



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Shelby County, Missouri

The Office of the State Auditor contracted for an audit of Shelby County's financial statements for the 2 years ended December 31, 2020, 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 McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

October 2021
Report No. 2021-085



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Shelby County

2020-001 Public Administrator Bank Reconciliations	The Public Administrator set up a notification system with their financial institution for any pending money orders or develop a system to keep track of any outstanding payments.
2020-002 Internal Control Over Schedule of Expenditures of Federal Awards	The county implement internal controls to ensure that the Schedule of Expenditures and Federal Awards (SEFA) completely and accurately states the expenditures of federal awards of the county each year, such as performing a reconciliation between the SEFA and underlying accounting records.
Sheriff Untimely Deposit of Receipts	The Sheriff ensure that receipts are deposited in the bank in a timely manner.

ANNUAL FINANCIAL REPORT

SHELBY COUNTY, MISSOURI

For the Years Ended
December 31, 2020 and 2019

SHELBY COUNTY, MISSOURI

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INTRODUCTORY SECTION

SHELBY COUNTY, MISSOURI
List of Elected Officials 2019-2020

County Commission

Presiding Commissioner – Glenn Eagan

Commissioner, Western District – Larry Roberts

Commissioner, Eastern District – Tom Shively

Other Elected Officials

Assessor – Liz Miles

Circuit Clerk – Rosalie (Rose) Shively

Collector – John Chinn

County Clerk – Stephanie Bender

Coroner – Corey Eagan

Prosecuting Attorney – Jordan Rogers

Public Administrator – Susan C. Wilt

Recorder – Audrey Buzzard

Sheriff – Dennis Perrigo

Treasurer – Tracy Smith

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Shelby County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Shelby County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2019 and 2020, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. 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 opinion.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Shelby County, Missouri, as of December 31, 2019 and 2020, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Shelby County, Missouri, as of December 31, 2019 and 2020, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Shelby County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 16, 2021, on our consideration of Shelby County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shelby County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 16, 2021

SHELBY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2020

Fund	Cash and Cash Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Cash Equivalents December 31, 2019	Receipts 2020	Disbursements 2020	Cash and Cash Equivalents December 31, 2020
General Revenue	\$ 741,243	\$ 1,389,528	\$ 1,414,829	\$ 715,942	\$ 1,505,338	\$ 1,475,735	\$ 745,545
Special Road & Bridge	464,184	1,312,040	1,380,900	395,324	1,730,585	1,620,242	505,667
Assessment	107,999	162,428	152,092	118,335	171,413	150,457	139,291
911	236,293	309,084	265,668	279,709	333,334	261,725	351,318
Prosecuting Attorney Training	543	630	14	1,159	1,345	22	2,482
Prosecuting Attorney Bad Check	4,567	1,753	2,467	3,853	1,088	2,418	2,523
Prosecuting Attorney Income Tax	1,105	28	14	1,119	8	21	1,106
Childrens Trust	542	160	11	691	185	261	615
Chemical Emergency Preparedness	2,768	-	2,768	-	2,697	2,697	-
Election Services	8,346	663	552	8,457	505	713	8,249
DARE	4,054	-	11	4,043	-	571	3,472
Recorder's Preservation	10,516	2,512	14	13,014	2,474	22	15,466
Recorder's Technology	8,815	1,244	11	10,048	1,404	667	10,785
Sheriff Civil	23,542	5,676	15,988	13,230	4,847	9,070	9,007
Law Enforcement Training	2,465	1,305	564	3,206	1,095	1,862	2,439
Law Enforcement Restitution	19,318	14,531	8,288	25,561	18,253	11,532	32,282
Safe Return	379	9	11	377	3	22	358
Inmate Security	22,215	4,427	1,176	25,466	3,358	6,215	22,609
Tax Maintenance	56,141	9,414	4,469	61,086	10,898	3,729	68,255
Sheriff Revolving	12,160	2,081	1,626	12,615	2,269	2,326	12,558
CARES Act	-	-	-	-	696,410	647,094	49,316
Shelby County Improvement Corporation	-	122,594	122,597	(3)	9	-	6
Total	<u>\$ 1,727,195</u>	<u>\$ 3,340,107</u>	<u>\$ 3,374,070</u>	<u>\$ 1,693,232</u>	<u>\$ 4,487,518</u>	<u>\$ 4,197,401</u>	<u>\$ 1,983,349</u>

