SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dallas County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

Susan Montee, JD, CPA
State Auditor

September 2009
Report No. 2009-82

DALLAS COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2008 and 2007

DALLAS COUNTY, MISSOURI

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

Dallas County Commission
Dallas County
Buffalo, Missouri

We have audited the accompanying financial statements of Dallas County, Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the Unites States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the Unites States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dallas County, Missouri, as of December 31, 2008 and 2007, or the changes in financial position for the years then ended.

Dallas County Commission
Dallas County
Buffalo, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Dallas County, Missouri, as of and for the years ended December 31, 2008 and 2007, and the receipts, disbursements and budgetary results of the governmental funds for the years ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 17, 2009

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2008

FUND	Cash and Investment Balances January 1	Receipts	Disbursements	Cash and Investment Balances December 31
General Revenue	$ 307,697	$ 1,433,931	$ 1,546,408	$ 195,220
Special Road and Bridge	613,013	1,682,300	2,109,656	185,657
Assessment	16,339	229,550	243,819	2,070
Law Enforcement Training	1,190	7,973	8,395	768
Prosecuting Attorney Training	2,843	1,342	1,337	2,848
Law Enforcement Sales Tax	8,612	942,874	941,782	9,704
Record Storage	24,254	12,715	12,883	24,086
Bad Check	14,241	22,055	19,739	16,557
Road and Bridge Capital Improvement	198,666	802,178	964,063	36,781
Law Enforcement Civil Fees	8,217	35,733	38,362	5,588
Local Emergency Planning	6,472	6,629	762	12,339
Circuit Clerk Interest	6,592	2,661	629	8,624
Law Library	13,062	11,202	10,472	13,792
Jury	346	4,600	3,852	1,094
Election Services	2,865	2,731	3,409	2,187
Tax Maintenance	50,561	20,315	7,746	63,130
Associate Circuit Court Interest	6,699	838	236	7,301
Passport	4,207	2,382	2,015	4,574
Special Election	19,156	58,565	77,721	-
Sherrif's Revolving	1,836	1,632	2,625	843
Law Enforcement Supplemental Salaries	-	3,268	2,558	710
Law Enforcement Special Response Team	706	-	706	-
Domestic Violence	195	463	656	2
Emergency 911	424,519	572,399	619,976	376,942
TOTAL	$ 1,732,288	$ 5,858,336	$ 6,619,807	$ 970,817

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2007

FUND	Cash and Investment Balances January 1	Receipts	Disbursements	Cash and Investment Balances December 31
General Revenue	$ 305,456	$ 1,478,474	$ 1,476,233	$ 307,697
Special Road and Bridge	119,074	2,445,581	1,951,642	613,013
Assessment	8,115	232,506	224,282	16,339
Law Enforcement Training	2,734	8,403	9,947	1,190
Prosecuting Attorney Training	1,081	3,517	1,755	2,843
Law Enforcement Sales Tax	15,981	865,619	872,988	8,612
Record Storage	25,950	13,223	14,919	24,254
Bad Check	22,884	15,638	24,281	14,241
Road and Bridge Capital Improvement	156,099	1,330,033	1,287,466	198,666
Law Enforcement Civil Fees	3,816	33,603	29,202	8,217
Local Emergency Planning	5,385	1,592	505	6,472
Circuit Clerk Interest	6,396	1,181	985	6,592
Law Library	10,324	10,146	7,408	13,062
Jury	374	7,800	7,828	346
Election Services	6,794	2,688	6,617	2,865
Tax Maintenance	36,781	16,533	2,753	50,561
Associate Circuit Court Interest	7,413	828	1,542	6,699
Passport	975	4,500	1,268	4,207
Special Election	-	41,218	22,062	19,156
Sheriff's Revolving	-	1,836	-	1,836
Law Enforcement Supplemental Salaries	-	-	-	-
Law Enforcement Special Response Team	-	2,000	1,294	706
Domestic Violence	-	485	290	195
Emergency 911	473,199	604,071	652,751	424,519
TOTAL	$ 1,208,831	$ 7,121,475	$ 6,598,018	$ 1,732,288

