



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ralls County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-071

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ralls, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ralls, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual 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 the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note I of the financial statements, the financial statements are prepared 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, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I 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 each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, 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 described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015 on our consideration of the County of Ralls internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 County of Ralls internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 257,827.07	\$ 2,092,455.68	\$ 2,228,977.42	\$ 121,305.33
Special Road and Bridge Fund	127,863.74	1,622,775.09	1,484,583.06	266,055.77
Capital Improvement Fund	974,298.61	554,600.39	257,015.38	1,271,883.62
Assessment Fund	134,440.13	273,199.46	260,168.09	147,471.50
Election Services Fund	10,715.16	3,137.09	9,023.05	4,829.20
Prosecuting Attorney Training Fund	11,244.32	519.69	1,150.00	10,614.01
Prosecuting Attorney Tax Fund	5,191.47	1.93	-	5,193.40
Prosecuting Attorney Administrative Fund	13,156.21	1,386.49	866.50	13,676.20
Recorder's Users Fund	71,641.35	4,010.25	-	75,651.60
Domestic Fund	341.02	624.07	588.06	377.03
Inmate Security Fund	825.86	7,968.14	5,227.68	3,566.32
Unclaimed Fees Fund	-	57.70	34.38	23.32
County Interest Fund	30,982.55	101,726.68	119,943.30	12,765.93
Criminal Fees Fund	-	-	-	-
Flood Control Fund	-	8,591.70	8,591.70	-
Sheriff's Fund	6,013.65	15,830.66	13,770.11	8,074.20
Recorder's Tech Fund	7,115.46	2,085.39	451.49	8,749.36
LEPC Fund	-	7,801.24	7,801.24	-
Tax Maintenance Fund	44,514.34	17,341.97	20,107.37	41,748.94
Sheriff's Revolving Fund	3,424.40	18,251.95	16,528.28	5,148.07
Law Enforcement Training Fund	171.20	3,122.37	1,085.53	2,208.04
Land Sales Surplus Fund	-	-	-	-
Emergency Fund	363,481.48	61,112.29	1,162.74	423,431.03
Drug Enforcement Fund	100.24	0.01	-	100.25
TOTAL	\$ 2,063,348.26	\$ 4,796,600.24	\$ 4,437,075.38	\$ 2,422,873.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 451,054.14	\$ 1,992,568.69	\$ 2,185,795.76	\$ 257,827.07
Special Road and Bridge Fund	253,518.91	1,419,178.86	1,544,834.03	127,863.74
Capital Improvement Fund	666,651.82	725,760.53	418,113.74	974,298.61
Assessment Fund	153,574.19	273,555.00	292,689.06	134,440.13
Election Services Fund	9,286.28	8,145.83	6,716.95	10,715.16
Prosecuting Attorney Training Fund	11,835.91	568.41	1,160.00	11,244.32
Prosecuting Attorney Tax Fund	5,187.39	4.08	-	5,191.47
Prosecuting Attorney Administrative Fund	12,605.89	1,980.32	1,430.00	13,156.21
Recorder's Users Fund	67,473.95	5,080.99	913.59	71,641.35
Domestic Fund	353.12	636.17	648.27	341.02
Inmate Security Fund	-	825.86	-	825.86
Unclaimed Fees Fund	7.40	-	7.40	-
County Interest Fund	22,435.31	99,770.64	91,223.40	30,982.55
Criminal Fees Fund	-	-	-	-
Flood Control Fund	-	1,275.07	1,275.07	-
Sheriff's Fund	4,481.20	31,248.03	29,715.58	6,013.65
Recorder's Tech Fund	4,620.54	2,679.17	184.25	7,115.46
LEPC Fund	-	3,630.12	3,630.12	-
Tax Maintenance Fund	41,691.80	18,265.11	15,442.57	44,514.34
Sheriff's Revolving Fund	443.24	19,881.16	16,900.00	3,424.40
Law Enforcement Training Fund	1,680.91	3,267.25	4,776.96	171.20
Land Sales Surplus Fund	-	-	-	-
Emergency Fund	308,831.03	55,480.34	829.89	363,481.48
Drug Enforcement Fund	100.18	0.06	-	100.24
TOTAL	\$ 2,015,833.21	\$ 4,663,801.69	\$ 4,616,286.64	\$ 2,063,348.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 605,284.80	\$ 650,798.97	\$ 549,709.10	\$ 620,574.55
Sales Taxes	845,000.00	918,086.42	750,000.00	837,465.24
Intergovernmental	83,310.00	97,591.95	89,751.00	95,180.28
Charges for Services	258,225.00	239,131.20	208,700.00	258,990.36
Interest	2,100.00	1,106.94	2,100.00	2,235.91
Other	170,900.00	184,365.53	124,100.00	177,918.34
Transfers In	200.00	1,374.67	1,550.00	204.01
TOTAL RECEIPTS	1,965,019.80	2,092,455.68	1,725,910.10	1,992,568.69
DISBURSEMENTS				
County Commission	85,270.00	85,882.40	85,920.00	85,223.23
County Clerk	71,512.00	71,418.86	68,160.00	68,050.03
Elections	141,746.00	122,822.89	83,450.00	88,153.04
Buildings and Grounds	87,800.00	81,842.47	173,213.00	168,989.92
Employee Fringe Benefits	286,600.00	264,066.43	322,049.49	229,171.33
County Treasurer	43,500.00	43,498.91	43,025.00	43,463.68
Collector	79,912.00	79,798.48	75,910.00	75,709.89
Recorder of Deeds	-	-	-	-
Circuit Clerk	54,382.00	49,283.59	53,620.00	46,716.17
Court Administration	11,500.00	7,599.95	12,155.00	8,804.23
Public Administrator	46,500.00	47,147.60	46,000.00	48,111.30
Sheriff	879,270.00	964,203.71	686,325.00	908,441.10
Jail	-	-	-	-
Prosecuting Attorney	93,550.00	91,787.04	92,257.68	90,546.85
Juvenile Officer	46,272.89	33,182.59	52,163.82	26,481.21
Coroner	22,400.00	22,224.60	22,100.00	23,242.97
Planning and Zoning	3,525.00	3,125.00	3,565.00	3,000.00
Other	132,724.00	118,379.75	140,320.00	130,766.81
Economic Development	10,000.00	20,203.49	23,300.00	25,324.00
Health and Welfare	100.00	-	500.00	-
Transfers Out	64,500.00	63,509.66	62,000.00	62,000.00
Transfer To Emergency Fund	59,000.00	59,000.00	53,600.00	53,600.00
TOTAL DISBURSEMENTS	2,220,063.89	2,228,977.42	2,099,633.99	2,185,795.76
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(255,044.09)	(136,521.74)	(373,723.89)	(193,227.07)
CASH, JANUARY 1	257,827.07	257,827.07	451,054.14	451,054.14
CASH, DECEMBER 31	\$ 2,782.98	\$ 121,305.33	\$ 77,330.25	\$ 257,827.07

