



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor contracted for an audit of Stone County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-083



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Stone County

2018-001	The County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.
2018-002	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2018-003	Management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

**The County of Stone
Galena, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2018 & 2017**



**The County of Stone
Galena, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Stone County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Stone County, Missouri, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Stone County, Missouri as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Stone County, Missouri as of December 31, 2018 and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information

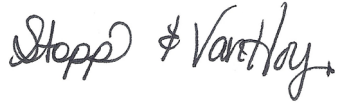
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stone County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR)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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2019 on our consideration of Stone County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stone 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 Stone County, Missouri's internal control over financial reporting and compliance.

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

Creve Coeur, Missouri
July 9, 2019

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

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 961,645	\$ 8,152,382	\$ 8,113,949	\$ 1,000,078
Special Road and Bridge	848,863	4,745,825	4,797,353	797,335
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	111,802	50,336	139,895	22,243
Special Road Projects	2,321	2,570	4,467	424
Flood Control	-	881,904	881,904	-
National Forest	-	36,113	36,113	-
Assessment	213,680	612,039	572,887	252,832
Law Enforcement Restitution	46,079	20,264	52,150	14,193
Election Grant	6,038	5,917	-	11,955
Law Enforcement Grant	2,249	25,182	18,877	8,554
Capital Improvement	43,424	200,548	226,084	17,888
Emergency	1,250,912	6,942	-	1,257,854
Law Enforcement Training	1,313	2,315	2,586	1,042
Prosecuting Attorney Training	14	416	931	(501)
Local Emergency Planning Committee	15,642	-	831	14,811
Insurance Claims Proceeds	12,528	54,866	67,268	126
Children's Trust	-	850	-	850
Abuse Victims	-	4,674	-	4,674
Inmate Security	24,546	62,293	53,915	32,924
Special Recorder	189,624	78,649	30,884	237,389
Special Recorder Capital Improvement	180,000	-	-	180,000
Sheriff Revolving	44,546	11,363	13,160	42,749
Election Services	24,669	7,382	6,118	25,933
Senior Citizens Service Board	144,687	305,597	311,103	139,181
Prosecuting Attorney Delinquent Tax	7,006	4,742	2,300	9,448
Drug Abuse Resistance Education (D.A.R.E.)	9,427	19,443	11,329	17,541
Jail Prisoner Transport	61,397	27,410	12,650	76,157
Reserve	303,954	1,569	57,192	248,331
Law Enforcement Civil Fees	22,194	46,970	66,732	2,432
Prosecuting Attorney Bad Check	7,106	7,672	10,289	4,489
Collector's Tax Maintenance	10,205	49,593	38,237	21,561
Tax Maintenance Archive	49,622	10,000	-	59,622
Edgewater Neighborhood Improv. Dist.	9,468	162,179	158,800	12,847
Black Oak Neighborhood Improv. Dist.	1	209,080	204,435	4,646
Federal Seized and Forfeiture	430	2	-	432
Tax Increment Financing	-	341,530	341,530	-
Bond Development	-	1,000,000	305,000	695,000
Total	\$ 5,105,392	\$ 17,148,617	\$ 16,538,969	\$ 5,715,040

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 1,070,171	\$ 7,540,589	\$ 7,649,115	\$ 961,645
Special Road and Bridge	1,103,969	4,482,963	4,738,069	848,863
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	203,499	147,240	238,937	111,802
Special Road Projects	1,684	11,193	10,556	2,321
Flood Control	-	813,010	813,010	-
National Forest	-	18,891	18,891	-
Assessment	157,002	665,321	608,643	213,680
Law Enforcement Restitution	37,292	19,576	10,789	46,079
Election Grant	11,849	67	5,878	6,038
Law Enforcement Grant	(528)	3,017	240	2,249
Capital Improvement	62,269	175,833	194,678	43,424
Emergency	1,045,143	205,769	-	1,250,912
Law Enforcement Training	1,633	2,595	2,915	1,313
Prosecuting Attorney Training	1,566	511	2,063	14
Local Emergency Planning Committee	17,121	-	1,479	15,642
Insurance Claims Proceeds	4,819	29,507	21,798	12,528
Children's Trust	340	805	1,145	-
Abuse Victims	1,807	5,051	6,858	-
Inmate Security	26,276	56,389	58,119	24,546
Special Recorder	175,394	87,406	73,176	189,624
Special Recorder Capital Improvement	180,000	-	-	180,000
Sheriff Revolving	81,789	9,336	46,579	44,546
Election Services	22,794	5,979	4,104	24,669
Senior Citizens Service Board	143,869	287,600	286,782	144,687
Prosecuting Attorney Delinquent Tax	7,482	5,793	6,269	7,006
Drug Abuse Resistance Education (D.A.R.E.)	12,406	18,007	20,986	9,427
Jail Prisoner Transport	43,785	43,571	25,959	61,397
Reserve	302,530	1,424	-	303,954
Law Enforcement Civil Fees	33,195	76,446	87,447	22,194
Prosecuting Attorney Bad Check	9,280	7,293	9,467	7,106
Collector's Tax Maintenance	3,718	45,979	39,492	10,205
Tax Maintenance Archive	66,905	-	17,283	49,622
Edgewater Neighborhood Improv. Dist.	8,146	159,272	157,950	9,468
Black Oak Neighborhood Improv. Dist.	368	198,823	199,190	1
Federal Seized and Forfeiture	428	2	-	430
Tax Increment Financing	-	252,414	252,414	-
Bond Development	-	-	-	-
Total	\$ 5,338,001	\$ 15,377,672	\$ 15,610,281	\$ 5,105,392

