

FRANKLIN COUNTY SB40 RESOURCE BOARD

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

**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, 2019 and 2018 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, 2019 and 2018 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 supplemental schedules of operating revenue and support, expenses, and change in net position for budget and actual, SB40 operations, and service coordination are presented for the purpose of additional analysis and are 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.**

**October 23, 2019**

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2019 AND 2018**

	<b>ASSETS</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,452,208	2,787,359
Receivables:		
Accounts	154,328	136,503
Property taxes	77,399	121,628
Other	290	-
Prepaid expenses	<u>22,282</u>	<u>27,360</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,706,507</u>	<u>3,072,850</u>
<b>CAPITAL ASSETS</b>		
Land and construction in progress	250,578	776,112
Other capital assets, net of of accumulated depreciation	<u>2,606,723</u>	<u>463,944</u>
<b>CAPITAL ASSETS</b>	<u>2,857,301</u>	<u>1,240,056</u>
<b>OTHER ASSETS</b>		
Loan fees	7,892	6,022
Deposits on leased property	<u>-</u>	<u>2,750</u>
<b>TOTAL OTHER ASSETS</b>	<u>7,892</u>	<u>8,772</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,571,700</u></u>	<u><u>4,321,678</u></u>

The accompanying notes are an integral part of the financial statements

FRANKLIN COUNTY SB40 RESOURCE BOARD  
STATEMENTS OF NET POSITION  
JUNE 30, 2019 AND 2018  
(CONTINUED)

LIABILITIES AND NET POSITION

	<u>2019</u>	<u>2018</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 298,154	416,149
Retainage payable	-	17,015
Accrued payroll liabilities	21,866	21,080
ABiLITY prepaid rent income	2,350	2,350
Compensated absences	30,660	29,333
Current portion of note payable	<u>41,773</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>	394,803	485,927
<b>NONCURRENT LIABILITIES</b>		
Note payable, net of current portion	<u>858,227</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,253,030</u>	<u>485,927</u>
<b>NET POSITION</b>		
Invested in capital assets	1,957,301	1,240,056
Unrestricted	<u>2,361,369</u>	<u>2,595,695</u>
<b>TOTAL NET POSITION</b>	<u>4,318,670</u>	<u>3,835,751</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 5,571,700</u>	<u>4,321,678</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUE AND SUPPORT</b>		
Property taxes	\$ 1,910,154	1,918,940
Missouri Department of Mental Health	<u>1,779,486</u>	<u>1,669,847</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>3,689,640</u>	<u>3,588,787</u>
<b>OPERATING EXPENSES</b>		
SB40 operations	1,863,690	2,007,705
Service coordination	<u>1,372,013</u>	<u>1,270,324</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>3,235,703</u>	<u>3,278,029</u>
<b>INCOME FROM OPERATIONS</b>	453,937	310,758
<b>NONOPERATING REVENUE</b>	<u>28,982</u>	<u>45,367</u>
<b>CHANGE IN NET POSITION</b>	482,919	356,125
<b>NET POSITION, JULY 1</b>	<u>3,835,751</u>	<u>3,479,626</u>
<b>NET POSITION, JUNE 30</b>	<u>\$ 4,318,670</u>	<u>3,835,751</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from property taxes	\$ 1,954,383	1,906,095
Receipts from services provided	1,761,661	1,836,173
Payments to or for the benefit of employees	(1,266,540)	(1,191,181)
Payments to suppliers and providers	<u>(2,056,635)</u>	<u>(1,763,913)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>392,869</u>	<u>787,174</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Rent income	28,200	28,200
Miscellaneous receipts	<u>3,108</u>	<u>3,378</u>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>31,308</u>	<u>31,578</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(1,663,024)	(399,505)
Construction note payable:		
Advances	900,000	-
Debt issuance costs	6,022	-
Interest paid	<u>(16,276)</u>	<u>-</u>
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(773,278)</u>	<u>(399,505)</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Interest income	<u>13,950</u>	<u>13,789</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(335,151)	433,036
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>2,787,359</u>	<u>2,354,323</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 2,452,208</u>	<u>2,787,359</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, 2019 AND 2018**  
**(CONTINUED)**

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS</b>		
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Income from operations	\$ 453,937	<u>310,758</u>
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	45,779	34,943
(Increase) decrease in current assets:		
Receivables:		
Accounts	(17,825)	166,199
Property taxes	44,229	(12,845)
Other	(290)	127
Prepaid expenses	5,078	(2,061)
Deposits on leased property	2,750	-
Increase (decrease) in current liabilities:		
Accounts payable	(125,887)	273,357
Retainage payable	(17,015)	17,015
Accrued payroll liabilities	786	232
Compensated absences	<u>1,327</u>	<u>(551)</u>
 Total Adjustments	 <u>(61,068)</u>	 <u>476,416</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u>\$ 392,869</u>	 <u>787,174</u>

The accompanying notes are an integral part of the financial statements

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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 reimbursement from the Missouri Department of Mental Health for providing targeted case management services.

