

BRUCE D. CULLEY, C.P.A., P.C.
3000 BROOKTREE LANE, SUITE 210
GLADSTONE, MISSOURI 64119
816-453-1040 FAX: 816-453-0721
bruceculley@sbcglobal.net

Member American Institute of
Certified Public Accountants

Member Missouri Society of
Certified Public Accountants

DEVELOPMENTAL DISABILITIES RESOURCE BOARD

OF CLAY COUNTY

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012 AND 2011

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY**

Table of Contents

<u>INTRODUCTORY SECTION</u>	
Table of Contents.....	1
Board of Directors.....	2
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report.....	3 – 5
Management’s Discussion and Analysis	6 – 15
Basic Financial Statements	
Government-wide Financial Statements	
Statements of Net Assets – Modified Cash Basis.....	16
Statement of Activities – Modified Cash Basis	
December 31, 2012	17
Statement of Activities – Modified Cash Basis	
December 31, 2011.....	18
Fund Financial Statements	
Governmental Fund Balance Sheets – Modified Cash Basis.....	19
Reconciliation of the Governmental Fund Balance Sheet	
to the Statement of Net Assets – Modified Cash Basis	20
Governmental Fund Statements of Revenues, Expenditures	
and Changes in Fund Balances – Modified Cash Basis.....	21
Reconciliation of the Changes in Fund Balances of	
Governmental Funds to the Statements	
of Activities – Modified Cash Basis	22
Notes to Basic Financial Statements.....	23 – 32
Required Supplemental Information	
Notes to Budgetary Comparison Schedule – General Fund	33
Budgetary Comparison Schedule – General Fund.....	34
Internal Control and Compliance.....	35 – 36

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY**

DECEMBER 31, 2012

BOARD OF DIRECTORS

William Taylor

Karla Arnold

Gary Steinman

Stephen Elliott

Norman Guettermann

Lorry Kelly

Mary Olshefski

Linda Weisbach

Linda Thomas

EXECUTIVE DIRECTOR

Charles Washburn

BRUCE D. CULLEY, CPA, PC
3000 BROOKTREE LANE, SUITE 210
GLADSTONE, MISSOURI 64119
(816) 453-1040

Independent Auditor's Report

The Board of Directors
Developmental Disabilities Resource
Board of Clay County
Liberty, Missouri 64068

I have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Developmental Disabilities Resource Board of Clay County (DDRB) as of and for the years ended December 31, 2012 and 2011, which collectively comprise DDRB's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audits 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 I 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 DDRB'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 DDRB's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of DDRB as of December 31, 2012 and 2011, the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary Information

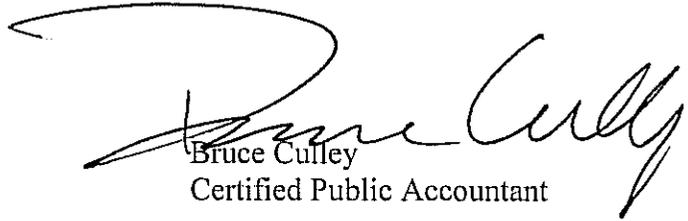
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise DDRB's basic financial statements. The budgetary comparison information presented in the table of contents under the heading Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Report on Other Information

My audit was conducted for the purpose of forming opinions on the basic financial statements as a whole that collectively comprise DDRB's basic financial statements. The management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.



Bruce Culley
Certified Public Accountant

Gladstone, Missouri
April 10, 2013

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY**

Management's Discussion and Analysis

December 31, 2012

As management of Developmental Disabilities Resource Board of Clay County (DDRB), we offer readers this narrative overview and analysis of the financial activities of DDRB for the calendar year ended December 31, 2012.

Financial Highlights

- The assets of DDRB exceeded its liabilities at the close of the calendar year by \$7,042,653 (net assets). There is a deficit in unrestricted net assets at year-end of \$46,106. The deficit in the unrestricted net assets resulted from the increase in capital assets and the expansion of program expenses during 2012.
- DDRB's total net assets decreased \$540,340. This compares with a decrease in net assets of \$350,305 in 2011.
- DDRB's only liabilities consisted of shared unit funds in the amount of \$56,166.
- The major addition to capital assets during 2012 was for building improvements and furniture at 920 S Kent facilities to accommodate office space for Children's Therapy Center to provide targeted case management for Clay County residents in the amount of \$1,087,929.
- DDRB has a new major source of revenue from the Children's Therapy Center which provided gross revenue of \$739,359 during the year.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are a broad overview of DDRB finances in a manner similar to a private business.

The *statement of net assets* presents all of DDRB's assets and liabilities with the difference between the two reported as *net assets*. Net assets are an important measure of DDRB's

overall financial health. The increases and decreases in net assets can be monitored to determine whether DDRB's financial position is improving or deteriorating.

The *statement of activities* presents information showing how DDRB's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs.

