



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dunklin County, Missouri

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

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-070

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

**THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Dunklin, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Dunklin ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Dunklin’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is 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 June 19, 2015, on our consideration of the County of Dunklin'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 County of Dunklin's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	ADJUSTMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 1,757,736.45	\$ 4,609,633.85	\$ 4,724,352.45	\$ (8,352.01)	\$ 1,634,665.84
Special Road and Bridge Fund	579,269.82	825,725.34	802,720.26	-	602,274.90
Assessment Fund	139,713.25	351,325.83	316,522.38	-	174,516.70
Law Enforcement Sales Tax Fund	875,187.07	1,531,464.06	1,517,093.24	256,171.30	1,145,729.19
Johnson Grass Fund	133,690.23	7,188.90	11,466.22	-	129,412.91
Recorders User Fund	33,768.29	14,206.53	20,345.61	-	27,629.21
Prosecuting Attorney Training Fund	1,893.68	551.02	861.08	-	1,583.62
Law Enforcement Training Fund	70.87	2,114.63	405.00	-	1,780.50
DC Sheriff Revolving Fund	122.96	-	-	-	122.96
Emergency 911 Fund	176,834.09	147,866.06	111,206.27	-	213,493.88
Victims of Domestic Violence Fund	5,779.76	1,780.67	-	-	7,560.43
Domestic Violence Shelters Fund	7,492.38	2,187.49	-	-	9,679.87
Prosecuting Attorney Bad Check Fund	16,806.73	35,966.39	51,970.86	-	802.26
Dunklin County Law Enforcement Restitution Fund	84,228.23	55,906.29	85,206.36	-	54,928.16
County Clerk Discretionary Fund	4,793.23	3,816.63	7,257.51	-	1,352.35
Prosecuting Attorney Delinquent Tax Fund	66,962.76	1,886.19	15,727.49	-	53,121.46
Sheriff Civil Fees Fund	50,370.64	32,492.05	30,868.69	-	51,994.00
Sheriff Concealed Weapons Fund	82,549.91	42,817.00	21,552.04	-	103,814.87
Principal County Schools Fund	70,653.59	632,163.09	649,343.54	-	53,473.14
Schools Fund	3,917.93	1,709.78	4,622.57	-	1,005.14
Drainage District #12 Fund	11,000.94	88.37	-	-	11,089.31
Drainage District #23 Fund	119.16	0.96	-	-	120.12
Drainage District #25 Fund	372.07	2.98	-	-	375.05
Drainage District #48 Fund	23,550.06	29,219.26	16,659.80	-	36,109.52
Levee #4 Fund	79,684.45	23,499.98	-	-	103,184.43
Levee #7 Fund	48,211.00	23,867.49	15,425.00	-	56,653.49
DC Inmate Security Fund	13,794.37	4,461.15	-	-	18,255.52
Dunklin County Fire Dispatch Fund	-	-	-	-	-
Financial Institution Tax Fund	62,986.45	44,893.97	62,986.45	-	44,893.97
Surplus Certificate Bids Fund	3,725.07	420.50	-	-	4,145.57
Tax Maintenance Fund	37,140.25	61,595.92	82,077.65	-	16,658.52
Health Department Fund	60.00	-	60.00	-	-
Senate Bill 40 Fund	476,354.13	323,727.02	357,584.78	-	442,496.37
TOTAL	\$ 4,848,839.82	\$ 8,812,579.40	\$ 8,906,315.25	\$ 247,819.29	\$ 5,002,923.26

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	ADJUSTMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 1,619,455.10	\$ 4,540,879.10	\$ 4,403,372.87	\$ 775.12	\$ 1,757,736.45
Special Road and Bridge Fund	635,778.65	796,049.75	852,558.58	-	579,269.82
Assessment Fund	128,764.59	343,227.71	332,279.05	-	139,713.25
Law Enforcement Sales Tax Fund	1,423,243.49	1,413,140.36	1,714,472.90	(246,723.88)	875,187.07
Johnson Grass Fund	141,420.06	7,341.87	15,071.70	-	133,690.23
Recorders User Fund	47,946.08	15,531.67	29,709.46	-	33,768.29
Prosecuting Attorney Training Fund	1,226.67	667.01	-	-	1,893.68
Law Enforcement Training Fund	77.81	2,594.07	2,601.01	-	70.87
DC Sheriff Revolving Fund	122.96	-	-	-	122.96
Emergency 911 Fund	166,940.25	144,995.28	135,101.44	-	176,834.09
Victims of Domestic Violence Fund	3,856.88	1,922.88	-	-	5,779.76
Domestic Violence Shelters Fund	4,851.31	2,641.07	-	-	7,492.38
Prosecuting Attorney Bad Check Fund	52,342.50	29,863.50	65,399.27	-	16,806.73
Dunklin County Law Enforcement Restitution Fund	122,425.66	71,399.59	109,597.02	-	84,228.23
County Clerk Discretionary Fund	5,067.10	5,477.88	5,751.75	-	4,793.23
Prosecuting Attorney Delinquent Tax Fund	61,059.77	5,902.99	-	-	66,962.76
Sheriff Civil Fees Fund	70,633.66	25,111.02	45,374.04	-	50,370.64
Sheriff Concealed Weapons Fund	63,474.38	48,631.00	29,555.47	-	82,549.91
Principal County Schools Fund	70,023.92	656,671.18	656,041.51	-	70,653.59
Schools Fund	9,513.36	3,933.66	9,529.09	-	3,917.93
Drainage District #12 Fund	10,898.66	102.28	-	-	11,000.94
Drainage District #23 Fund	118.05	1.11	-	-	119.16
Drainage District #25 Fund	368.61	3.46	-	-	372.07
Drainage District #48 Fund	31,184.79	22,713.41	30,348.14	-	23,550.06
Levee #4 Fund	66,562.36	19,349.39	6,227.30	-	79,684.45
Levee #7 Fund	44,060.16	19,208.34	15,057.50	-	48,211.00
DC Inmate Security Fund	10,623.03	3,171.34	-	-	13,794.37
Dunklin County Fire Dispatch Fund	1,330.43	6,640.00	7,970.43	-	-
Financial Institution Tax Fund	93,655.41	62,993.49	93,662.45	-	62,986.45
Surplus Certificate Bids Fund	3,725.07	-	-	-	3,725.07
Tax Maintenance Fund	19,856.00	46,496.71	27,869.35	(1,343.11)	37,140.25
Health Department Fund	3,340.00	2,901.00	6,181.00	-	60.00
Senate Bill 40 Fund	453,878.20	287,135.93	264,660.00	-	476,354.13
TOTAL	\$ 5,367,824.97	\$ 8,586,698.05	\$ 8,858,391.33	\$ (247,291.87)	\$ 4,848,839.82

