



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The Office of the State Auditor contracted for an audit of Dallas County's financial statements for the year ended December 31, 2021, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, CPAs and Business Advisors, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2022
Report No. 2022-103



Recommendations in the contracted audit of Dallas County

2021-001	The county periodically review its actual expenditures as compared to budgeted amounts in order to prevent expenditures in excess of budget. An amended budget should be prepared and approved as necessary to comply with statutes.
2021-002	The Treasurer complete the required semi-annual settlements as required by RSMo. Section 54.150 and file them with the County Commission. Additionally, internal control procedures should be designed and implemented to ascertain timely filings in the future.
2021-003	The Treasurer's office implement the necessary accounting procedures to perform reconciliation of all bank accounts and county funds on a timely basis.
2021-004	The county review the internal control procedures manual with all officeholders and/or department heads to ensure that procedures for submitting invoices to the County Clerk's office are effectively communicated. Additionally, the County Clerk's office should review all submitted invoices for documented approval by officeholders and/or department heads. In the event documented approval is not received, the County Clerk's office is tasked with obtaining documented approval to ensure goods or services have been satisfactorily received prior to disbursing payment.
2021-005	Management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate Schedule of Expenditures of Federal Awards (SEFA) is prepared.

**The County of Dallas
Buffalo, Missouri
Independent Auditor's Report and Financial Statements
For the year ended December 31, 2021**



**The County of Dallas
Buffalo, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Dallas County, Missouri

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of Dallas County, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Dallas County, Missouri's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects, if any, of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the accompanying financial statements present fairly, in all material respects, the cash balances of each fund of Dallas County, Missouri as of December 31, 2021, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

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* section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Dallas County, Missouri as of December 31, 2021, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dallas County, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Dallas County, Missouri has not adequately tracked cash and fund balances for all funds of the County for the year ended December 31, 2021. We were unable to verify that the ending bank balances reconcile to cash and fund balances on the fund level. The amounts by which cash and fund balances are misstated, although not reasonably determinable, are presumed to be material.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Dallas County, Missouri on the basis of accounting practices prescribed or permitted by the State of Missouri to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by the State of Missouri to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas County, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Dallas County, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Douglas County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022 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 solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dallas County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
September 21, 2022

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

<u>Fund</u>	Cash and Equivalents (restated) January 01, 2021	Receipts 2021	Disbursements 2021	Cash and Equivalents December 31, 2021
General Revenue	\$ 592,822	\$ 2,822,292	\$ 2,159,353	\$ 1,255,761
Special Road and Bridge	363,122	1,365,520	1,485,660	242,982
Assessment	32,476	258,388	255,256	35,608
Capital Improvement	416,899	1,580,362	1,860,725	136,536
Law Enforcement	246,731	1,397,270	1,547,218	96,783
Law Enforcement Civil Fees	22,406	19,400	19,546	22,260
Law Enforcement Training	2,417	1,400	574	3,243
Prosecuting Attorney Training	4,191	1,755	-	5,946
Bad Check	4,809	17,909	15,788	6,930
Jury	223	3,800	3,658	365
Local Emergency Planning Committee	9,143	773	705	9,211
Record Storage	47,251	22,580	16,831	53,000
Inmate Security	22,395	19,897	2,984	39,308
Law Enforcement Restitution	23,438	5,436	-	28,874
Tax Maintenance	71,605	23,516	14,072	81,049
Assessment 50%	78,385	46,535	43,003	81,917
Election Services	5,379	2,005	-	7,384
Sheriff's Revolving	35,095	11,700	2,225	44,570
Special Election	26,334	13,837	20,223	19,948
Prosecuting Attorney Tax Collection	2,037	3	-	2,040
Senior Citizens Tax	116,880	100,877	115,041	102,716
CARES Act	681,133	1,650,396	717,758	1,613,771
Domestic Violence	25	530	290	265
Total	<u>\$ 2,805,196</u>	<u>\$ 9,366,181</u>	<u>\$ 8,280,910</u>	<u>\$ 3,890,467</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 380,000	\$ 316,864
Sales Taxes	1,300,000	1,609,120
Intergovernmental	50,050	75,625
Charges for Services	191,100	279,914
Interest	6,000	13,092
Other Receipts	8,000	63,556
Transfers In	70,000	464,121
Total Receipts	<u>2,005,150</u>	<u>2,822,292</u>
<u>Disbursements</u>		
County Commission	85,375	87,885
County Clerk	80,800	80,435
Elections	58,700	46,624
Building and Grounds	189,000	82,415
Employee Fringe Benefits	172,400	159,234
Treasurer	48,200	45,715
Collector	118,803	114,686
Recorder of Deeds	47,671	47,440
Circuit Clerk	15,350	19,753
Court Administration	15,795	16,714
Public Administrator	49,417	53,691
Sheriff	45,000	19,516
Jail	70,157	70,157
Prosecuting Attorney	306,860	285,825
Juvenile Officer	39,882	29,122
Coroner	63,450	38,375
Emergency Management	9,150	12,093
Other Disbursements	148,017	153,752
Transfers Out	803,000	795,921
Emergency	100,000	-
Total Disbursements	<u>2,467,027</u>	<u>2,159,353</u>
Receipts Over (Under)		
Disbursements	\$ (461,877)	\$ 662,939
Cash and Equivalents, Jan 1	<u>592,822</u>	<u>592,822</u>
Cash and Equivalents, Dec 31	<u>\$ 130,945</u>	<u>\$ 1,255,761</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 527,800	\$ 530,678
Sales Taxes	-	-
Intergovernmental	717,500	804,788
Charges for Services	-	-
Interest	5,500	5,028
Other Receipts	1,000	25,026
Transfers In	-	-
Total Receipts	1,251,800	1,365,520
<u>Disbursements</u>		
Salaries	515,000	506,558
Employee Fringe Benefits	193,100	195,468
Supplies	199,000	212,293
Insurance	64,042	64,042
Road and Bridge Materials	347,000	322,573
Equipment Repairs	157,000	107,791
Equipment Purchases	8,400	3,046
Road and Bridge Construction	5,000	1,252
Other Disbursements	13,075	12,637
Transfers Out	60,000	60,000
Total Disbursements	1,561,617	1,485,660
Receipts Over (Under)		
Disbursements	\$ (309,817)	\$ (120,140)
Cash and Equivalents, Jan 1	363,122	363,122
Cash and Equivalents, Dec 31	\$ 53,305	\$ 242,982