The governmental activities for DDRB include primarily the receipt of taxes from the County and the funding of not-for-profit organizations that provide services to individuals with developmental disabilities. DDRB has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. DDRB uses fund accounting to ensure compliance with finance-related requirements. All of DDRB funds are classified as governmental activities.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating DDRB's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information regarding budgetary data.

Government-wide Financial Analysis

The following table reflects the condensed Schedule of Net Assets as of December 31:

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$4,646,780	\$6,146,063
Capital Assets	<u>2,452,039</u>	<u>1,484,787</u>
Total Assets	<u>\$7,098,819</u>	<u>\$7,630,850</u>
Current Liabilities	\$ 56,166	\$ 47,857
Net Assets		
Invested in Capital Assets, Net of Debt	2,452,039	1,484,787
Board Designated	4,636,720	4,066,332
Unrestricted	<u>(46,106)</u>	<u>2,031,874</u>
Total Net Assets	<u>7,042,653</u>	<u>7,582,993</u>
Total Net Assets and Liabilities	<u>\$7,098,819</u>	<u>\$7,630,850</u>

At the end of the current fiscal year, DDRB is able to report positive balances in two categories of net assets. DDRB's combined net assets decreased by \$540,340 as a result of added program expenditures.

Capital assets (land, buildings and equipment) represent 34% of the total assets. DDRB uses these capital assets to provide services to consumers; consequently, these assets are not available for future spending. Investments in certificates of deposit represent 56% of the total assets.

A portion of DDRB's net assets has been set aside by the Board as in Board Designated.

Changes in Net Assets

The following table reflects the revenues and expenses from DDRB's activities for the years ended December 31:

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues		
Charges for Services, Operating		
Grants and Rent	\$ 299,967	\$ 407,310
General Revenues		
Property Taxes	4,511,936	4,558,969
Interest	90,616	105,113
Case Management	739,360	-
Other	74	66
Total Revenue	<u>5,641,953</u>	<u>5,071,458</u>
Expenses		
Program Support	5,903,614	5,168,494
Administration and Other	<u>278,679</u>	<u>253,269</u>
Total Expenses	<u>6,182,293</u>	<u>5,421,763</u>
Decrease in Net Assets	(540,340)	(350,305)
Net Assets, Beginning of Year	<u>7,582,993</u>	<u>7,933,298</u>
Net Assets, End of Year	<u>\$7,042,653</u>	<u>\$7,582,993</u>

Governmental Activities

Governmental activities decreased DDRB's net assets by \$540,340. Property taxes, the largest governmental revenue category, were \$4,511,936 or 80% of the total revenue. For the calendar year ended December 31, 2012, revenues totaled \$5,641,953.

Financial Analysis of DDRB's Funds

The General Fund is the only operating fund of DDRB. The fund balance of the General Fund at December 31, 2012, was \$4,590,614 or 64% of 2012 expenditures. The larger the fund balance in relation to expenditures, the better DDRB is able to meet future needs of the agencies. DDRB experienced decreases in property taxes of \$47,034. This is the third year in a row that property taxes have declined. DDRB recognizes the need for a fund balance that can adequately absorb any downturn in economic events to avoid changes and reductions in service levels.

Capital Assets

DDRB's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$2,452,039 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements and equipment.

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Land	\$ 157,500	\$ 157,500
Buildings and Building Improvements	2,153,219	1,327,137
Office Furniture and Equipment	141,320	150
Total Capital Assets	<u>\$2,452,039</u>	<u>\$1,484,787</u>

Program Funding

During 2012, DDRB provided funding to the following organizations and/or programs:

Department of Mental Health – State of Missouri

DDRB currently has two contracts with the State of Missouri, Department of Mental Health, Division of Developmental Disabilities.

Effective July 1, 2011, the Missouri Governor announced a 2% provider rate reduction. On June 29, 2011, DDRB voted to reimburse Concerned Care, Immacolata Manor, Inc. and Triality which amounted to \$61,907 in 2011 and \$89,823 in 2012.

Under the Medicaid Waiver Match Contribution Contract DDRB provides 40% matching funds under the Missouri Medicaid Home and Community Based Waiver for:

- Residential habilitation services provided by Concerned Care and Immacolata Manor. Funds paid to the state as the 40% County match for residential habilitation were \$478,138.
- Transportation of consumers to the sheltered workshops or day habilitation programs. Under this portion of the agreement, DDRB paid \$23,776 as the 40% match for transportation services provided by Della Lamb Community Services.
- Day habilitation services provided by Immacolata Manor and Triality. DDRB paid \$148,109 as the 40% match for day habilitation services.
- Supported employment follow-along services. DDRB paid \$1,142 as the 40% match for supported employment follow-along services provided by Vocational Services.