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

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

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 11,097.76	\$ 11,097.76	\$ 91,626.36	\$ 17,323.68
Sales Taxes	1,719,459.07	1,719,459.07	1,692,924.05	1,692,924.05
Intergovernmental	1,178,418.10	1,178,437.66	1,066,545.07	1,027,023.59
Charges for Services	677,933.02	677,933.02	537,171.61	638,313.66
Interest	12,649.14	12,649.14	14,514.57	14,514.57
Other	479,997.20	479,997.20	396,835.78	420,779.55
Transfers In	530,079.56	530,060.00	-	730,000.00
TOTAL RECEIPTS	4,609,633.85	4,609,633.85	3,799,617.44	4,540,879.10
DISBURSEMENTS				
County Commission	269,774.42	269,774.42	232,311.28	232,311.28
County Clerk	151,338.44	151,338.44	152,335.87	152,335.87
Elections	120,322.36	120,322.36	56,034.84	56,034.84
Buildings and Grounds	227,882.60	232,122.60	196,094.82	196,094.82
Employee Fringe Benefits	745,169.99	745,169.99	762,014.97	766,771.42
Treasurer	177,718.88	177,718.88	170,109.37	170,109.37
Collector	-	-	-	-
Recorder of Deeds	97,819.82	97,819.82	92,653.22	92,653.22
Circuit Clerk	79,475.14	79,475.14	77,891.27	77,966.07
Court Administration	8,998.16	8,998.16	13,993.77	13,993.77
Public Administrator	129,080.60	129,080.60	119,629.92	119,629.92
Sheriff	806,117.65	806,117.65	775,768.46	773,127.80
Jail	1,270,560.15	1,270,560.15	1,130,498.44	1,134,276.42
Prosecuting Attorney	286,246.33	286,246.33	274,763.00	274,763.00
Juvenile Office	177,437.22	177,437.22	170,635.38	170,635.38
Coroner	41,705.26	41,705.26	36,802.29	36,802.29
Paternity	109,813.41	109,813.41	103,081.82	103,081.82
Public Health and Welfare Services	18,980.96	19,210.91	21,557.50	21,557.50
Transfers Out	1,441.11	1,441.11	-	11,228.08
Emergency Fund	-	-	135,233.10	-
TOTAL DISBURSEMENTS	4,719,882.50	4,724,352.45	4,521,409.32	4,403,372.87
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(110,248.65)	(114,718.60)	(721,791.88)	137,506.23
CASH BALANCES, JANUARY 1	1,757,736.45	1,757,736.45	1,619,937.87	1,619,455.10
ADJUSTMENT (See Note XII)	-	(8,352.01)	-	775.12
CASH BALANCES, DECEMBER 31	\$ 1,647,487.80	\$ 1,634,665.84	\$ 898,145.99	\$ 1,757,736.45

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

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

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 150,226.44	\$ 150,226.44	\$ 131,295.89	\$ 131,295.89
Intergovernmental	589,945.97	672,643.85	579,543.82	579,543.82
Charges for Services	82,697.88	-	81,934.79	81,934.79
Interest	2,855.05	2,855.05	3,275.25	3,275.25
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	825,725.34	825,725.34	796,049.75	796,049.75
DISBURSEMENTS				
Road & Bridge Construction	772,720.26	772,720.26	822,558.58	822,558.58
Other Expenditures	-	-	-	-
Transfers Out	30,000.00	30,000.00	-	30,000.00
TOTAL DISBURSEMENTS	802,720.26	802,720.26	822,558.58	852,558.58
RECEIPTS OVER (UNDER) DISBURSEMENTS	23,005.08	23,005.08	(26,508.83)	(56,508.83)
CASH BALANCES, JANUARY 1	579,269.82	579,269.82	635,778.65	635,778.65
CASH BALANCES, DECEMBER 31	\$ 602,274.90	\$ 602,274.90	\$ 609,269.82	\$ 579,269.82

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

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

	ASSESSMENT FUND				LAW ENFORCEMENT SALES TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$1,493,233.07	\$1,493,233.07	\$1,393,187.22	\$1,393,187.22
Intergovernmental	340,025.45	346,554.49	323,178.28	323,178.28	-	-	-	-
Charges for Services	2,948.00	2,948.00	-	8,183.00	25,952.39	25,952.39	4,150.00	4,150.00
Interest	1,823.34	1,823.34	1,866.43	1,866.43	12,278.60	12,278.60	15,803.14	15,803.14
Other	-	-	8,183.00	-	-	-	-	-
Transfers In	-	-	-	10,000.00	-	-	-	-
TOTAL RECEIPTS	344,796.79	351,325.83	333,227.71	343,227.71	1,531,464.06	1,531,464.06	1,413,140.36	1,413,140.36
DISBURSEMENTS								
Salaries	187,550.94	187,550.94	183,272.34	183,272.34	-	-	-	-
Fringe Benefits	59,948.78	60,243.38	64,401.90	64,401.90	-	-	-	-
Office Supplies	13,265.31	13,265.31	12,566.17	12,566.17	-	-	-	-
Equipment	1,052.66	1,052.66	4,066.25	4,066.25	-	-	-	-
Mileage	1,185.15	1,185.15	4,252.05	4,252.05	-	-	-	-
Tuition & Training	942.41	942.41	2,252.78	2,252.78	-	-	-	-
Part-time Clerical	12,019.82	12,019.82	10,799.50	10,799.50	-	-	-	-
Assessor's Bond	-	-	266.00	266.00	-	-	-	-
Telephone	1,684.99	1,684.99	1,753.49	1,753.49	-	-	-	-
Postage	9,607.72	9,607.72	9,256.78	9,256.78	-	-	-	-
Map Maintenance	9,120.00	9,120.00	9,120.00	9,120.00	-	-	-	-
Appraisal Services	19,100.00	19,100.00	30,195.00	30,195.00	-	-	-	-
Contact Labor	750.00	750.00	-	-	-	-	-	-
Other	-	-	-	76.79	-	-	-	-
Maintenance	-	-	-	-	-	-	5,442.00	5,442.00
KNB/SOMO Bank Draft	-	-	-	-	-	825,696.24	827,520.91	827,520.90
Bank Charges	-	-	-	-	7,682.24	5,835.00	5,550.00	5,550.00
Patrol Cars	-	-	-	-	79,411.00	79,411.00	78,306.00	78,306.00
Car/Building Insurance	-	-	-	-	-	106,151.00	97,654.00	97,654.00
Transfers Out	-	-	-	-	500,000.00	500,000.00	-	700,000.00
TOTAL DISBURSEMENTS	316,227.78	316,522.38	332,202.26	332,279.05	587,093.24	1,517,093.24	1,014,472.91	1,714,472.90
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	28,569.01	34,803.45	1,025.45	10,948.66	944,370.82	14,370.82	398,667.45	(301,332.54)
CASH BALANCES, JANUARY 1	139,713.25	139,713.25	128,660.41	128,764.59	875,187.07	875,187.07	1,423,243.49	1,423,243.49
ADJUSTMENT (See Note XII)	-	-	-	-	-	256,171.30	-	(246,723.88)
CASH BALANCES, DECEMBER 31	<u>\$ 168,282.26</u>	<u>\$174,516.70</u>	<u>\$ 129,685.86</u>	<u>\$139,713.25</u>	<u>\$1,819,557.89</u>	<u>\$1,145,729.19</u>	<u>\$1,821,910.94</u>	<u>\$ 875,187.07</u>

