



THOMAS A. SCHWEICH
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, 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

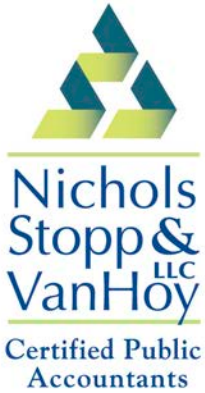
September 2014
Report No. 2014-079

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



**The County of Dent
Salem, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2013.....	3
For the year ended December 31, 2012.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2013 and 2012.....	5
Notes to the Financial Statements.....	16
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	26
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	28
Schedule of Expenditures of Federal Awards.....	30
Notes to Schedule of Expenditures of Federal Awards.....	31
Schedule of Findings and Questioned Costs.....	32
Schedule of Prior Year Audit Findings.....	35



INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dent County, Missouri

We have audited the accompanying financial statements of Dent 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 Dent 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.

10425 Old Olive
Street Road,
Suite 101

Creve Coeur,
Missouri 63141

PHONE:
314-569-3800

FAX:
314-569-0020

www.nsvcpa.com

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 Dent 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 Dent 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 Matters

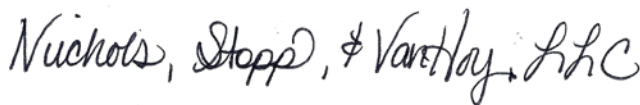
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dent County, Missouri’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2014, 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 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 9, 2014

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, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 1,299,905	\$ 1,353,136	\$ 1,324,880	\$ 1,328,161
Special Road and Bridge	121,910	1,278,439	1,274,247	126,102
Assessment	77,673	170,797	181,203	67,267
Law Enforcement Sales Tax	121,272	1,137,015	1,109,726	148,561
911 Emergency Services	100,948	37,557	50,120	88,385
Law Enforcement Restitution	81,026	47,472	44,019	84,479
Law Enforcement Training	7,528	3,378	2,859	8,047
Collector's Tax Maintenance	57,131	20,262	23,795	53,598
Sheriff Revolving	25,102	24,607	18,425	31,284
Prosecuting Attorney Training	3,810	931	292	4,449
Prosecuting Attorney Bad Check Fee	15,373	8,816	4,520	19,669
Recorder User Fee	12,140	8,856	8,600	12,396
Title III	185,084	554	59,012	126,626
Special Election Services	3,620	6,620	8,100	2,140
Senior Citizens Services Board	22,938	76,120	77,538	21,520
Tourism Tax	117,132	61,986	58,500	120,618
Senate Bill 40 Board	411,866	669,673	528,536	553,003
Inmate Security	4,882	2,759	2,000	5,641
Total	<u>\$ 2,669,340</u>	<u>\$ 4,908,978</u>	<u>\$ 4,776,372</u>	<u>\$ 2,801,946</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, 2012

<u>Fund</u>	Cash and Equivalents January 1, 2012	Receipts 2012	Disbursements 2012	Cash and Equivalents December 31, 2012
General Revenue	\$ 1,268,379	\$ 1,703,780	\$ 1,672,254	\$ 1,299,905
Special Road and Bridge	281,598	1,148,606	1,308,294	121,910
Assessment	127,959	163,728	214,014	77,673
Law Enforcement Sales Tax	150,569	1,121,311	1,150,608	121,272
911 Emergency Services	101,566	45,968	46,586	100,948
Law Enforcement Restitution	74,914	37,556	31,444	81,026
Law Enforcement Training	6,883	3,317	2,672	7,528
Collector's Tax Maintenance	54,659	18,780	16,308	57,131
Sheriff Revolving	23,185	16,466	14,549	25,102
Prosecuting Attorney Training	3,704	566	460	3,810
Prosecuting Attorney Bad Check Fee	12,415	9,073	6,115	15,373
Recorder User Fee	10,694	9,946	8,500	12,140
Title III	160,784	25,012	712	185,084
Special Election Services	7,616	987	4,983	3,620
Senior Citizens Services Board	23,658	75,765	76,485	22,938
Tourism Tax	97,129	61,809	41,806	117,132
Senate Bill 40 Board	465,315	759,621	813,070	411,866
Inmate Security	4,674	2,208	2,000	4,882
Total	<u>\$ 2,875,701</u>	<u>\$ 5,204,499</u>	<u>\$ 5,410,860</u>	<u>\$ 2,669,340</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, 2013 & 2012

