



NICOLE GALLOWAY, 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, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is centered on the page. The signature is written in a cursive style with a large, looping "y" at the end.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-094

ANNUAL FINANCIAL REPORT

DALLAS COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

DALLAS COUNTY, MISSOURI

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INTRODUCTORY SECTION

DALLAS COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Kevin Sharpe

North Commissioner – Roger Bradley

South Commissioner – Jerry Brown

Other Elected Officials

Assessor – Shelly Jasper

Circuit Clerk – Susan Potter

Collector – Sheryl Ferrell

Coroner – Lamont Swanson

County Clerk – Stephanie Hendricks

Prosecuting Attorney – Barbara Viets

Public Administrator – Carol Johnson

Recorder – Stacy Satterfield

Sheriff – Scott Rice

Treasurer – Becky Schofield

FINANCIAL SECTION

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McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dallas County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dallas County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, 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 accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 opinion.

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

As described in Note 1, the financial statements are prepared by Dallas County, Missouri 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.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 8, 2018, on our consideration of Dallas County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 8, 2018

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2016	2016	2016	December 31, 2016	2017	2017	December 31, 2017
General Revenue	\$ 189,140	\$ 1,443,922	\$ 1,486,856	\$ 146,206	\$ 1,431,822	\$ 1,493,558	\$ 84,470
Special Road & Bridge	368,289	1,335,864	1,387,459	316,694	1,308,998	1,400,323	225,369
Assessment	7,076	235,269	233,726	8,619	238,226	244,752	2,093
Capital Improvement	99,321	985,261	610,650	473,932	1,247,488	1,024,511	696,909
Law Enforcement	39,931	953,937	987,836	6,032	1,050,552	994,470	62,114
Law Enforcement Civil Fees	6,970	13,116	18,235	1,851	26,350	12,178	16,023
Law Enforcement Training	3,990	4,369	420	7,939	3,316	7,604	3,651
Prosecuting Attorney Training	2,217	1,092	542	2,767	841	1,697	1,911
Bad Check	5,873	4,817	2,436	8,254	5,538	7,741	6,051
Jury	779	3,700	4,304	175	7,600	7,543	232
Local Emergency Planning Committee	11,744	2,406	1,272	12,878	2,312	3,230	11,960
Record Storage	33,954	20,235	20,789	33,400	17,707	9,135	41,972
Inmate Security	16,436	9,012	-	25,448	20,207	23,390	22,265
Law Enforcement Restitution	23,264	14,793	9,730	28,327	11,067	16,242	23,152
Tax Maintenance	61,712	19,675	16,186	65,201	18,295	19,968	63,528
Assessment 50%	28,877	34,900	23,135	40,642	36,625	25,652	51,615
Election Services	3,455	2,434	350	5,539	2,530	1,300	6,769
Sheriff's Revolving	39,847	19,912	19,089	40,670	3,566	9,165	35,071
Special Election	3,247	76,700	73,858	6,089	32,784	29,554	9,319
Prosecuting Attorney Tax Collection	2,017	4	-	2,021	4	-	2,025
Senior Citizens Tax	-	-	-	-	14,364	-	14,364
Total	<u>\$ 948,139</u>	<u>\$ 5,181,418</u>	<u>\$ 4,896,873</u>	<u>\$ 1,232,684</u>	<u>\$ 5,480,192</u>	<u>\$ 5,332,013</u>	<u>\$ 1,380,863</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 260,000	\$ 241,010	\$ 250,000	\$ 274,712
Sales taxes	648,000	668,230	678,000	695,918
Intergovernmental	176,536	164,604	140,175	101,334
Charges for services	241,300	243,176	255,050	245,536
Interest	2,000	1,395	1,300	2,328
Other	28,000	24,146	24,500	16,494
Transfers in	103,861	101,361	95,500	95,500
Total Receipts	<u>\$ 1,459,697</u>	<u>\$ 1,443,922</u>	<u>\$ 1,444,525</u>	<u>\$ 1,431,822</u>
