



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dent County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dent 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, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-075

**The County of Dent
Salem, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2017 & 2016**



**The County of Dent
Salem, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dent County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dent County, Missouri, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dent County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dent County, Missouri as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Dent County, Missouri as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2018 on our consideration of Dent County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dent County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dent County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 25, 2018

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

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 1,257,291	\$ 1,532,065	\$ 1,596,851	\$ 1,192,505
Special Road and Bridge	238,395	1,758,248	1,525,743	470,900
Assessment	88,758	187,626	178,745	97,639
911 Emergency Services	53,612	46,014	46,623	53,003
Law Enforcement Sales Tax	155,363	1,404,732	1,286,379	273,716
Children's Trust	4,088	4,118	3,742	4,464
Law Enforcement Restitution	70,343	48,492	71,164	47,671
Law Enforcement Training	9,690	4,372	3,919	10,143
Prosecuting Attorney Bad Check Fee	14,824	2,954	5,000	12,778
Prosecuting Attorney Training	6,309	785	-	7,094
Recorder User Fee	14,899	13,318	11,021	17,196
Collector's Tax Maintenance	65,406	19,504	12,852	72,058
Senate Bill 40 Board	681,757	644,267	599,968	726,056
Senior Citizens Services Board	16,348	82,378	79,710	19,016
Sheriff Revolving	19,875	3,550	14,708	8,717
Special Election Services	169	1	-	170
Title III National Forest	129,002	841	-	129,843
Tourism Tax	139,154	62,697	57,199	144,652
Inmate Security	15,079	24,800	25,000	14,879
Total	<u>\$ 2,980,362</u>	<u>\$ 5,840,762</u>	<u>\$ 5,518,624</u>	<u>\$ 3,302,500</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 1,249,077	\$ 1,454,589	\$ 1,446,375	\$ 1,257,291
Special Road and Bridge	120,708	1,626,913	1,509,226	238,395
Assessment	91,948	186,411	189,601	88,758
911 Emergency Services	87,051	40,583	74,022	53,612
Law Enforcement Sales Tax	252,727	1,137,573	1,234,937	155,363
Children's Trust	2,992	4,088	2,992	4,088
Law Enforcement Restitution	68,671	41,348	39,676	70,343
Law Enforcement Training	8,363	4,034	2,707	9,690
Prosecuting Attorney Bad Check Fee	17,560	3,614	6,350	14,824
Prosecuting Attorney Training	5,519	790	-	6,309
Recorder User Fee	12,191	11,029	8,321	14,899
Collector's Tax Maintenance	61,754	16,825	13,173	65,406
Senate Bill 40 Board	818,896	557,639	694,778	681,757
Senior Citizens Services Board	12,921	78,492	75,065	16,348
Sheriff Revolving	17,620	40,651	38,396	19,875
Special Election Services	2,636	2,937	5,404	169
Title III National Forest	128,228	774	-	129,002
Tourism Tax	150,046	64,035	74,927	139,154
Inmate Security	129	29,950	15,000	15,079
Total	<u>\$ 3,109,037</u>	<u>\$ 5,302,275</u>	<u>\$ 5,430,950</u>	<u>\$ 2,980,362</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	General Revenue Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 76,000	\$ 79,068	\$ 80,000	\$ 76,158
Sales Taxes	826,642	885,029	811,909	826,642
Intergovernmental	202,000	198,278	191,155	212,712
Charges for Services	261,710	272,102	270,597	262,392
Interest	8,400	9,528	8,000	8,397
Other Receipts	99,060	83,060	78,265	63,288
Transfers In	5,000	5,000	5,000	5,000
Total Receipts	\$ 1,478,812	\$ 1,532,065	\$ 1,444,926	\$ 1,454,589
Disbursements				
County Commission	\$ 96,100	\$ 93,502	\$ 94,850	\$ 95,388
County Clerk	114,467	113,859	113,445	110,305
Elections	31,900	32,414	82,200	80,723
Buildings and Grounds	136,522	131,205	126,686	114,476
Employee Fringe Benefits	182,700	162,740	150,700	149,074
County Treasurer	48,310	46,040	48,260	46,331
County Collector	102,954	91,687	101,884	91,535
Recorder of Deeds	59,850	59,102	59,500	59,971
Circuit Clerk	91,916	39,871	30,420	29,891
Court Administration	5,379	3,050	5,617	2,972
Public Administrator	60,640	56,468	60,356	58,585
Prosecuting Attorney	283,963	276,977	274,440	277,853
Juvenile Officer	57,695	57,695	57,695	57,695
County Coroner	33,175	30,355	33,525	29,969
Other General County Government	157,640	172,481	159,750	91,572
Capital Outlay	125,000	169,448	125,000	90,755
Debt Services	21,000	20,957	20,000	20,280
Transfers Out	39,000	39,000	39,000	39,000
Emergency Fund	44,400	-	43,500	-
Total Disbursements	\$ 1,692,611	\$ 1,596,851	\$ 1,626,828	\$ 1,446,375
Receipts Over (Under)				
Disbursements	\$ (213,799)	\$ (64,786)	\$ (181,902)	\$ 8,214
Cash and Equivalents, Jan 1	1,257,291	1,257,291	1,249,077	1,249,077
Cash and Equivalents, Dec 31	\$ 1,043,492	\$ 1,192,505	\$ 1,067,175	\$ 1,257,291