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

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

GENERAL REVENUE FUND Year Ended December 31,				
	2019		2020	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 625,000	\$ 612,958	\$ 650,000	\$ 671,027
Sales taxes	520,000	533,253	525,000	574,002
Intergovernmental	88,508	62,006	96,720	106,034
Charges for services	58,400	60,875	98,500	76,891
Interest	19,030	23,669	19,020	7,217
Other	89,755	96,767	94,600	70,167
Transfers in	10,000	-	10,000	-
Total Receipts	<u>\$ 1,410,693</u>	<u>\$ 1,389,528</u>	<u>\$ 1,493,840</u>	<u>\$ 1,505,338</u>
DISBURSEMENTS				
County Commission	\$ 108,002	\$ 105,332	\$ 112,333	\$ 106,116
County Clerk	91,478	90,784	97,744	94,852
Elections	20,982	16,359	91,180	46,229
Buildings and grounds	76,185	66,970	84,900	63,279
Employee fringe benefits	128,082	125,335	120,140	110,784
Treasurer	53,525	52,216	61,878	53,587
Collector	87,462	82,975	92,005	90,673
Recorder of Deeds	63,925	63,440	66,419	61,171
Circuit Clerk	38,200	19,794	40,700	14,141
Court administration	8,700	4,242	4,367	1,814
Public Administrator	26,968	26,789	27,176	27,497
Sheriff	247,712	276,468	300,841	289,495
Jail	114,500	92,137	112,000	88,399
Prosecuting Attorney	134,165	136,638	142,421	138,286
Juvenile Officer	72,500	75,513	64,900	63,583
Coroner	16,965	17,639	19,834	20,954
Other	1,808	2,292	1,900	25,377
General County government	104,573	100,941	134,363	108,533
Transfers out	78,965	58,965	74,095	70,965
Emergency Fund	38,871	-	44,065	-
Total Disbursements	<u>\$ 1,513,568</u>	<u>\$ 1,414,829</u>	<u>\$ 1,693,261</u>	<u>\$ 1,475,735</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (102,875)	\$ (25,301)	\$ (199,421)	\$ 29,603
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>741,243</u>	<u>741,243</u>	<u>715,942</u>	<u>715,942</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 638,368</u>	<u>\$ 715,942</u>	<u>\$ 516,521</u>	<u>\$ 745,545</u>

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

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

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 390,000	\$ 374,827	\$ 390,000	\$ 400,706	\$ -	\$ -	\$ -	\$ -
Sales taxes	110,000	110,373	110,000	115,063	-	-	-	-
Intergovernmental	1,080,600	587,492	1,349,600	1,104,180	-	-	-	-
Charges for services	20,000	61,560	20,000	40,701	137,932	138,454	140,094	150,414
Interest	10,000	16,731	10,000	4,293	1,000	3,810	3,000	1,258
Other	38,000	146,057	36,000	50,642	700	1,199	1,000	776
Transfers in	15,000	15,000	12,000	15,000	18,965	18,965	18,912	18,965
Total Receipts	<u>\$ 1,663,600</u>	<u>\$ 1,312,040</u>	<u>\$ 1,927,600</u>	<u>\$ 1,730,585</u>	<u>\$ 158,597</u>	<u>\$ 162,428</u>	<u>\$ 163,006</u>	<u>\$ 171,413</u>
DISBURSEMENTS								
Salaries	\$ 231,434	\$ 226,615	\$ 254,013	\$ 245,441	\$ 92,737	\$ 92,829	\$ 99,128	\$ 97,183
Employee fringe benefits	38,167	38,019	41,056	42,379	19,200	18,842	15,647	15,896
Materials and supplies	1,109,500	654,804	1,239,500	1,026,207	5,000	4,454	5,000	4,264
Services and other	42,268	43,173	49,140	41,488	44,350	31,542	25,137	18,760
Capital outlay	325,000	270,391	225,000	221,223	5,000	4,425	9,000	14,354
Construction	70,000	80,324	55,000	43,504	-	-	-	-
Transfers out	10,000	67,574	10,000	-	-	-	-	-
Total Disbursements	<u>\$ 1,826,369</u>	<u>\$ 1,380,900</u>	<u>\$ 1,873,709</u>	<u>\$ 1,620,242</u>	<u>\$ 166,287</u>	<u>\$ 152,092</u>	<u>\$ 153,912</u>	<u>\$ 150,457</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (162,769)	\$ (68,860)	\$ 53,891	\$ 110,343	\$ (7,690)	\$ 10,336	\$ 9,094	\$ 20,956
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>464,184</u>	<u>464,184</u>	<u>395,324</u>	<u>395,324</u>	<u>107,999</u>	<u>107,999</u>	<u>118,335</u>	<u>118,335</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 301,415</u>	<u>\$ 395,324</u>	<u>\$ 449,215</u>	<u>\$ 505,667</u>	<u>\$ 100,309</u>	<u>\$ 118,335</u>	<u>\$ 127,429</u>	<u>\$ 139,291</u>