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	$ 100,000	$ 85,636	$ (14,364)	$ 286,150	$ 80,051	$ (206,099)
Sales taxes	635,000	619,883	(15,117)	655,000	633,619	(21,381)
Intergovernmental	53,600	70,275	16,675	178,900	105,033	(73,867)
Charges for services	644,200	475,189	(169,011)	271,775	462,006	190,231
Interest	13,000	9,549	(3,451)	12,000	13,327	1,327
Other	66,700	88,399	21,699	203,450	89,438	(114,012)
Transfers in	15,000	85,000	70,000	15,000	95,000	80,000
TOTAL RECEIPTS	1,527,500	1,433,931	(93,569)	1,622,275	1,478,474	(143,801)
DISBURSEMENTS						
County Commission	86,100	85,183	917	84,860	84,630	230
County Clerk	80,470	76,499	3,971	78,015	73,215	4,800
Elections	101,382	74,087	27,295	24,600	22,590	2,010
Buildings and grounds	65,700	81,971	(16,271)	174,200	146,029	28,171
County Treasurer	48,165	46,570	1,595	47,850	44,231	3,619
County Collector	114,749	105,382	9,367	109,396	99,847	9,549
Ex Officio Recorder of Deeds	47,274	45,351	1,923	47,819	44,780	3,039
Circuit Clerk	14,500	6,273	8,227	15,700	5,424	10,276
Associate Circuit Court	44,479	6,523	37,956	49,620	12,483	37,137
Court administration	9,267	4,166	5,101	4,304	4,209	95
Public Administrator	29,800	28,117	1,683	29,150	27,993	1,157
Prosecuting Attorney	206,934	196,034	10,900	197,544	191,780	5,764
Juvenile Officer	90,496	95,173	(4,677)	96,693	69,164	27,529
County Coroner	24,050	18,826	5,224	23,993	25,124	(1,131)
Employee benefits	114,100	115,055	(955)	113,400	119,021	(5,621)
Insurance	35,000	30,113	4,887	28,000	27,803	197
University Extension	36,700	36,700	-	36,700	36,700	-
Road Construction	80,000	101,834	(21,834)	100,000	23,863	76,137
Jail	-	-	-	80,000	80,532	(532)
Other	130,604	103,651	26,953	117,244	157,463	(40,219)
Transfers out	178,300	288,900	(110,600)	170,200	179,352	(9,152)
TOTAL DISBURSEMENTS	1,538,070	1,546,408	(8,338)	1,629,288	1,476,233	153,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,570)	(112,477)	(101,907)	(7,013)	2,241	9,254
CASH AND INVESTMENT BALANCE, January 1	307,697	307,697	-	305,456	305,456	-
CASH AND INVESTMENT BALANCE, December 31	$ 297,127	$ 195,220	$ (101,907)	$ 298,443	$ 307,697	$ 9,254

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	$ 404,800	$ 366,660	$ (38,140)	$ 362,300	$ 354,638	$ (7,662)
Other taxes	696,300	648,804	(47,496)	710,000	701,024	(8,976)
Intergovernmental	649,000	625,513	(23,487)	1,098,000	1,174,360	76,360
Interest	16,000	21,977	5,977	6,300	11,173	4,873
Other	20,100	19,346	(754)	1,400	94,386	92,986
Transfers in	-	-	-	-	110,000	110,000
TOTAL RECEIPTS	1,786,200	1,682,300	(103,900)	2,178,000	2,445,581	267,581
DISBURSEMENTS						
Salaries	743,500	733,537	9,963	750,000	758,413	(8,413)
Employee benefits	188,340	174,492	13,848	160,000	179,962	(19,962)
Supplies	20,750	11,709	9,041	30,500	13,820	16,680
Insurance	33,000	32,342	658	33,000	32,205	795
Road and bridge materials	609,000	595,251	13,749	389,500	317,099	72,401
Equipment repairs	196,000	236,098	(40,098)	103,000	111,303	(8,303)
Rentals	6,000	60	5,940	12,000	7,405	4,595
Fuel	270,000	274,616	(4,616)	180,000	178,709	1,291
Bridge construction	17,500	17,543	(43)	12,000	33,974	(21,974)
Other	48,800	19,008	29,792	27,700	12,986	14,714
Transfers out	15,000	15,000	-	15,000	305,766	(290,766)
TOTAL DISBURSEMENTS	2,147,890	2,109,656	38,234	1,712,700	1,951,642	(238,942)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(361,690)	(427,356)	(65,666)	465,300	493,939	28,639
CASH AND INVESTMENT BALANCE, January 1	613,013	613,013	-	119,074	119,074	-
CASH AND INVESTMENT BALANCE, December 31	$ 251,323	$ 185,657	$ (65,666)	$ 584,374	$ 613,013	$ 28,639
ASSESSMENT FUND						
RECEIPTS						
Charges for services	$ 72,000	$ 72,001	$ 1	$ 69,000	$ 69,497	$ 497
Intergovernmental	82,000	78,802	(3,198)	73,732	80,202	6,470
Interest	500	392	(108)	300	468	168
Other	1,125	1,355	230	1,700	2,139	439
Transfers in	76,000	77,000	1,000	80,200	80,200	-
TOTAL RECEIPTS	231,625	229,550	(2,075)	224,932	232,506	7,574
DISBURSEMENTS						
Assessor	246,606	243,819	2,787	228,276	224,282	3,994
TOTAL DISBURSEMENTS	246,606	243,819	2,787	228,276	224,282	3,994
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,981)	(14,269)	712	(3,344)	8,224	11,568
CASH AND INVESTMENT BALANCE, January 1	16,339	16,339	-	8,115	8,115	-
CASH AND INVESTMENT BALANCE, December 31	$ 1,358	$ 2,070	$ 712	$ 4,771	$ 16,339	$ 11,568

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Intergovernmental	$ 2,800	$ 2,639	$ (161)	$ -	$ -	$ -
Charges for services	4,800	5,294	494	5,376	5,188	(188)
Other	400	40	(360)	2,227	3,215	988
TOTAL RECEIPTS	8,000	7,973	(27)	7,603	8,403	800
DISBURSEMENTS						
Sheriff	8,770	8,395	375	10,304	9,947	357
TOTAL DISBURSEMENTS	8,770	8,395	375	10,304	9,947	357
RECEIPTS (UNDER) DISBURSEMENTS	(770)	(422)	348	(2,701)	(1,544)	1,157
CASH AND INVESTMENT BALANCE, January 1	1,190	1,190	-	2,734	2,734	-
CASH AND INVESTMENT BALANCE, December 31	$ 420	$ 768	$ 348	$ 33	$ 1,190	$ 1,157
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	$ 1,400	$ 1,342	$ (58)	$ 1,500	$ 3,517	$ 2,017
TOTAL RECEIPTS	1,400	1,342	(58)	1,500	3,517	2,017
DISBURSEMENTS						
Prosecuting Attorney	2,400	1,337	1,063	2,400	1,755	645
TOTAL DISBURSEMENTS	2,400	1,337	1,063	2,400	1,755	645
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	5	1,005	(900)	1,762	2,662
CASH AND INVESTMENT BALANCE, January 1	2,843	2,843	-	1,081	1,081	-
CASH AND INVESTMENT BALANCE, December 31	$ 1,843	$ 2,848	$ 1,005	$ 181	$ 2,843	$ 2,662