DISBURSEMENTS				
County Commission	\$ 85,000	\$ 86,796	\$ 84,150	\$ 85,227
County Clerk	87,025	77,659	76,250	76,178
Elections	40,273	34,457	93,460	80,319
Buildings and grounds	80,000	64,751	76,000	66,273
Employee fringe benefits	145,600	135,357	143,400	145,359
Treasurer	47,750	46,785	49,030	45,916
Collector	112,700	109,096	114,535	110,088
Recorder of Deeds	49,875	48,327	49,075	48,125
Circuit Clerk	18,255	8,762	14,175	10,817
Court administration	17,668	7,867	14,224	8,729
Public Administrator	31,800	33,064	47,958	47,443
Sheriff	75,000	58,921	42,000	45,864
Prosecuting Attorney	222,040	229,891	225,756	217,047
Juvenile Officer	42,690	38,556	43,758	40,112
Coroner	21,620	25,912	22,700	21,622
Emergency management	9,100	8,520	7,934	7,633
Other	116,323	150,435	108,428	158,206
Transfers out	336,000	321,700	290,000	278,600
Emergency fund	75,000	-	75,000	-
Total Disbursements	<u>\$ 1,613,719</u>	<u>\$ 1,486,856</u>	<u>\$ 1,577,833</u>	<u>\$ 1,493,558</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (154,022)	\$ (42,934)	\$ (133,308)	\$ (61,736)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>189,140</u>	<u>189,140</u>	<u>146,206</u>	<u>146,206</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 35,118</u>	<u>\$ 146,206</u>	<u>\$ 12,898</u>	<u>\$ 84,470</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 430,200	\$ 436,885	\$ 438,500	\$ 462,030	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	835,050	892,495	688,510	791,660	107,925	110,078	109,978	112,970
Charges for services	-	-	-	-	-	-	-	-
Interest	2,600	3,101	2,800	3,765	172	177	175	561
Other	3,300	3,383	3,100	51,543	5,983	7,014	6,200	8,618
Transfers in	-	-	-	-	118,000	118,000	120,000	116,077
Total Receipts	<u>\$ 1,271,150</u>	<u>\$ 1,335,864</u>	<u>\$ 1,132,910</u>	<u>\$ 1,308,998</u>	<u>\$ 232,080</u>	<u>\$ 235,269</u>	<u>\$ 236,353</u>	<u>\$ 238,226</u>
DISBURSEMENTS								
Salaries	\$ 513,000	\$ 499,776	\$ 513,000	\$ 504,076	\$ 160,399	\$ 160,835	\$ 176,427	\$ 165,421
Employee fringe benefits	201,100	213,967	212,600	212,500	39,366	46,436	38,866	48,796
Materials and supplies	442,500	460,902	400,000	354,711	22,718	20,138	27,950	20,950
Services and other	134,619	56,792	161,093	187,670	9,759	6,317	-	9,585
Capital outlay	128,381	97,161	61,500	76,366	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	58,861	58,861	65,000	65,000	-	-	-	-
Total Disbursements	<u>\$ 1,478,461</u>	<u>\$ 1,387,459</u>	<u>\$ 1,413,193</u>	<u>\$ 1,400,323</u>	<u>\$ 232,242</u>	<u>\$ 233,726</u>	<u>\$ 243,243</u>	<u>\$ 244,752</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (207,311)	\$ (51,595)	\$ (280,283)	\$ (91,325)	\$ (162)	\$ 1,543	\$ (6,890)	\$ (6,526)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>368,289</u>	<u>368,289</u>	<u>316,694</u>	<u>316,694</u>	<u>7,076</u>	<u>7,076</u>	<u>8,619</u>	<u>8,619</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 160,978</u>	<u>\$ 316,694</u>	<u>\$ 36,411</u>	<u>\$ 225,369</u>	<u>\$ 6,914</u>	<u>\$ 8,619</u>	<u>\$ 1,729</u>	<u>\$ 2,093</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				LAW ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	648,000	668,231	670,000	695,920	645,641	668,230	680,000	695,922
Intergovernmental	296,975	315,722	540,519	544,442	111,102	84,908	138,520	146,480
Charges for services	-	-	-	-	47,163	39,914	45,000	37,195
Interest	500	1,308	1,000	7,126	450	436	900	1,301
Other	-	-	-	-	15,045	449	9,012	9,654
Transfers in	-	-	-	-	160,000	160,000	160,000	160,000
Total Receipts	<u>\$ 945,475</u>	<u>\$ 985,261</u>	<u>\$ 1,211,519</u>	<u>\$ 1,247,488</u>	<u>\$ 979,401</u>	<u>\$ 953,937</u>	<u>\$ 1,033,432</u>	<u>\$ 1,050,552</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 589,804	\$ 571,289	\$ 594,000	\$ 555,289
Employee fringe benefits	-	-	-	-	188,021	196,869	193,424	194,902