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	General Revenue Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 736,000	\$ 682,859	\$ 727,141	\$ 640,885
Sales Taxes	5,800,000	5,669,992	4,888,000	5,264,801
Intergovernmental	365,700	352,902	395,300	335,654
Charges for Services	1,055,156	1,109,579	1,072,400	1,028,689
Interest	10,000	19,063	5,000	8,203
Other Receipts	313,635	317,987	286,750	237,357
Transfers In	-	-	25,000	25,000
Total Receipts	8,280,491	8,152,382	7,399,591	7,540,589
<u>Disbursements</u>				
County Commission	227,108	223,975	219,448	218,155
County Clerk	166,578	162,339	172,063	160,579
Elections	231,784	200,396	192,353	132,391
Buildings and Grounds	332,948	320,132	324,178	306,349
Employee Fringe Benefits	1,071,706	1,027,666	1,043,374	1,032,994
County Treasurer	101,414	98,692	96,734	94,787
County Collector	316,023	308,748	315,954	294,502
Recorder of Deeds	173,960	171,493	170,273	168,706
Circuit Clerk	89,050	78,368	84,079	74,622
Court Administration	113,891	84,833	119,696	99,540
Public Administrator	79,550	69,521	78,250	70,083
Sheriff	1,734,874	1,719,460	1,694,530	1,660,485
Jail	810,124	782,945	762,057	730,420
Prosecuting Attorney	581,146	567,562	551,681	538,313
Juvenile Officer	125,490	122,279	123,821	108,628
County Coroner	83,540	74,237	62,640	51,570
Emergency Management	23,681	20,308	21,838	21,400
Janitorial	84,723	68,485	91,884	80,369
Planning and Zoning	239,887	214,281	214,538	197,926
Debt Service	579,887	592,572	283,000	271,250
Other Disbursements	500,000	562,450	574,190	546,999
Transfers Out	644,256	643,207	804,220	789,047
Emergency Fund	-	-	-	-
Total Disbursements	8,311,620	8,113,949	8,000,801	7,649,115
Receipts Over (Under)				
Disbursements	\$ (31,129)	\$ 38,433	\$ (601,210)	\$ (108,526)
Cash and Equivalents, Jan 1	961,645	961,645	1,070,171	1,070,171
Cash and Equivalents, Dec 31	\$ 930,516	\$ 1,000,078	\$ 468,961	\$ 961,645

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Special Road and Bridge Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 7,000	\$ 8,183	\$ 7,000	\$ 7,139
Sales Taxes	2,650,000	2,590,224	2,344,820	2,428,861
Intergovernmental	1,424,000	1,354,672	1,355,000	1,373,325
Charges for Services	-	-	-	-
Interest	4,400	8,149	4,400	7,020
Other Receipts	38,000	57,075	5,000	454
Transfers In	723,250	727,522	643,750	666,164
Total Receipts	4,846,650	4,745,825	4,359,970	4,482,963
<u>Disbursements</u>				
Salaries	1,165,237	1,096,050	1,172,184	1,112,763
Employee Fringe Benefits	421,869	369,906	405,674	386,350
Supplies	240,500	256,008	265,500	217,683
Insurance	70,000	67,040	70,000	68,009
Road and Bridge Materials	1,885,000	1,820,622	1,875,000	1,774,147
Equipment Repairs	240,000	218,822	285,000	212,352
Rentals	5,000	-	1,000	1,350
Equipment Purchases	795,000	769,737	825,000	801,377
Other Disbursements	126,550	110,862	122,550	114,490
Transfers Out	89,000	88,306	50,000	49,548
Total Disbursements	5,038,156	4,797,353	5,071,908	4,738,069
Receipts Over (Under)				
Disbursements	\$ (191,506)	\$ (51,528)	\$ (711,938)	\$ (255,106)
Cash and Equivalents, Jan 1	848,863	848,863	1,103,969	1,103,969
Cash and Equivalents, Dec 31	\$ 657,357	\$ 797,335	\$ 392,031	\$ 848,863

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Road and Bridge Reserve Fund				Road and Bridge Capital Improvement Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	23,900	-	54,000	121,492
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	350	336	200	748
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	50,000	50,000	25,000	25,000
Total Receipts	-	-	-	-	74,250	50,336	79,200	147,240
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	500,000	-	500,000	-	170,000	139,895	282,500	238,937
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	500,000	-	500,000	-	170,000	139,895	282,500	238,937
Receipts Over (Under)								
Disbursements	\$ (500,000)	\$ -	\$ (500,000)	\$ -	\$ (95,750)	\$ (89,559)	\$ (203,300)	\$ (91,697)
Cash and Equivalents, Jan 1	500,000	500,000	500,000	500,000	111,802	111,802	203,499	203,499
Cash and Equivalents, Dec 31	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 16,052	\$ 22,243	\$ 199	\$ 111,802

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Special Road Projects Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	8,500	2,570	9,000	11,193
Transfers In	-	-	-	-
Total Receipts	<u>8,500</u>	<u>2,570</u>	<u>9,000</u>	<u>11,193</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	10,600	4,467	10,600	10,556
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>10,600</u>	<u>4,467</u>	<u>10,600</u>	<u>10,556</u>
Receipts Over (Under)				
Disbursements	\$ (2,100)	\$ (1,897)	\$ (1,600)	\$ 637
Cash and Equivalents, Jan 1	<u>2,321</u>	<u>2,321</u>	<u>1,684</u>	<u>1,684</u>
Cash and Equivalents, Dec 31	<u>\$ 221</u>	<u>\$ 424</u>	<u>\$ 84</u>	<u>\$ 2,321</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Flood Control Fund				National Forest Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	165,000	163,410	165,000	151,569	13,250	27,085	26,250	14,168
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	718,500	718,494	635,000	661,441	4,750	9,028	8,750	4,723
Total Disbursements	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-	-	-	-	-
Cash and Equivalents, Dec 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Assessment Fund				Law Enforcement Restitution Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	507,759	540,296	500,167	558,135	-	-	-	-
Charges for Services	-	-	-	-	25,000	20,164	25,000	19,576
Interest	-	1,763	-	1,099	-	-	-	-
Other Receipts	1,000	724	1,000	1,867	-	100	-	-
Transfers In	69,256	69,256	104,220	104,220	-	-	-	-
Total Receipts	578,015	612,039	605,387	665,321	25,000	20,264	25,000	19,576
Disbursements								
Salaries	394,063	368,498	384,451	370,093	-	-	-	-
Employee Fringe Benefits	127,468	109,395	122,813	119,273	-	-	-	-
Materials and Supplies	37,500	27,559	38,000	31,270	-	-	-	-
Services	19,200	16,213	28,700	28,853	-	-	-	-
Other Disbursements	6,000	5,245	7,000	5,590	71,000	52,150	62,000	10,789
Capital Outlay	59,000	45,977	75,300	53,564	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	643,231	572,887	656,264	608,643	71,000	52,150	62,000	10,789
Receipts Over (Under)								
Disbursements	\$ (65,216)	\$ 39,152	\$ (50,877)	\$ 56,678	\$ (46,000)	\$ (31,886)	\$ (37,000)	\$ 8,787
Cash and Equivalents, Jan 1	213,680	213,680	157,002	157,002	46,079	46,079	37,292	37,292
Cash and Equivalents, Dec 31	\$ 148,464	\$ 252,832	\$ 106,125	\$ 213,680	\$ 79	\$ 14,193	\$ 292	\$ 46,079