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Assessment Fund		Capital Improvement Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	800,000	843,019
Intergovernmental	141,050	135,338	430,000	368,957
Charges for Services	7,300	8,092	-	-
Interest	1,130	1,158	4,000	4,265
Other Receipts	500	800	1,500	-
Transfers In	113,000	113,000	365,000	364,121
Total Receipts	<u>262,980</u>	<u>258,388</u>	<u>1,600,500</u>	<u>1,580,362</u>
<u>Disbursements</u>				
Salaries	168,500	170,793	-	-
Employee Fringe Benefits	55,000	60,953	-	-
Materials and Supplies	21,200	13,512	-	-
Services	10,000	6,985	-	-
Other Disbursements	150	1,303	-	-
Capital Outlay	8,130	1,710	1,522,000	1,456,604
Transfers Out	-	-	40,000	404,121
Total Disbursements	<u>262,980</u>	<u>255,256</u>	<u>1,562,000</u>	<u>1,860,725</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 3,132	\$ 38,500	\$ (280,363)
Cash and Equivalents, Jan 1	<u>32,476</u>	<u>32,476</u>	<u>416,899</u>	<u>416,899</u>
Cash and Equivalents, Dec 31	<u>\$ 32,476</u>	<u>\$ 35,608</u>	<u>\$ 455,399</u>	<u>\$ 136,536</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Law Enforcement Fund		Law Enforcement Civil Fees Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	840,000	843,019	-	-
Intergovernmental	144,537	177,948	-	-
Charges for Services	135,000	-	15,000	13,405
Interest	1,500	2,040	-	-
Other Receipts	10,000	13,295	-	5,995
Transfers In	361,000	360,968	-	-
Total Receipts	<u>1,492,037</u>	<u>1,397,270</u>	<u>15,000</u>	<u>19,400</u>
<u>Disbursements</u>				
Salaries	844,476	858,463	-	-
Employee Fringe Benefits	232,161	247,555	-	-
Materials and Supplies	96,000	134,660	5,000	655
Services	174,315	184,687	4,000	11,348
Other Disbursements	104,000	3,754	15,500	5,625
Capital Outlay	114,800	118,099	12,000	1,918
Transfers Out	-	-	-	-
Total Disbursements	<u>1,565,752</u>	<u>1,547,218</u>	<u>36,500</u>	<u>19,546</u>
Receipts Over (Under)				
Disbursements	\$ (73,715)	\$ (149,948)	\$ (21,500)	\$ (146)
Cash and Equivalents, Jan 1	<u>246,731</u>	<u>246,731</u>	<u>22,406</u>	<u>22,406</u>
Cash and Equivalents, Dec 31	<u>\$ 173,016</u>	<u>\$ 96,783</u>	<u>\$ 906</u>	<u>\$ 22,260</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Law Enforcement Training		Prosecuting Attorney Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,000	858	1,200	1,755
Interest	-	-	-	-
Other Receipts	500	542	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,500</u>	<u>1,400</u>	<u>1,200</u>	<u>1,755</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	1,000	-	-	-
Services	2,000	574	1,000	-
Other Disbursements	800	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>3,800</u>	<u>574</u>	<u>1,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (2,300)	\$ 826	\$ 200	\$ 1,755
Cash and Equivalents, Jan 1	<u>2,417</u>	<u>2,417</u>	<u>4,191</u>	<u>4,191</u>
Cash and Equivalents, Dec 31	<u>\$ 117</u>	<u>\$ 3,243</u>	<u>\$ 4,391</u>	<u>\$ 5,946</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Bad Check Fund		Jury Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	3,200	3,187	-	-
Interest	45	61	-	-
Other Receipts	14,500	14,661	-	-
Transfers In	-	-	10,000	3,800
Total Receipts	<u>17,745</u>	<u>17,909</u>	<u>10,000</u>	<u>3,800</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	10,000	3,658
Other Disbursements	-	-	-	-
Capital Outlay	17,000	15,788	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>17,000</u>	<u>15,788</u>	<u>10,000</u>	<u>3,658</u>
Receipts Over (Under)				
Disbursements	\$ 745	\$ 2,121	\$ -	\$ 142
Cash and Equivalents, Jan 1	<u>4,809</u>	<u>4,809</u>	<u>223</u>	<u>223</u>
Cash and Equivalents, Dec 31	<u><u>\$ 5,554</u></u>	<u><u>\$ 6,930</u></u>	<u><u>\$ 223</u></u>	<u><u>\$ 365</u></u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Local Emergency Planning Committee Fund		Record Storage Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	2,200	773	-	-
Charges for Services	-	-	16,025	21,937