Materials and supplies	446,000	371,904	571,500	542,577	55,130	55,730	51,000	108,765
Services and other	-	-	-	-	180,031	163,948	193,381	135,514
Capital outlay	175,049	138,969	135,675	138,970	-	-	-	-
Construction	58,000	57,277	335,519	312,464	-	-	-	-
Transfers out	42,500	42,500	30,500	30,500	-	-	-	-
Total Disbursements	<u>\$ 721,549</u>	<u>\$ 610,650</u>	<u>\$ 1,073,194</u>	<u>\$ 1,024,511</u>	<u>\$ 1,012,986</u>	<u>\$ 987,836</u>	<u>\$ 1,031,805</u>	<u>\$ 994,470</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 223,926	\$ 374,611	\$ 138,325	\$ 222,977	\$ (33,585)	\$ (33,899)	\$ 1,627	\$ 56,082
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>99,321</u>	<u>99,321</u>	<u>473,932</u>	<u>473,932</u>	<u>39,931</u>	<u>39,931</u>	<u>6,032</u>	<u>6,032</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 323,247</u>	<u>\$ 473,932</u>	<u>\$ 612,257</u>	<u>\$ 696,909</u>	<u>\$ 6,346</u>	<u>\$ 6,032</u>	<u>\$ 7,659</u>	<u>\$ 62,114</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT CIVIL FEES FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,280	13,116	16,000	20,672	4,550	4,369	4,550	3,316
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	5,678	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,280</u>	<u>\$ 13,116</u>	<u>\$ 16,000</u>	<u>\$ 26,350</u>	<u>\$ 4,550</u>	<u>\$ 4,369</u>	<u>\$ 4,550</u>	<u>\$ 3,316</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,250	776	2,000	1,309	-	-	-	-
Services and other	18,030	17,459	15,500	10,869	4,550	420	9,700	7,604
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,280</u>	<u>\$ 18,235</u>	<u>\$ 17,500</u>	<u>\$ 12,178</u>	<u>\$ 4,550</u>	<u>\$ 420</u>	<u>\$ 9,700</u>	<u>\$ 7,604</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,000)	\$ (5,119)	\$ (1,500)	\$ 14,172	\$ -	\$ 3,949	\$ (5,150)	\$ (4,288)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>6,970</u>	<u>6,970</u>	<u>1,851</u>	<u>1,851</u>	<u>3,990</u>	<u>3,990</u>	<u>7,939</u>	<u>7,939</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,970</u>	<u>\$ 1,851</u>	<u>\$ 351</u>	<u>\$ 16,023</u>	<u>\$ 3,990</u>	<u>\$ 7,939</u>	<u>\$ 2,789</u>	<u>\$ 3,651</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,200	1,092	1,150	841	5,000	4,617	5,400	5,431
Interest	-	-	-	-	15	23	60	77
Other	-	-	-	-	-	177	100	30
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 1,092</u>	<u>\$ 1,150</u>	<u>\$ 841</u>	<u>\$ 5,015</u>	<u>\$ 4,817</u>	<u>\$ 5,560</u>	<u>\$ 5,538</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	542	2,000	1,697	4,000	2,436	8,000	7,741
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 542</u>	<u>\$ 2,000</u>	<u>\$ 1,697</u>	<u>\$ 4,000</u>	<u>\$ 2,436</u>	<u>\$ 8,000</u>	<u>\$ 7,741</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 200	\$ 550	\$ (850)	\$ (856)	\$ 1,015	\$ 2,381	\$ (2,440)	\$ (2,203)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,217</u>	<u>2,217</u>	<u>2,767</u>	<u>2,767</u>	<u>5,873</u>	<u>5,873</u>	<u>8,254</u>	<u>8,254</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,417</u>	<u>\$ 2,767</u>	<u>\$ 1,917</u>	<u>\$ 1,911</u>	<u>\$ 6,888</u>	<u>\$ 8,254</u>	<u>\$ 5,814</u>	<u>\$ 6,051</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JURY FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,406	-	2,312
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	100	-	-	-	-	-	-	-
Transfers in	12,000	3,700	10,000	7,600	-	-	-	-
Total Receipts	<u>\$ 12,100</u>	<u>\$ 3,700</u>	<u>\$ 10,000</u>	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ -</u>	<u>\$ 2,312</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	400	218	400	800
Services and other	10,000	4,304	10,000	7,543	6,600	1,054	6,000	2,430