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Galena, Missouri
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Election Grant Fund				Law Enforcement Grant Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	6,000	5,878	10,000	-	5,700	25,182	20,000	3,017
Charges for Services	-	-	-	-	-	-	-	-
Interest	40	36	25	53	-	-	-	-
Other Receipts	100	3	100	14	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	6,140	5,917	10,125	67	5,700	25,182	20,000	3,017
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	5,700	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	12,100	-	21,900	5,878	2,200	18,877	18,500	240
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	12,100	-	21,900	5,878	7,900	18,877	18,500	240
Receipts Over (Under)								
Disbursements	\$ (5,960)	\$ 5,917	\$ (11,775)	\$ (5,811)	\$ (2,200)	\$ 6,305	\$ 1,500	\$ 2,777
Cash and Equivalents, Jan 1 (restated)	6,038	6,038	11,849	11,849	2,249	2,249	(528)	(528)
Cash and Equivalents, Dec 31	\$ 78	\$ 11,955	\$ 74	\$ 6,038	\$ 49	\$ 8,554	\$ 972	\$ 2,249

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Galena, Missouri
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	Capital Improvement Fund				Emergency Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	750	548	75	833	4,545	6,942	2,700	5,769
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	200,000	200,000	175,000	175,000	-	-	200,000	200,000
Total Receipts	200,750	200,548	175,075	175,833	4,545	6,942	202,700	205,769
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	300,000	-	300,000	-
Capital Outlay	209,397	226,084	235,000	194,678	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	209,397	226,084	235,000	194,678	300,000	-	300,000	-
Receipts Over (Under)								
Disbursements	\$ (8,647)	\$ (25,536)	\$ (59,925)	\$ (18,845)	\$ (295,455)	\$ 6,942	\$ (97,300)	\$ 205,769
Cash and Equivalents, Jan 1	43,424	43,424	62,269	62,269	1,250,912	1,250,912	1,045,143	1,045,143
Cash and Equivalents, Dec 31	\$ 34,777	\$ 17,888	\$ 2,344	\$ 43,424	\$ 955,457	\$ 1,257,854	\$ 947,843	\$ 1,250,912

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	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	1,548	2,000	1,717	1,000	416	1,000	511
Interest	-	-	-	-	-	-	-	-
Other Receipts	1,000	767	1,000	878	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>5,000</u>	<u>2,315</u>	<u>3,000</u>	<u>2,595</u>	<u>1,000</u>	<u>416</u>	<u>1,000</u>	<u>511</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	6,200	2,586	4,600	2,915	950	931	2,500	2,063
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>6,200</u>	<u>2,586</u>	<u>4,600</u>	<u>2,915</u>	<u>950</u>	<u>931</u>	<u>2,500</u>	<u>2,063</u>
Receipts Over (Under)								
Disbursements	\$ (1,200)	\$ (271)	\$ (1,600)	\$ (320)	\$ 50	\$ (515)	\$ (1,500)	\$ (1,552)
Cash and Equivalents, Jan 1	<u>1,313</u>	<u>1,313</u>	<u>1,633</u>	<u>1,633</u>	<u>14</u>	<u>14</u>	<u>1,566</u>	<u>1,566</u>
Cash and Equivalents, Dec 31	<u>\$ 113</u>	<u>\$ 1,042</u>	<u>\$ 33</u>	<u>\$ 1,313</u>	<u>\$ 64</u>	<u>\$ (501)</u>	<u>\$ 66</u>	<u>\$ 14</u>

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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Local Emergency Planning Committee Fund				Insurance Claims Proceeds Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	-	3,200	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	50,000	54,866	30,000	29,507
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,500	-	3,200	-	50,000	54,866	30,000	29,507
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	17,100	831	20,300	1,479	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	12,000	10,764	13,100	16,873
Capital Outlay	-	-	-	-	50,500	56,504	21,600	4,925
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	17,100	831	20,300	1,479	62,500	67,268	34,700	21,798
Receipts Over (Under)								
Disbursements	\$ (15,600)	\$ (831)	\$ (17,100)	\$ (1,479)	\$ (12,500)	\$ (12,402)	\$ (4,700)	\$ 7,709
Cash and Equivalents, Jan 1	15,642	15,642	17,121	17,121	12,528	12,528	4,819	4,819
Cash and Equivalents, Dec 31	\$ 42	\$ 14,811	\$ 21	\$ 15,642	\$ 28	\$ 126	\$ 119	\$ 12,528

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	Children's Trust Fund				Abuse Victims Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800	850	800	805	4,750	4,674	4,750	5,051
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	800	850	800	805	4,750	4,674	4,750	5,051
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	800	-	1,000	1,145	4,500	-	6,500	6,858
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	800	-	1,000	1,145	4,500	-	6,500	6,858
Receipts Over (Under)								
Disbursements	\$ -	\$ 850	\$ (200)	\$ (340)	\$ 250	\$ 4,674	\$ (1,750)	\$ (1,807)
Cash and Equivalents, Jan 1	-	-	340	340	-	-	1,807	1,807
Cash and Equivalents, Dec 31	\$ -	\$ 850	\$ 140	\$ -	\$ 250	\$ 4,674	\$ 57	\$ -

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	Inmate Security Fund				Special Recorder Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	2,936	4,000	3,494	113,000	76,580	113,000	85,721
Interest	-	-	-	-	1,000	2,069	850	1,685
Other Receipts	45,000	59,357	40,000	52,895	-	-	200	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	49,000	62,293	44,000	56,389	114,000	78,649	114,050	87,406
<u>Disbursements</u>								
Salaries	-	-	-	-	29,120	18,037	29,640	24,456
Employee Fringe Benefits	-	-	-	-	2,300	1,380	2,220	1,871
Materials and Supplies	73,400	53,915	70,200	58,119	8,000	7,078	8,000	5,558
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	22,000	2,176	32,000	6,207
Capital Outlay	-	-	-	-	61,500	2,213	101,500	35,084
Transfers Out	-	-	-	-	20,000	-	-	-
Total Disbursements	73,400	53,915	70,200	58,119	142,920	30,884	173,360	73,176
Receipts Over (Under)								
Disbursements	\$ (24,400)	\$ 8,378	\$ (26,200)	\$ (1,730)	\$ (28,920)	\$ 47,765	\$ (59,310)	\$ 14,230
Cash and Equivalents, Jan 1	24,546	24,546	26,276	26,276	189,624	189,624	175,394	175,394
Cash and Equivalents, Dec 31	\$ 146	\$ 32,924	\$ 76	\$ 24,546	\$ 160,704	\$ 237,389	\$ 116,084	\$ 189,624