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

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

	911 FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	278,000	275,933	278,000	287,657	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	200	621	200	6,769	385	612	417	1,334
Interest	5,000	6,235	5,000	1,908	12	18	14	11
Other	300	1,295	300	-	-	-	-	-
Transfers in	20,000	25,000	30,000	37,000	-	-	-	-
Total Receipts	<u>\$ 303,500</u>	<u>\$ 309,084</u>	<u>\$ 313,500</u>	<u>\$ 333,334</u>	<u>\$ 397</u>	<u>\$ 630</u>	<u>\$ 431</u>	<u>\$ 1,345</u>
DISBURSEMENTS								
Salaries	\$ 207,760	\$ 202,383	\$ 216,400	\$ 208,144	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	24,667	19,658	19,651	18,670	-	-	-	-
Materials and supplies	2,200	2,313	2,500	2,235	-	-	-	-
Services and other	28,606	30,148	32,130	25,701	200	14	400	22
Capital outlay	13,680	11,166	15,012	6,975	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 276,913</u>	<u>\$ 265,668</u>	<u>\$ 285,693</u>	<u>\$ 261,725</u>	<u>\$ 200</u>	<u>\$ 14</u>	<u>\$ 400</u>	<u>\$ 22</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 26,587	\$ 43,416	\$ 27,807	\$ 71,609	\$ 197	\$ 616	\$ 31	\$ 1,323
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>236,293</u>	<u>236,293</u>	<u>279,709</u>	<u>279,709</u>	<u>543</u>	<u>543</u>	<u>1,159</u>	<u>1,159</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 262,880</u>	<u>\$ 279,709</u>	<u>\$ 307,516</u>	<u>\$ 351,318</u>	<u>\$ 740</u>	<u>\$ 1,159</u>	<u>\$ 1,190</u>	<u>\$ 2,482</u>

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

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

	PROSECUTING ATTORNEY BAD CHECK FUND				PROSECUTING ATTORNEY INCOME TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,315	1,647	1,660	1,062	-	-	-	-
Interest	92	106	100	26	-	28	20	8
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,407</u>	<u>\$ 1,753</u>	<u>\$ 1,760</u>	<u>\$ 1,088</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 20</u>	<u>\$ 8</u>
DISBURSEMENTS								
Salaries	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	203	203	201	203	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	195	164	195	115	100	14	-	21
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,498</u>	<u>\$ 2,467</u>	<u>\$ 2,496</u>	<u>\$ 2,418</u>	<u>\$ 100</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 21</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,091)	\$ (714)	\$ (736)	\$ (1,330)	\$ (100)	\$ 14	\$ 20	\$ (13)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>4,567</u>	<u>4,567</u>	<u>3,853</u>	<u>3,853</u>	<u>1,105</u>	<u>1,105</u>	<u>1,119</u>	<u>1,119</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,476</u>	<u>\$ 3,853</u>	<u>\$ 3,117</u>	<u>\$ 2,523</u>	<u>\$ 1,005</u>	<u>\$ 1,119</u>	<u>\$ 1,139</u>	<u>\$ 1,106</u>

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

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

	CHILDRENS TRUST FUND				CHEMICAL EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	200	145	200	180	2,768	-	5,700	2,697
Charges for services	-	-	-	-	-	-	-	-
Interest	10	15	10	5	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 210</u>	<u>\$ 160</u>	<u>\$ 210</u>	<u>\$ 185</u>	<u>\$ 2,768</u>	<u>\$ -</u>	<u>\$ 5,700</u>	<u>\$ 2,697</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	500	11	500	261	-	-	-	-
Capital outlay	-	-	-	-	5,536	2,768	5,700	2,697
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 11</u>	<u>\$ 500</u>	<u>\$ 261</u>	<u>\$ 5,536</u>	<u>\$ 2,768</u>	<u>\$ 5,700</u>	<u>\$ 2,697</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (290)	\$ 149	\$ (290)	\$ (76)	\$ (2,768)	\$ (2,768)	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>542</u>	<u>542</u>	<u>691</u>	<u>691</u>	<u>2,768</u>	<u>2,768</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 252</u>	<u>\$ 691</u>	<u>\$ 401</u>	<u>\$ 615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	ELECTION SERVICES FUND				DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,400	445	1,500	445	-	-	1,200	-
Interest	150	218	150	60	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,550	\$ 663	\$ 1,650	\$ 505	\$ -	\$ -	\$ 1,200	\$ -
DISBURSEMENTS								
Salaries	\$ 600	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	50	-	50	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,500	477	4,500	33	-	11	1,300	571
Capital outlay	4,000	75	4,000	680	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 9,150	\$ 552	\$ 9,150	\$ 713	\$ -	\$ 11	\$ 1,300	\$ 571
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,600)	\$ 111	\$ (7,500)	\$ (208)	\$ -	\$ (11)	\$ (100)	\$ (571)
CASH AND CASH EQUIVALENTS, JANUARY 1	8,346	8,346	8,457	8,457	4,054	4,054	4,043	4,043
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 746	\$ 8,457	\$ 957	\$ 8,249	\$ 4,054	\$ 4,043	\$ 3,943	\$ 3,472