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT						
SALES TAX FUND						
RECEIPTS						
Sales taxes	$ 634,500	$ 619,523	$ (14,977)	$ 625,000	$ 633,759	$ 8,759
Intergovernmental	13,012	13,282	270	18,500	20,595	2,095
Charges for services	178,020	132,664	(45,356)	150,520	150,944	424
Interest	785	2,996	2,211	700	866	166
Other	11,500	5,309	(6,191)	5,000	18,103	13,103
Transfers in	117,300	169,100	51,800	75,000	41,352	(33,648)
TOTAL RECEIPTS	955,117	942,874	(12,243)	874,720	865,619	(9,101)
DISBURSEMENTS						
Salaries	779,713	593,647	186,066	680,733	532,130	148,603
Office supplies	17,665	15,300	2,365	20,690	19,443	1,247
Equipment	13,202	12,532	670	10,100	14,107	(4,007)
Training	-	-	-	1,200	760	440
Officer costs	1,500	145,139	(143,639)	1,200	146,299	(145,099)
Jail costs	14,750	22,343	(7,593)	20,000	22,081	(2,081)
Prisoner costs	20,400	30,688	(10,288)	46,000	45,518	482
Repairs and maintenance	32,000	24,538	7,462	24,000	34,266	(10,266)
Fuel	50,000	59,263	(9,263)	46,050	52,376	(6,326)
Insurance	34,000	36,154	(2,154)	34,000	701	33,299
Other	350	2,178	(1,828)	5,547	5,307	240
TOTAL DISBURSEMENTS	963,580	941,782	21,798	889,520	872,988	16,532
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,463)	1,092	9,555	(14,800)	(7,369)	7,431
CASH AND INVESTMENT BALANCE, January 1	8,612	8,612	-	15,981	15,981	-
CASH AND INVESTMENT BALANCE, December 31	$ 149	$ 9,704	$ 9,555	$ 1,181	$ 8,612	$ 7,431
RECORD STORAGE FUND						
RECEIPTS						
Charges for services	$ 11,800	$ 12,198	$ 398	$ 13,550	$ 12,778	$ (772)
Interest	400	517	117	735	445	(290)
TOTAL RECEIPTS	12,200	12,715	515	14,285	13,223	(1,062)
DISBURSEMENTS						
Recorder	17,620	12,883	4,737	19,770	14,919	4,851
TOTAL DISBURSEMENTS	17,620	12,883	4,737	19,770	14,919	4,851
RECEIPTS (UNDER) DISBURSEMENTS	(5,420)	(168)	5,252	(5,485)	(1,696)	3,789
CASH AND INVESTMENT BALANCE, January 1	24,254	24,254	-	25,950	25,950	-
CASH AND INVESTMENT BALANCE, December 31	$ 18,834	$ 24,086	$ 5,252	$ 20,465	$ 24,254	$ 3,789

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
BAD CHECK FUND						
RECEIPTS						
Charges for services	$ 16,000	$ 19,769	$ 3,769	$ 22,000	$ 15,420	$ (6,580)
Interest	225	204	(21)	250	218	(32)
Other	8,250	2,082	(6,168)	-	-	-
TOTAL RECEIPTS	24,475	22,055	(2,420)	22,250	15,638	(6,612)
DISBURSEMENTS						
Prosecuting attorney	12,000	4,739	7,261	15,000	9,281	5,719
Transfers out	15,000	15,000	-	15,000	15,000	-
TOTAL DISBURSEMENTS	27,000	19,739	7,261	30,000	24,281	5,719
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,525)	2,316	4,841	(7,750)	(8,643)	(893)
CASH AND INVESTMENT BALANCE, January 1	14,241	14,241	-	22,884	22,884	-
CASH AND INVESTMENT BALANCE, December 31	$ 11,716	$ 16,557	$ 4,841	$ 15,134	$ 14,241	$ (893)
ROAD AND BRIDGE CAPITAL IMPROVEMENT FUND						
RECEIPTS						
Sales taxes	$ 635,000	$ 619,596	$ (15,404)	$ 625,000	$ 633,792	$ 8,792
Intergovernmental	12,000	19,929	7,929	495,000	276,155	(218,845)
Interest	3,300	5,653	2,353	8,000	3,306	(4,694)
Other	-	12,000	12,000	10,000	116,014	106,014
Transfers in	-	145,000	145,000	-	300,766	300,766
TOTAL RECEIPTS	650,300	802,178	151,878	1,138,000	1,330,033	192,033
DISBURSEMENTS						
Road and bridge materials	600,000	593,855	6,145	255,000	176,603	78,397
Equipment	151,500	151,377	123	253,300	279,929	(26,629)
Bridge construction	61,000	58,831	2,169	680,000	693,980	(13,980)
Other	-	-	-	2,500	1,954	546
Transfers out	15,000	160,000	(145,000)	15,000	135,000	(120,000)
TOTAL DISBURSEMENTS	827,500	964,063	(136,563)	1,205,800	1,287,466	(81,666)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(177,200)	(161,885)	15,315	(67,800)	42,567	110,367
CASH AND INVESTMENT BALANCE, January 1	198,666	198,666	-	156,099	156,099	-
CASH AND INVESTMENT BALANCE, December 31	$ 21,466	$ 36,781	$ 15,315	$ 88,299	$ 198,666	$ 110,367