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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Special Recorder Capital Improvement Fund				Sheriff Revolving Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	10,000	11,363	70,000	9,336
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	20,000	-	-	-	-	-	-	-
Total Receipts	20,000	-	-	-	10,000	11,363	70,000	9,336
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	54,500	13,160	126,700	11,579
Capital Outlay	40,000	-	40,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	25,000	35,000
Total Disbursements	40,000	-	40,000	-	54,500	13,160	151,700	46,579
Receipts Over (Under)								
Disbursements	\$ (20,000)	\$ -	\$ (40,000)	\$ -	\$ (44,500)	\$ (1,797)	\$ (81,700)	\$ (37,243)
Cash and Equivalents, Jan 1	180,000	180,000	180,000	180,000	44,546	44,546	81,789	81,789
Cash and Equivalents, Dec 31	\$ 160,000	\$ 180,000	\$ 140,000	\$ 180,000	\$ 46	\$ 42,749	\$ 89	\$ 44,546

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	Election Services Fund				Senior Citizens Service Board Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 289,806	\$ 300,131	\$ 281,140	\$ 285,039
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	9,500	7,382	4,000	5,979	-	-	-	-
Interest	-	-	-	-	250	313	250	318
Other Receipts	-	-	-	-	-	5,153	-	2,243
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	9,500	7,382	4,000	5,979	290,056	305,597	281,390	287,600
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	34,100	6,118	26,700	4,104	2,500	1,301	3,300	1,078
Services	-	-	-	-	281,500	297,956	278,500	271,195
Other Disbursements	-	-	-	-	86,743	1,092	78,459	1,212
Capital Outlay	-	-	-	-	14,000	10,754	15,000	13,297
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	34,100	6,118	26,700	4,104	384,743	311,103	375,259	286,782
Receipts Over (Under)								
Disbursements	\$ (24,600)	\$ 1,264	\$ (22,700)	\$ 1,875	\$ (94,687)	\$ (5,506)	\$ (93,869)	\$ 818
Cash and Equivalents, Jan 1	24,669	24,669	22,794	22,794	144,687	144,687	143,869	143,869
Cash and Equivalents, Dec 31	\$ 69	\$ 25,933	\$ 94	\$ 24,669	\$ 50,000	\$ 139,181	\$ 50,000	\$ 144,687

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	Prosecuting Attorney Delinquent Tax Fund				Drug Abuse Resistance Education (D.A.R.E.) Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	6,000	4,742	9,000	5,793	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	15,500	19,443	17,600	18,007
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	6,000	4,742	9,000	5,793	15,500	19,443	17,600	18,007
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	24,900	11,329	30,000	20,986
Other Disbursements	12,400	2,300	16,400	6,269	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	12,400	2,300	16,400	6,269	24,900	11,329	30,000	20,986
Receipts Over (Under)								
Disbursements	\$ (6,400)	\$ 2,442	\$ (7,400)	\$ (476)	\$ (9,400)	\$ 8,114	\$ (12,400)	\$ (2,979)
Cash and Equivalents, Jan 1	7,006	7,006	7,482	7,482	9,427	9,427	12,406	12,406
Cash and Equivalents, Dec 31	\$ 606	\$ 9,448	\$ 82	\$ 7,006	\$ 27	\$ 17,541	\$ 6	\$ 9,427

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	Jail Prisoner Transport Fund				Reserve Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	40,000	27,410	30,000	43,571	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,569	800	1,424
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	40,000	27,410	30,000	43,571	1,000	1,569	800	1,424
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	9,000	12,650	73,500	25,959	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	100,000	57,192	300,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	9,000	12,650	73,500	25,959	100,000	57,192	300,000	-
Receipts Over (Under)								
Disbursements	\$ 31,000	\$ 14,760	\$ (43,500)	\$ 17,612	\$ (99,000)	\$ (55,623)	\$ (299,200)	\$ 1,424
Cash and Equivalents, Jan 1	61,397	61,397	43,785	43,785	303,954	303,954	302,530	302,530
Cash and Equivalents, Dec 31	\$ 92,397	\$ 76,157	\$ 285	\$ 61,397	\$ 204,954	\$ 248,331	\$ 3,330	\$ 303,954

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	Law Enforcement Civil Fees Fund				Prosecuting Attorney Bad Check Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	30,000	43,436	29,000	33,293	-	-	-	-
Charges for Services	-	-	-	-	6,500	7,650	9,000	6,841
Interest	-	-	-	-	30	22	15	48
Other Receipts	7,000	3,534	7,100	8,153	250	-	250	404
Transfers In	-	-	25,000	35,000	-	-	-	-
Total Receipts	37,000	46,970	61,100	76,446	6,780	7,672	9,265	7,293
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	59,000	18,613	69,200	15,698	13,600	10,289	18,500	9,467
Services	-	17,507	-	11,170	-	-	-	-
Other Disbursements	-	20,492	-	6,892	-	-	-	-
Capital Outlay	-	10,120	-	28,687	-	-	-	-
Transfers Out	-	-	25,000	25,000	-	-	-	-
Total Disbursements	59,000	66,732	94,200	87,447	13,600	10,289	18,500	9,467
Receipts Over (Under)								
Disbursements	\$ (22,000)	\$ (19,762)	\$ (33,100)	\$ (11,001)	\$ (6,820)	\$ (2,617)	\$ (9,235)	\$ (2,174)
Cash and Equivalents, Jan 1	22,194	22,194	33,195	33,195	7,106	7,106	9,280	9,280
Cash and Equivalents, Dec 31	\$ 194	\$ 2,432	\$ 95	\$ 22,194	\$ 286	\$ 4,489	\$ 45	\$ 7,106

