



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dallas 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, 2013, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

November 2014
Report No. 2014-106

**The County of Dallas
Buffalo, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2013 & 2012**



**The County of Dallas
Buffalo, Missouri
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INDEPENDENT AUDITOR'S REPORT



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To the County Commission and
Officeholders of Dallas County, Missouri

We have audited the accompanying financial statements of Dallas County, Missouri, as of and for the years ended December 31, 2013 and 2012, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified 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, which practices differ from accounting principles generally accepted in the United States of America. 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 error or fraud.

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, the financial statements are prepared by Dallas County, Missouri, using 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

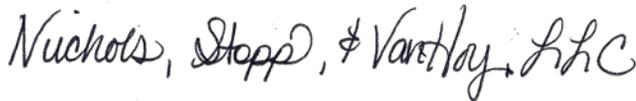
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dallas County, Missouri, as of December 31, 2013 and 2012, or the changes in its financial position 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 balances of the funds of Dallas County, Missouri, as of December 31, 2013 and 2012, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014, on our consideration of Dallas 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 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 Dallas County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
September 22, 2014

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue Fund	\$ 288,075	\$ 1,334,577	\$ 1,404,495	\$ 218,157
Special Road and Bridge Fund	267,960	1,088,205	1,113,829	242,336
Assessment Fund	218	224,179	219,139	5,258
Road and Bridge Capital Improvement Fund	161,866	709,445	789,511	81,800
Law Enforcement Sales Tax Fund	14,692	986,179	979,694	21,177
Law Enforcement Civil Fees Fund	6,058	18,377	16,595	7,840
Law Enforcement Training Fund	892	5,677	3,259	3,310
Prosecuting Attorney Training Fund	1,377	1,423	876	1,924
Bad Check Fund	11,625	4,048	4,617	11,056
Domestic Violence Fund	20	450	430	40
Jury Fund	2,342	5,332	7,569	105
Local Emergency Planning Committee Fund	13,116	-	337	12,779
Record Storage Fund	30,171	12,993	13,422	29,742
Election Services Fund	3,668	2,286	2,959	2,995
Tax Maintenance Fund	63,029	18,682	19,559	62,152
Assessment 50% Tax Fund	19,794	30,922	31,048	19,668
911 Board Fund	293,237	536,128	550,048	279,317
Sheriff's Revolving Fund	4,571	7,409	811	11,169
Prosecuting Attorney Tax Fund	1,692	195	-	1,887
Inmate Security Fund	5,568	7,654	3,350	9,872
Law Enforcement Restitution Fund	10,962	10,837	11,985	9,814
Special Election Fund	3,791	10,746	14,537	-
Total	<u>\$ 1,204,724</u>	<u>\$ 5,015,744</u>	<u>\$ 5,188,070</u>	<u>\$ 1,032,398</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2012

