

FRANKLIN COUNTY SB40 RESOURCE BOARD

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

**FRANKLIN COUNTY SB 40 RESOURCE BOARD
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INDEPENDENT AUDITOR'S REPORT

Board of Directors Franklin County SB40 Resource Board

We have audited the accompanying financial statements of Franklin County SB40 Resource Board (SB40) as of and for the years ended June 30, 2018 and 2017 and the related notes to the 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 principles generally accepted in the United States of America; this includes 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 SB40'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 SB40's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SB40, as of June 30, 2018 and 2017 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Management's Discussion and Analysis has been omitted. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of SB40. The schedule of operating revenue and support, expenses, and change in net position - budget and actual and board of directors and officers are presented for the purpose of additional analysis and is not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tochtrop & Associates

Tochtrop & Associates, P.C.

September 19, 2018

FRANKLIN COUNTY SB40 RESOURCE BOARD
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

ASSETS	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,787,359	2,354,323
Receivables:		
Accounts	136,503	302,702
Property taxes	121,628	108,783
Other	-	59
Prepaid expenses	27,360	25,299
Advances to clients	-	68
	<u>3,072,850</u>	<u>2,791,234</u>
TOTAL CURRENT ASSETS		
CAPITAL ASSETS		
Land and construction in progress	776,112	390,728
Other capital assets, net of of accumulated depreciation	463,944	484,766
	<u>1,240,056</u>	<u>875,494</u>
CAPITAL ASSETS		
OTHER ASSETS		
Deposits on leased property	2,750	2,750
Debt issuance costs	6,022	-
	<u>8,772</u>	<u>2,750</u>
TOTAL OTHER ASSETS		
	<u>8,772</u>	<u>2,750</u>
TOTAL ASSETS		
	<u>\$ 4,321,678</u>	<u>3,669,478</u>
LIABILITIES AND NET POSITION		
	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts payable	\$ 418,499	139,120
Retainage payable	17,015	-
Accrued payroll liabilities	21,080	20,848
Compensated absences	29,333	29,884
	<u>485,927</u>	<u>189,852</u>
TOTAL CURRENT LIABILITIES		
NET POSITION		
Invested in capital assets	1,240,056	875,494
Unrestricted	2,595,695	2,604,132
	<u>3,835,751</u>	<u>3,479,626</u>
TOTAL NET POSITION		
	<u>\$ 4,321,678</u>	<u>3,669,478</u>

The accompanying notes are an integral part of the financial statements

FRANKLIN COUNTY SB40 RESOURCE BOARD
STATEMENTS OF REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUE AND SUPPORT		
Property taxes	\$ 1,918,940	1,853,053
Missouri Department of Social Services	<u>1,669,847</u>	<u>1,586,022</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>3,588,787</u>	<u>3,439,075</u>
OPERATING EXPENSES		
SB40 operations	2,007,705	2,652,041
Service coordination	<u>1,270,324</u>	<u>819,591</u>
TOTAL OPERATING EXPENSES	<u>3,278,029</u>	<u>3,471,632</u>
INCOME (LOSS) FROM OPERATIONS	<u>310,758</u>	<u>(32,557)</u>
OTHER INCOME		
Rent	28,200	28,200
Interest	13,789	11,088
Miscellaneous	<u>3,378</u>	<u>187</u>
TOTAL OTHER INCOME	<u>45,367</u>	<u>39,475</u>
CHANGE IN NET POSITION	<u>356,125</u>	<u>6,918</u>
NET POSITION, JULY 1	3,479,626	4,640,799
PRIOR PERIOD ADJUSTMENT	<u> -</u>	<u>(23,500)</u>
NET POSITION, JULY 1 RESTATED	3,479,626	4,617,299
TRANSFER OF COMPANY ASSETS	<u> -</u>	<u>(1,144,591)</u>
NET POSITION, JUNE 30	<u>\$ 3,835,751</u>	<u>3,479,626</u>