Interest	-	-	500	553
Other Receipts	-	-	25	90
Transfers In	-	-	-	-
Total Receipts	<u>2,200</u>	<u>773</u>	<u>16,550</u>	<u>22,580</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	600	-	4,000	51
Services	1,400	550	16,000	-
Other Disbursements	2,500	155	-	-
Capital Outlay	4,000	-	2,000	16,780
Transfers Out	-	-	-	-
Total Disbursements	<u>8,500</u>	<u>705</u>	<u>22,000</u>	<u>16,831</u>
Receipts Over (Under)				
Disbursements	\$ (6,300)	\$ 68	\$ (5,450)	\$ 5,749
Cash and Equivalents, Jan 1	<u>9,143</u>	<u>9,143</u>	<u>47,251</u>	<u>47,251</u>
Cash and Equivalents, Dec 31	<u>\$ 2,843</u>	<u>\$ 9,211</u>	<u>\$ 41,801</u>	<u>\$ 53,000</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	Inmate Security Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	12,600	19,897	6,000	5,436
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>12,600</u>	<u>19,897</u>	<u>6,000</u>	<u>5,436</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	15,000	2,984	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	7,500	-	5,000	-
Transfers Out	-	-	-	-
Total Disbursements	<u>22,500</u>	<u>2,984</u>	<u>5,000</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (9,900)	\$ 16,913	\$ 1,000	\$ 5,436
Cash and Equivalents, Jan 1	<u>22,395</u>	<u>22,395</u>	<u>23,438</u>	<u>23,438</u>
Cash and Equivalents, Dec 31	<u>\$ 12,495</u>	<u>\$ 39,308</u>	<u>\$ 24,438</u>	<u>\$ 28,874</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	Tax Maintenance Fund		Assessment 50% Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	46,000	46,535
Charges for Services	20,000	22,590	-	-
Interest	800	926	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>20,800</u>	<u>23,516</u>	<u>46,000</u>	<u>46,535</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	7,500	-	-	-
Services	13,500	-	8,500	5,044
Other Disbursements	6,000	-	-	-
Capital Outlay	15,000	14,072	56,500	37,959
Transfers Out	-	-	-	-
Total Disbursements	<u>42,000</u>	<u>14,072</u>	<u>65,000</u>	<u>43,003</u>
Receipts Over (Under)				
Disbursements	\$ (21,200)	\$ 9,444	\$ (19,000)	\$ 3,532
Cash and Equivalents, Jan 1	<u>71,605</u>	<u>71,605</u>	<u>78,385</u>	<u>78,385</u>
Cash and Equivalents, Dec 31	<u>\$ 50,405</u>	<u>\$ 81,049</u>	<u>\$ 59,385</u>	<u>\$ 81,917</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	Election Services Fund		Sheriff's Revolving Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	1,200	2,005	-	-
Charges for Services	-	-	9,000	11,700
Interest	80	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,280</u>	<u>2,005</u>	<u>9,000</u>	<u>11,700</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	2,000	-
Services	500	-	2,000	-
Other Disbursements	-	-	-	-
Capital Outlay	5,500	-	5,000	2,225
Transfers Out	-	-	-	-
Total Disbursements	<u>6,000</u>	<u>-</u>	<u>9,000</u>	<u>2,225</u>
Receipts Over (Under)				
Disbursements	\$ (4,720)	\$ 2,005	\$ -	\$ 9,475
Cash and Equivalents, Jan 1	<u>5,379</u>	<u>5,379</u>	<u>35,095</u>	<u>35,095</u>
Cash and Equivalents, Dec 31	<u>\$ 659</u>	<u>\$ 7,384</u>	<u>\$ 35,095</u>	<u>\$ 44,570</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Special Election Fund		Prosecuting Attorney Tax Collection Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	4,100	52	2	-
Charges for Services	13,000	13,785	-	-
Interest	-	-	3	3
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>17,100</u>	<u>13,837</u>	<u>5</u>	<u>3</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	15,500	12,998	1,700	-
Other Disbursements	9,500	7,225	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>25,000</u>	<u>20,223</u>	<u>1,700</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ (7,900)	\$ (6,386)	\$ (1,695)	\$ 3
Cash and Equivalents, Jan 1	<u>26,334</u>	<u>26,334</u>	<u>2,037</u>	<u>2,037</u>
Cash and Equivalents, Dec 31	<u><u>\$ 18,434</u></u>	<u><u>\$ 19,948</u></u>	<u><u>\$ 342</u></u>	<u><u>\$ 2,040</u></u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021