Concerned Care, Inc. – Residential

Concerned Care, Inc. is a not-for-profit organization that operates residential and community services for citizens who are developmentally disabled. Their mission is to maximize the capability of these individuals so that they can manage their own lives and minimize dependence on others. Concerned Care’s programs include six group homes, three supervised apartment living programs, a community support program, an individualized supported living program and a community services program which provides youth and adult leisure activities. Some consumers residing in Concerned Care facilities are funded with a Medicaid Waiver Match Contribution Contract with the Department of Mental Health as explained under Program Funding (pages 9 – 10), Department of Mental Health-State of Missouri. Funding provided to Concerned Care, Inc. was as follows:

<u>Description of Service</u>	
Apartment/ISL/ILAP Programs	\$ 331,682
Group Home Programs	232,179
Home Maintenance/Repair/Equipment	160,000
Community Recreation	276,948
Staff Training	727
MODOT Match	<u>9,139</u>
	<u>\$1,010,675</u>

TNC Community – Residential

TNC Community is a not-for-profit organization providing residential services, health care oversight, nutritional programs, occupational and physical therapy and community integration for persons with developmental disabilities. They serve six residents in one group home located in Clay County that is staffed 24 hours per day, 7 days per week. Many residents are dually diagnosed; in addition to their developmental disabilities, they have other issues including orthopedic impairments, blindness and seizure disorders. Because many of these individuals are considered medically fragile, they are unable to participate in workshop or day habilitation programs. TNC direct care staff members develop activities that are meaningful such as recreational, entertainment and social outings. TNC also operates two ISL (Individual Supported Living) apartments in Clay County serving a total of 4 persons.

Funding provided to TNC Community is as follows:

<u>Description of Service</u>	
Residential Service Supports	\$ 48,210
Medical Supplies	<u>13,451</u>
	<u>\$ 61,660</u>

Maple Woods Community College – Vocational Training/Education

The program called College Experience for Adults with Developmental Disabilities (CEADD) is located on the campus of The Junior College District of Metropolitan Kansas City, Missouri, on behalf of Maple Woods Community College. The program offers

customized vocational training and educational courses designed for adults with developmental disabilities age 19 and older. Funding provided by DDRB was \$49,794.

Jewish Vocational Service – Employment

Jewish Vocational Service is a not-for-profit organization that offers community employment services including job seeking, skill training, job placement, short-term job coaching encouraging the development of a natural support within the work site and job retention services for individuals with a developmental disability who may not need supported employment services. The Jewish Vocational Service Extended Sheltered Workshop offers a choice and viable alternative workplace for individuals who choose not to receive workshop services in Clay County. Funding provided to the JVS Sheltered Workshop for Clay County residents was \$10,248.

Vocational Services, Inc. – Employment

Vocational Services, Inc. is a not-for-profit organization providing employment and training opportunities to citizens with developmental disabilities. VSI performs subcontract services for various industries, enabling consumers to become gainfully employed in a sheltered workshop environment. The Supported Employment program provides assistance to individuals with disabilities to obtain and maintain competitive employment through job assessment, job development and follow-along. Some Supported Employment consumers are funded with a Medicaid Waiver Match Contribution Contract with the Department of Mental Health as explained under Program Funding: Department of Mental Health-State of Missouri (pages 9 – 10). The Work and Personal Services Program provides employment and community integration opportunities for consumers who cannot produce at acceptable levels, have disruptive behaviors or whose disabilities have advanced to a point of needing special programming. Funding to Vocational Services was as follows:

<u>Description of Service</u>	
DESE Shortfall	\$ 55,913
Workshop	779,685
Rehabilitation	193,266
Supported Employment	27,356
Work and Personal Services	490,337
Staff Training	6,156
	<u>\$1,552,713</u>

Della Lamb Community Services – Transportation

Della Lamb Community Services is a not-for-profit organization that provides curb-to-curb transportation to three sheltered workshops and two day habilitation programs in Clay County. The organization also provides Supported Employment Transportation for individuals who live in their own homes and work in competitive positions in the community. Some Supported Employment consumers are funded with a Medicaid Waiver

Match Contribution Contract with the Department of Mental Health as explained under Program Funding: Department of Mental Health-State of Missouri (pages 9 – 10). These funds along with MEHTAP grants (Missouri Elderly and Handicapped Transportation Assistance Program) are used to offset the cost of transportation services. Funding provided by DDRB was as follows:

Description of Service

Workshop/Day Program Transportation	\$ 612,114
Supported Employment Transportation	<u>109,068</u>
	<u>\$ 721,182</u>

Triality, Inc. – Day Habilitation

Triality, Inc. is a not-for-profit organization that offers adults with developmental disabilities various opportunities and services to enhance and develop their desired level of natural support, independence, self-satisfaction and inclusion within their community. Some Supported Employment consumers are funded with a Medicaid Waiver Match Contribution Contract with the Department of Mental Health as explained under Program Funding: Department of Mental Health-State of Missouri (pages 9 – 10).

Triality, Inc. – Developmental Preschool/Special Education

Triality expanded their programming in 2002 to offer early intervention services for preschool children with developmental disabilities. Services include on-site special education/developmental preschool, nursing support and therapeutic services (occupational, speech and physical therapy). The program also offers therapeutic services to children in family-identified locations.