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

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

	JOHNSON GRASS FUND				RECORDERS USER FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 5,958.32	\$ 5,958.32	\$ 5,796.59	\$ 5,796.59	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	13,949.00	13,949.00	15,109.25	15,109.25
Interest	1,230.58	1,230.58	1,545.28	1,545.28	257.53	257.53	422.42	422.42
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,188.90	7,188.90	7,341.87	7,341.87	14,206.53	14,206.53	15,531.67	15,531.67
DISBURSEMENTS								
Chemicals	1,077.00	1,077.00	960.00	960.00	-	-	-	-
Spraying	10,075.00	10,075.00	13,756.80	13,756.80	-	-	-	-
Office Expense	314.22	314.22	354.90	354.90	-	-	-	-
Recording System	-	-	-	-	12,255.11	12,255.11	5,416.22	5,416.22
Computer System	-	-	-	-	-	-	21,216.80	21,216.80
Clerical Hours	-	-	-	-	6,724.58	6,724.58	-	2,654.36
Fringe Benefits	-	-	-	-	891.72	795.89	-	422.08
Mileage	-	-	-	-	570.03	570.03	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,466.22	11,466.22	15,071.70	15,071.70	20,441.44	20,345.61	26,633.02	29,709.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,277.32)	(4,277.32)	(7,729.83)	(7,729.83)	(6,234.91)	(6,139.08)	(11,101.35)	(14,177.79)
CASH BALANCES, JANUARY 1	133,690.23	133,690.23	141,420.06	141,420.06	33,768.29	33,768.29	47,946.08	47,946.08
CASH BALANCES, DECEMBER 31	<u>\$ 129,412.91</u>	<u>\$ 129,412.91</u>	<u>\$ 133,690.23</u>	<u>\$ 133,690.23</u>	<u>\$ 27,533.38</u>	<u>\$ 27,629.21</u>	<u>\$ 36,844.73</u>	<u>\$ 33,768.29</u>

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

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

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,106.75	\$ -	\$ -	\$ 2,593.00
Charges for Services	536.32	536.32	652.23	652.23	-	2,106.75	2,593.00	-
Interest	14.70	14.70	14.78	14.78	7.88	7.88	1.07	1.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	551.02	551.02	667.01	667.01	2,114.63	2,114.63	2,594.07	2,594.07
DISBURSEMENTS								
Prosecuting Attorney Tuition	861.08	861.08	-	-	-	-	-	-
Law Enforcement Tuition & Training	-	-	-	-	405.00	405.00	1,611.01	1,611.01
Ammunition	-	-	-	-	-	-	990.00	990.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	861.08	861.08	-	-	405.00	405.00	2,601.01	2,601.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	(310.06)	(310.06)	667.01	667.01	1,709.63	1,709.63	(6.94)	(6.94)
CASH BALANCES, JANUARY 1	1,893.68	1,893.68	1,226.67	1,226.67	70.87	70.87	77.81	77.81
CASH BALANCES, DECEMBER 31	<u>\$ 1,583.62</u>	<u>\$ 1,583.62</u>	<u>\$ 1,893.68</u>	<u>\$ 1,893.68</u>	<u>\$ 1,780.50</u>	<u>\$ 1,780.50</u>	<u>\$ 70.87</u>	<u>\$ 70.87</u>

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

	DC SHERIFF REVOLVING FUND				EMERGENCY 911 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	146,065.07	146,065.07	143,507.27	143,507.27
Interest	-	-	-	-	1,571.04	1,571.04	1,488.01	1,488.01
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	229.95	229.95	-	-
TOTAL RECEIPTS	-	-	-	-	147,866.06	147,866.06	144,995.28	144,995.28
DISBURSEMENTS								
Clerical	-	-	-	-	12,449.96	12,449.96	12,449.96	12,449.96
Office Expenses	-	-	-	-	6,408.75	6,408.75	6,873.96	6,873.96
Telephone	-	-	-	-	57,475.89	57,475.89	49,662.02	49,662.07
Mileage	-	-	-	-	3,308.85	3,308.85	2,854.39	2,854.39
Fringe Benefits	-	-	-	-	1,162.82	1,162.82	1,268.06	1,268.06
County Dispatching	-	-	-	-	30,000.00	30,000.00	30,000.00	30,000.00
Equipment Maintenance and Repair	-	-	-	-	400.00	400.00	-	-
Mapping and Addressing	-	-	-	-	-	-	31,993.00	31,993.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	111,206.27	111,206.27	135,101.39	135,101.44
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	36,659.79	36,659.79	9,893.89	9,893.84
CASH BALANCES, JANUARY 1	122.96	122.96	122.96	122.96	176,834.09	176,834.09	166,940.25	166,940.25
CASH BALANCES, DECEMBER 31	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 213,493.88</u>	<u>\$ 213,493.88</u>	<u>\$ 176,834.14</u>	<u>\$ 176,834.09</u>

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

	VICTIMS OF DOMESTIC VIOLENCE FUND				DOMESTIC VIOLENCE SHELTERS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,727.00	1,727.00	1,878.00	1,878.00	2,118.00	2,118.00	2,582.50	2,582.50
Interest	53.67	53.67	44.88	44.88	69.49	69.49	58.57	58.57
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,780.67	1,780.67	1,922.88	1,922.88	2,187.49	2,187.49	2,641.07	2,641.07
DISBURSEMENTS								
Children's Place	-	-	-	-	-	-	-	-
Delta Children's Home	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,780.67	1,780.67	1,922.88	1,922.88	2,187.49	2,187.49	2,641.07	2,641.07
CASH BALANCES, JANUARY 1	5,779.76	5,779.76	3,856.88	3,856.88	7,492.38	7,492.38	4,851.31	4,851.31
CASH BALANCES, DECEMBER 31	<u>\$ 7,560.43</u>	<u>\$ 7,560.43</u>	<u>\$ 5,779.76</u>	<u>\$ 5,779.76</u>	<u>\$ 9,679.87</u>	<u>\$ 9,679.87</u>	<u>\$ 7,492.38</u>	<u>\$ 7,492.38</u>

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

	PROSECUTING ATTORNEY BAD CHECK FUND				DUNKLIN COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	26,738.94	26,738.94	29,550.21	29,550.21	55,261.92	55,261.92	70,360.46	70,360.46
Interest	35.61	35.61	313.29	313.29	644.37	644.37	1,039.13	1,039.13
Other	-	-	-	-	-	-	-	-
Transfers In	9,191.84	9,191.84	-	-	-	-	-	-
TOTAL RECEIPTS	35,966.39	35,966.39	29,863.50	29,863.50	55,906.29	55,906.29	71,399.59	71,399.59
DISBURSEMENTS								
Clerical & Law Clerk	31,817.04	31,223.20	33,776.00	33,776.00	-	-	-	-
P.A. Retirement Reimbursement	7,752.00	7,752.00	7,752.00	7,752.00	-	-	-	-
Fringe Benefits	11,240.36	11,240.36	12,230.74	12,260.01	11,180.07	10,320.14	12,157.88	12,157.88
Office Expenses	672.58	672.58	610.00	610.00	-	-	-	-
Computer Expense	1,082.72	1,082.72	1,512.00	1,512.00	-	-	-	-
Supplemental P.A. Training	-	-	9,489.26	9,489.26	-	-	-	-
Equipment	-	-	-	-	33,773.73	33,773.73	52,803.01	52,307.68
Mileage, Meals and Lodging	-	-	-	-	1,355.85	1,355.85	7,186.17	7,186.17
Tuition	-	-	-	-	1,180.00	1,180.00	-	-
Deputy and Attorney Salary	-	-	-	-	36,196.04	36,196.04	35,446.04	35,446.04
Deputy Overtime	-	-	-	-	2,380.60	2,380.60	2,499.25	2,499.25
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	52,564.70	51,970.86	65,370.00	65,399.27	86,066.29	85,206.36	110,092.35	109,597.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,598.31)	(16,004.47)	(35,506.50)	(35,535.77)	(30,160.00)	(29,300.07)	(38,692.76)	(38,197.43)
CASH BALANCES, JANUARY 1	16,806.73	16,806.73	52,342.50	52,342.50	84,228.23	84,228.23	122,425.66	122,425.66
CASH BALANCES, DECEMBER 31	\$ 208.42	\$ 802.26	\$ 16,836.00	\$ 16,806.73	\$ 54,068.23	\$ 54,928.16	\$ 83,732.90	\$ 84,228.23