	Senior Citizens Tax Fund		CARES Act Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 98,000	\$ 99,533	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	1,639,177
Charges for Services	-	-	-	-
Interest	1,600	1,344	3,000	10,587
Other Receipts	-	-	-	632
Transfers In	-	-	-	-
Total Receipts	<u>99,600</u>	<u>100,877</u>	<u>3,000</u>	<u>1,650,396</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	165,754	115,041	684,133	671,790
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	45,968
Total Disbursements	<u>165,754</u>	<u>115,041</u>	<u>684,133</u>	<u>717,758</u>
Receipts Over (Under)				
Disbursements	\$ (66,154)	\$ (14,164)	\$ (681,133)	\$ 932,638
Cash and Equivalents, Jan 1	<u>116,880</u>	<u>116,880</u>	<u>681,133</u>	<u>681,133</u>
Cash and Equivalents, Dec 31	<u>\$ 50,726</u>	<u>\$ 102,716</u>	<u>\$ -</u>	<u>\$ 1,613,771</u>

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2021**

	Domestic Violence Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	500	530
Interest	-	-
Other Receipts	-	-
Transfers In	-	-
Total Receipts	<u>500</u>	<u>530</u>
<u>Disbursements</u>		
Salaries	-	-
Employee Fringe Benefits	-	-
Materials and Supplies	-	-
Services	525	290
Other Disbursements	-	-
Capital Outlay	-	-
Transfers Out	-	-
Total Disbursements	<u>525</u>	<u>290</u>
Receipts Over (Under)		
Disbursements	\$ (25)	\$ 240
Cash and Equivalents, Jan 1 (restated)	<u>25</u>	<u>25</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 265</u>

See Notes to the Financial Statements

The County of Dallas
Buffalo, Missouri
Statement of Assets and Liabilities Arising From Cash Transactions
Custodial Funds - Regulatory Basis
December 31, 2021

	Collector	Recorder	County Clerk	Sheriff	Treasurer	Total
Assets						
Cash and Equivalents	\$ 6,640,751	\$ 18,652	\$ -	\$ -	\$ 545,894	\$ 7,205,297
Total Assets	6,640,751	18,652	-	-	545,894	7,205,297
Liabilities and Fund Balances						
Total Liabilities	6,640,751	18,652	-	-	545,894	7,205,297
	6,640,751	18,652	-	-	545,894	7,205,297
Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 6,640,751	\$ 18,652	\$ -	\$ -	\$ 545,894	\$ 7,205,297

See Notes to the Financial Statements

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies

Organized in 1841, the county of Dallas was named after George M. Dallas, diplomat and later vice president. It is a third-class county, and the county seat is Buffalo. The County's government is composed of a three-member board of commissioners and the following separately elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Coroner, Treasurer, Recorder of Deeds, Sheriff, Surveyor, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

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

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

The financial statements referred to above include only the primary government of Dallas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Dallas County's legal entity. The Senior Citizens Services Board is controlled by a separate board and also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statement of Assets and Liabilities Arising from Cash Transactions - Custodial Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Dallas County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

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

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo., Dallas County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures which exceeded budgeted expenditures: Capital Improvement and CARES Act.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

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

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

	<u>2021</u>
Real Estate	\$ 133,832,370
Personal Property	46,965,789
Railroad and Utilities	<u>18,879,117</u>
	<u><u>\$ 199,677,276</u></u>

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

General Revenue	\$ 0.1792
Special Road and Bridge	0.2607
Senior Citizens Service Board	0.0500

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Dallas County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2021, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 11,095,764	\$ 10,134,077
Investments	<u>-</u>	<u>-</u>
Total Deposits and Investments as of December 31, 2021	<u>\$ 11,095,764</u>	<u>\$ 10,134,077</u>
Total Cash and Equivalents - Governmental Funds	\$ 3,890,467	
Total Cash and Equivalents - Custodial Funds	<u>7,205,297</u>	
	<u>\$ 11,095,764</u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2021; all deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

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

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 2 - Deposits and Investments (continued)

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

Note 3 - Long-Term Debt

In November 2016, the County entered into a 15-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 \$20,157, which includes interest of 3.124%, with the final payment scheduled on February 1, 2032. The County made an additional \$50,000 principal payment during the year ended December 31, 2021 as well as an additional \$50,000 principal payment in February of 2022.