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 4,304</u>	<u>\$ 10,000</u>	<u>\$ 7,543</u>	<u>\$ 7,000</u>	<u>\$ 1,272</u>	<u>\$ 6,400</u>	<u>\$ 3,230</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 2,100	\$ (604)	\$ -	\$ 57	\$ (7,000)	\$ 1,134	\$ (6,400)	\$ (918)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>779</u>	<u>779</u>	<u>175</u>	<u>175</u>	<u>11,744</u>	<u>11,744</u>	<u>12,878</u>	<u>12,878</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,879</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 232</u>	<u>\$ 4,744</u>	<u>\$ 12,878</u>	<u>\$ 6,478</u>	<u>\$ 11,960</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORD STORAGE FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	18,100	20,064	17,500	17,325	10,748	8,961	16,500	7,689
Interest	190	171	180	382	-	-	-	-
Other	-	-	-	-	-	51	2,400	12,518
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 18,290</u>	<u>\$ 20,235</u>	<u>\$ 17,680</u>	<u>\$ 17,707</u>	<u>\$ 10,748</u>	<u>\$ 9,012</u>	<u>\$ 18,900</u>	<u>\$ 20,207</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	4,000	2,910	4,000	-	-	-	-	-
Services and other	25,000	17,879	21,000	9,135	-	-	30,000	23,390
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 29,000</u>	<u>\$ 20,789</u>	<u>\$ 25,000</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 23,390</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,710)	\$ (554)	\$ (7,320)	\$ 8,572	\$ 10,748	\$ 9,012	\$ (11,100)	\$ (3,183)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>33,954</u>	<u>33,954</u>	<u>33,400</u>	<u>33,400</u>	<u>16,436</u>	<u>16,436</u>	<u>25,448</u>	<u>25,448</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 23,244</u>	<u>\$ 33,400</u>	<u>\$ 26,080</u>	<u>\$ 41,972</u>	<u>\$ 27,184</u>	<u>\$ 25,448</u>	<u>\$ 14,348</u>	<u>\$ 22,265</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	3,463	4,000	-	-	-	-	-
Charges for services	8,714	11,330	12,000	11,067	19,000	19,292	19,000	17,559
Interest	-	-	-	-	350	383	350	736
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,714</u>	<u>\$ 14,793</u>	<u>\$ 16,000</u>	<u>\$ 11,067</u>	<u>\$ 19,350</u>	<u>\$ 19,675</u>	<u>\$ 19,350</u>	<u>\$ 18,295</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	5,000	-	5,000	1,188
Services and other	8,714	9,730	35,000	9,242	25,000	16,186	27,000	18,780
Capital outlay	-	-	-	7,000	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,714</u>	<u>\$ 9,730</u>	<u>\$ 35,000</u>	<u>\$ 16,242</u>	<u>\$ 30,000</u>	<u>\$ 16,186</u>	<u>\$ 32,000</u>	<u>\$ 19,968</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 5,063	\$ (19,000)	\$ (5,175)	\$ (10,650)	\$ 3,489	\$ (12,650)	\$ (1,673)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>23,264</u>	<u>23,264</u>	<u>28,327</u>	<u>28,327</u>	<u>61,712</u>	<u>61,712</u>	<u>65,201</u>	<u>65,201</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 23,264</u>	<u>\$ 28,327</u>	<u>\$ 9,327</u>	<u>\$ 23,152</u>	<u>\$ 51,062</u>	<u>\$ 65,201</u>	<u>\$ 52,551</u>	<u>\$ 63,528</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ASSESSMENT 50% FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	33,633	34,900	35,000	36,614	1,200	1,422	1,500	710
Charges for services	-	-	-	-	1,200	986	500	1,754
Interest	-	-	-	11	20	26	24	66
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 33,633	\$ 34,900	\$ 35,000	\$ 36,625	\$ 2,420	\$ 2,434	\$ 2,024	\$ 2,530
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	35,901	23,135	35,906	20,575	3,500	350	6,465	1,300
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	12,309	5,077	-	-	-	-
Total Disbursements	\$ 35,901	\$ 23,135	\$ 48,215	\$ 25,652	\$ 3,500	\$ 350	\$ 6,465	\$ 1,300
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,268)	\$ 11,765	\$ (13,215)	\$ 10,973	\$ (1,080)	\$ 2,084	\$ (4,441)	\$ 1,230
CASH AND CASH EQUIVALENTS, JANUARY 1	28,877	28,877	40,642	40,642	3,455	3,455	5,539	5,539
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 26,609	\$ 40,642	\$ 27,427	\$ 51,615	\$ 2,375	\$ 5,539	\$ 1,098	\$ 6,769