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

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

	RECORDER'S PRESERVATION FUND				RECORDER'S TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,840	1,782	2,100	2,278	1,100	1,244	1,200	1,404
Interest	400	730	400	196	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,240</u>	<u>\$ 2,512</u>	<u>\$ 2,500</u>	<u>\$ 2,474</u>	<u>\$ 1,100</u>	<u>\$ 1,244</u>	<u>\$ 1,200</u>	<u>\$ 1,404</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	14	500	22	-	-	-	-
Services and other	9,000	-	7,500	-	-	-	500	-
Capital outlay	3,000	-	4,000	-	8,800	11	9,000	667
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 14</u>	<u>\$ 12,000</u>	<u>\$ 22</u>	<u>\$ 8,800</u>	<u>\$ 11</u>	<u>\$ 9,500</u>	<u>\$ 667</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,760)	\$ 2,498	\$ (9,500)	\$ 2,452	\$ (7,700)	\$ 1,233	\$ (8,300)	\$ 737
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>10,516</u>	<u>10,516</u>	<u>13,014</u>	<u>13,014</u>	<u>8,815</u>	<u>8,815</u>	<u>10,048</u>	<u>10,048</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 756</u>	<u>\$ 13,014</u>	<u>\$ 3,514</u>	<u>\$ 15,466</u>	<u>\$ 1,115</u>	<u>\$ 10,048</u>	<u>\$ 1,748</u>	<u>\$ 10,785</u>

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

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

	SHERIFF CIVIL FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,500	5,212	6,500	4,761	1,700	1,232	1,700	1,074
Interest	500	430	500	86	-	73	50	21
Other	-	34	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,000</u>	<u>\$ 5,676</u>	<u>\$ 7,000</u>	<u>\$ 4,847</u>	<u>\$ 1,700</u>	<u>\$ 1,305</u>	<u>\$ 1,750</u>	<u>\$ 1,095</u>
DISBURSEMENTS								
Salaries	\$ 3,500	\$ 1,885	\$ -	\$ 187	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	250	219	250	14	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,260	1,923	2,060	471	1,900	564	1,900	1,862
Capital outlay	15,000	11,961	13,000	8,398	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 21,010</u>	<u>\$ 15,988</u>	<u>\$ 15,310</u>	<u>\$ 9,070</u>	<u>\$ 1,900</u>	<u>\$ 564</u>	<u>\$ 1,900</u>	<u>\$ 1,862</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (14,010)	\$ (10,312)	\$ (8,310)	\$ (4,223)	\$ (200)	\$ 741	\$ (150)	\$ (767)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>23,542</u>	<u>23,542</u>	<u>13,230</u>	<u>13,230</u>	<u>2,465</u>	<u>2,465</u>	<u>3,206</u>	<u>3,206</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 9,532</u>	<u>\$ 13,230</u>	<u>\$ 4,920</u>	<u>\$ 9,007</u>	<u>\$ 2,265</u>	<u>\$ 3,206</u>	<u>\$ 3,056</u>	<u>\$ 2,439</u>

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

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

	LAW ENFORCEMENT RESTITUTION FUND				SAFE RETURN FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	13,939	12,000	16,377	-	-	-	-
Interest	300	592	200	196	7	9	9	3
Other	-	-	-	1,680	300	-	300	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,300</u>	<u>\$ 14,531</u>	<u>\$ 12,200</u>	<u>\$ 18,253</u>	<u>\$ 307</u>	<u>\$ 9</u>	<u>\$ 309</u>	<u>\$ 3</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	20,000	8,288	30,000	11,532	-	-	-	-
Capital outlay	-	-	-	-	500	11	500	22
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 8,288</u>	<u>\$ 30,000</u>	<u>\$ 11,532</u>	<u>\$ 500</u>	<u>\$ 11</u>	<u>\$ 500</u>	<u>\$ 22</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,700)	\$ 6,243	\$ (17,800)	\$ 6,721	\$ (193)	\$ (2)	\$ (191)	\$ (19)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>19,318</u>	<u>19,318</u>	<u>25,561</u>	<u>25,561</u>	<u>379</u>	<u>379</u>	<u>377</u>	<u>377</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 11,618</u>	<u>\$ 25,561</u>	<u>\$ 7,761</u>	<u>\$ 32,282</u>	<u>\$ 186</u>	<u>\$ 377</u>	<u>\$ 186</u>	<u>\$ 358</u>