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT						
CIVIL FEES FUND						
RECEIPTS						
Charges for services	$ 31,800	$ 35,133	$ 3,333	$ 35,287	$ 33,603	$ (1,684)
Other	-	600	600	-	-	-
TOTAL RECEIPTS	31,800	35,733	3,933	35,287	33,603	(1,684)
DISBURSEMENTS						
Sheriff	37,594	36,562	1,032	33,287	27,202	6,085
Transfer out	-	1,800	(1,800)	2,000	2,000	-
TOTAL DISBURSEMENTS	37,594	38,362	(768)	35,287	29,202	6,085
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,794)	(2,629)	3,165	-	4,401	4,401
CASH AND INVESTMENT BALANCE, January 1	8,217	8,217	-	3,816	3,816	-
CASH AND INVESTMENT BALANCE, December 31	$ 2,423	$ 5,588	$ 3,165	$ 3,816	$ 8,217	$ 4,401
LOCAL EMERGENCY PLANNING						
RECEIPTS						
Intergovernmental	$ 3,543	$ 6,618	$ 3,075	$ 7,100	$ 1,592	$ (5,508)
Other	150	11	(139)	-	-	-
TOTAL RECEIPTS	3,693	6,629	2,936	7,100	1,592	(5,508)
DISBURSEMENTS						
Local emergency planning	10,160	762	9,398	7,100	505	6,595
TOTAL DISBURSEMENTS	10,160	762	9,398	7,100	505	6,595
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,467)	5,867	12,334	-	1,087	1,087
CASH AND INVESTMENT BALANCE, January 1	6,472	6,472	-	5,385	5,385	-
CASH AND INVESTMENT BALANCE, December 31	$ 5	$ 12,339	$ 12,334	$ 5,385	$ 6,472	$ 1,087

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
CIRCUIT CLERK INTEREST FUND						
RECEIPTS						
Interest	$ 1,200	$ 2,661	$ 1,461	$ 600	$ 1,181	$ 581
TOTAL RECEIPTS	1,200	2,661	1,461	600	1,181	581
DISBURSEMENTS						
Circuit Clerk	7,792	629	7,163	6,996	985	6,011
TOTAL DISBURSEMENTS	7,792	629	7,163	6,996	985	6,011
RECEIPTS OVER DISBURSEMENTS	(6,592)	2,032	8,624	(6,396)	196	6,592
CASH AND INVESTMENT BALANCE, January 1	6,592	6,592	-	6,396	6,396	-
CASH AND INVESTMENT BALANCE, December 31	$ -	$ 8,624	$ 8,624	$ -	$ 6,592	$ 6,592
LAW LIBRARY FUND						
RECEIPTS						
Charges for services	$ 10,000	$ 10,903	$ 903	$ 7,880	$ 10,016	$ 2,136
Interest	200	299	99	120	130	10
TOTAL RECEIPTS	10,200	11,202	1,002	8,000	10,146	2,146
DISBURSEMENTS						
Law library	23,262	10,472	12,790	18,324	7,408	10,916
TOTAL DISBURSEMENTS	23,262	10,472	12,790	18,324	7,408	10,916
RECEIPTS OVER DISBURSEMENTS	(13,062)	730	13,792	(10,324)	2,738	13,062
CASH AND INVESTMENT BALANCE, January 1	13,062	13,062	-	10,324	10,324	-
CASH AND INVESTMENT BALANCE, December 31	$ -	$ 13,792	$ 13,792	$ -	$ 13,062	$ 13,062
JURY FUND						
RECEIPTS						
Transfers in	$ 20,000	$ 4,600	$ (15,400)	$ 22,000	$ 7,800	(14,200)
TOTAL RECEIPTS	20,000	4,600	(15,400)	22,000	7,800	(14,200)
DISBURSEMENTS						
Jury costs	20,000	3,852	16,148	22,000	7,828	14,172
TOTAL DISBURSEMENTS	20,000	3,852	16,148	22,000	7,828	14,172
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	748	748	-	(28)	(28)
CASH AND INVESTMENT BALANCE, January 1	346	346	-	374	374	-
CASH AND INVESTMENT BALANCE, December 31	$ 346	$ 1,094	$ 748	$ 374	$ 346	$ (28)