The following is the change in long-term debt for the year ended December 31, 2021:

	Balance at 1/1/21	Amount Borrowed	Amount Repaid	Balance at 12/31/21	Interest Paid During Year
HVAC System	\$ 198,594	\$ -	\$ (63,884)	\$ 134,710	\$ 6,273

The following is the future minimum payments for all lease obligations as of December 31, 2021:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 65,887	\$ 4,280	\$ 70,167
2023	17,968	2,189	20,157
2024	18,538	1,619	20,157
2025	32,317	1,183	33,500
	<u>\$ 134,710</u>	<u>\$ 9,271</u>	<u>\$ 143,981</u>

Note 4 - Operating Lease

In March 2018, the County entered into a non-cancelable five-year lease agreement with John Deere Financial for six 2018 John Deere 672G motor graders, under which the County could purchase the motor graders at the end of the lease term for \$175,000 each. The lease requires annual payments of \$165,088, with the final payment scheduled on March 20, 2023.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 5 - Interfund Transfers

Transfers between funds for the year ended December 31, 2021 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue	\$ 464,121	\$ 795,921
Special Road and Bridge	-	60,000
Assessment	113,000	-
Capital Improvement	364,121	404,121
Law Enforcement	360,968	-
Jury	3,800	-
CARES Act	-	45,968
	<u>\$ 1,306,010</u>	<u>\$ 1,306,010</u>

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected 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 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.

Benefits Provided

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, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 6 - County Employees' Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2021, the County collected and remitted to CERF, employee contributions of \$107,235 for the year ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchants' and manufacturers' license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$155,438 for the year ended December 31, 2021.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo., the County contributes annually 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 for the year ended December 31, 2021.

Note 8 - Other Retirement Plans

Dallas County has 457 and 401(a) plans administered by Empower Retirement which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2021 for the 457 plan were \$29,977, and employee contributions collected and remitted by the County for the year ended December 31, 2021 for the 401(a) plan were \$13,589.

Note 9 - Post-Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 10 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Full-time employees accrue sick leave at one day per complete calendar month of employment, up to 60 hours. Part-time employees 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. Full-time employees begin to accrue vacation after one year of service at a rate of 12 days per year of employment. Employees who have completed seven years of service accrue vacation at a rate of 15 days per year of employment, and employees who have completed 14 years of service accrue vacation leave at a rate of 21 days per year of employment. Vacation leave for part-time employees is credited at half the rate shown for full-time employees. Vacation days must be used in the calendar year they are earned. Any unused vacation days accrued at year-end are forfeited. Employees are compensated for unused vacation time at the date of termination. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 11 - Risk Management

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

Note 12 - Subsequent Events

The County has evaluated events subsequent to December 31, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through September 21, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 13 - Prior Period Adjustment

Beginning fund balance has been restated to include the Domestic Violence Fund. This change will have no impact on operations of the County.

**The County of Dallas
Buffalo, Missouri
Notes to the Financial Statements
For the year ended December 31, 2021**

Note 13 - Prior Period Adjustment (continued)

Beginning fund balance, as originally stated on December 31, 2020	\$ 2,805,171
Prior Period Adjustment - Domestic Violence Fund	<u>25</u>
Beginning fund balance, as restated on December 31, 2020	<u><u>\$ 2,805,196</u></u>

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

Independent Auditor's Report

To the County Commission and
Officeholders of Dallas County, Missouri

We have audited, 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, the accompanying financial statements of Dallas County, Missouri as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Dallas County, Missouri's basic financial statements, and have issued our report thereon dated September 21, 2022. Our report modifies an opinion on such financial statements due to inadequate reconciliation of cash and ending bank balances.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-003 and 2021-004 that we consider to be significant deficiencies.

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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

Dallas County, Missouri's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Dallas County, Missouri's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Dallas County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
September 21, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission and
Officeholders of Dallas County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dallas County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Dallas County, Missouri's major federal programs for the year ended December 31, 2021. Dallas County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Dallas County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Dallas County, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Dallas County, Missouri's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Dallas County, Missouri's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dallas County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dallas County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dallas County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dallas County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dallas County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Dallas County, Missouri's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Dallas County, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-005, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Dallas County, Missouri's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Dallas County, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Creve Coeur, Missouri
September 21, 2022