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

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

	INMATE SECURITY FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,100	3,825	3,340	3,174	7,500	7,857	8,000	10,450
Interest	370	602	600	184	1,000	1,557	1,500	448
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,470	\$ 4,427	\$ 3,940	\$ 3,358	\$ 8,500	\$ 9,414	\$ 9,500	\$ 10,898
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 493	\$ 3,000	\$ -
Employee fringe benefits	-	-	-	-	275	38	275	-
Materials and supplies	20	11	20	25	3,000	594	3,000	540
Services and other	10,000	1,165	10,000	6,190	2,750	25	2,750	250
Capital outlay	5,000	-	5,000	-	5,000	3,319	5,000	2,939
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 15,020	\$ 1,176	\$ 15,020	\$ 6,215	\$ 14,025	\$ 4,469	\$ 14,025	\$ 3,729
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,550)	\$ 3,251	\$ (11,080)	\$ (2,857)	\$ (5,525)	\$ 4,945	\$ (4,525)	\$ 7,169
CASH AND CASH EQUIVALENTS, JANUARY 1	22,215	22,215	25,466	25,466	56,141	56,141	61,086	61,086
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 11,665	\$ 25,466	\$ 14,386	\$ 22,609	\$ 50,616	\$ 61,086	\$ 56,561	\$ 68,255

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

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

	SHERIFF REVOLVING FUND				CARES ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2019		2020		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	695,707	695,707
Charges for services	2,000	1,780	2,000	2,180	-	-	-	-
Interest	100	301	300	89	-	-	500	703
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,100</u>	<u>\$ 2,081</u>	<u>\$ 2,300</u>	<u>\$ 2,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696,207</u>	<u>\$ 696,410</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	10,412
Services and other	-	-	-	186	-	-	695,707	636,682
Capital outlay	10,000	1,626	11,000	2,140	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 1,626</u>	<u>\$ 11,000</u>	<u>\$ 2,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,707</u>	<u>\$ 647,094</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,900)	\$ 455	\$ (8,700)	\$ (57)	\$ -	\$ -	\$ 500	\$ 49,316
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>12,160</u>	<u>12,160</u>	<u>12,615</u>	<u>12,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,260</u>	<u>\$ 12,615</u>	<u>\$ 3,915</u>	<u>\$ 12,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 49,316</u>

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

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

SHELBY COUNTY IMPROVEMENT CORPORATION FUND				
Year Ended December 31,				
2019		2020		
Budget	Actual	Budget	Actual	
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	55,000	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	20	-	9
Transfers in	-	67,574	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 122,594</u>	<u>\$ -</u>	<u>\$ 9</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	23	-	-
Capital outlay	-	122,574	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 122,597</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ (3)	\$ -	\$ 9
CASH AND CASH EQUIVALENTS, JANUARY				
1	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
CASH AND CASH EQUIVALENTS,				
DECEMBER 31	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ 6</u>