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

	COUNTY CLERK DISCRETIONARY FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,567.86	2,567.86	4,204.19	4,204.19	1,379.04	1,379.04	5,295.71	5,295.71
Charges for Services	-	-	-	-	-	-	-	-
Interest	37.61	37.61	45.61	45.61	507.15	507.15	607.28	607.28
Other	-	-	-	-	-	-	-	-
Transfers In	1,211.16	1,211.16	-	1,228.08	-	-	-	-
TOTAL RECEIPTS	3,816.63	3,816.63	4,249.80	5,477.88	1,886.19	1,886.19	5,902.99	5,902.99
DISBURSEMENTS								
Election Salary	3,294.61	3,294.61	2,121.98	2,121.98	-	-	-	-
Office Expenses	3,605.13	3,605.13	3,409.15	3,409.15	-	-	-	-
Fringe Benefits	357.77	357.77	220.62	220.62	-	-	-	-
P.A. Expense Supplement	-	-	-	-	6,535.65	6,535.65	-	-
Transfers Out	-	-	-	-	9,191.84	9,191.84	-	-
TOTAL DISBURSEMENTS	7,257.51	7,257.51	5,751.75	5,751.75	15,727.49	15,727.49	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,440.88)	(3,440.88)	(1,501.95)	(273.87)	(13,841.30)	(13,841.30)	5,902.99	5,902.99
CASH BALANCES, JANUARY 1	4,793.23	4,793.23	5,067.10	5,067.10	66,962.76	66,962.76	61,059.77	61,059.77
CASH BALANCES, DECEMBER 31	<u>\$ 1,352.35</u>	<u>\$ 1,352.35</u>	<u>\$ 3,565.15</u>	<u>\$ 4,793.23</u>	<u>\$ 53,121.46</u>	<u>\$ 53,121.46</u>	<u>\$ 66,962.76</u>	<u>\$ 66,962.76</u>

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

	SHERIFF CIVIL FEES FUND				SHERIFF CONCEALED WEAPONS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 42,817.00	\$ 42,817.00	\$ 48,631.00	\$ 48,631.00
Charges for Services	25,602.94	32,045.98	24,095.00	24,095.00	-	-	-	-
Interest	446.07	446.07	540.02	540.02	-	-	-	-
Other	6,443.04	-	476.00	476.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	32,492.05	32,492.05	25,111.02	25,111.02	42,817.00	42,817.00	48,631.00	48,631.00
DISBURSEMENTS								
Office Expenses	30,868.69	30,868.69	44,877.52	45,374.04	-	-	-	-
Deputy Sheriff State Fees	-	-	-	-	11,130.00	11,130.00	11,960.00	11,960.00
Concealed Weapons	-	-	-	-	10,422.04	10,422.04	17,595.47	17,595.47
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	30,868.69	30,868.69	44,877.52	45,374.04	21,552.04	21,552.04	29,555.47	29,555.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,623.36	1,623.36	(19,766.50)	(20,263.02)	21,264.96	21,264.96	19,075.53	19,075.53
CASH BALANCES, JANUARY 1	50,370.64	50,370.64	70,633.66	70,633.66	82,549.91	82,549.91	63,474.38	63,474.38
CASH BALANCES, DECEMBER 31	<u>\$ 51,994.00</u>	<u>\$ 51,994.00</u>	<u>\$ 50,867.16</u>	<u>\$ 50,370.64</u>	<u>\$ 103,814.87</u>	<u>\$ 103,814.87</u>	<u>\$ 82,549.91</u>	<u>\$ 82,549.91</u>

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

	PRINCIPAL COUNTY SCHOOLS FUND				SCHOOLS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$631,211.17	\$631,211.17	\$654,641.55	\$654,641.55	\$ 1,700.00	\$ 1,700.00	\$ 3,900.00	\$ 3,900.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	951.92	951.92	2,029.63	2,029.63	9.78	9.78	33.66	33.66
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	632,163.09	632,163.09	656,671.18	656,671.18	1,709.78	1,709.78	3,933.66	3,933.66
DISBURSEMENTS								
Principal County Schools Expenses	649,343.54	649,343.54	656,041.51	656,041.51	-	-	-	-
Schools Expenses	-	-	-	-	4,622.57	4,622.57	9,529.09	9,529.09
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	649,343.54	649,343.54	656,041.51	656,041.51	4,622.57	4,622.57	9,529.09	9,529.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,180.45)	(17,180.45)	629.67	629.67	(2,912.79)	(2,912.79)	(5,595.43)	(5,595.43)
CASH BALANCES, JANUARY 1	70,653.59	70,653.59	70,023.92	70,023.92	3,917.93	3,917.93	9,513.36	9,513.36
CASH BALANCES, DECEMBER 31	<u>\$ 53,473.14</u>	<u>\$ 53,473.14</u>	<u>\$ 70,653.59</u>	<u>\$ 70,653.59</u>	<u>\$ 1,005.14</u>	<u>\$ 1,005.14</u>	<u>\$ 3,917.93</u>	<u>\$ 3,917.93</u>

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

	DRAINAGE DISTRICT #12 FUND				DRAINAGE DISTRICT #23 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
DISBURSEMENTS								
Drainage District Expenses	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
CASH BALANCES, JANUARY 1	11,000.94	11,000.94	10,898.66	10,898.66	119.16	119.16	118.05	118.05
CASH BALANCES, DECEMBER 31	<u>\$ 11,089.31</u>	<u>\$ 11,089.31</u>	<u>\$ 11,000.94</u>	<u>\$ 11,000.94</u>	<u>\$ 120.12</u>	<u>\$ 120.12</u>	<u>\$ 119.16</u>	<u>\$ 119.16</u>

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

	DRAINAGE DISTRICT #25 FUND				DRAINAGE DISTRICT #48 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 28,894.71	\$ 28,894.71	\$ 22,328.14	\$ 22,328.14
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	2.98	2.98	3.46	3.46	324.55	324.55	385.27	385.27
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2.98	2.98	3.46	3.46	29,219.26	29,219.26	22,713.41	22,713.41
DISBURSEMENTS								
Drainage District Expenses	-	-	-	-	16,659.80	16,659.80	30,348.14	30,348.14
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	16,659.80	16,659.80	30,348.14	30,348.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	2.98	2.98	3.46	3.46	12,559.46	12,559.46	(7,634.73)	(7,634.73)
CASH BALANCES, JANUARY 1	372.07	372.07	368.61	368.61	23,550.06	23,550.06	31,184.79	31,184.79
CASH BALANCES, DECEMBER 31	<u>\$ 375.05</u>	<u>\$ 375.05</u>	<u>\$ 372.07</u>	<u>\$ 372.07</u>	<u>\$ 36,109.52</u>	<u>\$ 36,109.52</u>	<u>\$ 23,550.06</u>	<u>\$ 23,550.06</u>