The accompanying notes are an integral part of the financial statements

FRANKLIN COUNTY SB40 RESOURCE BOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from property taxes	\$ 1,906,095	1,846,344
Receipts from services provided	1,836,173	3,169,644
Payments to or for the benefit of employees	(1,191,181)	(1,146,052)
Payments to suppliers and providers	<u>(1,763,913)</u>	<u>(3,384,222)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>787,174</u>	 <u>485,714</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Rent income	28,200	28,200
Miscellaneous receipts	3,378	187
Cash paid with transfer of company assets	<u>-</u>	<u>(1,125,000)</u>
 NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	 <u>31,578</u>	 <u>(1,096,613)</u>
 CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	<u>(399,505)</u>	<u>(140,150)</u>
 CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income	<u>13,789</u>	<u>11,088</u>
 CHANGE IN CASH AND CASH EQUIVALENTS	 433,036	 (739,961)
 CASH AND CASH EQUIVALENTS, JULY 1	 <u>2,354,323</u>	 <u>3,094,284</u>
 CASH AND CASH EQUIVALENTS, JUNE 30	 <u>\$ 2,787,359</u>	 <u>2,354,323</u>

The accompanying notes are an integral part of the financial statements

FRANKLIN COUNTY SB40 RESOURCE BOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017
(CONTINUED)

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Income (loss) from operations	\$ 310,758	(32,557)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	34,943	71,997
(Increase) decrease in current assets:		
Receivables:		
Accounts	166,199	548,425
Property taxes	(12,845)	(6,709)
Other	59	8,598
Prepaid expenses	(2,061)	8,688
Advances to clients	68	62
Increase (decrease) in current liabilities:		
Accounts payable	273,357	(70,227)
Retainage payable	17,015	-
Accrued payroll liabilities	232	(39,684)
Recreation deposits	-	(12,690)
Compensated absences	(551)	9,811
 Total Adjustments	 <u>476,416</u>	 <u>518,271</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 787,174</u>	 <u>485,714</u>
 Noncash transaction:		
Footnote H		
Transfer of company assets	\$ -	(1,144,591)
Capital assets	-	86,314
Accounts payable	-	2,075
Accrued vacation	-	(68,798)
 Cash paid	 <u>\$ -</u>	 <u>(1,125,000)</u>

The accompanying notes are an integral part of the financial statements

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Franklin County SB40 Resource Board (SB40) is a political subdivision formed in 1987 under the "Senate Bill 40" legislation in Franklin County, Missouri. Under this legislation, money generated through a county property tax is designated to provide services for persons with developmental disabilities. SB40 also receives support from the Missouri Department of Mental Health.

The significant accounting policies consistently applied by SB40 in the preparation of the accompanying financial statements are summarized below:

1. The Reporting Entity

In evaluating SB40 as a reporting entity, management has addressed all component units for which SB40 may or may not be financially accountable and, as such, be includable within SB40's financial statements. In accordance with GASB Statement No. 14, SB40 (the primary government) is financially accountable if it appoints a voting majority of an entity's governing board and 1) it is able to impose its will on the entity or 2) there is a potential for the entity to provide specific financial benefit to or impose specific financial burden on SB40. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting organization's financial statements to be misleading or incomplete. SB40 does not have any component units.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of SB40 are maintained using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SB40 includes all of its activities in one enterprise fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the governing body has decided that periodic determination of revenues and expenses is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with principal ongoing operations. The principal operating revenues of SB40 are property taxes and a service contract. Operating expenses include cost of services, administrative expenses, and depreciation on property and equipment. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued after December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of GASB.

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is SB40's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Cash and Cash Equivalents

State statutes authorize SB40 to invest in obligations of U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

For cash flow statement purposes, SB40 considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

4. Capital Assets

Capital assets, which include land, construction in progress, buildings, leasehold improvements, and office equipment, are stated at cost. It is SB40's policy to capitalize property and equipment with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is computed on the straight-line method using asset lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings	15-38
Leasehold improvements	15
Office equipment	5

5. Receivables

In the opinion of management, all receivables are collectible in full at June 30, 2018 and 2017; therefore, no allowance for doubtful accounts is provided.