Funding provided to Triality for adult day habilitation and early intervention services was as follows:

Description of Service

20% MODOT Match (Act 9000)	\$ 14,439
Equipment	225,736
Therapy Programs	136,624
Special Education/Developmental Preschool	122,579
Staff Training	<u>16,000</u>
	<u>\$ 515,378</u>

Immacolata Manor – Day Habilitation

Immacolata Manor's My Day program was designed for adults with developmental disabilities who need or prefer a special, individualized program, such as those who have retired from workshops, competitive employment and/or other day programs. Some Supported Employment consumers are funded with a Medicaid Waiver Match Contribution Contract with the Department of Mental Health as explained under Program Funding: Department of Mental Health-State of Missouri (pages 9 – 10).

Immacolata Manor – Residential

Immacolata Manor provides residential services for citizens of Clay County who are developmentally disabled. The organization’s programs are designed to maximize individual development, enabling each resident to live as independently as possible. Some Supported Employment consumers are funded with a Medicaid Waiver Match Contribution Contract with the Department of Mental Health as explained under Program Funding: Department of Mental Health-State of Missouri (pages 9 – 10).

Funding provided by DDRB for adult day habilitation and residential services was as follows:

<u>Description of Service</u>	
Health Care Program	\$ 75,765
Staff Training	<u>19,494</u>
	<u>\$ 95,259</u>

Northland Early Education Center – Developmental Preschool/Special Education

Northland Early Education Center is a not-for-profit organization that offers educational and therapeutic services (occupational, speech and physical therapy) to children birth to five years with developmental disabilities within an inclusive setting. The program teaches social and motor skills in preparation for regular school. Funding provided to Northland Early Education Center was as follows:

<u>Description of Service</u>	
Therapy Programs	\$ 34,626
Special Education /Developmental Preschool	317,355
Special Instruction	4,876
Staff Training	<u>4,350</u>
	<u>\$ 361,207</u>

Alphapointe Association for the Blind

Alphapointe is a not-for-profit organization that assists legally blind, visually impaired and developmentally disabled individuals to maintain dignity and independence by providing employment and support services. The program for support of up to eight individuals in Clay County started January 1, 2009. Funding provided to Alphapointe was as follows:

<u>Description of Service</u>	
Work Adjustment Center	<u>\$ 51,013</u>

Children's Center for the Visually Impaired

The Children's Center for the Visually Impaired is a not-for-profit organization that prepares children with visual impairments to function at their highest potential in the sighted world. The program for support of up to fifty individuals in Clay County started January 1, 2010. Funding provided to Children's Center for the Visually Impaired was as follows:

Description of Service

Therapy

\$ 6,515

Rehabilitation Institute of Kansas City

The Rehabilitation Institute of Kansas City is a not-for-profit provider of extended employment, vocational rehabilitation and outpatient medical services. The program supported three individuals in Clay County at the end of 2012.

Description of Service

Sheltered Workshop

\$ 13,459

Children's Therapy Center

DDRB contracted with the Missouri Department of Mental Health Division of Developmental Disabilities to provide Targeted Case Management (TCM) for people with developmental disabilities in Clay County and sub-contracted with Children's Therapy Center, Sedalia, Missouri, to provide this service.

While transitioning nearly 400 clients from the Kansas City Regional Office TCM in 2012 DDRB received \$739,359 and spent \$762,023 for a net expense of \$22,664.

Requests for Information

This financial report is designed to provide the reader a general overview of DDRB's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Charles Washburn, Executive Director, Developmental Disabilities Resource Board of Clay County, 920 South Kent, Suite B, Liberty, Missouri 64068.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS
DECEMBER 31,**

	<u>Governmental Activities</u>	
	2012	2011
ASSETS		
Cash and Cash Equivalents	\$ 355,484	\$ 645,063
Certificates of Deposit	4,291,296	5,501,000
Capital Assets, Net of Depreciation	2,452,039	1,484,787
Total Assets	7,098,819	7,630,850
LIABILITIES		
Accrued Liabilities	56,166	47,857
Total Liabilities	56,166	47,857
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	2,452,039	1,484,787
Restricted for:		
Board Designation	4,636,720	4,066,332
Unrestricted	(46,106)	2,031,874
Total Net Assets	\$ 7,042,653	\$ 7,582,993

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
GOVERNMENTAL ACTIVITIES	Expenses	Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES	Expenses	Charges for Services	Governmental Activities
Program Support Expenditures	\$ (5,903,614)	\$ 1,039,327	\$ -
Payroll and Benefits	(83,377)	-	(83,377)
Administrative and Other	(35,054)	-	(35,054)
Insurance	(19,501)	-	(19,501)
Property Expenses	(32,411)	-	(32,411)
Depreciation	(108,336)	-	(108,336)
Total Governmental Activities	(6,182,293)	1,039,327	(5,142,966)
GENERAL REVENUES			
County Taxes			4,511,936
Interest			90,616
Other			74
Total General Revenues and Transfers			<u>4,602,626</u>
Changes in Net Assets			(540,340)
Net Assets, Beginning of Year			<u>7,582,993</u>
Net Assets, End of Year			<u>\$ 7,042,653</u>