	General Revenue Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 77,000	\$ 77,428	\$ 75,000	\$ 76,376
Sales Taxes	775,317	763,631	742,933	775,343
Intergovernmental	108,408	149,432	373,023	367,130
Charges for Services	290,700	287,598	276,596	271,067
Interest	13,000	9,237	13,500	14,974
Other Receipts	199,050	62,570	196,090	193,890
Transfers In	3,240	3,240	5,000	5,000
Total Receipts	<u>\$ 1,466,715</u>	<u>\$ 1,353,136</u>	<u>\$ 1,682,142</u>	<u>\$ 1,703,780</u>
Disbursements				
General County Government:				
County Commission	\$ 94,100	\$ 93,233	\$ 94,100	\$ 93,937
County Clerk	110,996	108,176	107,980	104,520
Elections	38,150	37,903	133,200	87,079
Buildings and Grounds	138,795	105,466	132,646	97,852
Employee Fringe Benefits	265,600	117,826	270,600	229,555
County Treasurer	47,960	47,151	47,960	46,285
County Collector	99,093	89,391	97,350	87,599
Recorder of Deeds	54,400	50,781	58,400	57,846
Circuit Clerk	39,461	34,085	39,509	33,795
Court Administration	3,810	2,592	3,190	4,464
Public Administrator	51,999	51,132	48,300	46,123
Public Safety:				
Prosecuting Attorney	246,233	243,287	238,819	229,291
Juvenile Officer	48,919	48,919	46,850	46,850
Coroner	35,295	22,354	36,165	24,295
Other Disbursements	279,641	108,584	293,335	200,405
Transfers Out	164,000	164,000	39,000	39,000
Emergency Fund	44,010	-	284,113	243,358
Total Disbursements	<u>\$ 1,762,462</u>	<u>\$ 1,324,880</u>	<u>\$ 1,971,517</u>	<u>\$ 1,672,254</u>
Receipts Over (Under)				
Disbursements	\$ (295,747)	\$ 28,256	\$ (289,375)	\$ 31,526
Cash and Equivalents, Jan 1	<u>1,299,905</u>	<u>1,299,905</u>	<u>1,268,379</u>	<u>1,268,379</u>
Cash and Equivalents, Dec 31	<u>\$ 1,004,158</u>	<u>\$ 1,328,161</u>	<u>\$ 979,004</u>	<u>\$ 1,299,905</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, 2013 & 2012**

	Special Road and Bridge Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 405,000	\$ 411,216	\$ 407,000	\$ 403,990
Sales Taxes	-	-	-	-
Intergovernmental	964,000	751,029	902,000	722,477
Charges for Services	-	-	-	-
Interest	2,500	1,040	5,000	3,123
Other Receipts	33,000	15,154	227,000	19,016
Transfers In	100,000	100,000	-	-
Total Receipts	<u>\$ 1,504,500</u>	<u>\$ 1,278,439</u>	<u>\$ 1,541,000</u>	<u>\$ 1,148,606</u>
<u>Disbursements</u>				
Salaries	\$ 454,464	\$ 453,378	\$ 428,800	\$ 426,608
Employee Fringe Benefits	117,767	112,185	114,805	105,549
Supplies	199,200	198,362	204,200	175,329
Insurance	26,700	23,093	24,000	22,995
Road and Bridge Materials	248,300	224,558	320,100	307,697
Equipment Repairs	55,000	54,661	55,000	47,870
Rentals	-	-	2,500	-
Equipment Purchases	156,230	156,280	190,000	196,177
Road and Bridge Construction	270,000	40,054	210,000	14,693
Other Disbursements	27,300	11,676	25,750	11,376
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,554,961</u>	<u>\$ 1,274,247</u>	<u>\$ 1,575,155</u>	<u>\$ 1,308,294</u>
Receipts Over (Under)				
Disbursements	\$ (50,461)	\$ 4,192	\$ (34,155)	\$ (159,688)
Cash and Equivalents, Jan 1	<u>121,910</u>	<u>121,910</u>	<u>281,598</u>	<u>281,598</u>
Cash and Equivalents, Dec 31	<u>\$ 71,449</u>	<u>\$ 126,102</u>	<u>\$ 247,443</u>	<u>\$ 121,910</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, 2013 & 2012