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Special Road and Bridge Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 410,000	\$ 426,292	\$ 420,000	\$ 409,943
Sales Taxes	390,000	412,526	405,000	381,431
Intergovernmental	755,450	751,097	755,020	763,178
Charges for Services	-	-	-	-
Interest	2,000	2,428	2,000	1,974
Other Receipts	12,000	165,905	12,000	70,387
Transfers In	-	-	-	-
Total Receipts	\$ 1,569,450	\$ 1,758,248	\$ 1,594,020	\$ 1,626,913
Disbursements				
Salaries	\$ 463,840	\$ 427,899	\$ 456,560	\$ 433,483
Employee Fringe Benefits	149,000	137,001	138,450	123,767
Supplies	191,750	116,393	186,600	126,656
Insurance	34,000	35,457	29,600	32,053
Road and Bridge Materials	494,250	495,292	470,450	448,226
Equipment Repairs	50,000	80,186	50,000	50,430
Equipment Purchases	225,000	224,239	225,000	284,854
Other Expenditures	10,800	9,276	10,800	9,757
Transfers Out	-	-	-	-
Total Disbursements	\$ 1,618,640	\$ 1,525,743	\$ 1,567,460	\$ 1,509,226
Receipts Over (Under)				
Disbursements	\$ (49,190)	\$ 232,505	\$ 26,560	\$ 117,687
Cash and Equivalents, Jan 1	238,395	238,395	120,708	120,708
Cash and Equivalents, Dec 31	\$ 189,205	\$ 470,900	\$ 147,268	\$ 238,395

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Assessment Fund				911 Emergency Services Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	140,750	139,977	140,290	138,172	-	-	-	-
Charges for Services	-	-	-	-	43,000	45,668	43,000	40,109
Interest	900	761	600	806	475	346	635	474
Other Receipts	9,000	7,888	9,000	8,433	-	-	-	-
Transfers In	39,000	39,000	39,000	39,000	-	-	-	-
Total Receipts	\$ 189,650	\$ 187,626	\$ 188,890	\$ 186,411	\$ 43,475	\$ 46,014	\$ 43,635	\$ 40,583
Disbursements								
Salaries	\$ 115,610	\$ 104,372	\$ 114,050	\$ 110,346	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	36,749	31,502	34,755	33,139	-	-	-	-
Materials and Supplies	24,500	14,643	23,000	10,767	10,000	2,173	2,500	3,475
Services	22,800	24,475	22,300	20,252	4,000	3,876	-	-
Other Expenditures	45,000	3,753	47,000	15,097	-	-	-	-
Capital Outlay	-	-	-	-	-	-	40,900	32,533
Transfers Out	-	-	-	-	40,574	40,574	38,014	38,014
Total Disbursements	\$ 244,659	\$ 178,745	\$ 241,105	\$ 189,601	\$ 54,574	\$ 46,623	\$ 81,414	\$ 74,022
Receipts Over (Under)								
Disbursements	\$ (55,009)	\$ 8,881	\$ (52,215)	\$ (3,190)	\$ (11,099)	\$ (609)	\$ (37,779)	\$ (33,439)
Cash and Equivalents, Jan 1	88,758	88,758	91,948	91,948	53,612	53,612	87,051	87,051
Cash and Equivalents, Dec 31	\$ 33,749	\$ 97,639	\$ 39,733	\$ 88,758	\$ 42,513	\$ 53,003	\$ 49,272	\$ 53,612