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

SHELBY COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2020

Fund/Account	Cash and Investments January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019	Receipts 2020	Disbursements 2020	Cash and Investments December 31, 2020
Treasurer CERF & Federal Tax Deposit	\$ -	\$ 394,214	\$ 394,214	\$ -	\$ 425,988	\$ 425,988	\$ -
Treasurer POST	-	633	633	-	514	514	-
Treasurer Deputy Sheriff's Salary Supplement	-	1,770	1,770	-	1,600	1,600	-
Treasurer Civil and Criminal	-	26,842	26,842	-	21,694	21,694	-
Treasurer Surplus Land	479	575	296	758	1,978	575	2,161
Treasurer Unclaimed Fees	15	145	-	160	105	97	168
Treasurer School Fund Principal	42,002	64,985	73,449	33,538	70,624	72,492	31,670
Treasurer Schools	-	5,358,790	5,358,790	-	5,888,718	5,888,718	-
Treasurer Salt River Nursing Home District	-	298,480	298,480	-	328,827	328,827	-
Treasurer Clarence Nursing Home District	-	59,666	59,666	-	62,883	62,883	-
Treasurer Salt River Ambulance District	-	186,279	186,279	-	209,041	209,041	-
Treasurer Monroe City Ambulance District	-	20,944	20,944	-	19,199	19,199	-
Treasurer Shelby County Health Unit District	-	309,201	309,201	-	336,965	336,965	-
Treasurer Shelbina Fire Protection District	-	133,384	133,384	-	156,206	156,206	-
Treasurer Western Lewis County Fire Protection District	-	1,666	1,666	-	1,724	1,724	-
Treasurer Shelbina Special Road District	-	102,500	102,500	-	127,591	127,591	-
Treasurer Cities	-	89,061	89,061	-	95,282	95,282	-
Recorder of Deeds	-	39,562	39,562	-	53,000	53,000	-
Sheriff	-	51,424	51,424	-	302,024	302,024	-
County Collector	2,110,079	12,651,707	10,801,254	3,960,532	11,593,207	8,600,091	6,953,648
Public Administrator	563,069	1,445,491	887,705	1,120,855	639,272	584,553	1,175,574
Prosecuting Attorney	3	11,898	11,898	3	43,690	36,891	6,802
County Clerk Employee Fund	179	336	442	73	498	336	235
Total	<u>\$ 2,715,826</u>	<u>\$ 21,249,553</u>	<u>\$ 18,849,460</u>	<u>\$ 5,115,919</u>	<u>\$ 20,380,630</u>	<u>\$ 17,326,291</u>	<u>\$ 8,170,258</u>

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

SHELBY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Shelby County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

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

B. Basis of Presentation

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

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

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. A budget was not adopted for the Shelby County Improvement Corporation Fund in 2019 and 2020.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2020	2019
Prosecuting Attorney Income Tax	✓	N/A
DARE	N/A	✓
Shelby County Improvement Corporation	N/A	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2020 and 2019, for purposes of taxation were:

	2020	2019
Real Estate	\$ 60,251,865	\$ 59,481,281
Personal Property	35,469,724	35,752,444
Railroad and Utilities	37,424,206	37,041,980
Total	<u>\$ 133,145,795</u>	<u>\$ 132,275,705</u>

For calendar years 2020 and 2019, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2020	2019
General Revenue	\$ 0.3950	\$ 0.3950
Special Road & Bridge	0.3500	0.3500

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalent balances are presented in Note 2.

G. Interfund Activity

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

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

2. CASH AND CASH EQUIVALENTS

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

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2020, the County had the following cash and cash equivalent and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 1,983,349	\$ 2,225,284	\$ 250,006
Cash and Cash Equivalents	\$ 7,199,669	\$ 3,622,760	\$ 470,291
Investments	<u>970,589</u>	<u>970,589</u>	<u>-</u>
Total Fiduciary Funds	<u>\$ 8,170,258</u>	<u>\$ 4,593,349</u>	<u>\$ 470,291</u>

At December 31, 2019, the County had the following cash and cash equivalent and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 1,693,232	\$ 1,707,750	\$ 250,000
Cash and Cash Equivalents	\$ 4,171,168	\$ 2,540,105	\$ 432,196
Investments	<u>944,751</u>	<u>944,751</u>	<u>-</u>
Total Fiduciary Funds	<u>\$ 5,115,919</u>	<u>\$ 3,484,856</u>	<u>\$ 432,196</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2020 and 2019 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name, except for \$970,589 and \$944,751 as of December 31, 2020 and 2019, respectively. The Public Administrator held the balances in non-FDIC eligible investment accounts on behalf of individual wards.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2020 and 2019, the County collected and remitted to CERF employee withholdings of \$64,247 and \$60,689, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2020, and 2019.

C. Other Retirement Plan

Shelby County has a voluntary 457(b) plan which is paid by a deduction from employee's 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, 2020 and 2019 were \$33,461 and \$33,879, respectively.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with seven or eight hours of sick leave per month depending on their normal day. The County allows employees to carry forward sick leave from one year to the next, but sick leave may not be accrued beyond sixty days in total. Upon termination, employees will not be compensated for any unused sick leave. Paid vacation is accrued for every employee, and accrues at the rate of five days per year up to twenty-two days per year depending on length of employment. However, employees may not carry over unused vacation from one year to the next. Employees are not compensated for forfeited vacation. Upon termination, employees are compensated for unused vacation.

B. Federal and State Assisted Programs

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

6. RISK MANAGEMENT

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

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

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. The County purchases workers' compensation insurance through this fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2020, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 16, 2021, the date the financial statements were available to be issued.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Shelby County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shelby County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2019 and 2020, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Shelby County, Missouri's basic financial statements and have issued our report thereon dated August 16, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shelby 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Shelby County, Missouri's Response to Findings

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

Purpose of this Report

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 16, 2021

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and
Officeholders of Shelby County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Shelby County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Shelby County, Missouri's major federal programs for the years ended December 31, 2019 and 2020. Shelby County, Missouri's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Shelby County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019 and 2020.