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	$ 1,850	$ 1,320	$ (530)	$ -	$ -	$ -
Charges for services	2,000	1,354	(646)	12,300	2,567	(9,733)
Interest	130	57	(73)	100	121	21
TOTAL RECEIPTS	3,980	2,731	(1,249)	12,400	2,688	(9,712)
DISBURSEMENTS						
Elections	3,500	3,409	91	7,500	6,617	883
TOTAL DISBURSEMENTS	3,500	3,409	91	7,500	6,617	883
RECEIPTS OVER (UNDER) DISBURSEMENTS	480	(678)	(1,158)	4,900	(3,929)	(8,829)
CASH AND INVESTMENT BALANCE, January 1	2,865	2,865	-	6,794	6,794	-
CASH AND INVESTMENT BALANCE, December 31	$ 3,345	$ 2,187	$ (1,158)	$ 11,694	$ 2,865	$ (8,829)
TAX MAINTENANCE FUND						
RECEIPTS						
Charges for services	$ 16,000	$ 17,305	$ 1,305	$ 15,500	$ 15,417	$ (83)
Interest	1,300	1,298	(2)	1,000	1,116	116
Other	-	1,712	1,712	-	-	-
TOTAL RECEIPTS	17,300	20,315	3,015	16,500	16,533	33
DISBURSEMENTS						
Collector	30,000	7,746	22,254	27,000	2,753	24,247
TOTAL DISBURSEMENTS	30,000	7,746	22,254	27,000	2,753	24,247
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,700)	12,569	25,269	(10,500)	13,780	24,280
CASH AND INVESTMENT BALANCE, January 1	50,561	50,561	-	36,781	36,781	-
CASH AND INVESTMENT BALANCE, December 31	$ 37,861	$ 63,130	$ 25,269	$ 26,281	$ 50,561	$ 24,280
ASSOCIATE CIRCUIT COURT INTEREST FUND						
RECEIPTS						
Interest	$ -	$ 838	$ 838	$ -	$ 828	$ 828
TOTAL RECEIPTS	-	838	838	-	828	828
DISBURSEMENTS						
Associate Circuit Court	-	236	(236)	-	1,542	(1,542)
TOTAL DISBURSEMENTS	-	236	(236)	-	1,542	(1,542)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	602	602	-	(714)	(714)
CASH AND INVESTMENT BALANCE, January 1	6,699	6,699	-	7,413	7,413	-
CASH AND INVESTMENT BALANCE, December 31	$ 6,699	$ 7,301	$ 602	$ 7,413	$ 6,699	$ (714)

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31, 2008 Budget	2008 Actual	2008 Variance With Final Budget	2007 Budget	2007 Actual	2007 Variance With Final Budget
PASSPORT FUND						
RECEIPTS						
Charges for services	$ 900	$ 2,382	$ 1,482	$ 1,475	$ 4,500	$ 3,025
TOTAL RECEIPTS	900	2,382	1,482	1,475	4,500	3,025
DISBURSEMENTS						
Recorder	1,950	2,015	(65)	1,000	1,268	(268)
TOTAL DISBURSEMENTS	1,950	2,015	(65)	1,000	1,268	(268)
RECEIPTS OVER DISBURSEMENTS	(1,050)	367	1,417	475	3,232	2,757
CASH AND INVESTMENT BALANCE, January 1	4,207	4,207	-	975	975	-
CASH AND INVESTMENT BALANCE, December 31	$ 3,157	$ 4,574	$ 1,417	$ 1,450	$ 4,207	$ 2,757
SPECIAL ELECTION FUND						
RECEIPTS						
Intergovernmental	$ -	$ 58,565	$ 58,565	$ -	$ 41,218	$ 41,218
TOTAL RECEIPTS	-	58,565	58,565	-	41,218	41,218
DISBURSEMENTS						
County Clerk	-	77,721	(77,721)	-	22,062	(22,062)
TOTAL DISBURSEMENTS	-	77,721	(77,721)	-	22,062	(22,062)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(19,156)	(19,156)	-	19,156	19,156
CASH AND INVESTMENT BALANCE, January 1	19,156	19,156	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	$ 19,156	$ -	$ (19,156)	$ -	$ 19,156	$ 19,156
SHERIFF'S REVOLVING FUND						
RECEIPTS						
Charges for services	$ 1,600	$ 1,632	$ 32	$ 250	$ 1,836	$ 1,586
TOTAL RECEIPTS	1,600	1,632	32	250	1,836	1,586
DISBURSEMENTS						
Sheriff	3,364	2,625	739	250	-	250
TOTAL DISBURSEMENTS	3,364	2,625	739	250	-	250
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,764)	(993)	771	-	1,836	1,836
CASH AND INVESTMENT BALANCE, January 1	1,836	1,836	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	$ 72	$ 843	$ 771	$ -	$ 1,836	$ 1,836

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT SUPPLEMENTAL SALARIES FUND						
RECEIPTS						
Charges for services	$ -	$ 3,268	$ 3,268	$ -	$ -	$ -
TOTAL RECEIPTS	-	3,268	3,268	-	-	-
DISBURSEMENTS						
State fee	-	2,558	(2,558)	-	-	-
TOTAL DISBURSEMENTS	-	2,558	(2,558)	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	710	710	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	$ -	$ 710	$ 710	$ -	$ -	$ -
LAW ENFORCEMENT SPECIAL RESPONSE TEAM FUND						
RECEIPTS						
Transfers in	$ -	$ -	$ -	$ 2,000	$ 2,000	$ -
TOTAL RECEIPTS	-	-	-	2,000	2,000	-
DISBURSEMENTS						
Sheriff	706	706	-	2,000	1,294	706
TOTAL DISBURSEMENTS	706	706	-	2,000	1,294	706
RECEIPTS OVER (UNDER) DISBURSEMENTS	(706)	(706)	-	-	706	706
CASH AND INVESTMENT BALANCE, January 1	706	706	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	$ -	$ -	$ -	$ -	$ 706	$ 706