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 revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with principal ongoing operations. The principal operating revenue 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 revenue 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, 2019**

**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, 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
Office equipment	5

**5. Receivables**

In the opinion of management, all receivables are collectible in full at June 30, 2019 and 2018; therefore, no allowance for doubtful accounts is provided.

**6. Loan fees**

SB40 capitalizes costs related to obtaining, renewing, or extending loan agreements and amortizes these costs over the life of the loan. The gross loan fees were \$7,892 and \$6,022 at June 30, 2019 and 2018, respectively. Amortization expense will begin July 2019.

**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.

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**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, 2019 of \$.10 per \$100 of assessed value of Franklin County's real estate and personal property. The assessed values at January 1, 2018 were \$1,935,258,650.

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.

**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 in the 2018 financial statements have been reclassified for comparative purposes to conform to the 2019 presentation.

**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.

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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, 2019 and 2018, 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, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets</i>				
<i>not being depreciated:</i>				
Land	\$ 250,578	--	--	250,578
Construction in progress	<u>525,534</u>	<u>1,663,024</u>	<u>(2,188,558)</u>	<u>--</u>
Total capital assets not being depreciated	<u>776,112</u>	<u>1,663,024</u>	<u>(2,188,558)</u>	<u>250,578</u>
<i>Capital assets being depreciated:</i>				
Buildings	726,920	2,188,558	--	2,915,478
Leasehold improvements	7,506	--	(7,506)	--
Office equipment	<u>26,987</u>	<u>--</u>	<u>--</u>	<u>26,987</u>
Total capital assets being depreciated	<u>761,413</u>	<u>2,188,558</u>	<u>(7,506)</u>	<u>2,942,465</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(275,553)	(41,931)	--	(317,484)
Leasehold improvements	(7,506)	--	7,506	--
Office equipment	<u>(14,410)</u>	<u>(3,848)</u>	<u>--</u>	<u>(18,258)</u>
Total accumulated depreciation	<u>(297,469)</u>	<u>(45,779)</u>	<u>7,506</u>	<u>(335,742)</u>
Total capital assets being depreciated, net	<u>463,944</u>	<u>2,142,779</u>	<u>--</u>	<u>2,606,723</u>
Total capital assets, net	<u>\$1,240,056</u>	<u>3,805,803</u>	<u>(2,188,558)</u>	<u>2,857,301</u>

Depreciation expense amounted to \$45,779.

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE C - CAPITAL ASSETS (CONTINUED)**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets</i>				
<i>not being depreciated:</i>				
Land	\$250,578	--	--	250,578
Construction in progress	<u>140,150</u>	<u>385,384</u>	<u>--</u>	<u>525,534</u>
Total capital assets not being depreciated	<u>390,728</u>	<u>385,384</u>	<u>--</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>--</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>--</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>--</u>	<u>463,944</u>
Total capital assets, net	<u>\$875,494</u>	<u>364,562</u>	<u>--</u>	<u>1,240,056</u>

Depreciation expense amounted to \$34,943.

**NOTE D - RENT**

**Income**

On July 1, 2016, SB40 entered into a one-year lease agreement with Developmental Services of Franklin County d/b/a ABiLITY (ABiLITY) for \$2,350 per month. This agreement is renewable yearly. Prepaid rent amounted to \$2,350 at June 30, 2019 and 2018. Rent income amounted to \$28,200 for the years ended June 30, 2019 and 2018.

**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 through March 2019. Rent expense amounted to \$27,775 and \$32,164 for the years ended June 30, 2019 and 2018, 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 through March 2019. Rent expense amounted to \$8,326 and \$11,252 for the years ended June 30, 2019 and 2018, respectively.