Report on Internal Control over Compliance

Management of Shelby 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 Shelby County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Shelby 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 16, 2021

SHELBY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2019	2020
	U.S. DEPARTMENT OF AGRICULTURE			
	Direct Program -			
10.766	Community Facilities Loans and Grants		\$ 55,000	\$ -
	U.S. DEPARTMENT OF JUSTICE			
	Passed through Missouri Department of Public Safety -			
16.575	Crime Victim Assistance	n/a	36,807	36,109
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through Missouri Department of Transportation -			
20.205	Highway Planning and Construction (Cluster)	BRO-B102(23)	10,961	405,415
	U.S. DEPARTMENT OF THE TREASURY			
	Passed through Missouri State Treasurer -			
21.019	COVID-19 - Coronavirus Relief Fund	253-00195	-	647,094
	ELECTION ASSISTANCE COMMISSION			
	Passed through Missouri Secretary of State -			
90.401	Help America Vote Act Requirements Payments	n/a	1,808	1,800
90.404	COVID-19 - HAVA Election Security Grants	n/a	-	20,000
	DEPARTMENT OF HOMELAND SECURITY			
	Passed through Missouri Department of Public Safety -			
97.036	Disaster Grants - Public Assistance (Presidentially-Declared Disasters)	FEMA-4451-DR-MO	-	149,635
	Total Expenditures of Federal Awards		<u>\$ 104,576</u>	<u>\$ 1,260,053</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

SHELBY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Shelby County, Missouri for the years ended December 31, 2020 and 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2020 and 2019.

NOTE D – LOAN PROGRAMS

During 2019, the County received a \$40,000 loan from the USDA under CFDA 10.766. The loan was repaid in December 2019, there was no balance outstanding at either December 2019 or 2020.

SHELBY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516? Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund

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

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2020-001: Public Administrator Bank Reconciliations

Criteria: A proper system of internal controls requires proper completion of reconciliation between the accounting system and bank records.

Condition: A review of bank reconciliations for all County elected officials noted that the Public Administrator did not properly perform a complete reconciliation between the accounting system and bank records. We selected a sample of six wards and reviewed all of the monthly bank reconciliations beginning in December 2018 and ending December 2020. Our review noted that a number of outstanding items were not included in the reconciliations, which caused the monthly bank reconciliations to be inaccurate. These outstanding items were identified by reviewing the following months' bank statement. We concluded that a total of 47 items were not included in the monthly bank reconciliations for the selected sample of six wards.

Cause: The Public Administrator had set an automatic payment agreement with their financial institution, which would send out multiple money orders every month to the designated payee. Due to timing differences, the outstanding money orders were not included on the reconciliation performed by the Public Administrator.

Effect: Errors may go undetected and the year-end balance on hand can be miscalculated if proper bank reconciliations are not performed.

Recommendation: We recommend that the Public Administrator set up a notification system with their financial institution for any pending money orders or develop a system to keep track of any outstanding payments.

County's Response: While there have been some instances of outstanding payments not being reconciled for the current month, all payments are being reconciled on the following month bank statement. In the past, I used the date on the check as the date it was paid. Going forward, I will use the date I actually pay the bill, which is typically 7 days earlier than the check date. This 7 day lag allows the bill paying system to generate the check and have the postal service get it to the payee by the designated deliver by date. Making this change should alleviate the problem.

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

2020-002: Internal Control Over Schedule of Expenditures of Federal Awards

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

provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2019 and 2020 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures by the county were overstated by \$54,925 in 2020 and understated by \$51,056 in 2019.

Discrepancies in amounts reported on the 2020 SEFA and amounts supported by underlying accounting records are summarized as follows:

Federal Agency	CFDA Number	Federal Program	Original SEFA	Supported	Difference
DOJ	16.575	Crime Victim Assistance	\$ 37,421	\$ 36,109	\$ 1,312
Treasury	21.019	Coronavirus Relief Fund	695,707	647,094	48,613
GSA	39.011	CTCL Election Grant	5,000	-	5,000
					<u>\$ 54,925</u>

Discrepancies in amounts reported on the 2019 SEFA and amounts supported by underlying accounting records are summarized as follows:

Federal Agency	CFDA Number	Federal Program	Original SEFA	Supported	Difference
USDA	10.766	Community Facilities Loans and Grants	\$ -	\$ 55,000	\$(55,000)
DOJ	16.575	Crime Victim Assistance	39,863	36,807	3,056
DOT	20.205	Highway Planning and Construction	10,961	10,961	-
EAC	90.401	Help America Vote Act Requirements Payments	2,696	1,808	888
					<u>\$(51,056)</u>

Cause: The County has not implemented a proper system of internal control over SEFA preparation to ensure that federal awards are identified and properly reported. This was caused by both the reporting of the receipt of federal funds rather than the amount expended, and the reporting of non-federal grants onto the SEFA.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2020 and 2019.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records.