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Sales Tax Fund				Children's Trust Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	826,872	1,022,093	811,907	826,872	-	-	-	-
Intergovernmental	62,135	49,068	66,242	62,279	-	-	-	-
Charges for Services	209,827	251,348	252,352	169,826	4,000	4,118	3,200	4,088
Interest	1,707	1,179	1,585	1,708	-	-	-	-
Other Receipts	40,000	5,470	20,000	5,273	-	-	-	-
Transfers In	115,455	75,574	71,615	71,615	-	-	-	-
Total Receipts	\$ 1,255,996	\$ 1,404,732	\$ 1,223,701	\$ 1,137,573	\$ 4,000	\$ 4,118	\$ 3,200	\$ 4,088
Disbursements								
Salaries	\$ 694,522	\$ 731,030	\$ 668,079	\$ 644,882	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	195,217	189,695	175,129	159,552	-	-	-	-
Materials and Supplies	69,739	70,246	64,266	66,380	-	-	-	-
Services	195,574	219,683	229,768	258,264	3,742	3,742	2,992	2,992
Other Expenditures	62,185	5,066	59,461	23,876	-	-	-	-
Capital Outlay	72,424	70,659	62,351	81,983	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,289,661	\$ 1,286,379	\$ 1,259,054	\$ 1,234,937	\$ 3,742	\$ 3,742	\$ 2,992	\$ 2,992
Receipts Over (Under)								
Disbursements	\$ (33,665)	\$ 118,353	\$ (35,353)	\$ (97,364)	\$ 258	\$ 376	\$ 208	\$ 1,096
Cash and Equivalents, Jan 1	155,363	155,363	252,727	252,727	4,088	4,088	2,992	2,992
Cash and Equivalents, Dec 31	\$ 121,698	\$ 273,716	\$ 217,374	\$ 155,363	\$ 4,346	\$ 4,464	\$ 3,200	\$ 4,088