<u>Fund</u>	Cash and Equivalents January 1, 2012	Receipts 2012	Disbursements 2012	Cash and Equivalents December 31, 2012
General Revenue Fund	\$ 84,253	\$ 1,661,070	\$ 1,457,248	\$ 288,075
Special Road and Bridge Fund	229,264	1,113,468	1,074,772	267,960
Assessment Fund	1,794	221,939	223,515	218
Road and Bridge Capital Improvement Fund	263,342	842,644	944,120	161,866
Law Enforcement Sales Tax Fund	15,081	966,863	967,252	14,692
Law Enforcement Civil Fees Fund	5,905	26,395	26,242	6,058
Law Enforcement Training Fund	1,486	5,327	5,921	892
Prosecuting Attorney Training Fund	563	1,342	528	1,377
Bad Check Fund	7,626	5,516	1,517	11,625
Domestic Violence Fund	-	480	460	20
Jury Fund	143	7,589	5,390	2,342
Local Emergency Planning Committee Fund	8,480	4,642	6	13,116
Record Storage Fund	24,578	23,804	18,211	30,171
Election Services Fund	4,460	4,606	5,398	3,668
Tax Maintenance Fund	62,217	21,744	20,932	63,029
Assessment 50% Tax Fund	19,254	31,631	31,091	19,794
911 Board Fund	287,890	559,368	554,021	293,237
Sheriff's Revolving Fund	2,343	3,528	1,300	4,571
Prosecuting Attorney Tax Fund	1,520	172	-	1,692
Inmate Security Fund	2,231	5,228	1,891	5,568
Law Enforcement Restitution Fund	2,613	8,349	-	10,962
Special Election Fund	-	69,139	65,348	3,791
Total	<u>\$ 1,025,043</u>	<u>\$ 5,584,844</u>	<u>\$ 5,405,163</u>	<u>\$ 1,204,724</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	General Revenue Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 282,900	\$ 261,601	\$ 263,000	\$ 262,480
Sales Taxes	580,000	574,637	600,000	578,504
Intergovernmental	121,750	118,095	409,600	438,478
Charges for Services	225,100	248,513	237,250	247,286
Interest	9,000	5,268	5,500	8,686
Other Receipts	73,300	56,912	25,825	62,948
Transfers In	65,572	69,551	62,040	62,688
Total Receipts	<u>\$ 1,357,622</u>	<u>\$ 1,334,577</u>	<u>\$ 1,603,215</u>	<u>\$ 1,661,070</u>
Disbursements				
General County Government:				
County Commission	\$ 87,065	\$ 85,667	\$ 87,950	\$ 86,688
County Clerk	77,302	73,503	75,275	73,976
Elections	30,693	30,540	75,500	35,440
Buildings and Grounds	65,650	73,444	135,020	102,420
Employee Fringe Benefits	119,700	122,473	119,700	111,749
County Treasurer	47,750	46,267	47,105	45,875
County Collector	111,303	107,727	112,069	110,974
Recorder of Deeds	47,038	46,890	49,848	47,022
Circuit Clerk	29,175	18,695	17,050	16,841
Court Administration	15,874	10,106	16,714	13,781
Public Administrator	31,260	32,105	31,660	30,847
Public Safety:				
Sheriff	25,000	25,457	13,100	12,156
Prosecuting Attorney	197,616	195,010	193,595	187,956
Juvenile Officer	38,366	31,023	12,342	34,336
County Coroner	21,350	29,618	22,045	18,659
Other:				
Emergency Management	9,100	8,879	12,810	12,318
Other Disbursements	129,977	134,691	135,007	124,210
Transfers Out	340,100	332,400	355,500	392,000
Emergency Fund	75,000	-	75,000	-
Total Disbursements	<u>\$ 1,499,319</u>	<u>\$ 1,404,495</u>	<u>\$ 1,587,290</u>	<u>\$ 1,457,248</u>
Receipts Over (Under)				
Disbursements	\$ (141,697)	\$ (69,918)	\$ 15,925	\$ 203,822
Cash, January 1	<u>288,075</u>	<u>288,075</u>	<u>84,253</u>	<u>84,253</u>
Cash, December 31	<u>\$ 146,378</u>	<u>\$ 218,157</u>	<u>\$ 100,178</u>	<u>\$ 288,075</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Special Road and Bridge Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 409,200	\$ 396,589	\$ 412,800	\$ 406,170
Sales Taxes	-	-	-	-
Intergovernmental	687,000	680,972	675,900	693,899
Charges for Services	-	-	-	-
Interest	7,500	5,663	6,500	7,862
Other Receipts	5,700	4,981	4,500	5,537
Transfers In	-	-	-	-
Total Receipts	\$ 1,109,400	\$ 1,088,205	\$ 1,099,700	\$ 1,113,468
Disbursements				
Salaries	\$ 526,643	\$ 521,534	\$ 532,573	\$ 526,643
Employee Fringe Benefits	160,577	163,221	167,550	160,524
Supplies	260,000	222,482	270,000	241,236
Insurance	40,000	38,483	24,000	35,349
Road and Bridge Materials	5,000	3,643	5,000	2,805
Equipment Repairs	65,000	82,884	75,000	64,342
Equipment Purchases	27,000	35,169	-	-
Other Expenditures	14,300	13,133	12,700	10,873
Transfers Out	33,280	33,280	33,000	33,000
Total Disbursements	\$ 1,131,800	\$ 1,113,829	\$ 1,119,823	\$ 1,074,772
Receipts Over (Under)				
Disbursements	\$ (22,400)	\$ (25,624)	\$ (20,123)	\$ 38,696
Cash, January 1	267,960	267,960	229,264	229,264
Cash, December 31	\$ 245,560	\$ 242,336	\$ 209,141	\$ 267,960

