$ 586,521,766</u>

For calendar years 2018 and 2017, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2018</u>	<u>2017</u>
General Revenue	\$ 0.1215	\$ 0.1221
Special Road and Bridge	0.1153	0.1156
Developmentally Disabled	0.0720	0.0718

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an

original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

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

2. CASH AND INVESTMENTS

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

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County's deposits were \$17,801,983 and \$17,884,642, respectively, and the bank balances were \$17,936,626 and \$18,098,109, respectively. Of the bank balances, \$1,000,000 and \$750,000 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County's custodial funds were \$16,432,831 and \$17,669,010, respectively, and the bank balances were \$16,440,226 and \$17,667,711, respectively. Of the bank balances, \$1,353,005 and \$1,768,683 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Phelps 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, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

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 is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Phelps County contribute 4% of their gross salary. The January 1st statutorily required contribution rates were 7.0% and 7.5% (General), and 9.4% and 8.4% (Police) of annual covered payroll for 2018 and 2017 respectively. 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, 2018 and 2017, the County contributed \$396,556 and \$401,669 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded accrued liabilities by \$1,554,978 and \$332,215 for the General and Police divisions, respectively. As of February 29, 2017, the actuarial value of plan assets exceeded accrued liabilities by \$1,218,437 and \$121,528 for the General and Police divisions, respectively. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, 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. Beginning January 1, 2018, the County contributes 1% of the required 4% as a benefit. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of \$247,211 and \$193,364, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$9,690 and \$12,920, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees four hours of sick leave per biweekly pay period with no limit on the amount that can be accrued. Upon termination, employees will not be compensated for any unused sick time. Vacation time will accrue at a rate between 10 and 20 days per year depending on length of employment. Beginning in 2010, the vacation carryover into the following years was limited to one year's accrual based on an employee's length of service. However, employees with balances in excess of one year's accrual at the time of adoption in 2010 were allowed to retain those balances. Upon termination, employees will be paid for any unused vacation.

B. Federal and State Assisted Programs

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

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have

not exceeded coverage in the past three years.

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

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation 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.

7. LONG TERM DEBT

The County had no long-term debt outstanding as of either December 31, 2018 or 2017. In February 2015, the County entered into a non-cancelable lease purchase agreement to finance one 2015 Caterpillar excavator at the cost of \$106,872. The agreement called for two annual payments of \$20,769 and one final payment of \$70,000 in 2017, including interest at 2.98%. The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2015 Caterpillar Excavator	\$ 67,939	\$ -	\$ (67,939)	\$ -	\$2,061

8. OPERATING LEASES

The County had the following obligations under capital leases as of December 31, 2018:

- A. In September 2018, the County entered into a non-cancelable lease agreement for a postage meter inclusive of maintenance and updates. The lease calls for monthly payments of \$970 for 60 months.
- B. In August 2018, the County entered into two non-cancelable lease agreements for two 2018 Caterpillar 12M3AWD motor graders, under which the County could purchase the motor graders at the end of the lease for \$140,280 each. The agreement calls for seven annual payments of \$25,676 ending in 2024.
- C. In December 2018, the County entered into two non-cancelable lease agreements for two 2018 Caterpillar 12M3AWD motor graders, under which the County could purchase the motor graders at the end of the lease for \$142,590 each. The agreement calls for seven annual payments of \$25,676 ending in 2024.

The following schedule represents future payments under operating leases:

<u>Year Ending</u> <u>December 31,</u>	<u>Postage</u> <u>Meter</u>	<u>Grader</u> <u>N9B00671</u>	<u>Grader</u> <u>N9B00672</u>	<u>Grader</u> <u>N9B00689</u>	<u>Grader</u> <u>N9B00690</u>	<u>Total</u>
2019	\$ 11,643	\$25,676	\$25,676	\$25,676	\$25,676	\$ 114,347
2020	11,643	25,676	25,676	25,676	25,676	114,347
2021	11,643	25,676	25,676	25,676	25,676	114,347
2022	11,643	25,676	25,676	25,676	25,676	114,347
2023	11,643	25,676	25,676	25,676	25,676	114,347
2024	-	25,676	25,676	25,676	25,676	102,704
Purchase Option	N/A	140,280	140,280	142,590	142,590	

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 8, 2019, the date the financial statements were available to be issued.