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011**

Functions/Programs	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
GOVERNMENTAL ACTIVITIES	Charges for Services	Operating Grants and Contributions	Governmental Activities
Program Support Expenditures	\$ (5,168,494)	\$ 407,310	\$ (4,761,184)
Payroll and Benefits	(74,593)	-	(74,593)
Administrative and Other	(26,243)	-	(26,243)
Insurance	(17,852)	-	(17,852)
Property Expenses	(68,345)	-	(68,345)
Depreciation	(66,236)	-	(66,236)
Total Governmental Activities	(5,421,763)	407,310	(5,014,453)
GENERAL REVENUES			
County Taxes			4,558,969
Interest			105,113
Other			66
Total General Revenues and Transfers			4,664,148
Changes in Net Assets			(350,305)
Net Assets, Beginning of Year			7,933,298
Net Assets, End of Year			\$ 7,582,993

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
GOVERNMENTAL FUND BALANCE SHEETS
MODIFIED CASH BASIS
DECEMBER 31,**

	<u>General</u>		<u>2012</u>	<u>2011</u>
ASSETS				
Cash and Cash Equivalents			\$ 355,484	\$ 645,063
Investments			<u>4,291,296</u>	<u>5,501,000</u>
Total Assets			<u>\$ 4,646,780</u>	<u>\$ 6,146,063</u>
LIABILITIES				
Accrued Liabilities			<u>\$ 56,166</u>	<u>\$ 47,857</u>
Total Liabilities			56,166	47,857
FUND BALANCES				
Restricted				
Board Designation			4,636,720	4,066,332
Unassigned			<u>(46,106)</u>	<u>2,031,874</u>
Total Fund Balances			<u>4,590,614</u>	<u>4,066,332</u>
Total Liabilities and Fund Balances			<u>\$ 4,646,780</u>	<u>\$ 4,114,189</u>

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET ASSETS – MODIFIED CASH BASIS
DECEMBER 31,**

	2012	2011
Fund Balances - Total Governmental Funds	\$ 4,590,614	\$ 6,098,206
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental Capital Assets	3,418,518	2,344,108
Less Accumulated Depreciation	(966,479)	(859,321)
Capital Assets Net of Depreciation	2,452,039	1,484,787
Net Assets of Governmental Activities	\$ 7,042,653	\$ 7,582,993

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
GOVERNMENTAL FUND STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31,**

	<u>General</u>	
	2012	2011
REVENUES		
County Taxes	\$ 4,511,935	\$ 4,558,969
Transportation	133,106	107,249
Grant	12,236	-
Rent	154,626	155,312
Interest	90,616	105,113
Case Management	739,359	144,748
Other	74	66
Total Revenues	5,641,952	5,071,457
EXPENDITURES		
Program Support Expenditures	5,924,911	5,168,494
Administrative and Other	35,054	26,242
Payroll and Benefits	83,377	74,593
Insurance	19,501	17,852
Property Expenses	74,745	68,345
Capital Expenditures	1,011,956	10,678
Total Expenditures	7,149,544	5,366,204
Excess of Revenue Over (Under) Expenditures	(1,507,592)	(294,747)
Fund Balance, Beginning of Year	6,098,206	6,392,953
Fund Balance, End of Year	\$ 4,590,614	\$ 6,098,206

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
RECONCILIATION OF THE CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS
DECEMBER 31,**

	2012	2011
Net Change in Fund Balances - Total Governmental Funds	\$ (1,507,592)	\$ (294,747)
Amounts reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The following is the detail of the amount by which additions to fixed assets exceeded depreciation or the amount by which depreciation exceeded additions to fixed assets in the current period:		
Additions to Fixed Assets	1,075,588	10,678
Depreciation	(108,336)	(66,236)
	967,252	(55,558)
Change in Net Assets of Governmental Activities as Noted in the Statement of Activities	\$ (540,340)	\$ (350,305)

See accompanying notes to basic financial statements.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Developmental Disabilities Resource Board of Clay County, Missouri, established under the authority of Missouri State statutes, is a component unit of Clay County, Missouri, and is governed by a nine-member board of directors who are appointed by the Clay County Commissioners.

DDRB was organized to distribute funds for the delivery of services to citizens of Clay County who are developmentally disabled. DDRB has chosen to enter into agreements with existing not-for-profit agencies to provide these services.

Basis of Accounting: Except for the use of a modified cash basis of accounting as discussed in subsequent subsections of this Note, DDRB complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the year ended December 31, 2004, DDRB implemented the new financial reporting requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* and implemented the new financial reporting requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*.