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Assessment Fund				Road and Bridge Capital Improvement Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	580,000	574,638	600,000	578,504
Intergovernmental	101,553	100,488	107,000	101,640	137,925	122,940	264,000	159,818
Charges for Services	-	-	-	-	-	-	-	-
Interest	440	354	500	469	6,500	2,067	9,000	5,995
Other Receipts	7,035	12,337	8,413	6,330	312,000	9,800	95,000	98,327
Transfers In	116,500	111,000	113,500	113,500	-	-	-	-
Total Receipts	<u>\$ 225,528</u>	<u>\$ 224,179</u>	<u>\$ 229,413</u>	<u>\$ 221,939</u>	<u>\$ 1,036,425</u>	<u>\$ 709,445</u>	<u>\$ 968,000</u>	<u>\$ 842,644</u>
<u>Disbursements</u>								
Salaries	\$ 162,700	\$ 160,172	\$ 161,059	\$ 161,705	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	38,078	34,752	39,861	38,078	-	-	-	-
Materials and Supplies	17,800	15,984	19,000	15,321	480,000	416,318	495,000	510,556
Services and Other	7,000	8,231	6,000	8,411	130,000	128,564	262,000	172,651
Capital Outlay	-	-	-	-	227,735	212,337	202,735	231,873
Transfers Out	-	-	-	-	32,292	32,292	29,040	29,040
Total Disbursements	<u>\$ 225,578</u>	<u>\$ 219,139</u>	<u>\$ 225,920</u>	<u>\$ 223,515</u>	<u>\$ 870,027</u>	<u>\$ 789,511</u>	<u>\$ 988,775</u>	<u>\$ 944,120</u>
Receipts Over (Under)								
Disbursements	\$ (50)	\$ 5,040	\$ 3,493	\$ (1,576)	\$ 166,398	\$ (80,066)	\$ (20,775)	\$ (101,476)
Cash, January 1	<u>218</u>	<u>218</u>	<u>1,794</u>	<u>1,794</u>	<u>161,866</u>	<u>161,866</u>	<u>263,342</u>	<u>263,342</u>
Cash, December 31	<u>\$ 168</u>	<u>\$ 5,258</u>	<u>\$ 5,287</u>	<u>\$ 218</u>	<u>\$ 328,264</u>	<u>\$ 81,800</u>	<u>\$ 242,567</u>	<u>\$ 161,866</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Law Enforcement Sales Tax Fund				Law Enforcement Civil Fees Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	580,000	574,642	600,000	578,507	-	-	-	-
Intergovernmental	130,467	153,800	125,105	91,803	-	-	-	-
Charges for Services	55,000	36,149	30,000	54,349	25,000	18,377	22,280	26,395
Interest	800	609	780	858	-	-	-	-
Other Receipts	5,500	4,879	28,250	10,346	-	-	-	-
Transfers In	216,100	216,100	231,000	231,000	-	-	-	-
Total Receipts	\$ 987,867	\$ 986,179	\$ 1,015,135	\$ 966,863	\$ 25,000	\$ 18,377	\$ 22,280	\$ 26,395
Disbursements								
Salaries	\$ 577,810	\$ 560,910	\$ 558,629	\$ 574,842	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	159,680	163,650	173,100	154,154	-	-	-	-
Materials and Supplies	48,700	52,665	45,450	47,257	-	3,274	-	169
Services and Other	71,600	84,432	66,300	69,640	25,000	7,315	26,273	5,577
Capital Outlay	122,780	118,037	136,737	121,359	-	6,006	-	20,496
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 980,570	\$ 979,694	\$ 980,216	\$ 967,252	\$ 25,000	\$ 16,595	\$ 26,273	\$ 26,242
Receipts Over (Under)								
Disbursements	\$ 7,297	\$ 6,485	\$ 34,919	\$ (389)	\$ -	\$ 1,782	\$ (3,993)	\$ 153
Cash, January 1	14,692	14,692	15,081	15,081	6,058	6,058	5,905	5,905
Cash, December 31	<u>\$ 21,989</u>	<u>\$ 21,177</u>	<u>\$ 50,000</u>	<u>\$ 14,692</u>	<u>\$ 6,058</u>	<u>\$ 7,840</u>	<u>\$ 1,912</u>	<u>\$ 6,058</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,950	-	1,959	-	-	-	-	-
Charges for Services	5,320	5,677	4,068	5,327	1,300	1,423	1,000	1,342
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,270</u>	<u>\$ 5,677</u>	<u>\$ 6,027</u>	<u>\$ 5,327</u>	<u>\$ 1,300</u>	<u>\$ 1,423</u>	<u>\$ 1,000</u>	<u>\$ 1,342</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	7,270	3,259	7,318	5,921	1,500	876	1,000	528
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,270</u>	<u>\$ 3,259</u>	<u>\$ 7,318</u>	<u>\$ 5,921</u>	<u>\$ 1,500</u>	<u>\$ 876</u>	<u>\$ 1,000</u>	<u>\$ 528</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 2,418	\$ (1,291)	\$ (594)	\$ (200)	\$ 547	\$ -	\$ 814