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 568,625.76	\$ 602,055.87	\$ 549,163.32	\$ 607,115.86
Sales Taxes	172,000.00	183,601.41	155,000.00	167,485.61
Intergovernmental	1,051,815.00	734,476.99	1,025,790.00	552,336.01
Charges for Services	-	-	-	-
Interest	1,250.00	161.60	1,400.00	1,061.08
Other	90,550.00	101,705.97	83,160.00	91,065.54
Transfers In	200.00	773.25	750.00	114.76
TOTAL RECEIPTS	1,884,440.76	1,622,775.09	1,815,263.32	1,419,178.86
DISBURSEMENTS				
Salaries	340,790.00	346,984.53	364,720.00	337,572.41
Employee Fringe Benefits	176,600.00	148,917.20	173,422.30	158,860.79
Supplies	350,050.00	348,036.96	353,800.00	343,982.89
Insurance	33,500.00	33,091.69	28,989.24	32,862.13
Road & Bridge Materials	402,000.00	417,278.87	409,750.00	405,233.02
Equipment Repairs	65,000.00	76,505.19	50,000.00	56,283.41
Rentals	100.00	-	3,500.00	65.00
Equipment Purchases	125,000.00	67,023.56	138,500.00	141,250.00
R&B Construction	505,000.00	33,020.65	531,500.00	58,853.29
Other	13,800.00	13,724.41	13,950.00	9,871.09
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,011,840.00	1,484,583.06	2,068,131.54	1,544,834.03
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(127,399.24)	138,192.03	(252,868.22)	(125,655.17)
CASH, JANUARY 1	127,863.74	127,863.74	253,518.91	253,518.91
CASH, DECEMBER 31	\$ 464.50	\$ 266,055.77	\$ 650.69	\$ 127,863.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	CAPITAL IMPROVEMENT FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	521,000.00	550,746.62	490,000.00	502,411.98
Intergovernmental	-	-	-	-
Reimbursements	-	-	245,000.00	220,008.90
Interest	3,000.00	3,852.81	3,000.00	3,339.65
Other	-	0.96	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	524,000.00	554,600.39	738,000.00	725,760.53
DISBURSEMENTS				
UMB COP Payment	-	-	27,000.00	505.59
Trustee Fee Expense	-	1,365.50	5,000.00	2,037.75
Equipment Purchases	1,255,000.00	255,649.88	705,000.00	415,570.40
TOTAL DISBURSEMENTS	1,255,000.00	257,015.38	737,000.00	418,113.74
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(731,000.00)	297,585.01	1,000.00	307,646.79
CASH, JANUARY 1	974,298.61	974,298.61	666,651.82	666,651.82
CASH, DECEMBER 31	\$ 243,298.61	\$ 1,271,883.62	\$ 667,651.82	\$ 974,298.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	195,400.00	199,388.42	187,780.00	195,180.13	-	-	-	-
Charges for Services	15,800.00	11,235.72	5,538.00	15,989.75	-	-	-	-
Interest	150.00	65.32	140.00	145.01	8.00	2.99	-	7.51
Other	-	510.00	-	240.11	11,445.00	1,624.44	10,352.00	8,138.32
Transfers In	62,000.00	62,000.00	62,000.00	62,000.00	-	1,509.66	-	-
TOTAL RECEIPTS	273,350.00	273,199.46	255,458.00	273,555.00	11,453.00	3,137.09	10,352.00	8,145.83
DISBURSEMENTS								
Salaries	148,620.00	147,533.05	144,460.00	144,459.88	-	-	-	-
Employee Fringe Benefits	31,815.00	29,207.05	29,970.00	33,307.54	-	-	-	-
Materials and Supplies	21,030.00	35,614.78	30,100.00	34,586.81	6,500.00	8,071.80	6,000.00	1,261.79
Mileage and Training	8,500.00	5,274.07	8,500.00	10,802.69	5,000.00	412.25	4,000.00	460.12
Other	54,770.00	42,539.14	76,090.00	69,532.14	10,300.00	539.00	9,500.00	4,995.04
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	264,735.00	260,168.09	289,120.00	292,689.06	21,800.00	9,023.05	19,500.00	6,716.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,615.00	13,031.37	(33,662.00)	(19,134.06)	(10,347.00)	(5,885.96)	(9,148.00)	1,428.88
CASH, JANUARY 1	134,440.13	134,440.13	153,574.19	153,574.19	10,715.16	10,715.16	9,286.28	9,286.28
CASH, DECEMBER 31	<u>\$ 143,055.13</u>	<u>\$ 147,471.50</u>	<u>\$ 119,912.19</u>	<u>\$ 134,440.13</u>	<u>\$ 368.16</u>	<u>\$ 4,829.20</u>	<u>\$ 138.28</u>	<u>\$ 10,715.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800.00	515.49	750.00	559.09	-	-	-	-
Interest	10.00	4.20	12.00	9.32	5.00	1.93	12.00	4.08
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	810.00	519.69	762.00	568.41	5.00	1.93	12.00	4.08
DISBURSEMENTS								
Fees	-	-	-	-	5,100.00	-	5,000.00	-
Tuition	7,750.00	1,150.00	7,500.00	1,160.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,750.00	1,150.00	7,500.00	1,160.00	5,100.00	-	5,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,940.00)	(630.31)	(6,738.00)	(591.59)	(5,095.00)	1.93	(4,988.00)	4.08
CASH, JANUARY 1	11,244.32	11,244.32	11,835.91	11,835.91	5,191.47	5,191.47	5,187.39	5,187.39
CASH, DECEMBER 31	\$ 4,304.32	\$ 10,614.01	\$ 5,097.91	\$ 11,244.32	\$ 96.47	\$ 5,193.40	\$ 199.39	\$ 5,191.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				RECORDER'S USERS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	4,400.00	3,983.00	4,400.00	5,027.00
Interest	11.00	4.99	15.00	10.32	45.00	27.25	45.00	53.99
Other	2,050.00	1,381.50	2,350.00	1,970.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,061.00	1,386.49	2,365.00	1,980.32	4,445.00	4,010.25	4,445.00	5,080.99
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	76,086.35	-	69,783.44	913.59
Professional Services	3,000.00	690.00	3,000.00	1,200.00	-	-	-	-
Capital Outlay	2,000.00	-	1,000.00	-	-	-	-	-
State Fees	10,000.00	176.50	10,000.00	230.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	866.50	14,000.00	1,430.00	76,086.35	-	69,783.44	913.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,939.00)	519.99	(11,635.00)	550.32	(71,641.35)	4,010.25	(65,338.44)	4,167.40
CASH, JANUARY 1	13,156.21	13,156.21	12,605.89	12,605.89	71,641.35	71,641.35	67,473.95	67,473.95
CASH, DECEMBER 31	\$ 217.21	\$ 13,676.20	\$ 970.89	\$ 13,156.21	\$ -	\$ 75,651.60	\$ 2,135.51	\$ 71,641.35