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE E - DEBT**

On June 28, 2018, SB40 obtained a construction disbursement loan agreement from the United Bank of Union which expired June 28, 2019. Advances totaled \$900,000 with an interest rate of 4.5%. The agreement was renewed as follows:

	<u>2019</u>	<u>2018</u>
5% note payable to the United Bank of Union, due in monthly payments of \$7,152 including interest. A single balloon payment of the entire unpaid balance is due July 28, 2024. Secured by a deed of trust on the real property located in Union, Missouri.	\$900,000	--
Less: current portion	<u>41,773</u>	<u>--</u>
	<u>\$858,227</u>	<u>--</u>

Future maturities are as follows:

	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 41,773	44,051	85,824	85,824
2021	43,910	41,914	85,824	85,824
2022	46,156	39,668	85,824	85,824
2023	48,518	37,306	85,824	85,824
2024	51,000	34,824	85,824	85,824
2025	<u>668,643</u>	<u>2,787</u>	<u>671,430</u>	<u>671,430</u>
	<u>\$900,000</u>	<u>200,549</u>	<u>1,100,549</u>	<u>1,100,549</u>

**NOTE F - AGENCY FUNDING**

Agency funding consisted of the following:

	<u>June 30</u> <u>2019</u>	<u>June 30</u> <u>2018</u>
ABiLITY	\$ 764,708	\$ 750,000
EMPAC Group	430,205	415,000
OATS, Inc. - Mid East	130,639	101,436
Exceptional Equestrians	75,294	54,323
Partnership for Hope Match	70,220	79,602
Consumer Services	64,196	79,426
Rainbow Abilities Center	50,000	50,000
TEMCO, Inc.	15,191	12,409
Young Men's Christian Association	12,755	--
OATS, Inc. - Mid Missouri	11,500	12,500
River Bluff Industries	3,250	3,250
Missouri Department of Mental Health Match	<u>--</u>	<u>217,970</u>
	<u>\$1,627,958</u>	<u>\$1,775,916</u>

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE G - 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, 2019 and 2018, which is based on 2017 and 2016 calendar year wages and approved for payment in the current year budget, amounted to \$63,467 and \$60,659, respectively.

**NOTE H - DEFERRED COMPENSATION PLAN**

As of January 1, 2018, 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 investment manager. 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 I - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 23, 2019, 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, 2019**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>2019</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
<b>OPERATING REVENUE AND SUPPORT</b>				
Property taxes	\$ 1,891,284	1,891,284	1,910,154	18,870
Missouri Department of Mental Health	<u>1,556,755</u>	<u>1,556,755</u>	<u>1,779,486</u>	<u>222,731</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>3,448,039</u>	<u>3,448,039</u>	<u>3,689,640</u>	<u>241,601</u>
<b>OPERATING EXPENSES</b>				
<b>SB40 OPERATIONS</b>				
Agency funding	1,655,647	1,655,647	1,627,958	(27,689)
Wages	100,424	100,424	102,179	1,755
Depreciation	35,133	35,133	31,400	(3,733)
Employee benefits	27,394	27,394	24,108	(3,286)
Repairs and maintenance	18,345	18,345	9,783	(8,562)
Retirement	8,399	8,399	8,399	-
Payroll taxes	7,682	7,682	7,169	(513)
Service contracts	5,500	5,500	6,089	589
Professional fees	9,300	9,300	6,033	(3,267)
Books and dues	6,000	6,000	5,840	(160)
Rent	5,100	5,100	5,600	500
Insurance - property	7,000	7,000	4,979	(2,021)
Utilities	1,200	1,200	4,927	3,727
Communications	4,260	4,260	3,936	(324)
Insurance - liability	4,000	4,000	3,671	(329)
Conferences & training	4,350	4,350	3,611	(739)
Equipment not capitalized	5,000	5,000	2,402	(2,598)
Postage	2,000	2,000	1,778	(222)
Office supplies	2,700	2,700	1,752	(948)
Executive Director discretionary	2,000	2,000	890	(1,110)
Mileage and meals	1,000	1,000	709	(291)
Advertising	2,000	2,000	445	(1,555)
Miscellaneous	-	-	21	21
Record checks and physicals	<u>50</u>	<u>50</u>	<u>11</u>	<u>(39)</u>
<b>TOTAL SB40 OPERATIONS</b>	<u>\$ 1,914,484</u>	<u>1,914,484</u>	<u>1,863,690</u>	<u>(50,794)</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, 2019  
 (CONTINUED)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>2019</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
<b>SERVICE COORDINATION</b>				
Wages	\$ 889,334	910,482	873,338	(37,144)
Employee benefits	136,545	142,784	133,790	(8,994)
Payroll taxes	68,034	69,598	64,602	(4,996)
Retirement	55,068	56,402	55,068	(1,334)
Service contracts	34,000	47,990	46,196	(1,794)
Mileage and meals	30,000	33,862	32,068	(1,794)
Rent	27,600	31,420	30,501	(919)
Utilities	7,800	22,380	21,594	(786)
Equipment not capitalized	20,000	20,426	19,521	(905)
Communications	17,820	18,274	16,900	(1,374)
Professional fees	9,300	17,568	16,579	(989)
Depreciation	28,000	28,386	14,379	(14,007)
Insurance - liability	16,000	16,358	13,293	(3,065)
Conferences and training	11,150	11,393	9,053	(2,340)
Repairs and maintenance	13,379	13,586	7,702	(5,884)
Books and dues	6,000	6,159	5,931	(228)
Office supplies	10,800	10,958	5,894	(5,064)
Postage	3,000	3,063	2,330	(733)
Insurance - property	4,000	4,018	1,529	(2,489)
Advertising	2,000	2,028	1,033	(995)
Record checks and physicals	250	1,269	692	(577)
Miscellaneous	-	1,001	20	(981)
Contingency	79,675	-	-	-
Consumer services	40,000	40,000	-	(40,000)
Unemployment	5,000	5,000	-	(5,000)
Executive Director discretionary	2,000	2,000	-	(2,000)
<b>TOTAL SERVICE COORDINATION</b>	<u>1,516,755</u>	<u>1,516,405</u>	<u>1,372,013</u>	<u>(144,392)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>3,431,239</u>	<u>3,430,889</u>	<u>3,235,703</u>	<u>(195,186)</u>
<b>INCOME FROM OPERATIONS</b>	<u>16,800</u>	<u>17,150</u>	<u>453,937</u>	<u>436,787</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Rent	28,200	28,200	28,200	-
Interest income	5,000	5,000	13,950	8,950
Miscellaneous	-	-	3,108	3,108
Interest expense	<u>(50,000)</u>	<u>(50,350)</u>	<u>(16,276)</u>	<u>34,074</u>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<u>(16,800)</u>	<u>(17,150)</u>	<u>28,982</u>	<u>46,132</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ -</u>	<u>-</u>	<u>482,919</u>	<u>482,919</u>