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
DOMESTIC VIOLENCE FUND						
RECEIPTS						
Charges for services	$ 500	$ 463	$ (37)	$ 750	$ 485	$ (265)
TOTAL RECEIPTS	500	463	(37)	750	485	(265)
DISBURSEMENTS						
Domestic violence shelter	695	656	39	750	290	460
TOTAL DISBURSEMENTS	695	656	39	750	290	460
RECEIPTS OVER (UNDER) DISBURSEMENTS	(195)	(193)	2	-	195	195
CASH AND INVESTMENT BALANCE, January 1	195	195	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	$ -	$ 2	$ 2	$ -	$ 195	$ 195
EMERGENCY 911 FUND						
RECEIPTS						
Sales taxes	$ 560,000	$ 553,716	$ (6,284)	$ 550,000	$ 575,926	$ 25,926
Interest	18,000	18,663	663	15,000	21,874	6,874
Other	-	20	20	-	6,271	6,271
TOTAL RECEIPTS	578,000	572,399	(5,601)	565,000	604,071	39,071
DISBURSEMENTS						
Salaries	343,069	346,326	(3,257)	342,536	341,410	1,126
Employee benefits	100,030	80,965	19,065	101,235	78,599	22,636
Equipment	-	39,347	(39,347)	-	22,520	(22,520)
Building	-	-	-	35,400	51,557	(16,157)
Office costs	54,750	46,647	8,103	54,200	47,556	6,644
Repairs and maintenance	51,300	55,650	(4,350)	45,100	42,842	2,258
Contracted services	5,500	2,205	3,295	5,500	3,045	2,455
Training	14,300	8,475	5,825	15,700	11,257	4,443
Security	-	-	-	-	1,325	(1,325)
Vehicles	1,700	904	796	1,700	1,150	550
Utilities	10,000	9,747	253	8,700	10,710	(2,010)
Insurance	10,500	9,534	966	10,000	27	9,973
Software	-	14,652	(14,652)	-	9,631	(9,631)
Grants to other governments	-	-	-	25,000	21,639	3,361
Other	71,810	5,524	66,286	44,309	9,483	34,826
TOTAL DISBURSEMENTS	662,959	619,976	42,983	689,380	652,751	36,629
RECEIPTS (UNDER) DISBURSEMENTS	(84,959)	(47,577)	37,382	(124,380)	(48,680)	75,700
CASH AND INVESTMENT BALANCE, January 1	424,519	424,519	-	473,199	473,199	-
CASH AND INVESTMENT BALANCE, December 31	$ 339,560	$ 376,942	$ 37,382	$ 348,819	$ 424,519	$ 75,700

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2008

	Circuit Clerk Fund	Associate Circuit Court Probate Fund	Collector of Revenue Fund	Collector's Surtax Fund	Collector's Protested Tax Fund	Sheriff Fund
ASSETS						
Cash and investments	$ 18,989	$ 26,641	$ 4,596,368	$ 3,927	$ 55,968	$ 4,192
TOTAL ASSETS	$ 18,989	$ 26,641	$ 4,596,368	$ 3,927	$ 55,968	$ 4,192
LIABILITIES						
Due to others	$ 18,989	$ 26,641	$ -	$ -	$ 55,968	$ -
Due to other funds	-	-	638,697	-	-	-
Due to other governments	-	-	3,957,671	3,927	-	4,192
TOTAL LIABILITIES	$ 18,989	$ 26,641	$ 4,596,368	$ 3,927	$ 55,968	$ 4,192

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS (CONTINUED)
December 31, 2008

	Passport Execution Fund	County Employee Retirement Fund	Overplus Land Sales Fund	Sheriff's Commissary Fund	Prosecuting Attorney Tax Collection Fund	Fines and Forfeitures	Total
ASSETS							
Cash and investments	$ 56	$ 4,936	$ 578	$ 788	$ 2,159	$ 83,241	$ 4,797,843
TOTAL ASSETS	$ 56	$ 4,936	$ 578	$ 788	$ 2,159	$ 83,241	$ 4,797,843
LIABILITIES							
Due to others	$ -	$ 4,936	$ 578	$ 788	$ 2,159	$ -	$ 110,059
Due to other funds	-	-	-	-	-	-	638,697
Due to other governments	56	-	-	-	-	83,241	4,049,087
TOTAL LIABILITIES	$ 56	$ 4,936	$ 578	$ 788	$ 2,159	$ 83,241	$ 4,797,843

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
Year Ended December 31, 2007

	Circuit Clerk Fund	Associate Circuit Court Probate Fund	Recorder of Deeds Fund	Collector of Revenue Fund	Collector's Surtax Fund	Sheriff Fund
ASSETS						
Cash and investments	$ 72,865	$ 35,394	$ 3	$ 4,407,558	$ 3,435	$ 6,850
TOTAL ASSETS	$ 72,865	$ 35,394	$ 3	$ 4,407,558	$ 3,435	$ 6,850
LIABILITIES						
Due to others	$ 71,872	$ 35,394	$ 3	$ -	$ -	$ -
Due to other funds	-	-	-	601,713	-	-
Due to other governments	993	-	-	3,805,845	3,435	6,850
TOTAL LIABILITIES	$ 72,865	$ 35,394	$ 3	$ 4,407,558	$ 3,435	$ 6,850

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS (CONTINUED)
Year Ended December 31, 2007