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	DOMESTIC FUND				INMATE SECURITY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000.00	624.00	1,500.00	636.00	18,000.00	7,967.15	-	825.85
Interest	0.25	0.07	2.00	0.17	-	0.99	-	0.01
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.25	624.07	1,502.00	636.17	18,000.00	7,968.14	-	825.86
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Professional Services	1,341.00	588.06	1,855.00	648.27	-	-	-	-
Capital Outlay	-	-	-	-	18,000.00	5,227.68	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,341.00	588.06	1,855.00	648.27	18,000.00	5,227.68	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(340.75)	36.01	(353.00)	(12.10)	-	2,740.46	-	825.86
CASH, JANUARY 1	341.02	341.02	353.12	353.12	825.86	825.86	-	-
CASH, DECEMBER 31	\$ 0.27	\$ 377.03	\$ 0.12	\$ 341.02	\$ 825.86	\$ 3,566.32	\$ -	\$ 825.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	UNCLAIMED FEES FUND				COUNTY INTEREST FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,200.00	57.70	500.00	-	148,500.00	101,707.07	128,750.00	99,740.74
Interest	-	-	-	-	35.00	19.61	100.00	29.90
Other	-	-	-	-	-	-	1,500.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,200.00	57.70	500.00	-	148,535.00	101,726.68	130,350.00	99,770.64
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,200.00	34.38	507.40	7.40	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
To Agency Funds	-	-	-	-	179,000.00	119,943.30	152,000.00	91,223.40
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	34.38	507.40	7.40	179,000.00	119,943.30	152,000.00	91,223.40
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	23.32	(7.40)	(7.40)	(30,465.00)	(18,216.62)	(21,650.00)	8,547.24
CASH, JANUARY 1	-	-	7.40	7.40	30,982.55	30,982.55	22,435.31	22,435.31
CASH, DECEMBER 31	\$ -	\$ 23.32	\$ -	\$ -	\$ 517.55	\$ 12,765.93	\$ 785.31	\$ 30,982.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	CRIMINAL FEES FUND				FLOOD CONTROL FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	25,000.00	-	20,000.00	8,591.70	20,000.00	1,275.00
Interest	-	-	-	-	0.10	-	1.00	0.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	25,000.00	-	20,000.10	8,591.70	20,001.00	1,275.07
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	25,000.00	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
To Agency Funds	-	-	-	-	-	6,443.78	-	956.30
Transfers Out	-	-	-	-	20,000.10	2,147.92	20,001.00	318.77
TOTAL DISBURSEMENTS	-	-	25,000.00	-	20,000.10	8,591.70	20,001.00	1,275.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFF'S FUND				RECORDER'S TECH FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	32,989.00	14,722.18	30,000.00	16,123.54	2,500.00	2,082.50	2,500.00	2,675.00
Interest	16.00	3.62	10.00	8.57	5.00	2.89	5.00	4.17
Other	7,000.00	1,104.86	11,000.00	15,115.92	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	40,005.00	15,830.66	41,010.00	31,248.03	2,505.00	2,085.39	2,505.00	2,679.17
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,000.00	13,770.11	44,000.00	29,715.58	9,620.46	451.49	5,885.54	184.25
Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	40,000.00	13,770.11	44,000.00	29,715.58	9,620.46	451.49	5,885.54	184.25
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	5.00	2,060.55	(2,990.00)	1,532.45	(7,115.46)	1,633.90	(3,380.54)	2,494.92
CASH, JANUARY 1	6,013.65	6,013.65	4,481.20	4,481.20	7,115.46	7,115.46	4,620.54	4,620.54