The only difference between the modified cash basis statements and those prepared in accordance with accounting principles generally accepted in the United States deal with the reporting of tax receipts from Clay County. DDRB reports tax revenue in the year cash is received.

The majority of tax revenue is received from Clay County the year after it has been assessed because the taxes are not due until December 31. Because DDRB reports property taxes on a cash basis, the taxes receivable and the offsetting entry to property tax revenue are not reported on the books. The amounts due for delinquent taxes that were assessed beyond the previous year are also not recorded on the books.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reporting Entity – Continued

Implementation of GASB Statement 34

Although DDRB presents its annual financial statements on a comprehensive basis of accounting other than GAAP, the aspects of financial statement content and format as prescribed by GASB Statement 34 have been implemented in the financial statements, effective for the year ended December 31, 2004.

Government-wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Assets and the Statement of Activities) and fund financial statements.

Government-wide Financial Statements: The government-wide statements display information about the primary government unit. Governmental activities are supported by taxes, rental income and grants. In the government-wide Statement of Net Assets, the governmental activities are each consolidated and presented on the modified cash basis of accounting. The consolidated presentation incorporates long-term assets and obligations and it provides valuable information for greater analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of DDRB's governmental activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Separate fund financial statements report information on DDRB's governmental funds. The emphasis of fund financial statements is on major governmental activities.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-wide and Fund Financial Statements – Continued

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

DDRB reports all of its funds in the General Fund. This fund is DDRB's primary operating fund and accounts for all financial resources of the general government.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

Missouri state statutes authorize DDRB to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements. Missouri state statutes authorize DDRB, with certain restrictions, to deposit funds in open accounts and certificates of deposit. Missouri state statutes also require that collateral pledged must have fair market value equal to 100% of the funds on deposit, less amounts insured by federal deposit insurance. Collateral securities must be held by DDRB or a disinterested third party and may include U.S. Government and government agency bonds and securities; general obligation bonds of any of the 50 states; general obligation bonds of any Missouri county, certain cities and special districts and revenue bonds of certain Missouri agencies. Obligations pledged to secure deposits are delivered to the bank's joint custody accounts at the custodial bank. Investments for DDRB are reported at fair value on quoted market prices.

Property Tax Revenue Recognition

Property tax revenue is recognized as income in the year received. The tax levy for a given year is finalized in late summer. The tax bills are normally mailed in November and are due December 31. Taxes for that year are normally remitted to DDRB by the County after January 1.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities and Net Assets or Equity – Continued

Capital Assets

Capital assets include land, buildings, improvements and equipment and are included in the applicable governmental columns in the government-wide financial statements. Capital assets, excluding land, are defined by DDRB as assets with a cost of \$1,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

	<u>Years</u>
Primary government:	
Buildings	40
Improvements Other Than Buildings	15 to 40
Office Furniture and Equipment	5 to 7

Fund Balance Classifications

The Governmental Accounting Standards Board (GASB) released Statement 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) on March 11, 2009 which is effective for DDRB’s fiscal year ending December 31, 2012. This Statement is intended to improve the usefulness of the amounts reported in fund balance by providing more structured classifications. Under GASB 54, fund balance is reported under the following five classifications:

Nonspendable Fund Balance – consists of amounts that are not in a spendable form or are required to be maintained intact.

Restricted Fund Balance – consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications – Continued

Committed Fund Balance – consists of amounts that can be used only for the specific purposes determined by a formal action of the DDRB’s highest level of decision-making authority (the Board) and do not lapse at year end. The committed fund balance consists of general board reserves.

Assigned Fund Balance – consists of amounts intended for a specific purpose by the Board that has been delegated authority to assign amounts. This fund balance classification reflects funds assigned for specific projects.

Unassigned Fund Balance – consists of any remaining fund balance that has not been reported in any other classification.

Net Assets

In the government-wide financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – this consists of capital assets, net of accumulated depreciation.

Unrestricted – this consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Restricted-Board Designated – this consists of net assets designated by the Board for specific purposes.

Subsequent Event

Subsequent events have been evaluated through April 10, 2013, which is the date the financial statements were issued.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of December 31, 2012, DDRB had the following deposits and investments:

	Reported Amount/ Fair Value
Certificates of Deposit	\$ 4,291,294
Bank Checking	355,484
Total Deposits	\$ 4,646,778

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. DDRB has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is DDRB's practice to place operating funds in certificates of deposit with relative short-term maturities. All investments have maturities of 1 to 3 years. These consist of funds that are unlikely to be needed prior to maturity.

Credit Risk

Missouri statutes prohibit government agencies from investing in derivative, leveraged, or speculative securities. DDRB agents invest funds in certificates of deposit and interest bearing checking accounts.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that, in the event of a bank failure, DDRB's deposits may not be returned. DDRB bank balances of deposits were covered by federal depository insurance or by collateral held by DDRB's agent in DDRB's name.