In April 2019, the County entered into a non-cancelable lease agreement for a 2019 Caterpillar mini excavator, under which the County could purchase the excavator at the end of the lease for \$52,290. The agreement calls for seven annual payments of \$20,380 ending in 2025.

<u>For the Fiscal</u> <u>Year Ending</u> <u>December 31,</u>	<u>Mini</u> <u>Excavator</u>
2019	\$ 20,380
2020	20,380
2021	20,380
2022	20,380
2023	20,380
2024	20,380
2025	20,380
Purchase Option	52,290

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Phelps County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Phelps County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, 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 July 8, 2019.

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 opinion 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2018-002.

Phelps County, Missouri's Response to Findings

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

Purpose of this Report

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Phelps County, Missouri

Report on Compliance for Each 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 each of Phelps County, Missouri's major federal programs for the years ended December 31, 2017 and 2018. Phelps County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Phelps County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 each 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 each of its major federal programs for the years ended December 31, 2017 and 2018.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003, that we consider to be a significant deficiency.

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 purposes.

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

PHELPS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures		Federal Awards Passed-Through to Subrecipients
			Year Ended December 31,		
			2017	2018	
U.S. DEPARTMENT OF AGRICULTURE					
10.557	Passed through Missouri Department of Health and Senior Services - Special Supplemental Nutrition Program for Women, Infants, and Children	DHSS 18WIC	\$ 202,450	\$ 211,259	\$ -
10.665	Passed through Missouri Office of Administration - Schools and Roads - Grants to States (Forest Service Schools and Roads Cluster)	PL106-393	120,552	190,632	233,388
10.704	U.S. Forest Service Campground Patrol	13-LE-11090500-026	3,672	1,710	-
10.704	U.S. Forest Service Meth/Cannabis	13-LE-11090500-010	-	2,498	-
	Total 10.704		\$ 3,672	\$ 4,208	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
14.228	Passed through Missouri Department of Economic Development - Community Development Block Grant	2010-PF-63	3,072	-	-
		2014-PF-12	321,784	3,000	-
		2015-PF-03	-	2,000	-
	Total 14.228 / CDBG - Entitlement Grants Cluster		\$ 324,856	\$ 5,000	\$ -
U.S. DEPARTMENT OF THE INTERIOR					
15.226	Federal Forest Payment in Lieu of Taxes	n/a	123,209	137,209	-
U.S. DEPARTMENT OF JUSTICE					
16.000	Passed through Missouri Sheriff's Association - Domestic Cannabis Eradication Program	SI-WC-010-13	30,730	23,929	-
16.575	Passed through Missouri Department of Social Services - Crime Victim Assistance	2016-VA-GX-4056	12,242	-	-
		2017-VA-GX-0079	52,875	-	-
		2018-VA-GX-0035	-	108,028	-
	Total 16.575		\$ 65,117	\$ 108,028	\$ -
16.922	Direct Program Equitable Sharing Program	MO0810000 MO081013A	756,898 146,453	2,255,951 128,921	24,306 17,956
	Total 16.922		\$ 903,351	\$ 2,384,872	\$ 42,262
U. S. DEPARTMENT OF TRANSPORTATION					
20.224	Passed through Missouri Department of Transportation - Federal Lands Access Program (Highway Planning and Construction Cluster)	FLAP-9900(597)	10,421	-	-
20.616	Passed through Missouri Department of Public Safety - National Priority Safety Programs	ENF-17-AL-165 ENF-PT-02-114 18-154-AL-112 18-PT-02-089	5,590 4,377 - -	- - 10,554 15,743	- - - -
	Total 20.616 / Highway Safety Cluster		\$ 9,967	\$ 26,297	\$ -
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
93.563	Passed through Missouri Department of Social Services - Child Support Enforcement	CE924884-02	53,984	60,052	-
93.758	HEAL	AOC15380136	16,521	-	-
93.136	Passed through Missouri Department of Health and Senior Services - Violent Death and Enhanced Opioid Surveillance	n/a	210	330	-
93.069	Public Health Emergency Preparedness	AOC14380115	38,154	53,623	-
93.074	Ebola Preparedness	n/a	14,441	-	-
93.575	Assistance Programs for Chronic Disease Prevention and Control (CCDF Cluster)	DH160014064	8,653	13,237	-
93.994	Maternal and Child Health Services	AOC15380065 AOC16380041	41,696 21,250	47,702 86,850	- -
	Total 93.994		\$ 62,946	\$ 134,552	\$ -
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
94.016	Senior Companions Program (Foster Grandparents/Senior Companion Cluster)	16SCWMO001	327,858	343,075	-
U. S. DEPARTMENT OF HOMELAND SECURITY					
97.036	Passed through Missouri Department of Public Safety - Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)	FEMA-4317-DR-MO	194,548	402,119	-
97.042	Emergency Management Performance Grants	EMK-2016-00006-004 EMK-2016-00006-004	7,800 -	- 5,850	- -
	Total 97.042		\$ 7,800	\$ 5,850	\$ -
	Total Expenditures of Federal Awards		\$ 2,519,440	\$ 4,104,272	\$ 275,650