	Assessment Fund				Law Enforcement Sales Tax Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	775,317	763,628	742,933	775,317
Intergovernmental	123,149	124,475	126,827	122,033	-	-	-	-
Charges for Services	-	-	-	-	155,699	199,581	144,501	124,351
Interest	1,202	522	1,600	1,201	1,715	937	1,651	1,715
Other Receipts	1,494	6,800	2,000	1,494	83,693	99,491	192,097	173,490
Transfers In	39,000	39,000	39,000	39,000	73,379	73,378	46,438	46,438
Total Receipts	\$ 164,845	\$ 170,797	\$ 169,427	\$ 163,728	\$ 1,089,803	\$ 1,137,015	\$ 1,127,620	\$ 1,121,311
Disbursements								
General County Government:								
Assessor	\$ 200,256	\$ 156,581	\$ 207,978	\$ 188,224	\$ -	\$ -	\$ -	\$ -
Public Safety:								
Sheriff	-	-	-	-	676,954	680,574	758,196	744,386
Jail	-	-	-	-	300,051	303,940	273,316	283,475
Employee Fringe Benefits	28,729	24,622	24,360	25,790	133,103	125,212	134,687	122,747
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 228,985	\$ 181,203	\$ 232,338	\$ 214,014	\$ 1,110,108	\$ 1,109,726	\$ 1,166,199	\$ 1,150,608
Receipts Over (Under)								
Disbursements	\$ (64,140)	\$ (10,406)	\$ (62,911)	\$ (50,286)	\$ (20,305)	\$ 27,289	\$ (38,579)	\$ (29,297)
Cash and Equivalents, Jan 1	77,673	77,673	127,959	127,959	121,272	121,272	150,569	150,569
Cash and Equivalents, Dec 31	<u>\$ 13,533</u>	<u>\$ 67,267</u>	<u>\$ 65,048</u>	<u>\$ 77,673</u>	<u>\$ 100,967</u>	<u>\$ 148,561</u>	<u>\$ 111,990</u>	<u>\$ 121,272</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, 2013 & 2012

	911 Emergency Services Fund				Law Enforcement Restitution Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	48,000	36,877	48,000	44,898	-	-	-	-
Interest	1,100	680	1,100	1,070	150	303	250	187
Other Receipts	-	-	-	-	35,000	47,169	30,000	37,369
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 49,100	\$ 37,557	\$ 49,100	\$ 45,968	\$ 35,150	\$ 47,472	\$ 30,250	\$ 37,556
Disbursements								
Public Safety:								
Sheriff	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,104	\$ 24,400	\$ 24,094
Prosecuting Attorney	-	-	-	-	5,000	9,934	10,000	1,200
Coroner	-	-	-	-	1,300	1,281	3,000	426
Other Disbursements	17,000	13,239	17,000	11,212	49,726	7,700	37,514	5,724
Transfers Out	36,882	36,881	35,374	35,374	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Total Disbursements	\$ 53,882	\$ 50,120	\$ 52,374	\$ 46,586	\$ 81,026	\$ 44,019	\$ 74,914	\$ 31,444
Receipts Over (Under)								
Disbursements	\$ (4,782)	\$ (12,563)	\$ (3,274)	\$ (618)	\$ (45,876)	\$ 3,453	\$ (44,664)	\$ 6,112
Cash and Equivalents, Jan 1	100,948	100,948	101,566	101,566	81,026	81,026	74,914	74,914
Cash and Equivalents, Dec 31	<u>\$ 96,166</u>	<u>\$ 88,385</u>	<u>\$ 98,292</u>	<u>\$ 100,948</u>	<u>\$ 35,150</u>	<u>\$ 84,479</u>	<u>\$ 30,250</u>	<u>\$ 81,026</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, 2013 & 2012

	Law Enforcement Training Fund				Collector's Tax Maintenance			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	18,000	20,040	18,000	18,297
Interest	20	27	20	17	375	222	425	397
Other Receipts	4,000	3,351	4,000	3,300	-	-	-	86
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,020</u>	<u>\$ 3,378</u>	<u>\$ 4,020</u>	<u>\$ 3,317</u>	<u>\$ 18,375</u>	<u>\$ 20,262</u>	<u>\$ 18,425</u>	<u>\$ 18,780</u>
<u>Disbursements</u>								
General County Government:								
Collector	\$ -	\$ -	\$ -	\$ -	\$ 36,500	\$ 23,795	\$ 73,084	\$ 16,308
Public Safety:								
Sheriff	4,000	2,859	4,000	2,672	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,000</u>	<u>\$ 2,859</u>	<u>\$ 4,000</u>	<u>\$ 2,672</u>	<u>\$ 36,500</u>	<u>\$ 23,795</u>	<u>\$ 73,084</u>	<u>\$ 16,308</u>
Receipts Over (Under)								
Disbursements	\$ 20	\$ 519	\$ 20	\$ 645	\$ (18,125)	\$ (3,533)	\$ (54,659)	\$ 2,472
Cash and Equivalents, Jan 1	<u>7,528</u>	<u>7,528</u>	<u>6,883</u>	<u>6,883</u>	<u>57,131</u>	<u>57,131</u>	<u>54,659</u>	<u>54,659</u>
Cash and Equivalents, Dec 31	<u>\$ 7,548</u>	<u>\$ 8,047</u>	<u>\$ 6,903</u>	<u>\$ 7,528</u>	<u>\$ 39,006</u>	<u>\$ 53,598</u>	<u>\$ -</u>	<u>\$ 57,131</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, 2013 & 2012