Cash, January 1	<u>892</u>	<u>892</u>	<u>1,486</u>	<u>1,486</u>	<u>1,377</u>	<u>1,377</u>	<u>563</u>	<u>563</u>
Cash, December 31	<u>\$ 892</u>	<u>\$ 3,310</u>	<u>\$ 195</u>	<u>\$ 892</u>	<u>\$ 1,177</u>	<u>\$ 1,924</u>	<u>\$ 563</u>	<u>\$ 1,377</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Bad Check Fund				Domestic Violence Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	3,955	6,000	5,410	600	450	600	480
Interest	100	93	25	106	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,100</u>	<u>\$ 4,048</u>	<u>\$ 6,025</u>	<u>\$ 5,516</u>	<u>\$ 600</u>	<u>\$ 450</u>	<u>\$ 600</u>	<u>\$ 480</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	7,200	4,617	5,900	1,517	600	430	600	460
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,200</u>	<u>\$ 4,617</u>	<u>\$ 5,900</u>	<u>\$ 1,517</u>	<u>\$ 600</u>	<u>\$ 430</u>	<u>\$ 600</u>	<u>\$ 460</u>
Receipts Over (Under)								
Disbursements	\$ (3,100)	\$ (569)	\$ 125	\$ 3,999	\$ -	\$ 20	\$ -	\$ 20
Cash, January 1	<u>11,625</u>	<u>11,625</u>	<u>7,626</u>	<u>7,626</u>	<u>20</u>	<u>20</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u><u>\$ 8,525</u></u>	<u><u>\$ 11,056</u></u>	<u><u>\$ 7,751</u></u>	<u><u>\$ 11,625</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 40</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20</u></u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Jury Fund				Local Emergency Planning Committee Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	4,642
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	32	-	89	-	-	-	-
Transfers In	7,500	5,300	11,000	7,500	-	-	-	-
Total Receipts	<u>\$ 7,500</u>	<u>\$ 5,332</u>	<u>\$ 11,000</u>	<u>\$ 7,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,642</u>
 <u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	200	112	200	-
Services and Other	7,600	7,569	10,800	5,390	2,300	225	2,300	6
Capital Outlay	-	-	-	-	4,500	-	4,500	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,600</u>	<u>\$ 7,569</u>	<u>\$ 10,800</u>	<u>\$ 5,390</u>	<u>\$ 7,000</u>	<u>\$ 337</u>	<u>\$ 7,000</u>	<u>\$ 6</u>
Receipts Over (Under)								
Disbursements	\$ (100)	\$ (2,237)	\$ 200	\$ 2,199	\$ (7,000)	\$ (337)	\$ (7,000)	\$ 4,636
Cash, January 1	<u>2,342</u>	<u>2,342</u>	<u>143</u>	<u>143</u>	<u>13,116</u>	<u>13,116</u>	<u>8,480</u>	<u>8,480</u>
Cash, December 31	<u>\$ 2,242</u>	<u>\$ 105</u>	<u>\$ 343</u>	<u>\$ 2,342</u>	<u>\$ 6,116</u>	<u>\$ 12,779</u>	<u>\$ 1,480</u>	<u>\$ 13,116</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Record Storage Fund				Election Services Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	1,765	1,700	1,242
Charges for Services	13,175	12,611	8,650	22,961	500	-	2,000	307
Interest	500	382	500	590	100	41	175	81
Other Receipts	250	-	100	253	-	-	-	-
Transfers In	-	-	-	-	-	480	-	2,976
Total Receipts	<u>\$ 13,925</u>	<u>\$ 12,993</u>	<u>\$ 9,250</u>	<u>\$ 23,804</u>	<u>\$ 2,100</u>	<u>\$ 2,286</u>	<u>\$ 3,875</u>	<u>\$ 4,606</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,000	1,342	4,000	2,948	-	-	-	-
Services and Other	11,589	2,051	9,650	1,920	3,100	2,959	1,000	5,398
Capital Outlay	5,000	10,029	5,000	13,343	-	-	4,400	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,589</u>	<u>\$ 13,422</u>	<u>\$ 18,650</u>	<u>\$ 18,211</u>	<u>\$ 3,100</u>	<u>\$ 2,959</u>	<u>\$ 5,400</u>	<u>\$ 5,398</u>
Receipts Over (Under)								
Disbursements	\$ (5,664)	\$ (429)	\$ (9,400)	\$ 5,593	\$ (1,000)	\$ (673)	\$ (1,525)	\$ (792)
Cash, January 1	<u>30,171</u>	<u>30,171</u>	<u>24,578</u>	<u>24,578</u>	<u>3,668</u>	<u>3,668</u>	<u>4,460</u>	<u>4,460</u>
Cash, December 31	<u>\$ 24,507</u>	<u>\$ 29,742</u>	<u>\$ 15,178</u>	<u>\$ 30,171</u>	<u>\$ 2,668</u>	<u>\$ 2,995</u>	<u>\$ 2,935</u>	<u>\$ 3,668</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Tax Maintenance Fund				Assessment 50% Tax Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	32,000	30,887	31,000	31,594