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Restitution Fund				Law Enforcement Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	48,137	50,000	40,901	4,000	4,308	4,000	3,979
Interest	400	355	400	447	45	64	45	55
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 50,400	\$ 48,492	\$ 50,400	\$ 41,348	\$ 4,045	\$ 4,372	\$ 4,045	\$ 4,034
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	15,274	-	-	-	-	-	-
Services	61,500	55,890	53,000	39,676	4,000	3,919	4,000	2,707
Other Expenditures	59,243	-	66,071	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 120,743	\$ 71,164	\$ 119,071	\$ 39,676	\$ 4,000	\$ 3,919	\$ 4,000	\$ 2,707
Receipts Over (Under)								
Disbursements	\$ (70,343)	\$ (22,672)	\$ (68,671)	\$ 1,672	\$ 45	\$ 453	\$ 45	\$ 1,327
Cash and Equivalents, Jan 1	70,343	70,343	68,671	68,671	9,690	9,690	8,363	8,363
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 47,671</u>	<u>\$ -</u>	<u>\$ 70,343</u>	<u>\$ 9,735</u>	<u>\$ 10,143</u>	<u>\$ 8,408</u>	<u>\$ 9,690</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Prosecuting Attorney Bad Check Fee Fund				Prosecuting Attorney Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,500	2,878	3,000	3,523	550	722	550	740
Interest	75	76	70	91	20	63	12	50
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,575</u>	<u>\$ 2,954</u>	<u>\$ 3,070</u>	<u>\$ 3,614</u>	<u>\$ 570</u>	<u>\$ 785</u>	<u>\$ 562</u>	<u>\$ 790</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000	-	2,000	1,350	-	-	-	-
Services	-	-	-	-	900	-	900	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	5,000	5,000	5,000	5,000	-	-	-	-
Total Disbursements	<u>\$ 7,000</u>	<u>\$ 5,000</u>	<u>\$ 7,000</u>	<u>\$ 6,350</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (3,425)	\$ (2,046)	\$ (3,930)	\$ (2,736)	\$ (330)	\$ 785	\$ (338)	\$ 790
Cash and Equivalents, Jan 1	<u>14,824</u>	<u>14,824</u>	<u>17,560</u>	<u>17,560</u>	<u>6,309</u>	<u>6,309</u>	<u>5,519</u>	<u>5,519</u>
Cash and Equivalents, Dec 31	<u>\$ 11,399</u>	<u>\$ 12,778</u>	<u>\$ 13,630</u>	<u>\$ 14,824</u>	<u>\$ 5,979</u>	<u>\$ 7,094</u>	<u>\$ 5,181</u>	<u>\$ 6,309</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder User Fee Fund				Collector's Tax Maintenance Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	10,000	13,218	9,900	10,943	16,500	19,030	18,000	16,588
Interest	65	100	65	86	240	474	117	237
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,065</u>	<u>\$ 13,318</u>	<u>\$ 9,965</u>	<u>\$ 11,029</u>	<u>\$ 16,740</u>	<u>\$ 19,504</u>	<u>\$ 18,117</u>	<u>\$ 16,825</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	10,044	8,000	7,336	49,100	12,852	43,100	13,173
Services	1,000	977	1,000	985	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,000</u>	<u>\$ 11,021</u>	<u>\$ 9,000</u>	<u>\$ 8,321</u>	<u>\$ 49,100</u>	<u>\$ 12,852</u>	<u>\$ 43,100</u>	<u>\$ 13,173</u>
Receipts Over (Under)								
Disbursements	\$ (935)	\$ 2,297	\$ 965	\$ 2,708	\$ (32,360)	\$ 6,652	\$ (24,983)	\$ 3,652
Cash and Equivalents, Jan 1	<u>14,899</u>	<u>14,899</u>	<u>12,191</u>	<u>12,191</u>	<u>65,406</u>	<u>65,406</u>	<u>61,754</u>	<u>61,754</u>
Cash and Equivalents, Dec 31	<u>\$ 13,964</u>	<u>\$ 17,196</u>	<u>\$ 13,156</u>	<u>\$ 14,899</u>	<u>\$ 33,046</u>	<u>\$ 72,058</u>	<u>\$ 36,771</u>	<u>\$ 65,406</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Senate Bill 40 Board Fund				Senior Citizens Services Board Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 218,000	\$ 226,568	\$ 224,000	\$ 218,062	\$ 75,000	\$ 77,248	\$ 75,000	\$ 74,094
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	342,900	415,417	325,300	337,102	-	-	-	-
Interest	2,000	2,113	2,300	2,017	200	284	200	239
Other Receipts	168	169	600	458	3,866	4,846	5,004	4,159
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 563,068	\$ 644,267	\$ 552,200	\$ 557,639	\$ 79,066	\$ 82,378	\$ 80,204	\$ 78,492
Disbursements								
Salaries	\$ 204,486	\$ 208,712	\$ 177,560	\$ 182,670	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	78,660	74,724	58,020	60,533	-	-	-	-
Materials and Supplies	-	52,167	-	39,067	-	-	-	-
Services	271,788	261,977	248,371	404,920	78,862	79,710	75,065	75,065
Other Expenditures	5,000	-	5,000	-	-	-	-	-
Capital Outlay	30,000	2,388	30,000	7,588	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 589,934	\$ 599,968	\$ 518,951	\$ 694,778	\$ 78,862	\$ 79,710	\$ 75,065	\$ 75,065
Receipts Over (Under)								
Disbursements	\$ (26,866)	\$ 44,299	\$ 33,249	\$ (137,139)	\$ 204	\$ 2,668	\$ 5,139	\$ 3,427
Cash and Equivalents, Jan 1	681,757	681,757	818,896	818,896	16,348	16,348	12,921	12,921
Cash and Equivalents, Dec 31	\$ 654,891	\$ 726,056	\$ 852,145	\$ 681,757	\$ 16,552	\$ 19,016	\$ 18,060	\$ 16,348