	Sheriff Revolving 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	-	-	-	-	-	-	-	-
Charges for Services	45,333	24,510	10,000	16,419	700	919	700	566
Interest	40	97	80	47	-	12	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 45,373</u>	<u>\$ 24,607</u>	<u>\$ 10,080</u>	<u>\$ 16,466</u>	<u>\$ 700</u>	<u>\$ 931</u>	<u>\$ 700</u>	<u>\$ 566</u>
<u>Disbursements</u>								
Public Safety:								
Sheriff	\$ 28,480	\$ 8,928	\$ 6,700	\$ 5,485	\$ -	\$ -	\$ -	\$ -
Prosecuting Attorney	-	-	-	-	700	292	700	460
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	9,333	9,497	9,064	9,064	-	-	-	-
Total Disbursements	<u>\$ 37,813</u>	<u>\$ 18,425</u>	<u>\$ 15,764</u>	<u>\$ 14,549</u>	<u>\$ 700</u>	<u>\$ 292</u>	<u>\$ 700</u>	<u>\$ 460</u>
Receipts Over (Under)								
Disbursements	\$ 7,560	\$ 6,182	\$ (5,684)	\$ 1,917	\$ -	\$ 639	\$ -	\$ 106
Cash and Equivalents, Jan 1	<u>25,102</u>	<u>25,102</u>	<u>23,185</u>	<u>23,185</u>	<u>3,810</u>	<u>3,810</u>	<u>3,704</u>	<u>3,704</u>
Cash and Equivalents, Dec 31	<u>\$ 32,662</u>	<u>\$ 31,284</u>	<u>\$ 17,501</u>	<u>\$ 25,102</u>	<u>\$ 3,810</u>	<u>\$ 4,449</u>	<u>\$ 3,704</u>	<u>\$ 3,810</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, 2013 & 2012

	Prosecuting Attorney Bad Check Fee Fund				Recorder User Fee Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	6,144	5,499	6,144	6,806
Interest	40	59	40	27	25	36	29	23
Other Receipts	5,000	8,757	7,000	9,046	2,736	3,321	2,737	3,117
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,040</u>	<u>\$ 8,816</u>	<u>\$ 7,040</u>	<u>\$ 9,073</u>	<u>\$ 8,905</u>	<u>\$ 8,856</u>	<u>\$ 8,910</u>	<u>\$ 9,946</u>
<u>Disbursements</u>								
General County Government:								
Recorder	\$ -	\$ -	\$ -	\$ -	\$ 8,600	\$ 8,600	\$ 8,500	\$ 8,500
Public Safety								
Prosecuting Attorney	1,800	1,280	2,000	1,115	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Transfers Out	3,240	3,240	5,000	5,000	-	-	-	-
Total Disbursements	<u>\$ 5,040</u>	<u>\$ 4,520</u>	<u>\$ 7,000</u>	<u>\$ 6,115</u>	<u>\$ 8,600</u>	<u>\$ 8,600</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 4,296	\$ 40	\$ 2,958	\$ 305	\$ 256	\$ 410	\$ 1,446
Cash and Equivalents, Jan 1	<u>15,373</u>	<u>15,373</u>	<u>12,415</u>	<u>12,415</u>	<u>12,140</u>	<u>12,140</u>	<u>10,694</u>	<u>10,694</u>
Cash and Equivalents, Dec 31	<u>\$ 15,373</u>	<u>\$ 19,669</u>	<u>\$ 12,455</u>	<u>\$ 15,373</u>	<u>\$ 12,445</u>	<u>\$ 12,396</u>	<u>\$ 11,104</u>	<u>\$ 12,140</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, 2013 & 2012**

	Title III Fund				Special Election Services Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	350	554	500	417	12	8	25	12
Other Receipts	24,000	-	28,000	24,595	10,000	6,612	5,000	975
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,350</u>	<u>\$ 554</u>	<u>\$ 28,500</u>	<u>\$ 25,012</u>	<u>\$ 10,012</u>	<u>\$ 6,620</u>	<u>\$ 5,025</u>	<u>\$ 987</u>
<u>Disbursements</u>								
General County Government:								
Elections	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 8,100	\$ 5,000	\$ 4,983
Other Disbursements	209,434	59,012	189,284	712	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 209,434</u>	<u>\$ 59,012</u>	<u>\$ 189,284</u>	<u>\$ 712</u>	<u>\$ 13,000</u>	<u>\$ 8,100</u>	<u>\$ 5,000</u>	<u>\$ 4,983</u>
Receipts Over (Under)								
Disbursements	\$ (185,084)	\$ (58,458)	\$ (160,784)	\$ 24,300	\$ (2,988)	\$ (1,480)	\$ 25	\$ (3,996)
Cash and Equivalents, Jan 1	<u>185,084</u>	<u>185,084</u>	<u>160,784</u>	<u>160,784</u>	<u>3,620</u>	<u>3,620</u>	<u>7,616</u>	<u>7,616</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 126,626</u>	<u>\$ -</u>	<u>\$ 185,084</u>	<u>\$ 632</u>	<u>\$ 2,140</u>	<u>\$ 7,641</u>	<u>\$ 3,620</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, 2013 & 2012