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Collector's Tax Maintenance Fund				Tax Maintenance Archive Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	40,000	49,461	40,000	40,135	-	-	-	-
Interest	30	132	30	44	-	-	-	-
Other Receipts	-	-	6,000	5,800	-	-	-	-
Transfers In	-	-	-	-	10,000	10,000	10,000	-
Total Receipts	40,030	49,593	46,030	45,979	10,000	10,000	10,000	-
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	30,000	3,130	35,000	1,089	50,000	-	65,000	17,283
Services	-	8,102	-	12,330	-	-	-	-
Other Disbursements	-	13,364	-	26,073	-	-	-	-
Capital Outlay	-	3,641	-	-	-	-	-	-
Transfers Out	10,000	10,000	10,000	-	-	-	-	-
Total Disbursements	40,000	38,237	45,000	39,492	50,000	-	65,000	17,283
Receipts Over (Under)								
Disbursements	\$ 30	\$ 11,356	\$ 1,030	\$ 6,487	\$ (40,000)	\$ 10,000	\$ (55,000)	\$ (17,283)
Cash and Equivalents, Jan 1	10,205	10,205	3,718	3,718	49,622	49,622	66,905	66,905
Cash and Equivalents, Dec 31	\$ 10,235	\$ 21,561	\$ 4,748	\$ 10,205	\$ 9,622	\$ 59,622	\$ 11,905	\$ 49,622

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Edgewater Neighborhood Improvement District Fund				Black Oak Neighborhood Improvement District Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 111,000	\$ 74,819	\$ 111,000	\$ 80,052	\$ 85,000	\$ 89,052	\$ 85,000	\$ 92,299
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	5	21	10	6	5	28	10	6
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	88,000	87,339	80,000	79,214	120,000	120,000	120,000	106,518
Total Receipts	<u>199,005</u>	<u>162,179</u>	<u>191,010</u>	<u>159,272</u>	<u>205,005</u>	<u>209,080</u>	<u>205,010</u>	<u>198,823</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Debt Service	207,100	158,800	199,100	157,950	205,000	204,435	205,000	199,190
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>207,100</u>	<u>158,800</u>	<u>199,100</u>	<u>157,950</u>	<u>205,000</u>	<u>204,435</u>	<u>205,000</u>	<u>199,190</u>
Receipts Over (Under)								
Disbursements	\$ (8,095)	\$ 3,379	\$ (8,090)	\$ 1,322	\$ 5	\$ 4,645	\$ 10	\$ (367)
Cash and Equivalents, Jan 1	<u>9,468</u>	<u>9,468</u>	<u>8,146</u>	<u>8,146</u>	<u>1</u>	<u>1</u>	<u>368</u>	<u>368</u>
Cash and Equivalents, Dec 31	<u>\$ 1,373</u>	<u>\$ 12,847</u>	<u>\$ 56</u>	<u>\$ 9,468</u>	<u>\$ 6</u>	<u>\$ 4,646</u>	<u>\$ 378</u>	<u>\$ 1</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Federal Seized and Forfeiture Fund				Tax Increment Financing Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	2	-	2	-	-	-	-
Other Receipts	-	-	-	-	137,000	136,612	114,500	103,771
Transfers In	-	-	-	-	206,000	204,918	150,000	148,643
Total Receipts	-	2	-	2	343,000	341,530	264,500	252,414
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	430	-	-	-	343,000	341,530	264,500	252,414
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	430	-	-	-	343,000	341,530	264,500	252,414
Receipts Over (Under)								
Disbursements	\$ (430)	\$ 2	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	430	430	428	428	-	-	-	-
Cash and Equivalents, Dec 31	\$ -	\$ 432	\$ 428	\$ 430	\$ -	\$ -	\$ -	\$ -

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Bond Development Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	1,100,000	1,000,000	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,100,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	1,100,000	305,000	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,100,000</u>	<u>305,000</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 695,000	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ 695,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2018 & 2017

	2018				
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets					
Cash and Equivalents	\$ 336	\$ 5,501,682	\$ 56,605	\$ 108,368	\$ 35
Total Assets	336	5,501,682	56,605	108,368	35
Liabilities and Fund Balances					
Total Liabilities	336	5,501,682	56,605	108,368	35
	336	5,501,682	56,605	108,368	35
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 336	\$ 5,501,682	\$ 56,605	\$ 108,368	\$ 35
	Planning & Zoning	Public Administrator	Treasurer	Total	
Assets					
Cash and Equivalents	\$ 24,508	\$ 1	\$ 1,271,756	\$ 6,963,291	
Total Assets	24,508	1	1,271,756	6,963,291	
Liabilities and Fund Balances					
Total Liabilities	24,508	1	1,271,756	6,963,291	
	24,508	1	1,271,756	6,963,291	
Fund Balances	-	-	-	-	
Total Liabilities and Fund Balances	\$ 24,508	\$ 1	\$ 1,271,756	\$ 6,963,291	
	2017				
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets					
Cash and Equivalents	\$ 356	\$ 2,084,296	\$ 49,096	\$ 115,041	\$ 18
Total Assets	356	2,084,296	49,096	115,041	18
Liabilities and Fund Balances					
Total Liabilities	356	2,084,296	49,096	115,041	18
	356	2,084,296	49,096	115,041	18
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 356	\$ 2,084,296	\$ 49,096	\$ 115,041	\$ 18
	Planning & Zoning	Public Administrator	Treasurer	Total	
Assets					
Cash and Equivalents	\$ 23,879	\$ 349	\$ 1,076,883	\$ 3,349,918	
Total Assets	23,879	349	1,076,883	3,349,918	
Liabilities and Fund Balances					
Total Liabilities	23,879	349	1,076,883	3,349,918	
	23,879	349	1,076,883	3,349,918	
Fund Balances	-	-	-	-	
Total Liabilities and Fund Balances	\$ 23,879	\$ 349	\$ 1,076,883	\$ 3,349,918	

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Stone was named after pioneer judge William Stone. It is a third-class county, and the county seat is Galena. Stone County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

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

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

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

The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Stone County Senate Bill 40 Board has issued separate reporting entity financial statements. For information on this component unit, please contact the Senate Bill 40 Board at (417) 272-0444 or write to P.O. Box 2383, Branson West, MO 65737.