Charges for Services	20,000	17,880	18,000	20,358	-	-	-	-
Interest	1,400	802	1,400	1,386	40	35	50	37
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 21,400</u>	<u>\$ 18,682</u>	<u>\$ 19,400</u>	<u>\$ 21,744</u>	<u>\$ 32,040</u>	<u>\$ 30,922</u>	<u>\$ 31,050</u>	<u>\$ 31,631</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	25,000	908	25,000	1,045	800	31,048	2,000	644
Capital Outlay	5,000	18,651	5,000	19,887	33,301	-	37,600	30,447
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 30,000</u>	<u>\$ 19,559</u>	<u>\$ 30,000</u>	<u>\$ 20,932</u>	<u>\$ 34,101</u>	<u>\$ 31,048</u>	<u>\$ 39,600</u>	<u>\$ 31,091</u>
Receipts Over (Under)								
Disbursements	\$ (8,600)	\$ (877)	\$ (10,600)	\$ 812	\$ (2,061)	\$ (126)	\$ (8,550)	\$ 540
Cash, January 1	<u>63,029</u>	<u>63,029</u>	<u>62,217</u>	<u>62,217</u>	<u>19,794</u>	<u>19,794</u>	<u>19,254</u>	<u>19,254</u>
Cash, December 31	<u>\$ 54,429</u>	<u>\$ 62,152</u>	<u>\$ 51,617</u>	<u>\$ 63,029</u>	<u>\$ 17,733</u>	<u>\$ 19,668</u>	<u>\$ 10,704</u>	<u>\$ 19,794</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	911 Board Fund				Sheriff's Revolving Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	515,000	527,769	510,000	519,239	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	3,000	7,409	2,216	3,528
Interest	5,500	3,400	6,000	5,923	-	-	-	-
Other Receipts	-	4,959	-	34,206	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 520,500</u>	<u>\$ 536,128</u>	<u>\$ 516,000</u>	<u>\$ 559,368</u>	<u>\$ 3,000</u>	<u>\$ 7,409</u>	<u>\$ 2,216</u>	<u>\$ 3,528</u>
<u>Disbursements</u>								
Salaries	\$ 360,700	\$ 354,627	\$ 345,000	\$ 344,716	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	77,000	69,989	75,000	70,203	-	-	-	-
Materials and Supplies	69,900	57,552	60,500	56,972	1,000	-	1,000	-
Services and Other	57,350	46,988	64,580	76,052	-	-	-	-
Capital Outlay	14,970	20,892	1,200	6,078	2,000	811	3,177	1,300
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 579,920</u>	<u>\$ 550,048</u>	<u>\$ 546,280</u>	<u>\$ 554,021</u>	<u>\$ 3,000</u>	<u>\$ 811</u>	<u>\$ 4,177</u>	<u>\$ 1,300</u>
Receipts Over (Under)								
Disbursements	\$ (59,420)	\$ (13,920)	\$ (30,280)	\$ 5,347	\$ -	\$ 6,598	\$ (1,961)	\$ 2,228
Cash, January 1	<u>293,237</u>	<u>293,237</u>	<u>287,890</u>	<u>287,890</u>	<u>4,571</u>	<u>4,571</u>	<u>2,343</u>	<u>2,343</u>
Cash, December 31	<u>\$ 233,817</u>	<u>\$ 279,317</u>	<u>\$ 257,610</u>	<u>\$ 293,237</u>	<u>\$ 4,571</u>	<u>\$ 11,169</u>	<u>\$ 382</u>	<u>\$ 4,571</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Prosecuting Attorney Tax Fund				Inmate Security Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	190	1,800	160	-	-	-	-
Charges for Services	-	-	-	-	5,200	7,654	3,600	5,228
Interest	13	5	20	12	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 513</u>	<u>\$ 195</u>	<u>\$ 1,820</u>	<u>\$ 172</u>	<u>\$ 5,200</u>	<u>\$ 7,654</u>	<u>\$ 3,600</u>	<u>\$ 5,228</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,700	-	1,820	-	6,000	3,350	3,500	1,891
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ 1,820</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 3,350</u>	<u>\$ 3,500</u>	<u>\$ 1,891</u>
Receipts Over (Under)								
Disbursements	\$ (1,187)	\$ 195	\$ -	\$ 172	\$ (800)	\$ 4,304	\$ 100	\$ 3,337
Cash, January 1	<u>1,692</u>	<u>1,692</u>	<u>1,520</u>	<u>1,520</u>	<u>5,568</u>	<u>5,568</u>	<u>2,231</u>	<u>2,231</u>
Cash, December 31	<u>\$ 505</u>	<u>\$ 1,887</u>	<u>\$ 1,520</u>	<u>\$ 1,692</u>	<u>\$ 4,768</u>	<u>\$ 9,872</u>	<u>\$ 2,331</u>	<u>\$ 5,568</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2013 & 2012