	Senior Citizens Services Board Fund				Tourism Tax Fund			
	2013		2012		2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 72,199	\$ 72,443	\$ 70,830	\$ 70,985	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	52,000	61,564	50,000	61,575
Charges for Services	-	-	-	-	-	-	-	-
Interest	120	139	150	117	195	422	200	234
Other Receipts	3,500	3,538	3,300	4,663	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 75,819</u>	<u>\$ 76,120</u>	<u>\$ 74,280</u>	<u>\$ 75,765</u>	<u>\$ 52,195</u>	<u>\$ 61,986</u>	<u>\$ 50,200</u>	<u>\$ 61,809</u>
<u>Disbursements</u>								
Other Disbursements	\$ 77,500	\$ 77,538	\$ 75,300	\$ 76,485	\$ 75,000	\$ 58,500	\$ 75,000	\$ 41,806
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 77,500</u>	<u>\$ 77,538</u>	<u>\$ 75,300</u>	<u>\$ 76,485</u>	<u>\$ 75,000</u>	<u>\$ 58,500</u>	<u>\$ 75,000</u>	<u>\$ 41,806</u>
Receipts Over (Under)								
Disbursements	\$ (1,681)	\$ (1,418)	\$ (1,020)	\$ (720)	\$ (22,805)	\$ 3,486	\$ (24,800)	\$ 20,003
Cash and Equivalents, Jan 1	<u>22,938</u>	<u>22,938</u>	<u>23,658</u>	<u>23,658</u>	<u>117,132</u>	<u>117,132</u>	<u>97,129</u>	<u>97,129</u>
Cash and Equivalents, Dec 31	<u>\$ 21,257</u>	<u>\$ 21,520</u>	<u>\$ 22,638</u>	<u>\$ 22,938</u>	<u>\$ 94,327</u>	<u>\$ 120,618</u>	<u>\$ 72,329</u>	<u>\$ 117,132</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, 2013 & 2012

	Senate Bill 40 Board Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 235,000	\$ 243,245	\$ 240,000	\$ 239,544
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	2,500	2,276	4,000	2,704
Other Receipts	513,600	424,152	501,800	517,373
Transfers In	-	-	-	-
Total Receipts	<u>\$ 751,100</u>	<u>\$ 669,673</u>	<u>\$ 745,800</u>	<u>\$ 759,621</u>
<u>Disbursements</u>				
Administration	\$ 39,400	\$ 38,938	\$ 42,649	\$ 40,055
Insurance	165,760	37,713	180,260	165,832
Emergency Funding	5,000	-	5,000	-
Contracted Services	104,384	100,830	101,260	95,993
Targeted Case Management	363,440	337,174	357,634	497,103
Capital Outlay	25,000	13,881	215,000	14,087
Total Disbursements	<u>\$ 702,984</u>	<u>\$ 528,536</u>	<u>\$ 901,803</u>	<u>\$ 813,070</u>
Receipts Over (Under)				
Disbursements	\$ 48,116	\$ 141,137	\$ (156,003)	\$ (53,449)
Cash and Equivalents, Jan 1	<u>411,866</u>	<u>411,866</u>	<u>465,315</u>	<u>465,315</u>
Cash and Equivalents, Dec 31	<u>\$ 459,982</u>	<u>\$ 553,003</u>	<u>\$ 309,312</u>	<u>\$ 411,866</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, 2013 & 2012**

	Inmate Security Fund			
	2013		2012	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	8	16	12	9
Other Receipts	2,400	2,743	2,500	2,199
Transfers In	-	-	-	-
Total Receipts	<u>\$ 2,408</u>	<u>\$ 2,759</u>	<u>\$ 2,512</u>	<u>\$ 2,208</u>
<u>Disbursements</u>				
Other Disbursements	\$ -	\$ -	\$ -	\$ -
Transfers Out	2,000	2,000	2,000	2,000
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Receipts Over (Under)				
Disbursements	\$ 408	\$ 759	\$ 512	\$ 208
Cash and Equivalents, Jan 1	<u>4,882</u>	<u>4,882</u>	<u>4,674</u>	<u>4,674</u>
Cash and Equivalents, Dec 31	<u>\$ 5,290</u>	<u>\$ 5,641</u>	<u>\$ 5,186</u>	<u>\$ 4,882</u>

See Notes to the Financial Statements

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

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 and is part of the Forty-Second Judicial Circuit. 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 Senior Citizens Services Board, and the Dent County Senate Bill 40 Board.