**The County of Dallas
Buffalo, Missouri
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed through state:				
Missouri Department of Transportation				
Highway Planning and Construction Cluster	20.205	BRO-B030(10)	\$ 385,297	\$ -
Total Highway Planning and Construction Cluster			<u>385,297</u>	<u>-</u>
Passed through:				
University of Central Missouri - Missouri Safety Center				
Alcohol Open Container Requirements	20.607	21-154-AL-037	4,025	-
Highway Safety Cluster				
Passed through:				
University of Central Missouri - Missouri Safety Center				
National Priority Safety Programs	20.616	21-M2HVE-05-034	1,000	-
Total Highway Safety Cluster			<u>1,000</u>	<u>-</u>
U.S. Department of Treasury				
Passed through state:				
Missouri State Treasurer's Office				
COVID-19 Coronavirus Relief Fund	21.019	n/a	713,887	348,469
Direct Program:				
COVID-19 Coronavirus State and Local Recovery Funds	21.027	n/a	<u>3,658</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,107,867</u>	<u>\$ 348,469</u>

**The County of Dallas
Buffalo, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the year ended December 31, 2021**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Assistance Listing Number or other identifying number when the Assistance Listing Number is not available.

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

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

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

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

Because the Schedule presents only a selected portion of the operations of Dallas County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Dallas County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowed or are limited to as to reimbursements.

Federal expenditures are considered to have occurred when cash is disbursed for allowable expenditures.

Dallas County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Donated Personal Protective Equipment

Dallas County received no donated personal protective equipment which had been purchased with federal funds. This footnote is unaudited.

**The County of Dallas
Buffalo, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Qualified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 2 CFR section 200.516(a)?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number
21.019

Name of Federal Program or Cluster
COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish
between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Dallas
Buffalo, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021**

Section 2 - Financial Statement Findings

2021-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Actual expenditures are not to exceed the budgeted expenditures.

Condition: During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures which exceeded budgeted expenditures: Capital Improvement and CARES Act.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts in order to prevent expenditures in excess of budget. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will make sure they do a better review before the end of each year to keep this from happening.

2021-002 **Criteria:** RSMo. Section 54.150 requires that the County Treasurer settle his or her accounts with the County Commission semiannually, in June and December each year.

Condition: During the audit, it was noted that the County failed to comply with RSMo. Section 54.150. The Treasurer did not complete the semi-annual settlements for the periods ended June 30, 2021 or December 31, 2021, as required by Missouri law.

Cause: Oversight

Effect: The County Treasurer's office is in violation of Missouri Revised Statutes due to failure to prepare semi-annual settlements and failure to file such settlements with the County Commission on a timely basis.

Recommendation: We recommend that the Treasurer complete the required semi-annual settlements as required by RSMo. Section 54.150 and file them with the County Commission. Additionally, internal control procedures should be designed and implemented to ascertain timely filings in the future.

Management's Response: The Treasurer is in the process of completing the settlement; this was not done due to medical issues.

**The County of Dallas
Buffalo, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021**

Section 2 - Financial Statement Findings (continued)

2021-003 **Criteria:** Per the County's internal control procedures manual, the Treasurer is responsible for reconciling all bank accounts and all funds to bank statements. Strong internal controls over financial statement reporting require that cash and fund balances be tracked for all funds.

Condition: The Treasurer failed to reconcile all bank accounts and all funds to bank statements. As a result, we were unable to determine the accuracy of the County's year-end fund balances, resulting in a qualified audit opinion. Ending cash balances per the Treasurer's records did not reconcile to ending fund balances reported in the County's budget document by \$139,620.

Cause: Oversight.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer, it is possible that cash and fund balances are materially misstated due to error or fraud.

Recommendation: We recommend that the Treasurer's office implement the necessary accounting procedures to perform reconciliation of all bank accounts and County funds on a timely basis.

Management's Response: The Treasurer is in the process of reconciling all accounts before the end of the year; this had not been done due to medical issues.

2021-004 **Criteria:** Per the County's internal control procedures manual, any officeholder and/or department head seeking to have an expenditure paid by a Fund which is under the supervision of the County Commission will submit invoices to the County Clerk for payment. Additionally, the responsible officeholder and/or department head will sign the invoices which will ensure that all goods and services have been satisfactorily received.

Condition: We randomly selected 60 disbursements made by the County Clerk's office to determine if the responsible officeholder and/or department head signed the supporting invoices to ensure that all goods and services had been satisfactorily received. 15 out of the 60 disbursements did not contain the responsible officeholder or department head's documented signature of approval.

Cause: Oversight.

Effect: Without documented officeholder and/or department head approval, the County Clerk's office could process disbursements for goods or services which may or may not have been received.

Recommendation: We recommend the County review the internal control procedures manual with all officeholders and/or department heads to ensure that procedures for submitting invoices to the County Clerk's office are effectively communicated. Additionally, the County Clerk's office should review all submitted invoices for documented approval by officeholders and/or department heads. In the event documented approval is not received, the County Clerk's office is tasked with obtaining documented approval to ensure goods or services have been satisfactorily received prior to disbursing payment.