CASH, DECEMBER 31	<u>\$ 6,018.65</u>	<u>\$ 8,074.20</u>	<u>\$ 1,491.20</u>	<u>\$ 6,013.65</u>	<u>\$ -</u>	<u>\$ 8,749.36</u>	<u>\$ 1,240.00</u>	<u>\$ 7,115.46</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	LEPC FUND				TAX MAINTENANCE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	5,500.00	7,801.24	12,000.00	3,630.12	-	-	-	-
Reimbursements	-	-	-	-	3,000.00	2,505.87	3,000.00	3,131.42
Interest	-	-	-	-	22.00	21.48	22.00	23.43
Tax Maintenance Commissions	-	-	-	-	15,000.00	14,814.62	12,700.00	15,110.26
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,500.00	7,801.24	12,000.00	3,630.12	18,022.00	17,341.97	15,722.00	18,265.11
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,500.00	7,801.24	12,000.00	3,630.12	8,100.00	650.00	5,100.00	498.11
Equipment Purchases	-	-	-	-	26,000.00	19,457.37	23,000.00	14,944.46
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,500.00	7,801.24	12,000.00	3,630.12	34,100.00	20,107.37	28,100.00	15,442.57
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(16,078.00)	(2,765.40)	(12,378.00)	2,822.54
CASH, JANUARY 1	-	-	-	-	44,514.34	44,514.34	41,691.80	41,691.80
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,436.34</u>	<u>\$ 41,748.94</u>	<u>\$ 29,313.80</u>	<u>\$ 44,514.34</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFFS REVOLVING FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	19,878.00	18,250.00	16,900.00	19,878.00	7,500.00	3,122.03	5,500.00	3,266.36
Interest	1.00	1.95	2.00	3.16	1.00	0.34	5.00	0.89
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	19,879.00	18,251.95	16,902.00	19,881.16	7,501.00	3,122.37	5,505.00	3,267.25
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Training	-	-	-	-	7,500.00	1,085.53	7,080.00	4,776.96
Materials and Supplies	17,600.00	14,018.28	11,400.00	10,356.12	-	-	-	-
Other	-	-	-	-	-	-	-	-
Equipment Purchases	5,500.00	2,510.00	5,500.00	6,543.88	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	23,100.00	16,528.28	16,900.00	16,900.00	7,500.00	1,085.53	7,080.00	4,776.96
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,221.00)	1,723.67	2.00	2,981.16	1.00	2,036.84	(1,575.00)	(1,509.71)
CASH, JANUARY 1	3,424.40	3,424.40	443.24	443.24	171.20	171.20	1,680.91	1,680.91
CASH, DECEMBER 31	\$ 203.40	\$ 5,148.07	\$ 445.24	\$ 3,424.40	\$ 172.20	\$ 2,208.04	\$ 105.91	\$ 171.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	LAND SALES SURPLUS FUND				EMERGENCY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,500.00	-	7,500.00	-	-	-	-	-
Interest	-	-	-	-	20.00	20.36	10.00	26.03
Other	-	-	-	-	1,900.00	2,091.93	500.00	1,854.31
Transfers In	-	-	-	-	60,000.00	59,000.00	54,250.00	53,600.00
TOTAL RECEIPTS	7,500.00	-	7,500.00	-	61,920.00	61,112.29	54,760.00	55,480.34
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	7,500.00	-	7,500.00	-	-	1,162.74	-	829.89
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	425,000.00	-	360,750.00	-
TOTAL DISBURSEMENTS	7,500.00	-	7,500.00	-	425,000.00	1,162.74	360,750.00	829.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(363,080.00)	59,949.55	(305,990.00)	54,650.45
CASH, JANUARY 1	-	-	-	-	363,481.48	363,481.48	308,831.03	308,831.03
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 401.48	\$423,431.03	\$ 2,841.03	\$363,481.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2014 AND 2013