Dent 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 Senior Citizens Services Board and Senate Bill 40 Board are controlled by separate boards and are also included under the control of Dent 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, 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 Dent 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, Dent County adopts a budget for each governmental fund.

On or before January 15th, each elected official 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, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Senior Citizens Service Board Fund had expenses exceeding their respective budgets for 2013 and 2012.

**The County of Dent
Salem, 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 Dent 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	\$ 111,308,810	\$ 111,181,950
Personal Property	37,634,350	37,938,720
Railroad and Utilities	5,058,764	5,336,745
	<u>\$ 154,001,924</u>	<u>\$ 154,457,415</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	\$ 0.0350	\$ 0.0350
Special Road and Bridge Fund	0.2550	0.2550
Senate Bill 40 Board Fund	0.1500	0.1500
Senior Citizens Service Board Fund	0.0467	0.0466

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 Dent 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, 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

Dent 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 Dent County's deposits was \$2,801,946 and \$2,669,340, respectively, and the bank balance was \$2,985,926 and \$2,800,648, respectively. As of December 31, 2013, 100% of Dent 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 below are included in the financial statements at December 31, 2013, as follows:

Deposits	\$ 2,801,946
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2013	<u><u>\$ 2,801,946</u></u>

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

Deposits	\$ 2,669,340
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2012	<u><u>\$ 2,669,340</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. Dent County's investment policy does not include custodial credit risk requirements. Dent County's deposits were not exposed to custodial credit risk for the years ended December 31, 2013 and 2012.

**The County of Dent
Salem, 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 Dent County or its agent but not in the government's name. Dent 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 Dent 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. Dent 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 Dent 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). Dent 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. Dent County's deposits were not exposed to concentration of investment credit risk for the years ended 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	\$ 3,240	\$ 164,000	\$ 5,000	\$ 39,000
Special Road and Bridge	100,000	-	-	-
Law Enforcement Sales Tax	73,378	-	46,438	-
911 Emergency Services	-	36,881	-	35,374
Assessment	39,000	-	39,000	-
Sheriff Revolving	-	9,497	-	9,064
Inmate Security	-	2,000	-	2,000
Prosecuting Attorney Bad Check Fee	-	3,240	-	5,000
Total	<u>\$ 215,618</u>	<u>\$ 215,618</u>	<u>\$ 90,438</u>	<u>\$ 90,438</u>

**The County of Dent
Salem, 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 Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 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 \$67,982 and \$64,879, respectively, for the years then ended.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 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. Once remitted, the State of Missouri is responsible for administration of this plan. Dent County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2013 and 2012.

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

Note 6 - 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 7 - Claims, Commitments and Contingencies

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.

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.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 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 meet its obligations, the risk pool is empowered with the ability to make specific 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 \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

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 July 9, 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 Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2013 & 2012**

Note 10 - Long-Term Debt

In April of 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2008 Freightliner M2 truck at a cost of \$48,500. The agreement requires annual payments of \$12,897 ending June 1, 2012, which includes interest of 3.95%. This lease was paid off in 2012.

In April of 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2007 Sterling Model LT 9511 dump truck at a cost of \$79,836. The agreement requires annual payments of \$21,254 ending June 1, 2012, which includes interest of 3.95%. This lease was paid off in 2012.

In April of 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a second 2007 Sterling Model LT 9511 dump truck at a cost of \$79,836. The agreement requires annual payments of \$21,254 ending June 1, 2012, which includes interest of 3.95%. This lease was paid off in 2012.

In March of 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of a Caterpillar 924H Wheel loader at a cost of \$69,004. The agreement requires annual payments of \$18,989 ending March 11, 2014, which includes interest of 3.95%.

In October of 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2007 Chevy Tahoe at a cost of \$21,500. The agreement requires annual payments of \$7,167 in 2010 and \$7,495 the following years, ending in March 2012, which includes interest of 3.04%. This lease was paid off in 2012.

In September of 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2010 John Deere 672G Motor Grader at a cost of \$95,526. The agreement requires annual payments of \$21,098 ending October 25, 2015, which includes interest of 3.40%.

In September of 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of a second 2010 John Deere 672G Motor Grader at a cost of \$95,526. The agreement requires annual payments of \$21,098 ending October 25, 2015, which includes interest of 3.40%.

In August of 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2011 Caterpillar Backhoe at a cost of \$87,668. The agreement requires annual payments of \$19,227 ending August 8, 2016, which includes interest of 3.15%.

In November of 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2011 John Deere 672 Motor Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending November 28, 2016 which includes interest of 3.15%.