Management's Response: This is not normal for the County and the County Clerk will take this into consideration and take action to correct it.

**The County of Dallas
Buffalo, Missouri
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021**

Section 3 - Federal Award Findings

2021-005 Federal Grantor: U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Transportation
University of Central Missouri - Missouri Safety Center

Federal Assistance Listing Numbers and Program Titles:

20.205	Highway Planning and Construction
20.607	Alcohol Open Container Requirements
20.616	National Priority Safety Programs

Criteria: Title 2 *U.S. Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, assistance listing title and number, award number, name of the Federal awarding agency, name of pass-through entity, and awards paid to subrecipients.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting. This finding is a repeat finding and was reported in the most recent audit for the year ended December 31, 2020.

Assistance Listing Number	As Reported On Original County SEFA	As Corrected	\$ Difference
20.205	\$ 479,056	\$ 385,297	\$ (93,759)
20.607	-	4,025	4,025
20.616	-	1,000	1,000

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported in the SEFA were incorrect. Additionally, several programs reported were missing the correct assistance listing title and number, name of Federal awarding agency, and name of pass-through entity.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: We will take action to correct this. It would be helpful if you could find this information somewhere. I have never seen the 20.607 or the 20.616.

**The County of Dallas
Buffalo, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

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 year ended December 31, 2020.

Prior Year Financial Statement Findings

2020-001 **Criteria:** Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, which includes safeguarding of assets against unauthorized acquisition, use or disposition. A proper system of internal control over fuel transfer tanks and pumps requires adequate preventative and detective controls to safeguard against misappropriation.

Condition: The County purchases bulk unleaded and diesel fuel for use by the Road & Bridge Department. Two unmetered bulk fuel tanks are located behind the Road & Bridge building on North Ash Street. The breaker box which powers the pumps is padlocked overnight by a Road & Bridge supervisor but is sometimes left unlocked during the day in order for Road & Bridge crews to refuel. Additionally, there is no gate restricting access to the pump during the day, although the pump is cordoned off overnight with a cable.

Employees are required to log the date, time, vehicle, quantity of fuel and type of fuel each time they fill up. This information is recorded in a log maintained in a mailbox located near the pump. However, these fuel logs are not reviewed and compared to the quantity of fuel purchased.

The Special Road & Bridge fund includes fuel expenditures of \$98,788 for the year ended December 31, 2020.

Cause: The auditors were told the County is unable to reconcile the exact quantity of fuel purchased to quantity of fuel dispensed from the pump due to the lack of pump meter and an evaporation rate of up to 10%. The Commissioners told the auditors they looked into price quotations for a pump meter several years ago and determined purchasing one would cost upwards of \$20,000. Although there are security cameras overlooking the fuel pump and driveway leading to the fuel pump which record up to 30 days of footage, these cameras are not reviewed in the absence of a known or suspected fraud.

Effect: Preventative controls against misappropriation are not consistently operating during the day. At times, the fuel pump remains unlocked and unattended during the day, which would allow unauthorized access. Due to the lack of detective controls which would identify irregularities, unauthorized access could go unnoticed.

Recommendation: We recommend that the County implement procedures to prevent and/or detect the unauthorized use of the Road & Bridge fuel tanks, such as reconciling the quantity of fuel logged by Road & Bridge crews to the quantity of fuel dispensed from the pump. In the absence of a metered pump, we recommend reconciling the quantity of fuel delivered to the quantity of fuel logged between delivery dates and investigating fuel loss in excess of what would be expected due to evaporation.

Management's Response: The County did not provide a response.

Status: This finding is no longer considered to be a significant deficiency, and therefore, will not be repeated.

**The County of Dallas
Buffalo, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

Prior Year Financial Statement Findings (continued)

2020-002 **Criteria:** 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards (SEFA) which must report total federal awards expended during the audit period. At a minimum, the schedule must include the following: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

Condition: The schedule of expenditures of federal awards reported by the County in the annual budget documents contained errors in amounts of federal expenditures reported. Total federal award expenditures by the county were understated by \$72,470 in 2020.

Discrepancies in amounts reported on the SEFA and amounts supported by underlying accounting records are summarized as follows:

Federal Agency	CFDA Number	Federal Program	Original SEFA	Supported	Difference
DOT	20.205	Highway Planning and Construction	\$ 9,644	\$ 18,320	\$ (8,676)
Treasury	21.019	COVID-19 - Coronavirus Relief Fund	1,315,971	1,315,971	-
EAC	90.404	COVID-19 - HAVA Election Security Grants	13,866	15,247	(1,381)
DHS	97.036	Disaster Grants - Public Assistance	-	62,413	(62,413)
			<u>\$ 1,339,481</u>	<u>\$ 1,411,951</u>	<u>\$ (72,470)</u>

Cause: The County has not implemented a proper system of internal control over SEFA preparation, such as a reconciliation to underlying accounting records or having a separate individual review the SEFA for clerical accuracy after it has been prepared. Reasons for discrepancies varied.