County's Response: It was brought to my attention during our audit that I had filled out our SEFA form incorrectly. The auditors that were here explained to me how to fill it out correctly. I was under the understanding that I should put the whole amount of money there that we received from the Federal Government not just the amount that was paid out. On the USDA portion I should have just put down what came from the USDA and not the whole amount. That was my mistake.

Now since it has been explained very well to me, and I understand it, I will be able to execute this form correctly in the future.

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

ITEMS OF NONCOMPLIANCE

None noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

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

GLENN EAGAN, Shelbyville
Presiding Commissioner

Tom Shively, Shelbyville
Commissioner Eastern District

Terry Mefford, Clarence
Commissioner Western District

**The County Commission
of Shelby County**
P.O. BOX 186
Shelbyville, Missouri 63469

Commission Phone (573) 633-2181
(Mondays)

Road Phone (573) 633-2291

County Clerk Phone (573) 633-2181

SHELBY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Shelby County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2016 and 2015.

There were no prior audit findings.

Office of Public Administrator Shelby County, Missouri

SHELBY COUNTY, MISSOURI CORRECTIVE ACTION PLAN

Finding Reference Number: 2020-001

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Susan Wilt, Public Administrator

Views of Responsible Individuals:

While there have been some instances of outstanding payments not being reconciled for the current month, all payments are being reconciled on the following month bank statement. In the past, I used the date on the check as the date it was paid. Going forward, I will use the date I actually pay the bill, which is typically 7 days earlier than the check date. This 7 day lag allows the bill paying system to generate the check and have the postal service get it to the payee by the designated deliver by date. Making this change should alleviate the problem.

Sincerely,

Susan Wilt

Susan Wilt

Shelby County Public Administrator



Sherri Blackford

VOTER REGISTRATION CLERK

Stephanie Bender

COUNTY CLERK

Shelby County Courthouse

P.O. Box 186

Shelbyville, Missouri 63469-0186

(573) 633-2181

FAX (573) 633-1004



Mariah Jones

DEPUTY CLERK

SHELBY COUNTY, MISSOURI CORRECTIVE ACTION PLAN

Finding Reference Number: 2020-002

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Stephanie Bender, County Clerk

Views of Responsible Individuals:

It was brought to my attention during our audit that I had filled out our SEFA form incorrectly. The auditors that were here explained to me how to fill it out correctly. I was under the understanding that I should put the whole amount of money there that we received from the Federal Government not just the amount that was paid out. On the USDA portion I should of just put down what came from USDA and not the whole amount. That was my mistake.

Now since it has been explained very well to me, and I understand it I will be able to execute this form correctly in the future.

Thank you

Stephanie Bender

Shelby County Clerk

Po Box 186

100 East Main

Shelbyville, Mo 63469

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

August 16, 2021

To the County Commission
Shelby County, Missouri

We have audited the regulatory basis financial statements of Shelby County, Missouri for the years ended December 31, 2020 and 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 10, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Shelby County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019 and 2020. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Since the County is reporting on the cash basis of accounting, there are no particularly sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 16, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2019 and 2020, we considered Shelby County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 16, 2021. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Sheriff Untimely Deposit of Receipts

A proper system of internal controls requires that receipts should be deposited within a timely manner. A review of the 25 Sheriff's receipts noted five instances where receipts were not deposited in a timely manner, as noted below:

Receipt Amount	Date Received	Date Deposited	Timing Difference
\$ 40	7/18/2020	7/24/2020	6 days
39	8/10/2020	8/18/2020	8 days
39	9/3/2020	9/10/2020	7 days
20	9/9/2020	9/30/2020	21 days
80	10/22/2020	10/30/2020	8 days

The Sheriff separates their receipts depending on how the funds will be turned over. After separation, if the funds are very insignificant then that particular category of receipts will not be deposited until there are more similar receipts received. Receipts that are not timely deposited are at increased risk of misappropriation. We recommend that the Sheriff ensure that receipts are deposited in the bank in a timely manner.

Other Matters

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not Required Supplementary Information (RSI). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles prescribed or permitted by Missouri law, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the County Commission and management of Shelby County, Missouri and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

McBride, Lock & Associates, LLC