In November of 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a second 2011 John Deere 672 Motor Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending November 28, 2016 which includes interest of 3.15%.

In December of 2012, the County entered into a cancelable lease purchase agreement to finance the purchase of a patrol vehicle at a cost of \$25,191. The agreement requires annual payments of \$8,642 ending March 1, 2015, which includes interest of 2.44%.

In April of 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of two 2013 120M2 AWD Graders at a cost of \$190,156. The agreement requires annual payments of \$40,860 ending April 8, 2018, which includes interest of 2.44%.

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

Note 10 - Long -Term Debt (continued)

In May of 2014, the County entered into a cancelable lease purchase agreement to finance the purchase of two 2014 Ford Explorers at a cost of \$55,947. The agreement requires annual payments of \$19,045 ending in 2016, which includes interest of 2.12%.

As of June 2014, the County was in the process of entering into a cancelable lease purchase agreement to finance the purchase of a John Deere 6105M Tractor/Brush Cutter at a cost of \$90,398. The agreement requires annual payments of \$23,955 ending in 2018, which includes interest of 2.37%.

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
Caterpillar 942H Wheel loader	\$ 35,840	\$ -	\$ 17,574	\$ 18,266	\$ 1,415
2010 John Deere 672G Grader	59,225	-	19,085	40,140	2,013
2011 John Deere 672G Grader	59,225	-	19,085	40,140	2,013
2011 Caterpillar Backhoe	71,203	-	16,984	54,219	2,243
2011 John Deere 672 Grader	97,614	-	23,284	74,330	3,075
2012 John Deere 672 Grader	97,614	-	23,284	74,330	3,075
Patrol vehicle	25,191	-	8,235	16,956	407
2013 120M2 AWD Graders	-	190,156	-	190,156	-
	<u>\$ 445,912</u>	<u>\$ 190,156</u>	<u>\$ 127,531</u>	<u>\$ 508,537</u>	<u>\$ 14,241</u>

The following is the changes in long-term debt for the year ended December 31, 2012:

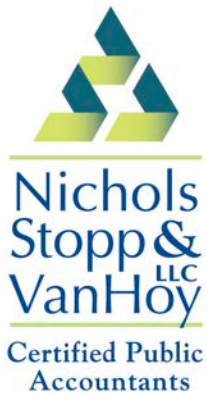
Capital Lease Obligations	Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012	Interest Paid
2008 Freightliner M2	\$ 12,407	\$ -	\$ 12,407	\$ -	\$ 490
2007 Sterling Model LT 9511	20,446	-	20,446	-	808
2007 Sterling Model LT 9511	20,446	-	20,446	-	808
2007 Chevy Tahoe	7,274	-	7,274	-	221
Caterpillar 942H Wheel loader	52,746	-	16,906	35,840	2,083
2010 John Deere 672G Grader	77,683	-	18,458	59,225	2,640
2011 John Deere 672G Grader	77,683	-	18,458	59,225	2,640
2011 Caterpillar Backhoe	87,668	-	16,465	71,203	2,762
2011 John Deere 672 Grader	120,187	-	22,573	97,614	3,786
2012 John Deere 672 Grader	120,187	-	22,573	97,614	3,786
Patrol vehicle	-	25,191	-	25,191	-
	<u>\$ 596,727</u>	<u>\$ 25,191</u>	<u>\$ 176,006</u>	<u>\$ 445,912</u>	<u>\$ 20,024</u>

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

Note 10 - Long -Term Debt (continued)

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

Year Ending December 31,	Principal	Interest	Total
2014	\$ 167,743	\$ 14,891	\$ 182,634
2015	194,827	11,819	206,646
2016	148,185	9,042	157,227
2017	80,445	3,414	83,859
2018	63,682	1,528	65,210
	<u>\$ 654,882</u>	<u>\$ 40,694</u>	<u>\$ 695,576</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*

To the County Commission and
Officeholders of Dent 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 Dent 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 Dent County, Missouri's basic financial statements and have issued our report thereon dated July 9, 2014.

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 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 questioned costs 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 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

10425 Old Olive
Street Road,
Suite 101

Creve Coeur,
Missouri 63141

PHONE:
314-569-3800
FAX:
314-569-0020

www.nsvcpa.com

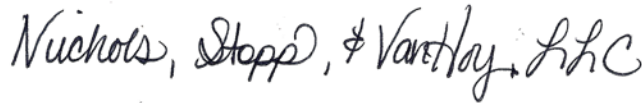
results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 13/12-1.