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

Basis of Presentation

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

Basis of Accounting

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

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

Budget and Budgetary Accounting

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

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

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

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

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

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

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

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

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2018: National Forest Fund, Law Enforcement Grant Fund, Capital Improvement Fund, Insurance Claims Proceeds Fund, Jail Prisoner Transport Fund, and Law Enforcement Civil Fees Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Flood Control Fund, Children's Trust Fund, and Abuse Victims Fund. The following fund had a negative fund balance as of December 31, 2018: Prosecuting Attorney Training Fund.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

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

The assessed valuation of the tangible taxable property, included within Stone County's boundaries for the calendar year 2018 and 2017, respectively, for the purposes of County taxation was as follows:

	<u>2018</u>	<u>2017</u>
Real Estate	\$ 481,199,286	\$ 471,760,794
Personal Property	137,164,949	130,632,935
Railroad and Utilities	<u>11,291,535</u>	<u>12,599,147</u>
	<u><u>\$ 629,655,770</u></u>	<u><u>\$ 614,992,876</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2018 and 2017, respectively, for the purpose of County taxation, was as follows:

	<u>2018</u>	<u>2017</u>
General Revenue	\$ 0.0971	\$ 0.1052
Senior Citizens Service Board	0.0482	0.0482

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

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Stone County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 2 - Deposits and Investments

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

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

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

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 12,628,331	\$ 25,009,834
Investments	<u>50,000</u>	<u>50,000</u>
Total Deposits and Investments as of December 31, 2018	<u><u>\$ 12,678,331</u></u>	<u><u>\$ 25,059,834</u></u>
Total Cash and Equivalents - Governmental Funds	\$ 5,715,040	
Total Cash and Equivalents - Agency Funds	<u>6,963,291</u>	
	<u><u>\$ 12,678,331</u></u>	

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 8,405,310	\$ 23,630,012
Investments	<u>50,000</u>	<u>50,000</u>
Total Deposits and Investments as of December 31, 2017	<u><u>\$ 8,455,310</u></u>	<u><u>\$ 23,680,012</u></u>
Total Cash and Equivalents - Governmental Funds	\$ 5,105,392	
Total Cash and Equivalents - Agency Funds	<u>3,349,918</u>	
	<u><u>\$ 8,455,310</u></u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2018 and 2017, 100% of Stone County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

Custodial Credit Risk - Investments

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

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

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 2 - Deposits and Investments (continued)

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Stone County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Stone County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

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

Issuer	Investment Type	2018 Balance	% of Portfolio	2017 Balance	% of Portfolio
Simmons Bank	Cert. of Deposit	<u>\$ 50,000</u>	100%	<u>\$ 50,000</u>	100%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2018 and 2017 are as follows:

<u>Fund</u>	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ -	\$ 643,207	\$ 25,000	\$ 789,047
Special Road and Bridge	727,522	88,306	666,164	49,548
Road and Bridge Capital Improvement	50,000	-	25,000	-
Flood Control	-	718,494	-	661,441
National Forest	-	9,028	-	4,723
Assessment	69,256	-	104,220	-
Capital Improvement	200,000	-	175,000	-
Emergency	-	-	200,000	-
Sheriff Revolving	-	-	-	35,000
Law Enforcement Civil Fees	-	-	35,000	25,000
Collector's Tax Maintenance	-	10,000	-	-
Tax Maintenance Archive	10,000	-	-	-
Edgewater Neighborhood Improv. District	87,339	-	79,214	-
Black Oak Neighborhood Improv. District	120,000	-	106,518	-
Tax Increment Financing	204,918	-	148,643	-
Total	<u>\$ 1,469,035</u>	<u>\$ 1,469,035</u>	<u>\$ 1,564,759</u>	<u>\$ 1,564,759</u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 4 - Long-Term Debt

Certificates of Participation

In 2009, Stone County issued \$3,690,000 in Refunding Certificates of Participation (COP's) for the purpose of refinancing the Stone County, Missouri Refunding Certificates of Participation Series 1998 for the amount of \$2,155,000 and the Stone County, Missouri Black Oak Mountain Resort Phase I Neighborhood Improvement District Bonds Series 2000 for the amount of \$1,710,000. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 4.10%. These Certificates were refunded in 2018.

In 2018, Stone County issued \$5,760,000 in Refunding and Improvement Certificates of Participation (COP's) for the purpose of refunding the 2009 Refunding Certificates of Participation and paying the costs of construction and equipping new additions to the County's existing Stone County Justice Center. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 3.50%.

Balance at 12/13/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
\$ 1,465,000	\$ 5,760,000	\$ (1,465,000)	\$ 5,760,000	\$ -	\$ (185,000)	\$ 5,575,000

Interest expense for the years ended December 31, 2018 and 2017 was \$110,617 and \$58,790, respectively.

Future minimum payments due on the Series 2018 Refunding and Improvement Certificates of Participation are as follows:

Year	Principal	Interest	Total
2019	\$ 380,000	\$ 178,404	\$ 558,404
2020	390,000	167,004	557,004
2021	205,000	155,304	360,304
2022	210,000	149,154	359,154
2023	215,000	142,854	357,854
2024-2028	1,180,000	613,469	1,793,469
2029-2033	1,375,000	420,537	1,795,537
2034-2038	1,620,000	173,485	1,793,485
	<u>\$ 5,575,000</u>	<u>\$ 2,000,211</u>	<u>\$ 7,575,211</u>

Principal payments made on the Refunding and Improvement Certificates of Participation are made from the General Fund and the Black Oak Neighborhood Improvement District Fund.

Limited General Obligation Bonds

In 2012, the County issued \$1,115,000 in Limited General Obligation Bonds for the purpose of refinancing the Edgewater Village Neighborhood Improvement District Bonds Series 2000. Principal payments are due annually on September 1; interest payments are due semi-annually on March 1 and September 1 with annual variable interest rates at 2.00% - 3.00%.

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
\$ 585,000	\$ -	\$ (140,000)	\$ 445,000	\$ -	\$ (145,000)	\$ 300,000

Interest expense for the years ended December 31, 2018 and 2017 was \$17,550 and \$13,350, respectively.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 4 - Long-Term Debt (continued)

Limited General Obligation Bonds (continued)

Future minimum payments due on the Edgewater Village Neighborhood Improvement District Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 150,000	\$ 9,000	\$ 159,000
2020	150,000	4,500	154,500
	<u>\$ 300,000</u>	<u>\$ 13,500</u>	<u>\$ 313,500</u>

Principal payments made on the Edgewater Village Neighborhood Improvement District Bonds are made from the Edgewater Neighborhood Improvement District Fund.