The County did not report expenditures of the FEMA program, CFDA 97.036. The Highway Planning and Construction off-system bridge program (BRO), CFDA 20.205, omitted two out of three federally reimbursed payments which were issued to the project engineer in 2020. The County Clerk's office discovered there were additional allowable expenditures under the Help America Vote Act (HAVA) Election Security Grant, CFDA 90.404 after the 2020 SEFA had been prepared.

Effect: The SEFA presented for audit in the County's 2021 budget did not accurately reflect the County's actual expenditures of federal awards for the year ended December 31, 2020.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

Management's Response: The County did not provide a response.

Status: This finding has not been corrected, and therefore, will be repeated in the current year as finding 2021-005.

**The County of Dallas
Buffalo, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2021**

Prior Year Financial Statement Findings (continued)

2020-003 **Criteria:** Section 50.660, RSMo, states, “All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition” involving any purchase of \$6,000 or greater in a 90-day period. This amount has been revised to \$12,000, effective August 2021.

Condition: We identified one instance of the County Commission awarding a contract to a non-bidder after bids had already been awarded. A bid for concrete work was awarded to Ewing Concrete on February 24, 2020, whereas Lebanon Ready Mix was paid \$9,386 for concrete work in August 2020.

On December 18, 2020, the County paid \$58,000 to Chicago Motors, Inc., to purchase three used vehicles for the Sheriff's Department. Bids were not solicited, and the auditors were not provided documentation of competitive price quotations or documentation showing these vehicles were purchased off a state bid or otherwise in compliance with state procurement statutes.

Additionally, we noted on February 16, 2021, the County Commission voted to accept all bids presented for aggregates, concrete, chip and seal mix, culverts, grader blades, fuel, and tires, without consideration given to which bids were the lowest and best. For the year ended December 31, 2020, purchases of such materials and supplies totaled \$329,113 in the Capital Improvement Fund and \$178,475 in the Special Road & Bridge Fund.

Cause: Bids have not been consistently awarded to the lowest and best bidder. The County did not solicit sealed bids for the purchase of Sheriff vehicles or otherwise document compliance with state procurement statutes. The Sheriff's Department asserted that the Sheriff researched multiple price quotations prior to requesting the purchase of vehicles but did not retain documentation of price quotations the Sheriff compared.

Effect: The purpose of soliciting sealed bids is to promote fair and open market competition. The County Commission's practice of accepting all bids and not awarding to the lowest and best bidder is contrary to the provisions of, and intent behind, Section 50.660, RSMo.

Recommendation: We recommend the County Commission solicit sealed bids for all purchases subject to the provisions of Section 50.660, RSMo.

We further recommend the County Commission award bids to the lowest and best bidder, in accordance with the provisions of Section 50.660, RSMo, and discontinue the practice of accepting all blanket bids received for Road & Bridge materials and supplies. In the case of certain items, such as aggregates and culverts, a split award may be appropriate, such as determined by quarry proximity to the job site or the gauge and diameter of culverts.

In cases in which bidding is not performed but would normally be required by state statute, the rationale should be documented in the Commission minutes.

Management's Response: The County did not provide a response.

Status: This finding is no longer considered to be a significant deficiency, and therefore, will not be repeated.

Prior Year Federal Award Findings

None reported.

STEPHANIE HENDRICKS

POST OFFICE BOX 436
BUFFALO, MISSOURI 65622

DALLAS COUNTY CLERK
417-345-2632
FAX 417-345-5321

LORI PIERCE
DEPUTY CLERK

CORRECTIVE ACTION PLAN

Audit Finding Reference: 2021-001

Planned Corrective Action: The County Clerk will make sure they do a better review before the end of each year to keep this from happening.

Name of Contact Person: Stephanie Hendricks, County Clerk

Anticipated completion date: December 31, 2022

Audit Finding Reference: 2021-002

Planned Corrective Action: The Treasurer is in the process of completing the settlement; this was not done due to medical issues.

Name of Contact Person: Becky Schofield, Treasurer

Anticipated completion date: December 31, 2022

Audit Finding Reference: 2021-003

Planned Corrective Action: The Treasurer is in the process of reconciling all accounts before the end of the year; this had not been done due to medical issues.

Name of Contact Person: Becky Schofield, Treasurer

Anticipated completion date: December 31, 2022

Audit Finding Reference: 2021-004

Planned Corrective Action: This is not normal for the County and the County Clerk will take this into consideration and take action to correct it.

Name of Contact Person: Stephanie Hendricks, County Clerk

Anticipated completion date: December 31, 2022

Audit Finding Reference: 2021-005

Planned Corrective Action: We will take action to correct this. It would be helpful if you could find this information somewhere. I have never seen the 20.607 or the 20.616.

Name of Contact Person: Stephanie Hendricks, County Clerk

Anticipated completion date: December 31, 2022