Dent County, Missouri's Response to Findings

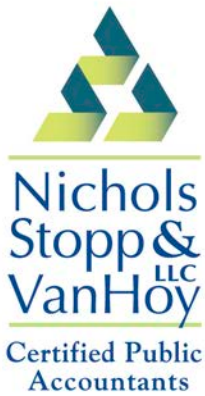
Dent County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Dent County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express 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
July 9, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission and Officeholders of Dent County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Dent County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dent County, Missouri's major federal programs for the years ended December 31, 2013 and 2012. Dent County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Dent County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dent County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Dent County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2013 and 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 13/12-4. Our opinion on each major federal program is not modified with respect to these matters.

Dent County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Dent County,

10425 Old Olive Street Road, Suite 101
Creve Coeur, Missouri 63141

PHONE:
314-569-3800
FAX:
314-569-0020

www.nsvcpa.com

Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

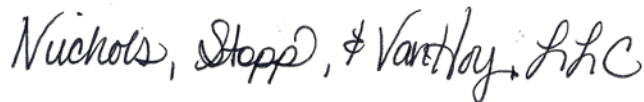
Report on Internal Control Over Compliance

Management of Dent County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dent County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dent County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Creve Coeur, Missouri
July 9, 2014

**The County of Dent
Salem, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2013 & 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2013	2012
U.S. Department of Agriculture				
Passed through state:				
Missouri Office of Administration - Schools and Roads - Grants to States	10.665	N/A	\$ 374,134	\$ 322,466
U.S. Department of Commerce				
Passed through state:				
Missouri Office of Homeland Security - Public Telecommunications Facilities Planning and Construction	11.550	2007-GS-H7-0001-4613	-	109,013
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	N/A	88,478	70,675
U.S. Department of Justice				
Passed through state:				
Missouri Department of Public Safety - JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-LLEBG-015	6,966	-
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-MJCCG-044	7,927	20,052
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-MJCCG-030	-	22,243
Total JAG Program Cluster			14,893	42,295
Recovery Act - Internet Crimes Against Children Task Force Program	16.800	2011-MC-CX-K012	10,866	5,955
Total U.S. Department of Justice			25,759	48,250
U.S. Department of Transportation				
Passed through state:				
Missouri Department of Transportation - Highway Planning and Construction	20.205	BRO-NBIL-BO33(001)	5,114	-
Election Assistance Commission				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	N/A	6,612	4,982
Total Expenditures of Federal Awards			\$ 500,097	\$ 555,386

**The County of Dent
Salem, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2013 & 2012**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Dent County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$236,342 and \$241,315 of federal funds related to the Schools and Roads - Grants to States (CFDA# 10.665) to local schools for the years ended December 31, 2013 and 2012, respectively.

**The County of Dent
Salem, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified Regulatory Basis
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> X </u> Yes _____ None Reported
Any noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u> Yes _____ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	<u> X </u> Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 300,000 </u>
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

**The County of Dent
Salem, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012**

Section 2 - Financial Statement Findings

13/12-1 **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.

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 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.

13/12-3 **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.

**The County of Dent
Salem, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2013 & 2012**

Section 3 - Federal Award Findings and Questioned Costs

13/12-4 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.

**The County of Dent
Salem, 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 Dent County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2010.

Prior Year Financial Statement Findings

2010-01 **Condition:** Two individuals perform conflicting duties in the accounts receivable/revenue, accounts payable/purchases and payroll cycles and some accounts are manually maintained with little or no oversight.

Criteria: Internal controls should be in place that provide reasonable assurance that access/authorization, recording and monitoring duties are adequately separated.

Cause: The current internal control structure and number of personnel available to perform these functions does not adequately separate the recording function from the access/authorization and monitoring duties.

Effect: Without effective internal controls, transactions could be inappropriately recorded without being detected.

Recommendation: Duties should be assigned to ensure that individuals perform duties that are properly segregated and manually maintained accounts are reviewed periodically.

Views of responsible officials and planned corrective actions: Management will continue to weigh the cost versus benefit of obtaining resources to further segregate duties.

Status: We do not consider this a significant deficiency.

2010-02 **Condition:** Current grant procedures do not separate all grant revenues and expenditures within the accounting system, nor do they ensure that all monitoring reports are filed as required.

Criteria: Effective grant monitoring procedures include noting grant expenditures within the accounting system and making sure necessary reports are timely filed.

Cause: Current internal procedures did not provide for review of grant revenues and expenditures in total to ensure that all grant requirements were met.

Effect: Noncompliance with grant agreements and potential for unreimbursed expenditures.

Recommendation: Responsible parties should work together to ensure that all incurred costs are tracked separately within the accounting software, billed routinely and that compliance requirements under grant awards are completed timely and sufficiently documented.

Views of responsible officials and planned corrective actions: Management will evaluate the procedures in this area and address the procedure changes needed.

Status: Management has corrected this issue.

Prior Year Federal Award Findings and Questioned Cost

None