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				SPECIAL ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,100	22,129	2,500	17,799
Charges for services	15,000	19,912	5,000	3,566	-	14,476	13,000	14,910
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	95	70	75
Transfers in	-	-	-	-	50,000	40,000	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 19,912</u>	<u>\$ 5,000</u>	<u>\$ 3,566</u>	<u>\$ 52,100</u>	<u>\$ 76,700</u>	<u>\$ 15,570</u>	<u>\$ 32,784</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,000	19,089	20,000	9,165	50,000	73,858	15,200	29,554
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 19,089</u>	<u>\$ 20,000</u>	<u>\$ 9,165</u>	<u>\$ 50,000</u>	<u>\$ 73,858</u>	<u>\$ 15,200</u>	<u>\$ 29,554</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 10,000	\$ 823	\$ (15,000)	\$ (5,599)	\$ 2,100	\$ 2,842	\$ 370	\$ 3,230
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>39,847</u>	<u>39,847</u>	<u>40,670</u>	<u>40,670</u>	<u>3,247</u>	<u>3,247</u>	<u>6,089</u>	<u>6,089</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 49,847</u>	<u>\$ 40,670</u>	<u>\$ 25,670</u>	<u>\$ 35,071</u>	<u>\$ 5,347</u>	<u>\$ 6,089</u>	<u>\$ 6,459</u>	<u>\$ 9,319</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				SENIOR CITIZENS TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,364
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	60	-	50	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3	4	4	4	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 63</u>	<u>\$ 4</u>	<u>\$ 54</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,364</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	50	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 63	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ 14,364
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,017</u>	<u>2,017</u>	<u>2,021</u>	<u>2,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,080</u>	<u>\$ 2,021</u>	<u>\$ 2,025</u>	<u>\$ 2,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,364</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. 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 ten elected Constitutional Officers: Assessor, Collector, Circuit Clerk, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. 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 the primary government of Dallas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