See accompanying Notes to the Schedule of Expenditures of Federal Awards

PHELPS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Phelps County, Missouri for the years ended December 31, 2018 and 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

PHELPS COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEARS ENDED DECEMBER 31, 2018 AND 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

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
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes 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 Uniform Guidance section 200.516? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.922	Equitable Sharing Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2018-001. Internal Control Over Cash Disbursements

Criteria: A proper system of internal control requires adequate documentation of financial records and reconciliations between financial records and supporting documentation.

Condition: Beginning in fall 2017, invoices were not stamped “paid” or otherwise cancelled to prevent duplicate payment as required by the County’s internal control practices.

Cause: The County Clerk’s office hired a new accounts payable clerk who was not trained to cancel invoices prior to payment.

Effect: Multiple duplicate payments occurred in 2018 due to County Clerk personnel not knowing whether an invoice was previously paid. These were resolved through credits to future bills or the checks were returned by vendors and voided by the County.

Recommendation: We recommend the County Clerk ensure that the policy of canceling all invoices when payments are issued is consistently followed to prevent duplicate payments.

County’s Response: Going forward, paid invoices are being stamped as such. Additionally, the Accounts Payable staff is instituting measures during invoice entry to insure that unique invoice number for any particular vendor will be used, which will result in an alert within the accounting system that the invoice has already been paid.

Auditor’s Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2018-002. Budgetary Compliance

Criteria: Section 50.740, RSMo prohibits expenditures in excess of approved budgets.

Condition: Expenditures exceeded budgeted appropriations for eight funds in 2017 and seven funds in 2018. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: The County did not adequately review and amend budgeted expenditures of each fund to ensure actual expenditures did not exceed budgeted appropriations.

Effect: In order to ensure the integrity of the budgeting process, the spending limit should be adhered to for each County fund.

Recommendation: We recommend the County refrain from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to fund the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County's Response: Budget amendments are presented only once annually to the Commission, in December, per the recommendation of State Auditor personnel. These have been used to correct errata in budget data entry processes which are inevitable when thousands of entries must be made. On occasion new grants are received on the State Fiscal Year, which naturally occurs mid-fiscal year for the County and necessitates amending the budget for both revenue as well as the accompanying expenditure. In the future the amendment list will be expanded to include any expenditures in excess of original budgeted amounts, after these have been approved by the Office Holder/Department Head and the Commission.