6. Debt Issuance Costs

SB40 capitalizes costs related to obtaining, renewing, or extending loan agreements and amortizes these costs over the life of the loan. The gross debt issuance costs were \$6,022 and \$0 at June 30, 2018 and 2017, respectively. Amortization expense will begin when the construction loan is finalized.

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

7. Compensated Absences

It is SB40's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred. There is no liability for unpaid accumulated sick leave since SB40 does not have a policy to pay any amounts when employees separate from service.

8. Property Taxes

Property taxes are collected by Franklin County, Missouri and attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are due and payable by December 31. Taxes paid after December 31 are subject to penalties.

SB40 received a tax levy at June 30, 2018 of \$.0999 per \$100 of assessed value of Franklin County's real estate and personal property. The assessed values at January 1, 2017 were \$1,895,686,281.

SB40 received a tax levy at June 30, 2017 of \$.100 per \$100 of assessed value of Franklin County's real estate and personal property. The assessed values at January 1, 2016 were \$1,825,539,692.

9. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid expenses.

10. Budgets and Budgetary Accounting

SB40 follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to July 1, the proposed budget is submitted to the Board of Directors for the upcoming fiscal year. The budget includes proposed expenditures and the means of financing them.
- b. Prior to July 1, the budget is adopted by the Board of Directors.
- c. Unused appropriations lapse at the end of the year.
- d. The budget amounts shown in the financial statements are the original and final authorized amounts.
- e. The budget is adopted on a basis consistent with that used for the financial statements.

11. Reclassifications

Certain amounts pertaining to the DMH match agreement in the 2017 financial statements have been reclassified for comparative purposes to conform to the 2018 presentation.

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE B - CASH AND CASH EQUIVALENTS

Custodial credit risk for deposits is the risk that in the event of bank failure, SB40's deposits may not be returned, or SB40 will not be able to recover collateral securities in the possession of an outside party. SB40's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with SB40 or trustee institution. The value of the securities must amount to the total of SB40's cash not insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2018 and 2017, SB40's bank balances were entirely secured or collateralized with securities held by SB40 or by its agent in SB40's name.

NOTE C - CAPITAL ASSETS

Capital asset activity at June 30, 2018 was as follows:

	<u>June 30</u> <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30</u> <u>2018</u>
<i>Capital assets not being depreciated:</i>				
Land	\$250,578	--	--	250,578
Construction in progress	<u>140,150</u>	<u>385,384</u>	--	<u>525,534</u>
Total capital assets not being depreciated	<u>390,728</u>	<u>385,384</u>	--	<u>776,112</u>
<i>Capital assets being depreciated:</i>				
Buildings	732,982	--	(6,062)	726,920
Leasehold improvements	7,506	--	--	7,506
Office equipment	<u>12,866</u>	<u>14,121</u>	--	<u>26,987</u>
Total capital assets being depreciated	<u>753,354</u>	<u>14,121</u>	<u>(6,062)</u>	<u>761,413</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(250,520)	(31,095)	6,062	(275,553)
Leasehold improvements	(7,506)	--	--	(7,506)
Office equipment	<u>(10,562)</u>	<u>(3,848)</u>	--	<u>(14,410)</u>
Total accumulated depreciation	<u>(268,588)</u>	<u>(34,943)</u>	<u>6,062</u>	<u>(297,469)</u>
Total capital assets being depreciated, net	<u>484,766</u>	<u>(20,822)</u>	--	<u>463,944</u>
Total capital assets, net	<u>\$875,494</u>	<u>364,562</u>	--	<u>1,240,056</u>

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE C - CAPITAL ASSETS (CONTINUED)

Capital asset activity at June 30, 2017 was as follows:

	<u>June 30</u> <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30</u> <u>2017</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 240,578	10,000	--	250,578
Group home land	10,000	--	(10,000)	--
Construction in progress	<u>23,500</u>	<u>140,150</u>	<u>(23,500)</u>	<u>140,150</u>
Total capital assets not being depreciated	<u>274,078</u>	<u>150,150</u>	<u>(33,500)</u>	<u>390,728</u>
<i>Capital assets being depreciated:</i>				
Group home building	179,683	--	(179,683)	--
Group home furnishings & equipment	102,093	--	(102,093)	--
Buildings	548,809	215,451	(31,278)	732,982
Leasehold improvements	2,547	7,506	(2,547)	7,506
Office equipment	<u>272,260</u>	<u>--</u>	<u>(259,394)</u>	<u>12,866</u>
Total capital assets being depreciated	<u>1,105,392</u>	<u>222,957</u>	<u>(574,995)</u>	<u>753,354</u>
<i>Less accumulated depreciation for:</i>				
Group home building	(141,584)	--	141,584	--
Group home furnishings & equipment	(73,762)	--	73,762	--
Buildings	(75,138)	(206,659)	31,277	(250,520)
Leasehold improvements	(1,077)	(8,976)	2,547	(7,506)
Office equipment	<u>(170,753)</u>	<u>(88,992)</u>	<u>249,183</u>	<u>(10,562)</u>
Total accumulated depreciation	<u>(462,314)</u>	<u>(304,627)</u>	<u>498,353</u>	<u>(268,588)</u>
Total capital assets being depreciated, net	<u>643,078</u>	<u>(81,670)</u>	<u>(76,642)</u>	<u>484,766</u>
Total capital assets, net	<u>\$ 917,156</u>	<u>68,480</u>	<u>(110,142)</u>	<u>875,494</u>

Depreciation expense amounted to \$34,943 and \$71,997 for the years ended June 30, 2018 and 2017, respectively.

NOTE D - RETIREMENT PLAN

SB40 has a defined contribution retirement plan, which covers employees at least 21 years old. Contributions are based on calendar year wages and are approved for payment in the future year budget. There is no liability for employer contributions since SB40 is not legally obligated to make contributions.

SB40's contribution for the year ended June 30, 2018 and 2017, which is based on 2016 and 2015 calendar year wages and approved for payment in the current year budget, amounted to \$60,659 and \$90,278, respectively.

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE E - DEFERRED COMPENSATION PLAN

As of January 1, 2018, the SB40 offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees over the age of 21, permits them to defer a portion of their salary until future years. SB40 makes no contribution to the plan. Investments are managed by the plan's trustee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries and are not available to the creditors of SB40. For this reason, the assets and related liabilities of the plan are not included in the accompanying financial statements.

NOTE F - SHORT TERM DEBT

On June 28, 2018, SB40 obtained a construction disbursement loan agreement from the United Bank of Union due to expire June 28, 2019. Advances will be used to construct a building in Union, Missouri. The total amount of the agreement is \$900,000 with an interest rate of 4.5% and is secured by a deed of trust (with future advance clause) on the real property located in Union, Missouri. As of June 30, 2018, SB40 has not requested any advances. Upon expiration of this agreement, SB40 will obtain long-term financing on the balance of the construction disbursement agreement with the United Bank of Union.

Building construction commitments amounted to \$1,539,602 at June 30, 2018.

NOTE G - RENT

Income

On July 1, 2016, SB40 entered into a one-year lease agreement with Developmental Services of Franklin County, Inc. for \$2,350 per month. This agreement is renewable yearly. Rent income amounted to \$28,200 for the years ended June 30, 2018 and 2017.

Expense

On June 30, 2018, a ten-year lease agreement expired and is now rented on a month to month basis for \$2,986 per month. Rent expense amounted to \$32,164 and \$30,617 for the years ended June 30, 2018 and 2017, respectively.

On April 30, 2018, a one-year lease agreement expired and is now rented on a month to month basis for \$900 per month. Rent expense amounted to \$11,252 and \$10,800 for the years ended June 30, 2018 and 2017, respectively.