	Law Enforcement Restitution Fund				Special Election Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	6,000	10,837	4,500	8,349	-	10,746	-	29,139
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	40,000
Total Receipts	<u>\$ 6,000</u>	<u>\$ 10,837</u>	<u>\$ 4,500</u>	<u>\$ 8,349</u>	<u>\$ -</u>	<u>\$ 10,746</u>	<u>\$ -</u>	<u>\$ 69,139</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	12,000	11,985	6,635	-	-	10,078	-	61,724
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	4,459	-	3,624
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 11,985</u>	<u>\$ 6,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,537</u>	<u>\$ -</u>	<u>\$ 65,348</u>
Receipts Over (Under)								
Disbursements	\$ (6,000)	\$ (1,148)	\$ (2,135)	\$ 8,349	\$ -	\$ (3,791)	\$ -	\$ 3,791
Cash, January 1	<u>10,962</u>	<u>10,962</u>	<u>2,613</u>	<u>2,613</u>	<u>3,791</u>	<u>3,791</u>	<u>-</u>	<u>-</u>
Cash, December 31	<u><u>\$ 4,962</u></u>	<u><u>\$ 9,814</u></u>	<u><u>\$ 478</u></u>	<u><u>\$ 10,962</u></u>	<u><u>\$ 3,791</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,791</u></u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 1 - Summary of Significant Accounting Policies