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

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

	LEVEE #4 FUND				LEVEE #7 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 22,719.75	\$ 22,719.75	\$ 18,618.14	\$ 18,618.14	\$ 23,370.96	\$ 23,370.96	\$ 18,699.24	\$ 18,699.24
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	780.23	780.23	731.25	731.25	496.53	496.53	509.10	509.10
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	23,499.98	23,499.98	19,349.39	19,349.39	23,867.49	23,867.49	19,208.34	19,208.34
DISBURSEMENTS								
Levee District Expenses	-	-	6,227.30	6,227.30	15,425.00	15,425.00	15,057.50	15,057.50
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	6,227.30	6,227.30	15,425.00	15,425.00	15,057.50	15,057.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	23,499.98	23,499.98	13,122.09	13,122.09	8,442.49	8,442.49	4,150.84	4,150.84
CASH BALANCES, JANUARY 1	79,684.45	79,684.45	66,562.36	66,562.36	48,211.00	48,211.00	44,060.16	44,060.16
CASH BALANCES, DECEMBER 31	<u>\$ 103,184.43</u>	<u>\$ 103,184.43</u>	<u>\$ 79,684.45</u>	<u>\$ 79,684.45</u>	<u>\$ 56,653.49</u>	<u>\$ 56,653.49</u>	<u>\$ 48,211.00</u>	<u>\$ 48,211.00</u>

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

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

	DC INMATE SECURITY FUND				DUNKLIN COUNTY FIRE DISPATCH FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,332.00	\$ 4,332.00	\$ 3,058.00	\$ 3,058.00	\$ -	\$ -	\$ 6,640.00	\$ 6,640.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	129.15	129.15	113.34	113.34	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,461.15	4,461.15	3,171.34	3,171.34	-	-	6,640.00	6,640.00
DISBURSEMENTS								
Fire Dispatch Expenses	-	-	-	-	-	-	7,970.43	7,970.43
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	7,970.43	7,970.43
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,461.15	4,461.15	3,171.34	3,171.34	-	-	(1,330.43)	(1,330.43)
CASH BALANCES, JANUARY 1	13,794.37	13,794.37	10,623.03	10,623.03	-	-	1,330.43	1,330.43
CASH BALANCES, DECEMBER 31	<u>\$ 18,255.52</u>	<u>\$ 18,255.52</u>	<u>\$ 13,794.37</u>	<u>\$ 13,794.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	FINANCIAL INSTITUTION TAX FUND				SURPLUS CERTIFICATE BIDS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,893.97	44,893.97	62,993.49	62,993.49	420.50	420.50	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	44,893.97	44,893.97	62,993.49	62,993.49	420.50	420.50	-	-
DISBURSEMENTS								
Financial Institution Tax Expenses	62,986.45	62,986.45	93,662.45	93,662.45	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	62,986.45	62,986.45	93,662.45	93,662.45	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,092.48)	(18,092.48)	(30,668.96)	(30,668.96)	420.50	420.50	-	-
CASH BALANCES, JANUARY 1	62,986.45	62,986.45	93,655.41	93,655.41	3,725.07	3,725.07	3,725.07	3,725.07
CASH BALANCES, DECEMBER 31	<u>\$ 44,893.97</u>	<u>\$ 44,893.97</u>	<u>\$ 62,986.45</u>	<u>\$ 62,986.45</u>	<u>\$ 4,145.57</u>	<u>\$ 4,145.57</u>	<u>\$ 3,725.07</u>	<u>\$ 3,725.07</u>

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

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

	TAX MAINTENANCE FUND				HEALTH DEPARTMENT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,332.39	61,332.39	46,496.71	46,075.16	-	-	2,901.00	2,901.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	263.53	263.53	-	421.55	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	61,595.92	61,595.92	46,496.71	46,496.71	-	-	2,901.00	2,901.00
DISBURSEMENTS								
Part-Time Employees	77,055.26	77,055.26	27,391.10	27,391.10	-	-	-	-
Office Expenses	5,022.39	5,022.39	233.25	233.25	-	-	-	-
Health Department Reimbursement	-	-	-	-	-	-	6,181.00	6,181.00
Other	-	-	245.00	245.00	-	-	-	-
Transfers Out	-	-	-	-	60.00	60.00	-	-
TOTAL DISBURSEMENTS	82,077.65	82,077.65	27,869.35	27,869.35	60.00	60.00	6,181.00	6,181.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,481.73)	(20,481.73)	18,627.36	18,627.36	(60.00)	(60.00)	(3,280.00)	(3,280.00)
CASH BALANCES, JANUARY 1	37,140.25	37,140.25	19,856.00	19,856.00	60.00	60.00	3,340.00	3,340.00
ADJUSTMENT (See Note XII)	-	-	-	(1,343.11)	-	-	-	-
CASH BALANCES, DECEMBER 31	<u>\$ 16,658.52</u>	<u>\$ 16,658.52</u>	<u>\$ 38,483.36</u>	<u>\$ 37,140.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60.00</u>	<u>\$ 60.00</u>

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

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

	SENATE BILL 40 FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 290,000.00	\$ 321,440.23	\$ 300,000.00	\$ 285,018.69
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	2,000.00	2,286.79	3,000.00	2,117.24
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	292,000.00	323,727.02	303,000.00	287,135.93
DISBURSEMENTS				
Mental Health	51,460.00	135,660.00	51,460.00	135,660.00
Dunklin Day Activity Center	96,500.00	9,500.00	93,700.00	-
Sheltered Workshop	207,624.78	210,424.78	126,500.00	126,500.00
Office	2,000.00	2,000.00	2,500.00	2,500.00
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	357,584.78	357,584.78	274,160.00	264,660.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(65,584.78)	(33,857.76)	28,840.00	22,475.93
CASH BALANCES, JANUARY 1	476,354.13	476,354.13	453,878.20	453,878.20
CASH BALANCES, DECEMBER 31	\$ 410,769.35	\$ 442,496.37	\$ 482,718.20	\$ 476,354.13

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

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

	2014				
	Collector	Recorder	Prosecuting Attorney	Sheriff	Total Agency Funds
ASSETS					
Cash	\$ 9,136,132.34	\$ 14,668.50	\$ 45,050.96	\$ 76,781.71	\$ 9,272,633.51
Total Assets	9,136,132.34	14,668.50	45,050.96	76,781.71	9,272,633.51
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	9,136,132.34	14,668.50	45,050.96	76,781.71	9,272,633.51
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,136,132.34</u>	<u>\$ 14,668.50</u>	<u>\$ 45,050.96</u>	<u>\$ 76,781.71</u>	<u>\$ 9,272,633.51</u>

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

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

	2013				
	Collector	Recorder	Prosecuting Attorney	Sheriff	Total Agency Funds
ASSETS					
Cash	\$ 9,088,849.93	\$ 14,587.50	\$ 812.17	\$ 108,248.34	\$ 9,212,497.94
Total Assets	9,088,849.93	14,587.50	812.17	108,248.34	9,212,497.94
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	9,088,849.93	14,587.50	812.17	108,248.34	9,212,497.94
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,088,849.93	\$ 14,587.50	\$ 812.17	\$ 108,248.34	\$ 9,212,497.94

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Dunklin, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, and Sheriff.

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

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

C. Basis of Accounting

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

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

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

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget 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.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

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

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

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

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

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

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 204,457,360	\$ 203,935,900
Personal Property	90,508,712	88,683,137
Railroad and Utilities	<u>16,283,877</u>	<u>15,712,857</u>
	<u>\$ 311,249,949</u>	<u>\$ 308,331,894</u>

During 2014 and 2013, the County Commission approved a \$0.1000 and \$0.1000, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
Senate Bill 40	\$ <u>0.1000</u>	\$ <u>0.1000</u>
	<u>\$ 0.1000</u>	<u>\$ 0.1000</u>

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

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

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amount of the County's deposits were \$5,002,923.26 and \$4,848,839.82, and the bank balances were \$14,364,237.94 and \$15,177,819.06, respectively. The total bank balances as of December 31, 2014, and 2013 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

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

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 5,002,923.26
Total Governmental Funds	<u>5,002,923.26</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>9,272,633.51</u>
Total Agency Funds	<u>9,272,633.51</u>
Total Deposits as of December 31, 2014	<u>\$ 14,275,556.77</u>

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

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 4,848,839.82
Total Governmental Funds	<u>4,848,839.82</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>9,212,497.94</u>
Total Agency Funds	<u>9,212,497.94</u>
Total Deposits as of December 31, 2013	<u>\$ 14,061,337.76</u>

Custodial Credit Risk – Deposits

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

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

III. LONG-TERM DEBT

On August 30, 2012, the County completed an advanced refunding of the Series 2004 Certificates delivered in the original principal amount of \$9,260,000 for expanding, improving, furnishing and equipping the County's Justice Center with the Series 2012A. The Series 2012A Certificates is for \$9,985,000 with an interest rate varying from 2.375% to 3.650% and a maturity date of December 1, 2030.