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Sheriff Revolving Fund				Special Election Services Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000	-	5,000	2,928
Charges for Services	30,000	3,490	30,000	40,552	-	-	-	-
Interest	115	60	115	99	10	1	10	9
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 30,115</u>	<u>\$ 3,550</u>	<u>\$ 30,115</u>	<u>\$ 40,651</u>	<u>\$ 3,010</u>	<u>\$ 1</u>	<u>\$ 5,010</u>	<u>\$ 2,937</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,200	3,980	4,000	8,151	3,000	-	7,000	5,404
Services	19,881	728	18,601	11,644	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	20,000	10,000	25,000	18,601	-	-	-	-
Total Disbursements	<u>\$ 44,081</u>	<u>\$ 14,708</u>	<u>\$ 47,601</u>	<u>\$ 38,396</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 5,404</u>
Receipts Over (Under)								
Disbursements	\$ (13,966)	\$ (11,158)	\$ (17,486)	\$ 2,255	\$ 10	\$ 1	\$ (1,990)	\$ (2,467)
Cash and Equivalents, Jan 1	<u>19,875</u>	<u>19,875</u>	<u>17,620</u>	<u>17,620</u>	<u>169</u>	<u>169</u>	<u>2,636</u>	<u>2,636</u>
Cash and Equivalents, Dec 31	<u>\$ 5,909</u>	<u>\$ 8,717</u>	<u>\$ 134</u>	<u>\$ 19,875</u>	<u>\$ 179</u>	<u>\$ 170</u>	<u>\$ 646</u>	<u>\$ 169</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Title III National Forest Fund				Tourism Tax Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	60,000	61,710	61,000	63,062
Charges for Services	-	-	-	-	-	-	-	-
Interest	842	841	750	774	900	987	850	973
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 842</u>	<u>\$ 841</u>	<u>\$ 750</u>	<u>\$ 774</u>	<u>\$ 60,900</u>	<u>\$ 62,697</u>	<u>\$ 61,850</u>	<u>\$ 64,035</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	100,000	57,199	100,000	74,927
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	129,844	-	128,978	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 129,844</u>	<u>\$ -</u>	<u>\$ 128,978</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 57,199</u>	<u>\$ 100,000</u>	<u>\$ 74,927</u>
Receipts Over (Under)								
Disbursements	\$ (129,002)	\$ 841	\$ (128,228)	\$ 774	\$ (39,100)	\$ 5,498	\$ (38,150)	\$ (10,892)
Cash and Equivalents, Jan 1	<u>129,002</u>	<u>129,002</u>	<u>128,228</u>	<u>128,228</u>	<u>139,154</u>	<u>139,154</u>	<u>150,046</u>	<u>150,046</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 129,843</u>	<u>\$ -</u>	<u>\$ 129,002</u>	<u>\$ 100,054</u>	<u>\$ 144,652</u>	<u>\$ 111,896</u>	<u>\$ 139,154</u>

See Notes to the Financial Statements

**The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016**

	Inmate Security Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	45,000	24,740	15,000	29,907
Interest	40	60	30	43
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 45,040</u>	<u>\$ 24,800</u>	<u>\$ 15,030</u>	<u>\$ 29,950</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	55,000	25,000	15,000	15,000
Total Disbursements	<u>\$ 55,000</u>	<u>\$ 25,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Receipts Over (Under)				
Disbursements	\$ (9,960)	\$ (200)	\$ 30	\$ 14,950
Cash and Equivalents, Jan 1	<u>15,079</u>	<u>15,079</u>	<u>129</u>	<u>129</u>
Cash and Equivalents, Dec 31	<u>\$ 5,119</u>	<u>\$ 14,879</u>	<u>\$ 159</u>	<u>\$ 15,079</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Dent was named after state representative and pioneer settler, Lewis Dent, and is home to a large area of the Mark Twain National Forest. Dent County is a county-organized, third-class county. The county seat is Salem. Dent County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

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

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Dent County, Missouri, the Dent County Senate Bill 40 Board, and the Dent County Senior Citizens Services Board.

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 Dent County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Dent County's legal entity. The Dent County Senate Bill 40 Board and Senior Citizens Services Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

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

Basis of Accounting

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

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

If 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.

Budget and Budgetary Accounting

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

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 office or department for the budget year.

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

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

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

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

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

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

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Recorder User Fee Fund, Senate Bill 40 Board Fund, and Senior Citizens Services Board Fund. The following fund had actual expenditures that exceeded the budgeted expenditures in 2016: Senate Bill 40 Board Fund.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, respectively, for the purposes of County taxation was as follows:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 122,002,536	\$ 115,277,537
Personal Property	40,965,090	38,282,370
Railroad and Utilities	4,415,804	4,725,192
	<u>\$ 167,383,430</u>	<u>\$ 158,285,099</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 and 2016, respectively, for the purpose of County taxation, was as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.0350	\$ 0.0350
Special Road and Bridge	0.2527	0.2550
Senate Bill 40 Board	0.1338	0.1350
Senior Citizens Services Board	0.0476	0.0480

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

Cash Deposits and Investments

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

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

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

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

Note 2 - 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 on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

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

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

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 2,689,142	\$ 2,973,681
Investments	<u>613,358</u>	<u>613,358</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 3,302,500</u>	<u>\$ 3,587,039</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2016, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 2,368,994	\$ 2,634,049
Investments	<u>611,368</u>	<u>611,368</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 2,980,362</u>	<u>\$ 3,245,417</u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2017 and 2016, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to 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.