	DRUG ENFORCEMENT FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	0.10	0.01	2.00	0.06
Other	400.00	-	10.00	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	400.10	0.01	12.00	0.06
DISBURSEMENTS				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Other	400.00	-	112.18	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	400.00	-	112.18	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	0.10	0.01	(100.18)	0.06
CASH, JANUARY 1	100.24	100.24	100.18	100.18
CASH, DECEMBER 31	\$ 100.34	\$ 100.25	\$ -	\$ 100.24

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	<u>Collector Funds</u>	<u>Recorders Funds</u>	<u>Sheriff Funds</u>	<u>General Schools</u>	<u>District Schools</u>
ASSETS					
Cash and Cash Equivalents	\$ 8,825,575.03	\$ 5,263.78	\$ 15,157.50	\$ -	\$ -
Total Assets	8,825,575.03	5,263.78	15,157.50	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	8,825,575.03	5,263.78	15,157.50	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,825,575.03</u>	<u>\$ 5,263.78</u>	<u>\$ 15,157.50</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Tri-Co Nursing</u>	<u>Monroe City Ambulance #1</u>	<u>Monroe City Ambulance #2</u>	<u>Ralls County Ambulance #3</u>	<u>Ralls County Library</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Health Department</u>	<u>Hanibal Rural Fire Department</u>	<u>941 Tax Account</u>	<u>CERF Fund</u>	<u>Grand Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,166.68	\$ 8,848,162.99
Total Assets	-	-	-	2,166.68	8,848,162.99
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	2,166.68	8,848,162.99
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,166.68</u>	<u>\$ 8,848,162.99</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	<u>Collector Funds</u>	<u>Recorders Funds</u>	<u>Sheriff Funds</u>	<u>General Schools</u>	<u>District Schools</u>
ASSETS					
Cash and Cash Equivalents	\$ 8,622,851.65	\$ 6,953.09	\$ 10,977.50	\$ -	\$ -
Total Assets	8,622,851.65	6,953.09	10,977.50	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	8,622,851.65	6,953.09	10,977.50	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,622,851.65</u>	<u>\$ 6,953.09</u>	<u>\$ 10,977.50</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Tri-Co Nursing</u>	<u>Monroe City Ambulance #1</u>	<u>Monroe City Ambulance #2</u>	<u>Ralls County Ambulance #3</u>	<u>Ralls County Library</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Health Department</u>	<u>Hanibal Rural Fire Department</u>	<u>941 Tax Account</u>	<u>CERF Fund</u>	<u>Grand Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,683.77	\$ 8,643,466.01
Total Assets	-	-	-	2,683.77	8,643,466.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	2,683.77	8,643,466.01
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,683.77</u>	<u>\$ 8,643,466.01</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ralls, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