It is DDRB's practice to require banks to provide collateral equal to any deposited amounts exceeding federal depository insurance limits.

Custodial Credit Risk-Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, DDRB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2012, DDRB's investments were not exposed to custodial credit risk.

Capital Assets

Capital asset activity for the years ended December 31, 2012 and 2011 is as follows:

	<u>Governmental Activities</u>			Ending Balance 12-31-12
	Beginning Balance 12-31-11	Additions	Subtractions	
Non-depreciable Capital Assets				
Land	\$ 157,500	\$ -	\$ -	\$ 157,500
Depreciable Capital Assets				
Buildings	1,775,478	-	-	1,775,478
Improvements	394,700	913,794	-	1,308,494
Furniture, Fixtures and Equipment	<u>16,429</u>	<u>161,794</u>	<u>1,177</u>	<u>177,046</u>
Total Land/Depreciable Capital Assets	2,344,107	1,075,588	1,177	3,418,518
Less Accumulated Depreciation				
Buildings	685,385	44,383	-	729,768
Improvements Other than Buildings	157,508	43,477	-	200,985
Furniture, Fixtures and Equipment	<u>16,428</u>	<u>20,475</u>	<u>1,177</u>	<u>35,726</u>
Total Accumulated Depreciation	<u>859,321</u>	<u>108,335</u>	<u>1,177</u>	<u>966,479</u>
Total Depreciable Capital Assets	<u>\$1,484,786</u>	<u>\$967,253</u>	<u>\$ -</u>	<u>\$2,452,039</u>
Depreciation expense was charged as follows				
General Government				<u>\$ 108,335</u>

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 2 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Capital Assets

Capital asset activity for the years ended December 31, 2012 and 2011 continues as follows:

	<u>Governmental Activities</u>			Ending Balance 12-31-11
	Beginning Balance 12-31-10	<u>Additions</u>	<u>Subtractions</u>	
	Non-depreciable Capital Assets			
Land	\$ 157,500	\$ -	\$ -	\$ 157,500
Construction in Progress	10,000	-	10,000	-
Depreciable Capital Assets				
Buildings	1,775,478	-	-	1,775,478
Improvements	374,023	20,678	-	394,700
Furniture, Fixtures and Equipment	<u>16,429</u>	<u>-</u>	<u>-</u>	<u>16,429</u>
Total Land/Depreciable Capital Assets	2,333,430	20,678	10,000	2,344,107
Less Accumulated Depreciation				
Buildings	635,977	49,408	-	685,385
Improvements Other than Buildings	140,829	16,679	-	157,508
Furniture, Fixtures and Equipment	<u>16,279</u>	<u>149</u>	<u>-</u>	<u>16,428</u>
Total Accumulated Depreciation	<u>793,085</u>	<u>66,236</u>	<u>-</u>	<u>859,321</u>
Total Depreciable Capital Assets	<u>\$1,540,345</u>	<u>\$(45,558)</u>	<u>\$ 10,000</u>	<u>\$1,484,786</u>
Depreciation expense was charged as follows				
General Government				<u>\$ 66,236</u>

NOTE 3 – PROPERTIES

Since its formation in 1971, DDRB has acquired ten homes and sold four homes. In addition, DDRB completed construction of administrative offices in 1995. The following is a list of the remaining homes:

<u>House Location</u>	<u>Date Acquired</u>
7109 –11 North Park, Gladstone, Missouri	1973
6711 North Flora, Gladstone, Missouri	1979
1525 S. Birmingham, Liberty, Missouri	1987
5017 NE Chouteau, Kansas City, Missouri	2001
1119 Ridgeway Dr., Liberty, Missouri	2003
1484 Hampton Ct., Liberty, Missouri	2007

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 3 – PROPERTIES – CONTINUED

All of the homes have been leased to Concerned Care, Inc. since purchase. Concerned Care, Inc. has been provided funds for the furnishings, equipment and the maintenance and repair of the homes.

NOTE 4 – COUNTY TAX LEVY

The residents of Clay County have authorized a separate property tax levy to provide services to County citizens with mental retardation/developmental disabilities. Monies generated from the levy are collected by the County and remitted to DDRB. Clay County's property tax is levied on November 1 of each year on the assessed value listed as of the prior January 1 for all property located in the County and appropriate taxing districts.

Property taxes are due by December 31, following the levy date. During 2011 DDRB recognized \$4,511,935 property tax revenue related to 2011 and prior years. During 2010 DDRB recognized \$4,782,111 property tax revenue related to 2010 and prior years. DDRB's tax levy on November 1, 2011, (which generated the property tax revenue) was \$.1191 per \$100. The adjusted assessed valuation of property in the county was \$3,450,504,996.