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

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 of a specific maturity, specific issuer or specific class of securities.

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

<u>Issuer</u>	<u>Investment Type</u>	<u>2017 Balance</u>	<u>% of Portfolio</u>	<u>2016 Balance</u>	<u>% of Portfolio</u>
The Bank of Salem	Cert. of Deposit	<u>\$ 613,358</u>	100%	<u>\$ 611,368</u>	100%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2017 and 2016 are as follows:

<u>Fund</u>	<u>2017</u>		<u>2016</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 5,000	\$ 39,000	\$ 5,000	\$ 39,000
Assessment	39,000	-	39,000	-
911 Emergency Services	-	40,574	-	38,014
Law Enforcement Sales Tax	75,574	-	71,615	-
Prosecuting Attorney Bad Check Fee	-	5,000	-	5,000
Sheriff Revolving	-	10,000	-	18,601
Inmate Security	-	25,000	-	15,000
Total	<u>\$ 119,574</u>	<u>\$ 119,574</u>	<u>\$ 115,615</u>	<u>\$ 115,615</u>

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - Long-Term Debt

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Backhoe at a cost of \$87,668. The agreement requires annual payments of \$19,227 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of two Caterpillar Graders at a cost of \$190,156. The agreement requires annual payments of \$40,860 ending in 2018, which includes interest of 2.44%.

In 2014, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2014 Ford Explorer and 2014 Ford Taurus Police Interceptor at a total cost of \$55,947. The agreement requires annual payments of \$19,045 ending in 2016, which includes interest of 2.12%. This lease was paid off in 2016.

In 2014, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere Cab Tractor and a Tiger Boom Mower at a total cost of \$90,398. The agreement requires annual payments of \$23,954, ending in 2018, which includes interest of 2.37%.

In 2015, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2015 Ford Explorer Interceptor at a cost of \$28,425. The agreement requires annual payments of \$9,616 ending in 2017, which includes interest of 1.49%. This lease was paid off in 2017.

In 2015, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2013 Ford Utility Police Vehicle at a cost of \$25,107. The agreement requires a one time payment of \$7,240 at signing and subsequent annual payments of \$9,133 ending in 2017, which includes interest of 1.48%. This lease was paid off in 2017.

In 2016, the County entered into a cancelable lease purchase agreement to finance the purchase of two 2016 Mack Dump Trucks at a total cost of \$327,661. The agreement requires a one time payment of \$65,532 at signing and subsequent annual payments of \$68,425 ending in 2020, which includes interest of 1.75%.

In 2017, the County entered into a cancelable lease purchase agreement to finance the purchase of two Dodge Charger Police Sedans at a total cost of \$58,705. The agreement requires annual payments of \$19,981 ending in 2019, which includes interest of 2.09%.

In 2017, the County entered into a cancelable lease purchase agreement to finance the purchase of two Fabick Cat Motor Graders at a total cost of \$263,980. The agreement requires annual payments of \$56,282 ending in 2022, which includes interest of 2.17%.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - Long-Term Debt (continued)

Although the agreements provide cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its option to cancel.

The following is the changes in long-term debt for the year ended December 31, 2017:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
2013 120M2 AWD Graders	\$ 78,823	\$ -	\$ 38,937	\$ 39,886	\$ 1,923
610M Tractor & Boom Mower	46,257	-	22,858	23,399	1,096
2015 Explorer Interceptor	9,472	-	9,472	-	144
2013 Utility Police Vehicle	8,999	-	8,999	-	133
2016 Mack Dump Trucks	262,129	-	63,838	198,291	4,587
2017 4-Door Police Sedans	-	58,705	19,978	38,727	3
2017 120M2 AWD Graders	-	263,980	-	263,980	-
	<u>\$ 405,680</u>	<u>\$ 322,685</u>	<u>\$ 164,082</u>	<u>\$ 564,283</u>	<u>\$ 7,886</u>