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

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

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

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

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash—All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

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

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

D. Budget 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 adopts a budget for each governmental fund.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments 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 for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

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

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation was:

	2014	2013
Real Estate	\$ 125,496,370	\$ 118,358,780
Personal Property	78,982,655	69,840,910
Railroad and Utilities	25,757,805	22,767,517
	\$ 230,236,830	\$ 210,967,207

During 2014 and 2013, the County Commission approved a \$0.5749 and \$0.5814 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purpose of County taxation, as follows:

	2014	2013
General Revenue Fund	\$ 0.2952	\$ 0.2997
Special Road and Bridge Fund	0.2797	0.2817
	\$ 0.5749	\$ 0.5814

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amounts of the County's deposits were \$2,422,873.12 and \$2,063,348.26, and the bank balances were \$9,077,398.08 and \$7,423,637.95, respectively. The total bank balance as of December 31, 2014, and December 31, 2013, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 2,422,873.12
Total Governmental Funds	<u>2,422,873.12</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>8,848,162.99</u>
Total Agency Funds	<u>8,848,162.99</u>
Total Deposits as of December 31, 2014	<u>\$ 11,271,036.11</u>

The carrying values of deposits at December 31, 2013, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 2,063,348.26
Total Governmental Funds	<u>2,063,348.26</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>8,643,466.01</u>
Total Agency Funds	<u>8,643,466.01</u>
Total Deposits as of December 31, 2014	<u>\$ 10,706,814.27</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LONG-TERM DEBT

In October 2004, the County issued Certificates of Participation (COPs) in the amount of \$2,455,000. The maturity of the COPs is October 1, 2014, with a varying interest rate between 2.00% and 4.00%. United Missouri Bank (UMB) is the holder of these COPs. On December 8, 2013, the commission made a resolution to pay the October 2004 certificates in full in the amount of \$25,000 plus interest of \$1,037.50.

As of December 31, 2013, the 2004 COP's were paid in full. The future payments for the County's lease purchase agreement are as follows.

<u>Description</u>	<u>Balance 12/31/2012</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/2013</u>	<u>Interest Paid</u>
Series 2004 COPs	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 1,037.50
TOTAL	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ 1,037.50</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. CAPITAL LEASES

On July 14, 2014, the County entered into a financing agreement with Commerce Bank to purchase 2 – 2014 Dodge Charger police cars including service contracts for \$70,083.23. This 40-month financing agreement calls for 4 annual payments in the amount of \$18,403.65, with a final payment due on November 29, 2017.