On September 20, 2012, the County refunded the Series 2006 Certificates delivered in the original principal amount of \$1,207,064.56 with the Series 2012B Series in the amount of \$685,000 with an interest rate varying from 2.75% to 3.00% and a maturity date of December 31, 2014.

As of December 31, 2014, the COPs of the County are as follows:

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14	Interest Paid
SERIES 2012A COPS	\$ 9,985,000.00	\$ -	\$ 245,000.00	\$ 9,740,000.00	\$ 318,048.76
SERIES 2012B COPS	255,000.00	-	255,000.00	-	7,650.00
TOTAL	\$ 10,240,000.00	\$ -	\$ 500,000.00	\$ 9,740,000.00	\$ 325,698.76

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

The future payments for the COPs as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 515,000.00	\$ 310,698.76	\$ 825,698.76
2016	530,000.00	295,248.76	825,248.76
2017	550,000.00	279,348.76	829,348.76
2018	565,000.00	262,848.76	827,848.76
2019	580,000.00	245,898.76	825,898.76
2020-2024	3,155,000.00	983,993.76	4,138,993.76
2025-2029	3,705,000.00	432,847.50	4,137,847.50
2030	140,000.00	5,110.00	145,110.00
	<u>\$ 9,740,000.00</u>	<u>\$ 2,815,995.06</u>	<u>\$ 12,555,995.06</u>

As of December 31, 2013, the COPs of the County are as follows:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/13</u>	<u>Interest Paid</u>
SERIES 2012A COPS	\$ 9,985,000.00	\$ -	\$ -	\$ 9,985,000.00	\$ 374,590.75
SERIES 2012B COPS	685,000.00	-	430,000.00	255,000.00	22,937.22
TOTAL	<u>\$ 10,670,000.00</u>	<u>\$ -</u>	<u>\$ 430,000.00</u>	<u>\$ 10,240,000.00</u>	<u>\$ 397,527.97</u>

The future payments for the COPs as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 500,000.00	\$ 325,698.76	\$ 825,698.76
2015	515,000.00	310,698.76	825,698.76
2016	530,000.00	295,248.76	825,248.76
2017	550,000.00	279,348.76	829,348.76
2018	565,000.00	262,848.76	827,848.76
2019-2023	3,065,000.00	1,072,037.52	4,137,037.52
2024-2028	3,580,000.00	556,575.00	4,136,575.00
2029-2030	935,000.00	39,237.50	974,237.50
	<u>\$ 10,240,000.00</u>	<u>\$ 3,141,693.82</u>	<u>\$ 13,381,693.82</u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

Missouri Department of Natural Resources

The County entered into a loan agreement with the Department of Natural Resources (DNR) to implement energy conservation measures in January of 2008. The loan is at 0.00% with payments due in February and October.

The following is a schedule of payments made under the agreement as of December 31, 2014.

<u>Description</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Interest Paid</u>
DNR ENERGY LOAN	\$ 9,811.00	\$ -	\$ 2,120.00	\$ 7,691.00	\$ -
TOTAL	\$ 9,811.00	\$ -	\$ 2,120.00	\$ 7,691.00	\$ -

The future payments for the DNR Energy loan as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,120.00	\$ -	\$ 2,120.00
2016	2,120.00	-	2,120.00
2017	2,120.00	-	2,120.00
2018	1,331.00	-	1,331.00
	<u>\$ 7,691.00</u>	<u>\$ -</u>	<u>\$ 7,691.00</u>

The following is a schedule of payments made under the agreement as of December 31, 2013.

<u>Description</u>	<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Interest Paid</u>
DNR ENERGY LOAN	\$ 11,931.00	\$ -	\$ 2,120.00	\$ 9,811.00	\$ -
TOTAL	\$ 11,931.00	\$ -	\$ 2,120.00	\$ 9,811.00	\$ -

The future payments for the DNR Energy loan as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,120.00	\$ -	\$ 2,120.00
2015	2,120.00	-	2,120.00
2016	2,120.00	-	2,120.00
2017	2,120.00	-	2,120.00
2018	1,331.00	-	1,331.00
	<u>\$ 9,811.00</u>	<u>\$ -</u>	<u>\$ 9,811.00</u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (concluded)

Operating Leases

In 2014, the Prosecuting Attorney entered into an operating lease with Shelton Business Machines for the lease of a copier machine. The lease term is 60 months with a quarterly payment of \$249.36.

The future payments for the operating lease as of December 31, 2014, are as follows:

December 31,	Payment
2015	\$ 997.44
2016	997.44
2017	997.44
2018	997.44
2019	748.08
	<u>\$ 4,737.84</u>

IV. INTERFUND TRANSFERS

The following transfers were made during the years ended December 31, 2014, and 2013.

	2014		2013	
	Transfers	Transfers	Transfers	Transfers
	In	Out	In	Out
General Revenue Fund	\$ 530,060.00	\$ 1,441.11	\$ 730,000.00	\$ 11,228.08
Special Road and Bridge Fund	-	30,000.00	-	30,000.00
Assessment Fund	-	-	10,000.00	-
Law Enforcement Sales Tax Fund	-	500,000.00	-	700,000.00
Emergency 911 Fund	229.95	-	-	-
Prosecuting Attorney Bad Check Fund	9,191.84	-	-	-
County Clerk Discretionary Fund	1,211.16	-	1,228.08	-
Prosecuting Attorney Delinquent Tax Fund	-	9,191.84	-	-
Health Department Fund	-	60.00	-	-
	<u>\$ 540,692.95</u>	<u>\$ 540,692.95</u>	<u>\$ 741,228.08</u>	<u>\$ 741,228.08</u>

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

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

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

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

B. Funding Status

Full-time employees of Dunklin County contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 5.6% (General) and 4.1% (Police) for 2014 and 6.3% (General) and 5.1% (Police) for 2013, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

2014

Annual required contribution	\$ 129,702
Interest on net pension obligation	7,479
Adjustment to annual required contribution	<u>(16,467)</u>
Annual pension cost	120,714
Actual contributions	<u>125,162</u>
Increase (decrease) in NPO	(4,448)
NPO beginning of year	<u>103,159</u>
NPO end of year	<u><u>\$ 98,711</u></u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

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

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012, was 30 years for the General division and 8 years for the Police division. The amortization period as of February 28, 2013, was 30 years for the General division and 15 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 148,877	85.1%	\$ 96,955
2013	138,771	95.5	103,159
2014	120,714	103.7	98,711

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/29/2012	\$3,312,000	\$3,458,244	\$ 146,244	96%	\$2,068,606	7%
2/28/2013	3,582,067	3,549,905	(32,162)	101	2,087,044	
2/28/2014	4,151,492	3,716,508	(434,984)	112	2,195,355	