FRANKLIN COUNTY SB40 RESOURCE BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - AGENCY FUNDING

Agency funding consisted of the following:

	<u>June 30</u> <u>2018</u>	<u>June 30</u> <u>2017</u>
Developmental Services of Franklin County, Inc.	\$ 750,000	\$ 836,105
EMPAC Group	415,000	404,182
Missouri Department of Mental Health Match	217,970	370,581
OATS, Inc.	101,436	92,583
Partnership for Hope Match	79,602	79,293
Consumer Services	79,426	64,836
Exceptional Equestrians	54,323	41,500
Rainbow Abilities Center	50,000	--
Gasconade County Special Services	12,500	8,788
TEMCO, Inc.	12,409	12,356
River Bluff Industries	3,250	5,581
Developmental Disabilities Resource Board	<u> --</u>	<u> 1,050</u>
	<u>\$1,775,916</u>	<u>\$1,916,855</u>

NOTE I - TRANSFER OF COMPANY ASSETS

On April 11, 2016, the board authorized the division of Developmental Services of Franklin County into two organizations, effective July 1, 2016. The new organizations are Franklin County SB40 Resource Board and Developmental Services of Franklin County, Inc. (a non-profit organization). Company assets transferred to Developmental Services of Franklin County, Inc. were as follows:

Cash	\$(1,125,000)
Capital assets, net of accumulated depreciation	(86,314)
Accounts payable	80,710
Accounts payable correction	(82,785)
Accrued vacation	<u>68,798</u>
	<u>\$(1,144,591)</u>

The accounts payable correction caused an overstatement of cash and cash equivalents at June 30, 2017.

NOTE J - PRIOR PERIOD ADJUSTMENT

At June 30, 2016, construction in progress was overstated by \$23,500. Accordingly, net position was decreased by this overstatement.

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 19, 2018, the date which the financial statements were available for issue. No subsequent events were identified.

SUPPLEMENTAL INFORMATION

FRANKLIN COUNTY SB40 RESOURCE BOARD
SUPPLEMENTAL INFORMATION
SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Original	Final	2018	Over (Under)	2017
	<u>Budget</u>	<u>Budget</u>	<u>2018</u>	<u>Budget</u>	<u>2017</u>
OPERATING REVENUE AND SUPPORT					
Property taxes	\$ 1,827,272	1,827,272	1,918,940	91,668	1,853,053
Missouri Department of Social Services	<u>1,651,442</u>	<u>1,651,442</u>	<u>1,669,847</u>	<u>18,405</u>	<u>1,586,022</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>3,478,714</u>	<u>3,478,714</u>	<u>3,588,787</u>	<u>110,073</u>	<u>3,439,075</u>
 OPERATING EXPENSES					
SB40 OPERATIONS					
Agency funding	1,766,792	2,016,792	1,775,916	(240,876)	1,916,855
Wages	93,143	93,143	69,617	(23,526)	244,030
Depreciation	19,000	19,000	31,038	12,038	71,997
Employee benefits	35,390	35,390	27,332	(8,058)	47,846
Professional fees	50,500	50,500	23,708	(26,792)	30,457
Retirement	15,000	15,000	12,132	(2,868)	60,499
Repairs and maintenance	16,090	16,090	10,322	(5,768)	12,106
Conferences & training	20,000	20,000	9,311	(10,689)	16,592
Rent	8,231	8,231	6,523	(1,708)	30,617
Books and dues	-	-	5,644	5,644	10,332
Service contracts	10,000	10,000	5,420	(4,580)	103,628
Insurance - property	1,500	1,500	5,313	3,813	4,880
Insurance - liability	4,000	4,000	5,020	1,020	21,400
Payroll taxes	7,125	7,125	5,080	(2,045)	17,363
Unemployment claims	-	-	3,520	3,520	769
Mileage and meals	4,000	4,000	3,401	(599)	4,215
Communications	4,000	4,000	3,110	(890)	3,494
Office supplies	2,200	2,200	2,136	(64)	15,345
Record checks and physicals	200	200	1,271	1,071	122
Utilities	1,500	1,500	939	(561)	3,964
Postage	700	700	791	91	4,879
Advertising	1,500	1,500	118	(1,382)	1,059
Miscellaneous	-	-	43	43	342
Equipment not capitalized	5,000	5,000	-	(5,000)	22,671
Public awareness	-	-	-	-	3,800
Executive Director discretionary	-	-	-	-	1,409
Workers' comp claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>
 TOTAL SB40 OPERATIONS	 <u>\$ 2,065,871</u>	 <u>2,315,871</u>	 <u>2,007,705</u>	 <u>(308,166)</u>	 <u>2,652,041</u>