As of December 31, 2014, the unpaid principal balance was \$52,378.70. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2014 Dodge Chargers	\$ -	\$ 70,083.23	\$ 17,704.53	\$ 52,378.70	\$ 699.12
TOTAL	\$ -	\$ 70,083.23	\$ 17,704.53	\$ 52,378.70	\$ 699.12

On March 17, 2014, the County entered into a financing agreement with Caterpillar Financial Services Corporation for one new 140M2AWD Caterpillar Motor Grader for \$166,800.00. This financing agreement calls for one payment of \$36,629.59 to be paid in arrears, and the balance of the lease payments are payable in 4 successive annual payments, of which the first 3 payments are in the amount of \$36,629.59 each, and the last payment is in the amount of \$36,630.59. The interest rate is 3.2% per annum.

As of December 31, 2014, the unpaid principal balance was \$166,800.00. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2014 CaterPillar	\$ -	\$ 166,800.00	\$ -	\$ 166,800.00	\$ -
TOTAL	\$ -	\$ 166,800.00	\$ -	\$ 166,800.00	\$ -

On November 23, 2013, the County entered into a financing agreement with Commerce Bank to purchase 2 – 2012 Dodge Charger police cars, 1 – 2013 Dodge Charger police car, and 1 – 2013 Ram 1500 for \$103,103.29. This 48-month financing agreement calls for 4 annual payments in the amount of \$27,505.80 with a final payment due on November 29, 2017.

As of December 31, 2014, the unpaid principal balance was \$78,329.73. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2013, 2012 Dodge Vehicles	\$ 103,103.29	\$ -	\$ 24,773.56	\$ 78,329.73	\$ 2,732.24
TOTAL	\$ 103,103.29	\$ -	\$ 24,773.56	\$ 78,329.73	\$ 2,732.24

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. CAPITAL LEASES (concluded)

As of December 31, 2013, the unpaid principal balance was \$103,103.29. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2012	Additions	Payments	Balance 12/31/2013	Interest Paid
2013, 2012 Dodge Vehicles	\$ -	\$ 103,103.29	\$ -	\$ 103,103.29	\$ -
TOTAL	\$ -	\$ 103,103.29	\$ -	\$ 103,103.29	\$ -

V. OPERATING LEASES

On May 21, 2009, the County entered into a 60-month financing agreement with De Lage Landen to lease copiers from RTD office products. The financing agreement calls for 60 monthly payments in the amount of \$398.17. The County has the option to purchase the copiers at the end of the operating lease for the fair market value – the County terminated this lease in 2014.

On March 22, 2012, the County entered into an agreement with Midland GIS Solutions to use geographic information systems. The agreement covers the creation and construction of a GIS mapping program for Ralls County. The contract requires Ralls County to make quarterly payments of \$11,650 from April 1, 2012, through December 13, 2013, and one payment of \$23,300 on February 1, 2014. Ralls County paid GIS \$46,600 in 2014. Upon completion of the terms mentioned previously, the County will pay Midland GIS \$500.00 per month for web GIS hosting services until the County cancels the service. The County completed payments on this lease in 2014.

On March 28, 2014, the County entered into a 60-month financing agreement with Canon Financial Services to lease copiers from Data Comm. The financing agreement calls for 60 monthly payments in the amount of \$455.00. The County has the option to purchase the copiers at the end of the operating lease for the fair market value.

The future payments for operating leases entered into by the County for the year ended December 31, 2014, are as follows:

Year Ending December 31	Cannon Copiers
2015	\$ 5,460.00
2016	5,460.00
2017	5,460.00
2018	5,460.00
2019	5,460.00
	\$ 27,300.00

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. OPERATING LEASES (concluded)

The future payments for operating leases entered into by the County for the year ended December 31, 2013, are as follows:

Year Ending December 31	De Lage Copiers	GIS Software	Total
2013	2,389.02	23,300.00	25,689.02
	\$ 2,389.02	\$ 23,300.00	\$ 25,689.02

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2014, and 2013 are as follows:

	2014		2013	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 1,374.67	\$ 122,509.66	\$ 204.01	\$ 115,600.00
Special Road and Bridge	773.25	-	114.76	-
Assessment	62,000.00	-	62,000.00	-
Election Services	1,509.66	-	-	-
Flood Control	-	2,147.92	-	318.77
Emergency	59,000.00	-	53,600.00	-
TOTAL	\$ 124,657.58	\$ 124,657.58	\$ 115,918.77	\$ 115,918.77