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

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

2013

Annual required contribution	\$ 137,091
Interest on net pension obligation	7,029
Adjustment to annual required contribution	(5,349)
Annual pension cost	138,771
Actual contributions	132,567
Increase (decrease) in NPO	6,204
NPO beginning of year	96,955
NPO end of year	\$ 103,159

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011, was 30 years for the General division and 1 year for the Police division. The amortization period as of February 29, 2012, was 30 years for the General division and 8 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 153,286	69.7%	\$ 74,703
2012	148,877	85.1	96,955
2013	138,771	95.5	103,159

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/28/2011	\$2,944,939	\$3,281,402	\$ 336,463	90%	\$2,199,004	15%
2/29/2012	3,312,000	3,458,244	146,244	96	2,068,606	7
2/28/2013	3,582,067	3,549,905	(32,162)	101	2,087,044	

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

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

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

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2014, and 2013 were \$67,082 and \$59,168, respectively.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2014, paying a premium of \$5,320. The County had one COBRA participant at December 31, 2013, paying a premium of \$6,883.15.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$8,835 and \$7,752, respectively, for the years ended December 31, 2014, and 2013.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides regular full-time employees with vacation time after they have completed years of service. Vacation time accrues at the rate of one week per completed year of employment annually, for the first two years. After six years, vacation time will accrue at one additional day per completed year with a maximum of three weeks of vacation time after 10 years of employment. Vacation time must be used in the calendar year earned and may not be accumulated. An employee terminating from County service shall be allowed any earned and unused vacation time, either in time off after notice of termination or salary.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (concluded)

Regular full-time employees shall accrue sick leave at the rate of one day for each calendar month of employment and can accrue a maximum of 30 days. No compensation will be given for unused sick leave.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding 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.

X. 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. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

XI. PRIOR PERIOD ADJUSTMENT

The General Revenue Fund, Law Enforcement Sales Tax Fund, Law Enforcement Training Fund and Prosecuting Attorney Bad Check Fund have been restated. The County also did not report the Senate Bill 40 Fund in the financial statements in the prior financial statements. It has been determined that this entity is a component unit of the County and has been included in the financial statement beginning balance. The fund balance as of December 31, 2012, has been restated to reflect the inclusion of this fund in the financial statements. See the table below for the prior year changes to the financial statements:

Description	Governmental Activities
Fund Balance at December 31, 2012, as previously reported	\$ 5,649,121.00
Rounding Adjustment	4.77
General Revenue Fund adjustment	(481.90)
Law Enforcement Sales Tax Fund adjustment	103.59
Law Enforcement Training Fund adjustment	(2.19)
Prosecuting Attorney Bad Check Fund adjustment	(734,798.50)
Inclusion of the Senate Bill 40 Fund	453,878.20
Fund Balance at December 31, 2012, as restated	<u>\$ 5,367,824.97</u>

XII. CURRENT PERIOD ADJUSTMENT

The following funds were required to be adjusted due to reconciling differences between the County's accounting software and the published budgets.

<u>Fund</u>	<u>2014</u>	<u>2013</u>
General Revenue Fund	\$ (8,352.01)	\$ 775.12
Law Enforcement Sales Tax Fund	256,171.30	(246,723.88)
Tax Maintenance Fund	-	(1,343.11)
Total	<u>\$ 247,819.29</u>	<u>\$ (247,291.87)</u>

XIII. SUBSEQUENT EVENTS

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

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2014, expenditures exceeded those budgeted for the following funds: General Revenue Fund, Assessment Fund and Law Enforcement Sales Tax Fund.
- B. For the year ended December 31, 2013, expenditures exceeded those budgeted for the following funds: Special Road and Bridge Fund, Assessment Fund, Law Enforcement Sales Tax Fund, Records User Fund, Emergency 911 Fund, Prosecuting Attorney Bad Check Fund and Sheriff Civil Fees Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To the County Commission
The County of Dunklin, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Dunklin ("County") as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 2014-001, FS 2014-002, FS 2014-003, FS 2014-004]

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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

Daniel Jones & Associates

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

June 19, 2015



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Dunklin, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Dunklin's ("County") 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 the County's major federal programs for the years ended December 31, 2014, and 2013. The County'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 the County'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 the County'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 the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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, 2014, and 2013.

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 SA 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County'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 the County 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 the County'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 the County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2014-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Daniel Jones & Associates

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

June 19, 2015

**THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

FEDERAL GRANT/PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NAME	GRANT OR IDENTIFYING NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2014	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013
U.S. DEPARTMENT OF THE INTERIOR					
DIRECT PROGRAM:					
PAYMENT IN LIEU OF TAXES - PILT	15.226			\$ 1,773.00	\$ 1,657.00
TOTAL U.S. DEPARTMENT OF THE INTERIOR				<u>1,773.00</u>	<u>1,657.00</u>
U.S. DEPARTMENT OF JUSTICE					
PASSED THROUGH STATE:					
2013 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-013	-	8,483.48
2014 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-014	5,859.00	1,890.00
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>5,859.00</u>	<u>10,373.48</u>
U.S. DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH STATE:					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION	BRO-035	-	617,581.16
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703	MISSOURI DEPARTMENT OF PUBLIC SAFETY		-	4,546.71
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>-</u>	<u>622,127.87</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASSED THROUGH STATE:					
CHILD SUPPORT ENFORCEMENT	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		104,959.30	100,875.86
TITLE IV-D ADMINISTRATION (CHILD SUPPORT ENFORCEMENT)	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		2,837.04	313.00
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	93.243	MISSOURI SUBSTANCE ABUSE AND MENTAL HEALTH MISSOURI SERVICES ADMINISTRATION	5H79TI023358	72,749.43	86,084.36
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>180,545.77</u>	<u>187,273.22</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
PASSED THROUGH STATE:					
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	MISSOURI DEPARTMENT OF PUBLIC SAFETY	EMW-2014-EP-00005-034	9,696.74	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	MISSOURI DEPARTMENT OF PUBLIC SAFETY	EMW-2013-EP-00028-032-5575	-	10,942.02
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>9,696.74</u>	<u>10,942.02</u>
Total				<u><u>\$ 197,874.51</u></u>	<u><u>\$ 832,373.59</u></u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dunklin County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

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.

Accordingly, the schedule includes expenditures of both cash and, if applicable, noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County had no sub-recipients.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2014 - Unmodified
2013 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2014 ☒ Yes ☐ No
2013 ☒ Yes ☐ No

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (continued)

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

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

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

FS 2014-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Context: During our audit, we noted the Recorder performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. We recommend that the Recorder's office have independent oversight from another office within the County.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2014-003 Management's Response: Based on the external auditor's recommendations the duties of the Recorder will for now stand as is but the recommendations will be considered. I do feel my cashiering system and the reports for check balances fully provides sufficiency to show if there are any problems. I have worked very hard to make sure everything in this office is transparent and it is. The Recorder of Deeds is Susan Luce and her office phone number is (573)888-3468.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis on the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being completed during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

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

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

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: Going forward we will follow the recommendation by the external auditor to reconcile bank statements on a monthly basis. The Prosecuting Attorney is Jeff McCormick and the office phone number is (573)888-6676.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

The following findings, recommendations, and questioned costs are the results of the single audit of Dunklin County, Missouri for the years ended December 31, 2014, and 2013. Each finding is referenced with a four-digit number representing the years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: 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.
2. Material Weakness: 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.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program, which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (concluded)

C. Federal Award Findings and Questioned Costs

SA 2014-001

Schedule of Expenditures of Federal Awards

Federal Grantor:	All except U.S. Department of Transportation
Pass-Through Grantor:	All except Highway and Transportation Commission
Federal CFDA Number:	All except 20.205
Program Title:	All except Highway Planning and Construction
Award Year:	2014 and 2013
Type of Finding:	Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the Audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 12/11-01 County Budget Documents and County's Financial Statements

Condition: The County's budget documents for the year ended December 31, 2012, and 2011 misstated the various receipt classifications in various county funds as follows:

1. Various items that are charges for services were misclassified as Intergovernmental Revenues in many county funds.
2. Charges for services were misclassified as Other Revenues in many county funds. Due to the number of numerous misclassifications on the budget documents, the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County has established controls over the preparation of the budget documents; however, the process needs some improvement.