Auditor's Evaluation: This matter was discussed with the State Auditor's Office and a recommendation has not been made by that office to only once annually amend the budget. The remaining response is appropriate to correct the concern.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-003. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, U.S. Department of Homeland Security

Pass-Through Grantor: Missouri Office of Administration, Missouri Department of Transportation, Missouri Department of Social Services, Missouri Department of Public Safety

Federal CFDA Number: 10.665, 20.224, 93.767, 97.036

Program Title: Schools and Roads – Grants to States, Federal Lands Access Program, Children's Health Insurance Program, Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)

Pass-through Entity Identifying Number: PL106-393, FLAP-9900(597), FEMA-4238-DR-MO, FEMA-4250-DR-MO, FEMA-4317-DR-MO

Award Year: 2017 and 2018

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2017 and 2018 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures of the Federal Lands Access Program (CFDA 20.224) were overstated by including \$92,990 on the 2017 SEFA that was reported on the 2016 SEFA. Also in 2017, a \$100,323 CORE Public Health Grant from the State of Missouri was incorrectly reported as a federal grant under CFDA 93.767. Additionally, the 2017 SEFA overstated \$521,596 in Disaster Grants funds (CFDA 97.036) which were reported on the 2016 SEFA.

The 2018 SEFA understated Schools and Roads – Grants to States (CFDA 10.665) by \$153,337. Additionally, the 2018 SEFA understated Disaster Grants funds (CFDA 97.036) by \$104,429 by reporting grant revenues as opposed to expenses.

This finding was noted in the prior audit for the years ended December 31, 2015 and 2016 as item 2016-004.

Cause: The County reported amounts reimbursed under federal programs rather than amounts spent. Expenditures which were reported on the SEFA in previous years were included on current period schedules. A Health Department grant that was from state funds was reported as federal.

Effect: The SEFA presented for audit did not accurately reflect the County’s actual expenditures of federal awards for both the years ended December 31, 2018 and 2017.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA accurately states the expenditures of federal awards of the County each year.

County’s Response: Grant agreements have always required Commission approval. In the future, it will be mandatory that the point of contact within the County for that particular grant provide a one-page form (“Grant Recipient Information”) both at the initiation of the grant agreement and in mid-January after the completion of each year. This burden will no longer fall on the County Clerk, but on the department personnel most directly responsible for the financial management of the grant.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Summary Schedule of Prior Audit Findings**
 - **Corrective Action Plan**

RANDY VERKAMP
PRESIDING COMMISSIONER
573-458-6120

Phelps County Commission

LARRY J. STRATMAN
COMMISSIONER DISTRICT I
573-458-6121

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PAMELA K. GROW
COUNTY CLERK
573-458-6101

GARY W. HICKS
COMMISSIONER DISTRICT II
573-458-6122

Phone: 573-458-6000
Fax: 573-458-6119

PHELPS COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the 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, 2016 and 2015.

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

Status: Resolved.

2016-002: There is no formal fraud risk assessment in place.

Status: Resolved.

2016-003: The County was not in compliance with Missouri budgetary statute RSMo Chapter 50. There were eleven funds in 2016 and nine funds in 2015 that had actual expenditures in excess of budgeted appropriations. There was one fund in 2016 and two funds in 2015 for which no formal budget was prepared.

Status: Partially resolved. See Finding 2018-002.

2016-004: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Status: Not resolved. See Finding 2018-003.

PHELPS COUNTY, MISSOURI
CORRECTIVE ACTION PLAN

Finding Reference Number: 2018-001

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Pam Grow, County Clerk

Views of Responsible Individuals: Going forward, paid invoices are being stamped as such. Additionally, the Accounts Payable staff is instituting measures during invoice entry to insure that unique invoice numbers for any particular vendor will be used, which will result in an alert within the accounting system that the invoice has already been paid.

Finding Reference Number: 2018-002

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: County Commission

Views of Responsible Individuals: Budget amendments are presented only once annually to the Commission, in December, per the recommendation of State Auditor personnel. These have been used to correct errata in budget data entry processes which are inevitable when thousands of entries must be made. On occasion new grants are received on the State Fiscal Year, which naturally occurs mid-fiscal year for the County and necessitates amending the budget for both revenue as well as the accompanying expenditure. In the future the amendment list will be expanded to include any expenditures in excess of original budgeted amounts, after these have been approved by the Office Holder/Department Head and the Commission.