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

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

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

B. Funding Status

Full-time employees of Ralls County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 9.4% (General) and 5.2% (Police) for 2013 and 9.6% (General) and 6.2% (Police) for 2014, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2014 and 2013 were as follows:

<u>2014</u>	
Annual required contribution	\$ 111,385
Interest on net pension obligation	4,195
Adjustment to annual required contribution	<u>(3,192)</u>
Annual pension cost	112,388
Actual contributions	<u>106,261</u>
Increase (decrease) in NPO	6,127
NPO beginning of year	<u>57,862</u>
NPO end of year	<u>\$ 63,989</u>

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012, was 24 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2013, was 14 years for the General division and 1 year for the Police division.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 97,221	83.2%	\$ 46,463
2013	100,925	88.7	57,862
2014	112,388	94.5	63,989

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/29/2012	\$1,495,865	\$1,573,365	\$ 77,500	95%	\$1,135,876	7%
2/28/2013	1,477,155	1,536,807	59,652	96	998,366	6
2/28/2014	1,808,505	1,689,009	(119,496)	107	1,230,171	

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

2013

Annual required contribution	\$ 100,478
Interest on net pension obligation	3,369
Adjustment to annual required contribution	(2,922)
Annual pension cost	100,925
Actual contributions	89,526
Increase (decrease) in NPO	11,399
NPO beginning of year	46,463
NPO end of year	\$ 57,862

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011, was 30 years for the General division and 1 year for the Police division. The amortization period as of February 29, 2012, was 24 years for the General division and 30 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 82,771	77.2%	\$ 30,083
2012	97,221	83.2	46,463
2013	100,925	88.7	57,862

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/28/2011	\$1,307,239	\$1,434,186	\$ 126,947	91%	\$979,845	13%
2/29/2012	1,495,865	1,575,365	77,500	95	1,135,876	7
2/28/2013	1,477,155	1,536,807	59,652	96	998,366	6

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VIII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of approximately \$28,497.64 and \$28,669.80, respectively, for the years then ended.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 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 has contributed \$2,244.00 and \$2,244.00, respectively, for the years ended December 31, 2014, and 2013.

X. 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. There were no participants at December 31, 2014 or December 31, 2013.

XI. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Ralls County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is offered to full time employees at the rate of one-half day for each calendar month of employment and are allowed to accumulate up to 30 days. Sick time is paid for at a rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

THE COUNTY OF RALLS
 NEW LONDON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2014 AND 2013

XIII. 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 created pursuant to state statute (Chapter 537.70 RSMo. 1986). 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 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 also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XIV. PRIOR PERIOD ADJUSTMENT

The fund balance as of December 31, 2012, has been restated to reflect the proper classification of the CERF Fund to an agency fund within the financial statements. See the table below for the prior year changes to the financial statements:

Description	Governmental Activities
Fund Balance at December 31, 2012, as previously reported	\$ 2,018,348.18
CERF Fund Properly Classed to an Agency Fund	(2,514.97)
Fund Balance at December 31, 2012, as restated	\$ 2,015,833.21

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2013, actual expenses exceeded budgeted expenses in the General Revenue Fund and Assessment Fund.
- II. For the year ended December 31, 2014, actual expenses exceeded budgeted expenses in the General Revenue Fund and LEPC Fund.
- III. For the year ended December 31, 2013, no budget was adopted for the Inmate Security Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'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*

Independent Auditor's Report

To the County Commission
The County of Ralls, 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 the County of Ralls (County) as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 were not 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 responses that we consider to be significant deficiencies. [FS 2014-001 and FS 2014-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

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

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS (concluded)

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

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

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINDINGS

FS 12/11-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Status: Finding was resolved in the current audit period.

FS 12/11-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Finding unresolved by County for the years ending December 31, 2014, and 2013. See FS 2014-001.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

FS 12/11-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Status: Finding unresolved by County for the years ending December 31, 2014, and 2013. See FS 2014-002.

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that there were no bank reconciliations for the Sheriff's office.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Status: Finding was resolved in the current audit period.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Ralls

In planning and performing our audit of the regulatory based financial statements of the County of Ralls (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

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

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

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

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 April 13, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years 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. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of 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 June 19, 2015.

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

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants (Concluded)

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.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.