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

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

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

Benefits Provided

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

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

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. The County collected and remitted CERF employee contributions of \$227,619 and \$238,095 for the years ended December 31, 2018 and 2017, respectively.

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

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$312,760 and \$257,110 for the years ended December 31, 2018 and 2017, respectively.

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

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Stone County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Stone County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2018 and 2017.

Note 7 - Other Retirement Plan

Stone County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 457 plan were \$142,650 and \$135,528, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 401(a) plan were \$34,452 and \$33,702, respectively.

Note 8 - Post-Employment Benefits

Stone 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 Stone County.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 9 - Claims, Commitments and Contingencies

Litigation

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

Compensated Absences

The County provides employees with up to 200 hours (25 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward a maximum of 320 hours (40 days). Accumulated sick leave is not paid out upon termination of employment. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

Other Commitments

Part of the County's taxing district contains a redevelopment area subject to a tax increment financing (TIF) plan where the County must remit certain economic activity taxes to a local business for the purpose of reimbursing certain costs of development. The County is committed to remitting these taxes through the year ended December 31, 2030; future amounts are based on overall taxes collected for the redeveloped area and cannot be estimated. Payments remitted for the years ended December 31, 2018 and 2017 totaled \$204,918 and \$148,643. Additionally, the County collected and remitted \$136,612 and \$103,771 for the years ended December 31, 2018 and 2017, respectively, on behalf of another agency included in the TIF plan.

Note 10 - Risk Management

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

Note 11 - Economic Concentrations

Approximately 31.91% and 32.44% of the County's sales tax revenues received was remitted by two taxpayers located in the County, for the years ended December 31, 2018 and 2017, respectively. Any material reduction in sales tax could result in a significant impact to the County's operations.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2018 & 2017**

Note 12 - 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 have been evaluated through July 9, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 13 - Prior Period Adjustment

Beginning cash and equivalents has been restated due to the correction of an error. This adjustment has no material effect on the operations of the County.

Cash and Equivalents, January 1, 2017, as previously stated:	\$ 5,337,551
Law Enforcement Grant Fund	<u>450</u>
Cash and Equivalents, January 1, 2017, as restated:	<u><u>\$ 5,338,001</u></u>

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 Stone County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Stone County, Missouri as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements, and have issued our report thereon dated July 9, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stone County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

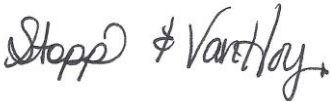
regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2018-001.

Stone County, Missouri's Response to Findings

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

Purpose of this Report

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

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

Creve Coeur, Missouri
July 9, 2019

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

To the County Commission and
Officeholders of Stone County, Missouri

Report on Compliance for the Major Federal Program

We have audited Stone 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 Stone County, Missouri's major federal program for the years ended December 31, 2018 and 2017. Stone County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Stone County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2018 and 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Management of Stone 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 Stone County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stone 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 identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-003, that we consider to be a significant deficiency.

Stone 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. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style with a small arrow at the end of the last word.

Creve Coeur, Missouri
July 9, 2019

**The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures		Awards Provided to Subrecipients	
			Year Ended December 31,		Year Ended December 31,	
			2018	2017	2018	2017
U.S. Department of Agriculture						
Forest Service Schools and Roads Cluster						
Passed through state:						
Office of Administration -						
Schools and Roads - Grants to States	10.665	n/a	\$ 36,113	\$ 18,891	\$ 27,085	\$ 14,168
Total Forest Service Schools and Roads Cluster			36,113	18,891	27,085	14,168
Total U.S. Department of Agriculture			36,113	18,891	27,085	14,168
U.S. Department of Defense						
Passed through state:						
Office of Administration -						
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	881,904	813,010	163,410	151,569
U.S. Department of the Interior						
Direct Program:						
Payments in Lieu of Taxes	15.226	n/a	130,909	126,136	-	-
U.S. Department of Justice						
Passed through state:						
Department of Public Safety -						
Violence Against Women Formula Grants	16.588	2012-VAWA-005-OS	-	34,751	-	-
Violence Against Women Formula Grants	16.588	2018-VAWA-55	18,648	-	-	-
Total Violence Against Women Formula Grants			18,648	34,751	-	-
Crime Victim Assistance	16.575	2016-VOCA-115-MO	-	26,774	-	-
Crime Victim Assistance	16.575	ER130180073	81,385	6,443	-	-
Total Crime Victim Assistance			81,385	33,217		
Direct Program:						
Bulletproof Vest Partnership Program	16.607	n/a	5,682	-	-	-
Total U.S. Department of Justice			105,715	67,968	-	-

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients Year Ended December 31,	
			2018	2017	2018	2017
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Passed through state:						
Missouri Highways and Transportation Commission - Highway Planning and Construction	20.205	BRO-B104(8)	-	53,585	-	-
Total Highway Planning and Construction Cluster			-	53,585	-	-
Highway Safety Cluster						
Passed through state:						
Missouri Highways and Transportation Commission - State & Community Highway Safety	20.600	17-PT-02-120	-	4,011	-	-
State & Community Highway Safety	20.600	18-PT-02-120	5,673	-	-	-
Total Highway Safety Cluster			5,673	4,011	-	-
Alcohol Open Container Requirements	20.607	17-154-AL-140	-	5,173	-	-
Alcohol Open Container Requirements	20.607	18-154-AL-152	7,456	-	-	-
			7,456	5,173	-	-
Total U.S. Department of Transportation			13,129	62,769	-	-
U.S. Department of Homeland Security						
Passed through state:						
Missouri Emergency Management Agency						
Emergency Management Performance Grant	97.042	EMK-2017-EP-APP-00006-109	-	10,064	-	-
Emergency Management Performance Grant	97.042	EMK-2018-EP-00003-099	9,420	-	-	-
			9,420	10,064	-	-
Presidentially Declared Disasters	97.036	FEMA-4317-DR-MO	27,971	133,244	-	-
			27,971	133,244	-	-
Total U.S. Department of Homeland Security			37,391	143,308	-	-
Total Expenditures of Federal Awards			\$ 1,205,161	\$ 1,232,082	\$ 190,495	\$ 165,737

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Stone
Galena, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

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

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

Basis of Presentation

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

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

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

Because the Schedule presents only a selected portion of the operations of Stone County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Stone County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

Note 2 - Subrecipients

During the years ended December 31, 2018 and 2017, the County provided \$190,495 and \$165,737 in federal awards to subrecipients.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2018 & 2017**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
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 section 2 CFR section 200.516(a)?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number

12.112

Name of Federal Program or Cluster

Payments to States in Lieu of Real Estate Taxes

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2018 & 2017

Section 2 - Financial Statement Findings

2018-001 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2018: National Forest Fund, Law Enforcement Grant Fund, Capital Improvement Fund, Insurance Claims Proceeds Fund, Jail Prisoner Transport Fund, and Law Enforcement Civil Fees Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Flood Control Fund, Children's Trust Fund, and Abuse Victims Fund. The following fund had a negative fund balance as of December 31, 2018: Prosecuting Attorney Training Fund.