Finding Reference Number: 2018-003

Federal Agency: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, U.S. Department of Homeland Security

Program Name: Schools and Roads – Grants to States, Federal Lands Access Program, Children’s Health Insurance Program, Disaster Grants – Public Assistance Grants (Presidentially-declared disasters)

CFDA Number: 10.665, 20.224, 93.767, 97.036

Responsible Official: Pam Grow, County Clerk

Views of Responsible Individuals: Grant agreements have always required Commission approval. In the future, it will be mandatory that the point of contact within the County for that particular grant provide a one-page form (“Grant Recipient Information”, accompanies this document) both at the initiation of the grant agreement and in mid-January after the completion of each year. This burden will no longer fall on the County Clerk, but on the department personnel most directly responsible for the financial management of the grant.

Pamela K. Grow
Phelps County Clerk
July 18, 2019

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission and
Officeholders of Phelps County, Missouri

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Phelps County’s internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated July 8, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Personnel Policies and Procedures

The County has not adopted a written policy and procedure manual for all County employees. Policies regarding sick and vacation leave, among others, are informally maintained. The County indicated efforts are underway to draft a manual; however, it has not been formally adopted by the Commission and disseminated to County employees. We recommend the County adopt a formal written employee policy manual.

Senate Bill 40 Board Procedures

The bylaws of the Phelps County Board for the Developmentally Disabled require that “meetings shall be held at least quarterly, with exact date to be determined by the Chairman.” The Board had only three meetings in 2017, with no meeting occurring after August 8, 2017. A planned October 2017 meeting was cancelled by the Executive Director. As of May 2019, the Board had not yet had a 2019 meeting. A planned March 2019 meeting was cancelled by the Executive Director. We recommend that the Board ensure that regular meetings are held in accordance with the bylaws.

In July 2018, 16 employees of the Phelps County Board for the Developmentally Disabled each received a \$500 bonus for a total of \$8,000. Additionally, the Board allows each family of a program participant up to \$1,200 per year in “Emergency Funds,” to be paid for out of Targeted Case Management Medicaid funding. A review of these expenditures revealed two payments totaling \$540, including a \$500 payment to the Board President, that did not have documentation to support the amount paid. We recommend that the Board adopt policies in writing regarding the authority to pay out bonuses to employees. We also recommend that the Board adopt a formal policy regarding the review, approval, and documentation of Emergency Funds disbursements.

County Collector Controls

During peak property tax collection months, employees receiving cash in the County Collector's office are assigned their own batch number and cash drawer. However, during spring, summer and fall months when fewer property tax receipts are collected, all employees operate out of the same cash drawer and post receipts to the same electronic batch. Multiple employees operating from the same cash drawer and electronic batch increases the risk of unreconciled cash differences due to misappropriation or error. Also, the County Collector maintains blank check stock and a signature stamp in an unlocked file cabinet drawer. The County Collector indicated that the stamp was not used for check signing, however, employees had unrestricted access to the County Collector's blank check stock and the signature stamp. We recommend the County Collector maintain a separate cash drawer and electronic batch for each employee receiving payments at all times during the year, and that the County Collector ensure the physical security of blank check stock and signature stamps.

Assessor's Cash Receipt Process

The Assessor's office receives payments of fees but does not maintain a bank account. Undeposited receipts are turned over on a monthly basis to the Treasurer. Depositing monies in the bank as soon as possible would help to ensure the physical security of cash and checks and prevent the risk of loss due to fraud or error. We recommend the Assessor consider opening a bank account and implementing internal control to ensure receipts are deposited daily. The County has indicated that they prefer to continue the current practice as maintaining a separate bank account would impose an additional burden and cost.

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

McBride, Lock & Associates, LLC