FRANKLIN COUNTY SB40 RESOURCE BOARD  
SUPPLEMENTAL INFORMATION  
CHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITIO  
SB40 OPERATIONS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUE AND SUPPORT</b>		
Property taxes	\$ 1,910,154	1,918,940
<b>OPERATING EXPENSES</b>		
Agency funding	1,627,958	1,775,916
Wages	102,179	69,617
Depreciation	31,400	31,038
Employee benefits	24,108	27,332
Repairs and maintenance	9,783	10,322
Retirement	8,399	12,132
Payroll taxes	7,169	5,080
Service contracts	6,089	5,420
Professional fees	6,033	23,708
Books and dues	5,840	5,644
Rent	5,600	6,523
Insurance - property	4,979	5,313
Utilities	4,927	939
Communications	3,936	3,110
Insurance - liability	3,671	5,020
Conferences & training	3,611	9,311
Equipment not capitalized	2,402	-
Postage	1,778	791
Office supplies	1,752	2,136
Executive Director discretionary	890	-
Mileage and meals	709	3,401
Advertising	445	118
Miscellaneous	21	43
Record checks and physicals	11	1,271
Unemployment claims	-	3,520
<b>TOTAL OPERATING EXPENSES</b>	<u>1,863,690</u>	<u>2,007,705</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>46,464</u>	<u>(88,765)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Rent	28,200	28,200
Interest income	13,950	13,789
Interest expense	(3,255)	-
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<u>38,895</u>	<u>41,989</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 85,359</u>	<u>(46,776)</u>

**FRANKLIN COUNTY SB40 RESOURCE BOARD**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION**  
**SERVICE COORDINATION**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUE AND SUPPORT</b>		
Missouri Department of Mental Health	\$ 1,779,486	1,669,847
<b>OPERATING EXPENSES</b>		
Wages	873,338	854,189
Employee benefits	133,790	107,415
Payroll taxes	64,602	63,050
Retirement	55,068	48,527
Service contracts	46,196	41,052
Mileage and meals	32,068	26,625
Rent	30,501	36,893
Utilities	21,594	5,949
Equipment not capitalized	19,521	10,395
Communications	16,900	13,653
Professional fees	16,579	7,636
Depreciation	14,379	3,905
Insurance - liability	13,293	13,138
Conferences and training	9,053	8,744
Repairs and maintenance	7,702	5,231
Books and dues	5,931	5,299
Office supplies	5,894	7,764
Postage	2,330	3,239
Insurance - property	1,529	320
Advertising	1,033	1,270
Record checks and physicals	692	272
Miscellaneous	20	-
Employee incentives	-	3,805
Executive Director discretionary	-	1,953
<b>TOTAL OPERATING EXPENSES</b>	<u>1,372,013</u>	<u>1,270,324</u>
<b>INCOME FROM OPERATIONS</b>	<u>407,473</u>	<u>399,523</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Miscellaneous	3,108	3,378
Interest expense	(13,021)	-
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<u>(9,913)</u>	<u>3,378</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 397,560</u>	<u>402,901</u>