The following is the changes in long-term debt for the year ended December 31, 2016:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
2011 Caterpillar Backhoe	\$ 18,640	\$ -	\$ 18,640	\$ -	\$ 587
2011 John Deere 672 Grader	25,554	-	25,554	-	805
2011 John Deere 672 Grader	25,554	-	25,554	-	805
2013 120M2 AWD Graders	116,832	-	38,009	78,823	2,851
2014 Police Explorer & Taurus	18,646	-	18,646	-	399
610M Tractor & Boom Mower	68,586	-	22,329	46,257	1,625
2015 Explorer Interceptor	18,806	-	9,334	9,472	282
2013 Utility Police Vehicle	17,867	-	8,868	8,999	264
2016 Mack Dump Trucks	-	327,661	65,532	262,129	-
	<u>\$ 310,485</u>	<u>\$ 327,661</u>	<u>\$ 232,466</u>	<u>\$ 405,680</u>	<u>\$ 7,618</u>

The following is the future minimum payments for all leases obligations:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 197,956	\$ 11,547	\$ 209,503
2019	137,309	7,379	144,688
2020	120,017	4,690	124,707
2021	53,917	2,365	56,282
2022	55,084	1,195	56,279
	<u>\$ 564,283</u>	<u>\$ 27,176</u>	<u>\$ 591,459</u>

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

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

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

Benefits Provided

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

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

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

Contributions

In accordance with state statutes, the plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2017 and 2016, the County collected and remitted to CERF, employee contributions of \$76,616 and \$73,193, respectively, for the years then ended.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Dent County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Dent County has contributed \$11,628 and \$10,336, respectively, for the years ended December 31, 2017 and 2016.

Note 7 - Other Retirement Plan

Dent County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 457 plan were \$46,176 and \$39,281, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 401(a) plan were \$11,184 and \$10,937, respectively.

Note 8 - Post-Employment Benefits

Dent 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 Dent County.

Note 9 - Claims, Commitments and Contingencies

Litigation

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

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused compensatory time. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

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

The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 10 - Risk Management

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). 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-Injured 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 \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 25, 2018, the date the financial statements were available to be issued.

The County plans to issue up to \$12,000,000 in lease certificates of participation in 2018 and 2019 to fund a new jail with administrative space for the sheriff. The County has received approval from the voters for two separate ½ cent sales tax proposals at the April 4, 2017 election for the project.

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

To the County Commission and
Officeholders of Dent County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Dent County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dent County, Missouri's basic financial statements, and have issued our report thereon dated July 25, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items 2017-002, 2017-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dent County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2017-001.

Dent County, Missouri's Responses to Findings

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

Purpose of this Report

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



Creve Coeur, Missouri
July 25, 2018

**The County of Dent
Salem, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016**

Financial Statement Findings

2017-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Actual expenditures are not to exceed the budget.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Recorder User Fee Fund, Senate Bill 40 Board Fund, and Senior Citizens Services Board Fund. The following fund had actual expenditures that exceeded the budgeted expenditures in 2016: Senate Bill 40 Board Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds.

Cause: Oversight

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

Management's Response: The County Commission, County Treasurer and County Clerk will review all funds throughout the year and make all necessary budget amendments as necessary in accordance with the Mo Revised Statutes. The phone number for the County Commission is (573) 729-3044.

2017-002 **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 controls.

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.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2018. The phone number for the County Commission is (573) 729-3044.

The County of Dent
Salem, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016

2017-003 **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 fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

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

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2018. The phone number for the County Commission is (573) 729-3044.

**The County of Dent
Salem, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dent County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 & 2012.

Prior Year Financial Statement Findings

13/12-001 **Condition:** During our audit, we noted one fund with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

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

Management's Response: The County Commission, County Treasurer and County Clerk will review all funds throughout the year and make all necessary budget amendments as necessary in accordance with the Mo Revised Statutes.

Status: This finding is repeated in the current year as finding 2017-001.

13/12-002 **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 controls.

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.

Management's Response: The County Commission and County Clerk will attempt to document the County's internal controls as recommended.

Status: This finding is repeated in the current year as finding 2017-002.

**The County of Dent
Salem, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

13/12-003 **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 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.

Management's Response: The County Commission and County Clerk will attempt to develop and implement formal fraud risk assessment procedures.

Status: This finding is repeated in the current year as finding 2017-003.

Prior Year Federal Award Findings

13/12-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

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

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Cause: Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported on the SEFA were incorrect.

Recommendation: We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk prepares the SEFA and will prepare each year in compliance with *OMB Circular A-133*.

Status: This finding is no longer applicable.