	Passport Execution Fund	County Employee Retirement Fund	Overplus Land Sales Fund	Sheriff's Commissary Fund	Fines and Forfeitures	Total
ASSETS						
Cash and investments	$ 183	$ 4,483	$ 3,781	$ 325	$ 80,799	$ 4,615,676
TOTAL ASSETS	$ 183	$ 4,483	$ 3,781	$ 325	$ 80,799	$ 4,615,676
LIABILITIES						
Due to others	$ -	$ 4,483	$ 3,781	$ 325	$ -	$ 115,858
Due to other funds	-	-	-	-	-	601,713
Due to other governments	183	-	-	-	80,799	3,898,105
TOTAL LIABILITIES	$ 183	$ 4,483	$ 3,781	$ 325	$ 80,799	$ 4,615,676

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dallas County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

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

Reporting Entity

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

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

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment 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 funds are used by the County:

> Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.
>
> Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. 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 and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Budgets 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 the second Monday in January, each elected officer and department director will transmit to the County Commission and 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 includes estimated revenues and proposed expenditures, on the cash basis of accounting, 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 fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:

    a. Associate Circuit Court Interest Fund
    b. Special Election Fund
    c. Law Enforcement Supplemental Salaries Fund

10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

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 is 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.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and investments". In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2008 and 2007, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2008 and 2007, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Dallas County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. 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 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

Dallas County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Dallas County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2008 and 2007 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per $100 assessed valuation of that property were as follows:

ASSESSED VALUATION	2008	2007
Real estate	$ 111,928,206	$ 110,015,755
Personal property	37,914,786	38,628,174
	$ 149,842,992	$ 148,643,929
TAX LEVY		
General Fund	$ .3932	$ .3694

The legal debt margin at December 31, 2008 and December 31, 2007, is computed as follows:

	2008	2007
Constitutional debt limit	$ 14,984,299	$ 14,864,393
General obligation bonds payable	-	-
LEGAL DEBT MARGIN	$ 14,984,299	$ 14,864,393

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – 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. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2008 and 2007, consisted of the following:

	Transfers In (Out)	
	2008	2007
General Fund	$ (203,900)	$ (84,352)
Special Road and Bridge Fund	(15,000)	(195,766)
Assessment Fund	77,000	80,200
Law Enforcement Sales Tax Fund	169,100	41,352
Road and Bridge Capital Improvement Fund	(15,000)	165,766
Jury Fund	4,600	7,800
Law Enforcement Civil Fees Fund	(1,800)	(2,000)
Bad Check Fund	(15,000)	(15,000)
Law Enforcement Special Response Team Fund	-	2,000
	$ -	$ -

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

NOTE G – LONG-TERM LIABILITIES

Compensated Absences

Compensated absences payable consists of unused vacation time and accumulated comp time for employees and totaled $43,389 as of December 31, 2007, and $45,730 as of December 31, 2008 for the County, and $6,625 as of December 31, 2007, and $4,047 as of December 31, 2008 for the E 911 Board.

SUPPLEMENTARY SCHEDULE
AND AUDITOR'S REPORTS

DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

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LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
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INDEPENDENT AUDITORS' 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*

County Commission
Dallas County
Buffalo, Missouri

We have audited the financial statements of Dallas County, Missouri as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 17, 2009. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Dallas County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with applicable accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 08-1, 08-2, and 08-3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also consider to be material weaknesses. However, we believe that the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Dallas County, Missouri, are free of 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*.

We also noted certain other matters that we reported to management of Dallas County, Missouri, in a separate letter dated April 17, 2009.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 17, 2009

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Commission
Dallas County
Buffalo, Missouri

Compliance

We have audited the compliance of Dallas County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2008. Dallas County's major federal programs are identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Dallas County's management. Our responsibility is to express an opinion on Dallas County's compliance based on our audit.

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 Dallas 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. Our audit does not provide a legal determination on Dallas County's compliance with those requirements.

In our opinion, Dallas County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the years ended December 31, 2008 and 2007.

County Commission
Dallas County
Buffalo, Missouri

Internal Control Over Compliance

The management of Dallas County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Dallas County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity’s internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 17, 2009

DALLAS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures Year Ended December 31, 2008	2007
U.S. DEPARTMENT OF JUSTICE				
Public Partnership and Community Policing Grants	16.710	2007CKWX0148	$ 12,202	$ -
TOTAL U.S. DEPARTMENT OF JUSTICE			12,202	-
U.S. DEPARTMENT OF TRANSPORTATION				
State Highway and Planning Commission				
Highway Planning and Construction	20.205	BRO-B030(8)	-	468,701
		BRO-B030(9)	11,966	318,915
Missouri Department of Public Safety				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	N/A	1,592	1,592
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			13,558	789,208
GENERAL SERVICES ADMINISTRATION				
State Office of Administration				
Surplus Property	39.003	N/A	-	20,548
TOTAL GENERAL SERVICES ADMINISTRATION			-	20,548
ENVIRONMENTAL PROTECTION AGENCY				
Missouri Department of Public Safety				
Chemical Emergency Preparedness and Prevention Technical Assistance Grants Program	66.810	N/A	4,578	-
TOTAL ENVIRONMENTAL PROTECTION AGENCY			4,578	-
ELECTION ASSISTANCE COMMISSION				
Missouri Office of the Secretary of State				
Help America Vote Act	90.401	N/A	-	5,382
TOTAL ELECTION ASSISTANCE COMMISSION			-	5,382
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Missouri Department of Social Services				
Child Support Enforcement	93.563	N/A	268	749
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			268	749
U.S. DEPARTMENT OF HOMELAND SECURITY				
Missouri State Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA #DR1676	156,121	527,990
		FEMA #DR1728	-	668,437
		FEMA #DR1742	7,187	-
		FEMA #DR1749	64,129	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			227,437	1,196,427
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 258,043	$ 2,012,314

N/A - Not Applicable

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 federal 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 Dallas 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 contacts, used to buy goods or services from vendors.