Effect: The budget documents presented to the public and submitted to the State Auditor's office contained misstatements of financial amounts in various classifications of receipts within various county funds.

Recommendation: The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the County redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

Auditee Response: Dunklin County will work to sort, define and classify each revenue account and each expenditure account categorizing them in order to arrive at a schedule specific to each section of the budget in the categories such as Charges for Services, Intergovernmental Revenue, Other Revenue, and the increase and reduction in cash.

Status: This finding has been resolved by the County during the year of audit.

FS 12/11-02 Accounting for Transfers Need Improvement

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012, and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The differences in transfers are because the transfers are reflected in the various funds in various revenue and disbursement classifications instead of in the Transfers classification as designated on the budget document.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02 Accounting for Transfers Need Improvement (concluded)

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission, County Clerk, and Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and materially misstate the financial statements presented by the County.

Recommendation: The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers should not be shown in other revenue or disbursement categories.

Auditee Response: Dunklin County will work to sort, define and classify total receipts and disbursements and balanced out by fund. The total transfers in for all funds will equal the total amount of transfers out for each year and will be shown as such on the budget document under the heading of Transfers In and Transfers Out.

Status: This finding has been resolved by the County in the current year of audit.

FS 12/11-03 Budgetary Procedures Not in Compliance With State Law

Condition: We noted the following issues with the County's budgeting process during our audit:

1. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over three funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check	2011
Juvenile Diversion Grant I	2011
Schools	2012

2. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over two funds during the audit period. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
Schools	2011
State Tax	2011

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-03 Budgetary Procedures Not in Compliance With State Law (concluded)

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials do consider the importance of preparing proper amended budgets and preparing budget documents in 2011 and 2012 for all applicable County operating funds; however, the process needs improvement.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendations:

A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.

Auditee Response:

A. Dunklin County will work with the County Treasurer using the Treasurer's monthly reconciliation to review the status of each fund with the other responsible county officials and department heads to ensure that the invoices submitted for payment do not exceed the approved expenditures in the budget for any fund.

B. During the annual budget process, the County Commission will prepare annual budgets for all funds.

Status: This finding has not been resolved. Please refer to the schedule of state findings on page 42, findings A and B.

FS 12/11-04 Preparation of Financial Statements

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

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

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-04 Preparation of Financial Statements (concluded)

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes. Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

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

Recommendation: We recommend the County either provide training to current management or hire additional staff that possesses the accounting skills needed to prepare and review the external financial statements.

Auditee Response: Dunklin County has prepared the 2012 and 2011 financial statements in compliance with Missouri Revised Statute 50.815.

Status: This finding has been resolved by the County in the current year of audit.

FS 12/11-05 Documentation of County's Internal Controls

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

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

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

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend 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.

Auditee's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: This finding is repeated in the current year as FS 2014-001.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-06 Documentation of Antifraud Programs and Controls

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

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place and we were informed that the necessary risk assessment documentation had not been prepared.

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

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

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

Auditee's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: This finding is repeated in the current year as FS 2014-002.

FS 12/11-07 Payroll and Timesheets

Condition: Salaries for the County employees represents the single most costly item of the County. Records and procedures regarding timesheets and/or time cards are in need of improvement. For the years ended December 31, 2012, and 2011, the County disbursed approximately \$3 million annually for payroll costs. A payroll period was selected for testing. A test of this payroll disclosed the following deficiencies in the payroll processes and procedures:

Condition:

- Timesheets or timecards are not always signed by the supervisor.
- Timesheets or timecards are not always signed by the employee.
- Numerous timesheets or timecards were not available for the period tested.
- Timesheets or timecards are not prepared by salaried employees.
- Mileage driven by an employee requesting reimbursement was not provided on a monthly basis.
- Some departments do not submit timesheets and/or timecards to the County Clerk's office.
- Overtime was not always approved by supervisor.

Effect: Payroll disbursements are not always fully substantiated or documented.

Cause: Oversight

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-07 Payroll and Timesheets (concluded)

Recommendation: We recommend that the County Commission and County Clerk implement procedures to ensure that all County employees comply with the documented personnel policies, and that all wage and salary charges are supported by time records that are complete, accurate, signed, dated and approved. Timesheets and/or timecards are necessary to document hours actually worked, substantiate payroll disbursements, and provide the County with a method to monitor hours worked. The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid. The time records should always be filed with the County Clerk.

Auditee's Response:

The County will implement changes to conform to the audit findings.

Status: This finding has been resolved by the County in the current year of audit.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 12/11-01 Schedule of Expenditures of Federal Awards

Condition: The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government.

Criteria: Section .310(b) of Circular A-133, *Audit of States, Local Governments, and Nonprofit Organizations*, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause: The County did not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly. In addition, the County Clerk does not maintain a copy of all grants and awards from all the officeholders.

Effect: The County's SEFA was incorrectly prepared by the County.

Recommendation: Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA. Also, the County Clerk should serve as the central location for all grant documentation. The officeholders can maintain a copy of the documentation. The County Clerk should maintain a tracking system for all federal expenditures.

Auditee's Response:

Dunklin County will implement adequate procedures to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). Procedures such as requiring each county official and all county staff to report to the County Clerk, all grants and expenditures related to Federal awards.

Status: This finding is repeated in the current year as SA 2014-001.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Dunklin

In planning and performing our audit of the regulatory based financial statements of the County of Dunklin (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

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

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

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

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

Very truly yours,

Daniel Jones & Associates

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

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

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

Context: During discussions with management, we noted that internal control documentation has not been prepared.

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

Cause: The County did not prepare the required documentation.

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

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

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

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

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 2014-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Context: During our audit, we noted the Recorder performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. We recommend that the Recorder's office have independent oversight from another office within the County.

Management's Response: Based on the external auditor's recommendations the duties of the Recorder will for now stand as is but the recommendations will be considered. I do feel my cashiering system and the reports for check balances fully provides sufficiency to show if there are any problems. I have worked very hard to make sure everything in this office is transparent and it is. The Recorder of Deeds is Susan Luce and her office phone number is (573)888-3468.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis on the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being completed during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

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

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

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: Going forward we will follow the recommendation by the external auditor to reconcile bank statements on a monthly basis. The Prosecuting Attorney is Jeff McCormick and the office phone number is (573)888-6676.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

SA 2014-001	Schedule of Expenditures of Federal Awards
Federal Grantor:	All except U.S. Department of Transportation
Pass-Through Grantor:	All except Highway and Transportation Commission
Federal CFDA Number:	All except 20.205
Program Title:	All except Highway Planning and Construction
Award Year:	2014 and 2013
Type of Finding:	Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the Audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2015. Professional standards also require that we communicate to you the following information related to our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

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

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Other Audit Findings or Issues

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

Other Matters

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