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

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are 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.

C. Basis of Accounting

The financial statements are prepared on the cash 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 measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. 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's policy is to adopt 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. 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.
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. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2016</u>
Assessment	✓	✓
Law Enforcement Restitution	N/A	✓
Sheriff's Revolving	N/A	✓
Special Election	✓	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. 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 October, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 121,170,520	\$ 112,486,620
Personal Property	35,294,826	34,418,693
Railroad and Utilities	16,580,040	16,704,001
Total	<u>\$ 173,045,386</u>	<u>\$ 163,609,314</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.1581	\$ 0.1586
Special Road & Bridge	0.2594	0.2659
Senior Citizens Tax	0.0500	-

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalents balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$1,380,863 and \$1,232,684, respectively, and the bank balances were \$2,715,745 and \$2,090,637, respectively. Of the bank balances, \$509,416 for December 31, 2017 and \$506,297 for December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$4,461,283 and \$4,601,084 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

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

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

2) Pension Benefits

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$79,595 and \$82,141, respectively, for the years then ended.

B. Other Retirement Plans

Dallas County offers voluntary 457 and 401(a) plans which are paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 457 plan were \$31,288 and \$30,267, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 401(a) plan were \$10,774 and \$11,233, respectively.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 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 contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

4. 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.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

Full-time employees accrue sick leave at one day per complete calendar month of employment, up to 60 hours. Part-time employees shall earn four hours of sick leave per complete calendar month of employment, up to 60 hours. Upon termination, employees are not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of zero days per year up to twenty-one days per year depending on length of employment. Part-time employees with benefits are subject to all the vacation provisions, except that vacation leave is credited at one-half the rate shown for full-time employees. Vacation days must be used in the calendar year they are earned. Any days accrued at the end of the year will be forfeited. Employees are compensated for unused vacation time at the date of termination.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

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

The County is a member of Midwest Public Risk. The County purchases workers' compensation insurance through this organization, a non-profit corporation established for the purpose of providing insurance coverage for public entities across Missouri and Kansas. The Fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On February 10, 2016, the County entered into an agreement with Henry M. Adkins & Son, Inc. to purchase \$89,767 of voting equipment, including maintenance. The agreement calls for a four-year payment plan with no interest.

On November 1, 2016, the County entered into a fifteen year equipment lease purchase agreement with FS Leasing, LLC for a new HVAC system for the jail in the amount of \$235,887. The lease is to be paid in annual payments of \$20,002, which includes interest of 3.124%, with the final payment scheduled on February 1, 2032.

The following schedule represents changes in long-term debt outstanding during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Voting Equipment	\$ -	\$ 89,767	-	\$ 89,767	-
Jail HVAC Lease	-	235,887	-	235,887	-

The following schedule represents changes in long-term debt outstanding during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Voting Equipment	\$ 89,767	\$ -	(45,000)	\$ 44,767	-
Jail HVAC Lease	235,887	-	-	235,887	-

The following schedule represents future payments under long-term debt obligations:

Year	Principal	Interest	Total
2018	\$ 12,530	\$ 7,472	\$ 20,002
2019	57,694	7,075	64,769
2020	13,337	6,665	20,002
2021	13,742	6,260	20,002
2022	14,195	5,807	20,002
2023-2027	77,995	22,014	100,009
2028-2032	91,161	8,849	100,010
Total	<u>\$280,654</u>	<u>\$64,142</u>	<u>\$344,796</u>

8. OPERATING LEASES

The County acquires motor graders for the Road & Bridge department through operating leases. The County entered into a lease agreement in 2013 for four John Deere 772G motor graders, under which the County could purchase the graders at the end of the lease for \$688,000 in 2018. On March 20, 2018, the County traded in the graders and entered into a five year lease with Murphy tractor for six new 672G Motor Graders. The initial payment will be \$110,916 and the remaining five payments will be made annually at \$165,088, with the final payment scheduled on March 20, 2023.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 8, 2018, the date the financial statements were available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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Certified Public Accountants

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

To the County Commission and
Officeholders of Dallas County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dallas County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dallas County, Missouri's basic financial statements and have issued our report thereon dated August 8, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Dallas County, Missouri's Response to Finding

Dallas County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Dallas County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 8, 2018

FINDINGS AND RECOMMENDATIONS

DALLAS COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2017-001: Budgetary Controls

Criteria: Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

Condition: Actual expenditures exceeded budgeted expenditures for four funds in 2016 and two funds in 2017. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: The County approved expenditures in excess of amounts authorized by the legally adopted budgets.

Effect: Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

County's Response: Dallas County acknowledges that it did go over budget in the aforementioned funds. The amounts in Assessment were nominal. Assessment runs on a very tight budget and it didn't go over budget until the very last payroll of the year both times. The county does budget revisions in the fall so we do the best we can to anticipate expenditures. In the case of the Special Election Fund we had a special election called by the State in 2017 that was not anticipated and the revision did not get made in time. The 2016 election cycle includes a presidential primary which was an extra election for 2016 this was the first presidential primary for the new county clerk who did not anticipate the added expense. The Law Enforcement Restitution and Sheriff's Revolving were simply not revised. The cash was available in the funds. Revisions were just not made. All the budgets had the cash on hand no bills were paid that were not covered financially. We understand the importance of the budget and how that works with the state statutes. The county will take more steps to review the budgets so this does not happen in the future.

Auditor's Response: The response is appropriate to correct the concern.

DALLAS COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

1. The County did not prepare a budget for the Special Election Fund, and the 911 Board Fund had expenses exceeding budget.

Status: Partially resolved. See Finding 2017-001.

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

Status: Resolved.

3. There is no formal fraud risk assessment in place.

Status: Resolved.