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

C. Basis of Accounting

Except as noted above, the schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2008 and 2007.

DALLAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years ended December 31, 2008 and 2007

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? __x__ Yes ____ No

Significant deficiencies identified that are not considered to be material weaknesses? ____ Yes __x__ None reported

Noncompliance material to the financial statements noted? ____ Yes __x__ No

Federal Awards

Internal control over major programs:

Material weaknesses identified? ____ Yes __x__ No

Significant deficiencies identified that are not considered to be material weaknesses? ____ Yes __x__ None reported

Type of auditors' report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ____ Yes __x__ No

Identification of major program(s):

CFDA or Other Identifying Number	Program Title
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and and Type B program: $ 300,000

Auditee qualified as a low -risk auditee? ____ Yes __x__ No

Financial Statement Findings

08-1 Segregation of Duties

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

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

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

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

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

08-2 Reconciliation of Interfund Transfers

Condition: Some transfers between funds were recorded as revenues in the funds receiving the transfer and as expenses in the funds making the transfer. Transfers between funds are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

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

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

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

08-3 Accounting for Purchases and Maturities of Certificates of Deposit

Condition: Purchases of certificates of deposit were recorded as expenses of the County and the subsequent redemption of the certificates were recorded as revenues.

Criteria: Transactions involving the purchasing and redeeming of certificates of deposit represent an exchange of one asset for another asset. When cash is disbursed to purchase a certificate of deposit, the cash account affected should be credited and a certificate of deposit account debited. When cash is received from the redemption of a certificate, the cash account where the cash is deposited should be debited and the corresponding certificate account should be credited.

Effect: The County's current practice of recording the purchase of certificates of deposit as expenses and the redemption as revenues results in both revenues and expenses being overstated. In addition, certificates held at year-end are not recorded as assets in the County's general ledger, resulting in an understatement of the County's assets of $800,000 at December 31, 2007.

Recommendation: When cash is disbursed to purchase a certificate of deposit, the cash account affected should be credited and a certificate of deposit account debited. When cash is received from the redemption of a certificate, the cash account where the cash is deposited should be debited and the corresponding certificate account should be credited.

Response: The County will implement procedures to properly record the purchase and redemption of certificates of deposit.

Federal Award Findings and Questioned Costs

None

This section represents the summary schedule of prior audit findings. The prior audit period was for the two years ended December 31, 2004.

04-01 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Numbers:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity Identifying Number:	1412-DR-MO
Award Years:	2004 and 2003
Questioned Costs:	Not applicable

The County did not adequately track or report federal assistance on the Schedule of Expenditures of Federal Awards.

Auditor's Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

Status:

Corrective action has been taken to more accurately prepare the schedule of expenditures of federal awards.

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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Dallas County Commission
Dallas County
Buffalo, Missouri

In planning and performing our audit of the basic financial statements of Dallas County, Missouri for the years ended December 31, 2008 and 2007, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the 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*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Special Revenue Funds Policies

The County currently maintains several special revenue funds for the benefit of various County offices. Although the monies are to be used for the benefit of the various offices, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County. During our audit we noted that the following funds did not have formally approved budgets: Associate Circuit Court Interest Fund, Special Election Fund, and Law Enforcement Supplemental Salaries Fund.

We Recommend:

The County require these funds to be deposited with the County Treasurer in the appropriate funds. Expenditures from these funds should be budgeted and the approval process for expenditures out of these funds should follow the same procedures as with other County expenditures.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50 RSMo. in 2007, as actual expenditures exceeded budgeted expenditures in the Special Road and Bridge Fund, Passport Fund and the Road and Bridge Capital Improvement Fund. The County was also not in compliance in 2008, as actual expenditures exceeded budgeted expenditures in the General Fund, Road and Bridge Capital Improvement Fund, Passport Fund and the Law Enforcement Civil Fees Fund. The budgetary statute prohibits actual expenditures exceeding budgeted expenditures for any fund maintained by the County.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to avoid expending more than the budgeted amount to insure compliance with the budgetary statute (Chapter 50, RSMo.).

3. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.

b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.

c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

4. Approved Vendor List

During our audit we noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

5. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements, including all Special Revenue Fund disbursements.

6. Trial Balance

During our audit, we noted that the trial balance was not in balance at year-end due to a voided check not being recorded properly in the County's financial accounting software. The trial balance was corrected once the issue was discovered.

We Recommend:

The County evaluate the financial accounting software to determine why the trial balance was not in balance, and contact the software vendor to determine if software updates or changes are necessary to ensure future trial balances are in balance.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Dallas County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 17, 2009

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County Commission
Dallas County
Buffalo, Missouri

We have audited the basic financial statements of Dallas County, Missouri for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 17, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 20, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 20, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Dallas County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007 or 2008.

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.

The disclosures in the financial statements 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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Certificate of deposit activity
- Interfund transfer activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 April 17, 2009.

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.

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.

This report is intended solely for the use of the County Commission and management of the Primary Government of Dallas County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 17, 2009