FRANKLIN COUNTY SB40 RESOURCE BOARD
SUPPLEMENTAL INFORMATION
SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>2018</u>	Over (Under) <u>Budget</u>	<u>2017</u>
OPERATING EXPENSES					
SERVICE COORDINATION					
Wages	\$ 900,106	900,106	854,189	(45,917)	609,014
Employee benefits	141,560	141,560	107,415	(34,145)	62,782
Payroll taxes	68,858	68,858	63,050	(5,808)	44,866
Retirement	60,000	60,000	48,527	(11,473)	29,779
Service contracts	40,000	40,000	41,052	1,052	6,904
Rent	32,924	32,924	36,893	3,969	10,800
Mileage and meals	35,000	35,000	26,625	(8,375)	28,042
Communications	16,000	16,000	13,653	(2,347)	5,676
Insurance - liability	16,000	16,000	13,138	(2,862)	-
Equipment not capitalized	20,000	20,000	10,395	(9,605)	980
Conferences and training	12,000	12,000	8,744	(3,256)	4,732
Office supplies	8,800	8,800	7,764	(1,036)	339
Professional fees	2,000	2,000	7,636	5,636	-
Utilities	6,000	6,000	5,949	(51)	2,364
Books and dues	12,500	12,500	5,299	(7,201)	-
Repairs and maintenance	4,359	4,359	5,231	872	703
Depreciation	36,000	36,000	3,905	(32,095)	-
Employee incentives	7,000	7,000	3,805	(3,195)	1,493
Postage	2,800	2,800	3,239	439	178
Executive Director discretionary	5,000	5,000	1,953	(3,047)	-
Advertising	2,500	2,500	1,270	(1,230)	2,040
Insurance - property	6,000	6,000	320	(5,680)	163
Record checks and physicals	1,300	1,300	272	(1,028)	1,047
Unemployment claims	5,000	5,000	-	(5,000)	7,433
Workers' comp claims	-	-	-	-	256
TOTAL SERVICE COORDINATION	<u>1,441,707</u>	<u>1,441,707</u>	<u>1,270,324</u>	<u>(171,383)</u>	<u>819,591</u>
TOTAL OPERATING EXPENSES	<u>3,507,578</u>	<u>3,757,578</u>	<u>3,278,029</u>	<u>(479,549)</u>	<u>3,471,632</u>
INCOME (LOSS) FROM OPERATIONS	<u>(28,864)</u>	<u>(278,864)</u>	<u>310,758</u>	<u>589,622</u>	<u>(32,557)</u>
OTHER INCOME					
Rent	28,200	28,200	28,200	-	28,200
Interest	8,400	8,400	13,789	5,389	11,088
Miscellaneous	2,000	2,000	3,378	1,378	187
TOTAL OTHER INCOME	<u>38,600</u>	<u>38,600</u>	<u>45,367</u>	<u>6,767</u>	<u>39,475</u>
CHANGE IN NET POSITION	<u>\$ 9,736</u>	<u>(240,264)</u>	<u>356,125</u>	<u>596,389</u>	<u>6,918</u>

**FRANKLIN COUNTY SB40 RESOURCE BOARD
SUPPLEMENTAL INFORMATION
BOARD OF DIRECTORS AND OFFICERS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Steve Wilmesherr	Chairperson	6/30/20
Linda Sentivany	Secretary	6/30/19
Walter Murray	Treasurer	7/31/18
Mary Barton	Director	6/30/19
Hank Epstein	Director	12/31/20
Elaine Holladay	Director	12/31/20
Paul LaVigne	Director	6/30/19
Sandra Munzlinger	Director	6/30/20
Larry Sikes	Director	6/30/20
Thomas Sinclair	Executive Director	Appointed