NOTE 5 – INVESTMENTS

Investments consist of the following at the end of the year:

	<u>2012</u>	<u>2011</u>
Certificates of Deposit	\$4,291,296	\$5,501,000

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2012**

NOTE 6 – FUND BALANCE – BOARD RESERVED

During fiscal 2005 the Board of Directors changed the overall policy for reserving funds. Prior to 2005, the Board had reserved funds for Group Home Reserve, Building Reserve, Emergency Reserve, Escrow Reserve, Program Placement Reserve and Insurance Reserve. These reserves were eliminated and a new policy of reserving nine months of operating expenses was established during 2005. The Board of Directors is required to maintain nine months of operating expenses in a reserve, which for 2012 amounted to \$4,636,720. The increase in the Board reserve was required because of the capital improvements to the Kent building and expanded program funding. The Board of Directors designated reserve is calculated as follows:

	2012	2011
Balance, January 1,	\$4,066,332	\$3,900,784
Required Change, Increase	570,388	165,548
Balance, December 31, Required	\$4,636,720	\$4,066,332

NOTE 7 – SIGNIFICANT CONCENTRATIONS

Approximately 80% of the revenue was received from property taxes during 2012 which was a decrease from 90% in 2011. The major reason for the decrease was the new source of fee revenue from the Children’s Therapy Center. Property taxes actually decreased \$47,033.

NOTE 8 – RISK MANAGEMENT

DDRB is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. DDRB maintains commercial insurance for significant insurable risks. There will be no claim on any of the commercial coverage during the year.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2012**

The reported budgetary data represent the final approved budget after amendments as adopted by the Board of Directors. Amendments to the original budget were not material. The basis of accounting is the same for both budgeting and financial reporting purposes. The Board of Directors utilizes the following procedures in establishing the budgetary data reflected in the general-purpose financial statements.

Prior to the beginning of the year, the Board of Directors meet with the various agencies to review their request for funds. The overall administrative costs of DDRB are added to the various agencies' request for funds. The operating budget provides a complete financial plan of all funds and activities for the upcoming fiscal year. In no event shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves estimated to be on hand at the beginning of the budget year. The budget is legally adopted through DDRB prior to January 1.

The actual revenues exceeded the budgeted revenues primarily because actual tax collections exceeded the budget. Program support expenditures were less than the budget primarily because of the purchase of service contracts. Under these contracts amounts are billed based upon actual units of services performed by the agencies. The number of service units provided was less than budgeted.

**DEVELOPMENTAL DISABILITIES RESOURCE BOARD
OF CLAY COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
INCOME			
County Tax Receipts	\$ 4,462,949	\$ 4,511,935	\$ 48,986
Rent	155,312	154,626	(686)
Transportation	100,000	133,106	33,106
Grant	6,186	12,236	6,050
Interest	55,000	90,616	35,616
Case Management	-	739,359	739,359
Other Income	60	74	14
Carryover	<u>803,098</u>	<u>-</u>	<u>(803,098)</u>
Total Income	5,582,605	5,641,952	59,347
EXPENDITURES **			
Program Support Expenditures	5,376,752	5,924,911	(548,159)
Administrative and Other	53,340	35,054	18,286
Payroll and Benefits	79,913	83,377	(3,464)
Insurance	18,000	19,501	(1,501)
Property Expenses	<u>54,600</u>	<u>74,745</u>	<u>(20,145)</u>
Total Expenditures	<u>5,582,605</u>	<u>6,137,588</u>	<u>(554,983)</u>
Income Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (495,636)</u>	<u>\$ (495,636)</u>

** Does not include capital expenditures.

BRUCE D. CULLEY C.P.A., P.C.
3000 Brooktree Lane, Suite 210
Gladstone, MO. 64119
816-453-1040 Fax: 816-453-0721

Report on Compliance and on Internal Control over Finance Reporting
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*.

The Board of Directors
Developmental Disabilities Resource
Board of Clay County

I have audited the financial statements of Developmental Disabilities Resource Board of Clay County, as of and for the year ended December 31, 2012, and have issued my report thereon dated April 10, 2013. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Developmental Disabilities Resource Board of Clay County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 object of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

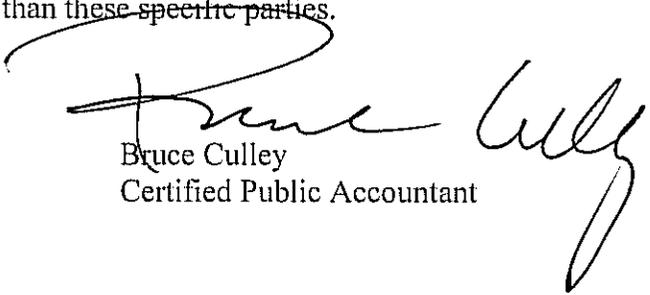
Internal Control over Financial Reporting

In planning and performing my audit, I considered Developmental Disabilities Resource Board of Clay County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in

Board of Directors
Developmental Disabilities Resource Board
of Clay County

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Bruce Culley
Certified Public Accountant

Gladstone, Missouri
April 10, 2013