Organized in 1841, the county of Dallas was named after George M. Dallas, who served as Vice President under James K. Polk. Dallas County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Buffalo. Dallas 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 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).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Dallas County, Missouri and the Dallas County 911 Board.

Dallas 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 Dallas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Dallas County's legal entity. The Dallas County 911 Board is controlled by a separately elected board, and is also included under the control of Dallas 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 Dallas 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, an elected county official, or the 911 Board. 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 Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

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 Dallas 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, Dallas 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 included 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 we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The County did not prepare a budget for the Special Election Fund in 2013 and 2012. Also, the 911 Board Fund had expenses exceeding their budget in 2012.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012**

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 Dallas County's boundaries for the calendar year 2013 and 2012, respectively, for the purposes of County taxation, was as follows:

	<u>2013</u>	<u>2012</u>
Real Estate	\$ 107,570,230	\$ 107,209,423
Personal Property	30,734,479	31,063,844
Railroad and Utilities	14,969,218	13,387,361
	<u>\$ 153,273,927</u>	<u>\$ 151,660,628</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2013 and 2012, respectively, for the purpose of County taxation, was as follows:

	<u>2013</u>	<u>2012</u>
General Revenue Fund	\$ 0.1702	\$ 0.1709
Special Road and Bridge Fund	0.2647	0.2647

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 Dallas County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

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

Dallas 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".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2013 and 2012, the carrying amount of Dallas County's deposits was \$1,032,398 and \$1,204,724 and the bank balance was \$1,097,694 and \$1,245,932, respectively. As of December 31, 2013, 100% of Dallas County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2013, as follows:

Deposits	\$ 1,032,398
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits & Investments as of December 31, 2013	<u><u>\$ 1,032,398</u></u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2012, as follows:

Deposits	\$ 1,204,724
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits & Investments as of December 31, 2012	<u><u>\$ 1,204,724</u></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. Dallas County's investment policy does not include custodial credit risk requirements. Dallas County's deposits were not exposed to custodial credit risk for the years ended December 31, 2013, and 2012.

The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

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 Dallas County or its agent but not in the government's name. Dallas 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 Dallas 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. Dallas 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 Dallas 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). Dallas 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. Dallas County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2013 and 2012.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2013 and 2012 are as follows:

Fund	2013		2012	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	69,551	332,400	62,688	392,000
Special Road and Bridge	-	33,280	-	33,000
Assessment	111,000	-	113,500	-
Road and Bridge Capital Improvement	-	32,292	-	29,040
Law Enforcement Sales Tax	216,100	-	231,000	-
Jury	5,300	-	7,500	-
Election Services	480	-	2,976	-
Special Election	-	4,459	40,000	3,624
Total	\$ 402,431	\$ 402,431	\$ 457,664	\$ 457,664

The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 4 - County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits:

Beginning January 1, 1997, employees attaining the age of sixty-two 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 amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible 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 at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's 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, 65102, or by calling 1-877-632-2373.

Funding Policy

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 2013 and 2012, the County collected and remitted to CERF, employee contributions of \$73,264 and \$70,298, respectively, for the years then ended.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Dallas 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. Dallas County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2013 and 2012.

The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012

Note 6 - Post-Employment Benefits

Dallas 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 Dallas County.

Note 7 - Claims, Commitments and Contingencies

Litigation

Dallas County is involved in pending litigation as of December 31, 2013. The extent of the liability, if any, cannot be determined at this time.

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 vacation and overtime, if applicable. These have not been subjected to auditing procedures.

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 maybe questioned as not appropriate 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.

Landfill

The County sold a closed solid waste disposal area in 2012. At December 31, 2013, the County is not aware of any obligation, however, any future obligations or liabilities related to improper closure of the solid waste disposal area are unknown.

Note 8 - 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.

Note 9 - Subsequent Events

The County has evaluated events subsequent to December 31, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through September 22, 2014, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012**

Note 10 - Long-Term Debt

Capital Lease Obligations

In 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of four new John Deere 772G Motor graders at a cost of \$936,949 plus accrued interest of \$18,186. The agreement includes interest of 3.3%, and requires annual payments of \$78,308 ending June 1, 2018, with a balloon payment of \$688,000.

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, 2013:

Capital Lease Obligations	Balance December 31, 2012	Additions	Retirements	Balance December 31, 2013	Interest Paid
John Deere Motor Graders	\$ -	\$ 955,135	\$ -	\$ 955,135	\$ -

The following is the 2013 future minimum payments for all capital leases:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 47,827	\$ 30,481	\$ 78,308
2015	49,430	28,878	78,308
2016	51,085	27,223	78,308
2017	52,796	25,512	78,308
2018	753,997	12,313	766,310
	<u>\$ 955,135</u>	<u>\$ 124,407</u>	<u>\$ 1,079,542</u>

Notes Payable

In 2012, the County entered into an agreement to purchase land at 305 North Ash Street, Buffalo, Missouri at a cost of \$125,000. The agreement requires a payment at the signing of \$50,000, the second payment of \$25,000 is due on or before January 1, 2014, and the remaining balance of \$50,000 is due on or before January 1, 2015. The agreement has no stated interest rate.