Effect: Due to exceeding budget in certain funds and having a negative fund balance in a certain fund, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.

Management's Response: The following are 'in and out' funds that are dependent on the amount of funds actually received. At the time each annual budget is created, the County has no way to anticipate the amount of funds that will be received into each fund.

- National Forest Fund.
- Insurance Claims Proceeds Fund
- Jail Prisoner Transport Fund.
- Flood Control Fund
- Children's Trust Fund
- Abuse Victims Fund

Law Enforcement Grant Fund - The County makes a grant application before the budget is approved. At budget time cannot anticipate the amount of the grant request that will be approved.

Capital Improvement Fund - The budgeted amount was exceeded to pay for an audit that was necessary to secure funding for the 2019 Judicial Center expansion project. The County could anticipate neither the necessity for the expenditure, nor the amount.

Law Enforcement Civil Fees Fund - This is a non-budgetary fund maintained and controlled by the Sheriff. The County Commission and the other county officers have no control over this fund.

2018-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

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

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2018 & 2017**

Section 2 - Financial Statement Findings (continued)

2018-002 **Cause:** Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.
(cont.)

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

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

Management's Response: On May 29, 2018 the County Commission considered fraud risk assessment. The department heads were to review the procedures and make proposals or recommendations at the department heads' meeting on June 19, 2018. This was not done. On April 18, 2019 the County Commission adopted a *Risk Assessment, Accounting Policies, and Internal Control Procedures Policy*. The matter will be brought up at the department heads' meeting to be held on August 20, 2019.

Section 3 - Federal Award Findings and Questioned Costs

2018-003 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting. This finding is a repeat finding and was reported in the previous audit as Finding 16/15-003.

Effect: Federal expenditures reported in the SEFA were incorrect.

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

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

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

Management's Response: County officers and employees have diligently tried to maintain sufficient records so that the SEFA can be accurately completed. The County is going to consider retaining an expert/consultant to assist in completing the next SEFA.

**The County of Stone
Galena, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2018 & 2017**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Stone County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2016 & 2015.

Prior Year Financial Statement Findings

16/15-001 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2015: Election Grant Fund and Collector's Tax Maintenance Fund. The following funds did not have a prepared budget for 2015: Flood Control Fund, National Forest Fund, and Federal Seized and Forfeiture Fund. We noted the following funds had budgeted a deficit in 2016 and 2015: Law Enforcement Grant Fund.

Effect: Due to exceeding budget in certain funds, lack of budget in certain funds, and deficit budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

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

Management's Response: The Insurance Claims Proceeds is a fund that deals with unforeseen revenues and expenditures. The County will be diligent in trying to budget appropriately in the future. The Collector Tax Maintenance Fund is not under budgetary control of the Commission. The County now prepares budgets for all funds. The phone number for the Clerk's office is (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-001 in the current year.

16/15-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

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

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

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

**The County of Stone
Galena, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2018 & 2017**

Prior Year Financial Statement Findings (continued)

16/15-002 **Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud (cont.) occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County adopted a risk assessment policy on April 2, 2015. The Elected Officials and Department heads will meet annually to review and amend if necessary starting in 2018. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-002 in the current year.

Prior Year Federal Award Findings and Questioned Cost

16/15-003 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

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

Effect: Federal expenditures reported in the SEFA were incorrect.

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

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

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

Management's Response: The County Clerk is working towards capturing all grant transactions in a manner sufficient to report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-003 in the current year.

Cindy Elmore ~ Stone County Clerk

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Stone County, Missouri Corrective Action Plan

Corrective Action Plan – 2018-001

Finding: During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

Contact Person Responsible for Corrective Action: Stone County Clerk

Corrective Action Planned: The following are 'in and out' funds that are dependent on the amount of funds actually received. At the time each annual budget is created, the County has no way to anticipate the amount of funds that will be received into each fund.

- National Forest Fund.
- Insurance Claims Proceeds Fund
- Jail Prisoner Transport Fund.
- Flood Control Fund
- Children's Trust Fund
- Abuse Victims Fund

Law Enforcement Grant Fund - The County makes a grant application before the budget is approved. At budget time cannot anticipate the amount of the grant request that will be approved.

Capital Improvement Fund - The budgeted amount was exceeded to pay for an audit that was necessary to secure funding for the 2019 Judicial Center expansion project. The County could anticipate neither the necessity for the expenditure, nor the amount.

Law Enforcement Civil Fees Fund - This is a non-budgetary fund maintained and controlled by the Sheriff. The County Commission and the other county officers have no control over this fund.

Anticipated Completion Date: December 31, 2019

Cindy Elmore ~ Stone County Clerk

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Corrective Action Plan – 2018-002

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

Contact Person Responsible for Corrective Action: Stone, County Clerk

Corrective Action Planned: On May 29, 2018 the County Commission considered fraud risk assessment. The department heads were to review the procedures and make proposals or recommendations at the department heads' meeting on June 19, 2018. This was not done. On April 18, 2019 the County Commission adopted a Risk Assessment, Accounting Policies, and Internal Control Procedures Policy. The matter will be brought up at the department heads' meeting to be held on August 20, 2019.

Anticipated Completion Date: December 31, 2019

Corrective Action Plan – 2018-003

Finding: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting.

Contact Person Responsible for Corrective Action: Stone County Clerk

Corrective Action Planned: County officers and employees have diligently tried to maintain sufficient records so that the SEFA can be accurately completed. The County is going to consider retaining an expert/consultant to assist in completing the next SEFA.

Anticipated Completion Date: December 31, 2019