In 2011, the County entered into an agreement to finance the purchase of four Peterbilt Dump trucks at a cost of \$288,000. In 2013 the County refinanced the loan. The new agreement requires monthly payments of \$5,271 ending September 4, 2014 and one payment of \$126,999 due October 4, 2014, which includes interest of 3%.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012**

Note 10 - Long-Term Debt (continued)

The following are the changes in the notes payable for the year ended December 31, 2013:

Notes Payable	Balance December 31, 2012	Additions	Retirements	Balance December 31, 2013	Interest Paid
Land	\$ 75,000	\$ -	\$ 25,000	\$ 50,000	\$ -
Peterbilt Dump Trucks	228,195	-	57,176	171,019	6,070
	<u>\$ 303,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,019</u>	<u>\$ 6,070</u>

The following are the changes in the notes payable for the year ended December 31, 2012:

Notes Payable	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012	Interest Paid
Land	\$ -	\$ 125,000	\$ 50,000	\$ 75,000	\$ -
Peterbilt Dump Trucks	278,826	-	50,631	228,195	5,238
	<u>\$ 278,826</u>	<u>\$ 125,000</u>	<u>\$ 100,631</u>	<u>\$ 303,195</u>	<u>\$ 5,238</u>

The following is the 2013 future minimum payments for the notes payable:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 171,019	\$ 3,729	\$ 174,748
2015	50,000	-	50,000
	<u>\$ 221,019</u>	<u>\$ 3,729</u>	<u>\$ 224,748</u>

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*



Nichols
Stopp &
VanHoy ^{LLC}

Certified Public
Accountants

To the County Commission and
Officeholders of Dallas County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Dallas County, Missouri, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Dallas County, Missouri's basic financial statements and have issued our report thereon dated September 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas 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 Dallas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas 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 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. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies: 13/12-2 and 13/12-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas 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

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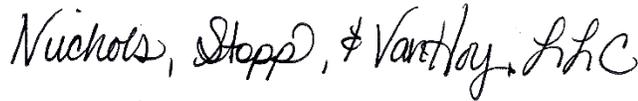
noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item: 13/12-1.

Dallas County, Missouri's Response to Findings

Dallas County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Dallas County, Missouri'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 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.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
September 22, 2014

The County of Dallas
Buffalo, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2013 & 2012

Financial Statement Findings

13/12-1 **Condition:** During our audit, we noted the County did not prepare a budget for the Special Election Fund, and the 911 Board Fund had expenses exceeding budget.

Effect: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to not preparing a budget in the Special Election Fund and exceeding budget in the 911 Board Fund 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 will comply with your recommendation for the 2015 budget regarding the Special Election Fund.

With respect to the 911 Board Fund, management of the 911 Board will review actual expenditures as compared to budget and amend the budget as necessary.

13/12-2 **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.

Management's Response: We will develop internal control documentation.

13/12-3 **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 Commissioners & officials will perform a risk assessment.

The County of Dallas
Buffalo, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Dallas County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010.

Prior Year Financial Statement Findings

10-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

Status: This is no longer considered a material weakness.

10-2 Reconciliation of Interfund Transfers

Condition: Some transfers between funds were recorded as revenues in the funds receiving the transfer and as expenses in the funds making the transfer. Transfers between funds 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 Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Criteria: Transfers between funds should be recorded in separate transfer accounts instead of being recorded in revenue and expense accounts.

Effect: Expenses and revenues are overstated as a result of transfers being recorded in revenue and expense accounts.

Recommendation: Transfer accounts should be established and used when funds are transferred among funds. In addition, at year-end, the County Clerk should perform a reconciliation to ensure that the total of transfers in and transfers out equals zero.

Response: The County will implement procedures to properly record interfund transfers.

Status: Management has corrected this issue.