



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Howell County, Missouri

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

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2009
Report No. 2009-105

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT
(The Primary Government)

To the County Commission
The County of Howell, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Howell (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Primary Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the Primary Government which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the primary government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government, as of December 31, 2008 and 2007, the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the Health Department of Howell County, and the Howell County Senate Bill 40 Board, have issued separate reporting entity financial statements. For information on these component units, please contact the Howell County Health Department and the Howell County Senate Bill 40 Board.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Primary Government, as of December 31, 2008 and 2007 for the years then ended in conformity with the basis of accounting described in Note I.

Primary Government has not presented the management’s discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 29, 2009 on our consideration for the Primary Government’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Non-GAAP Budget Basis and Actual and related notes on pages 27 through 33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government’s basic financial statements. The combining and individual non-major funds financial statements on pages 34 through 41 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 46 through 48 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

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

July 29, 2009

FINANCIAL STATEMENTS

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED

	December 31, 2008 Total Governmental Activities	December 31, 2007 Total Governmental Activities
ASSETS		
Cash and Cash Equivalents	\$ 634,624.11	\$ 1,202,028.14
Investments	193,000.00	-
TOTAL ASSETS	827,624.11	1,202,028.14
NET ASSETS		
Unrestricted	122,522.73	260,549.90
Restricted for Specific Purpose	705,101.38	941,478.24
TOTAL NET ASSETS	827,624.11	1,202,028.14
TOTAL FUND BALANCE	\$ 827,624.11	\$ 1,202,028.14

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 3,993,774.50	\$ 650,474.57	\$ 487,513.07	\$ 4,023,180.53	\$ 1,167,393.67
Road and Bridge	1,941,456.16	1,759,042.92	-	-	(182,413.24)
Financial Administration	230,713.20	-	-	-	(230,713.20)
Other Offices and Grants	633,747.56	-	-	-	(633,747.56)
Administration of Justice and Law Enforcement	1,041,837.11	-	-	-	(1,041,837.11)
Health and Welfare	525.00	-	-	-	(525.00)
Consulting	67,844.15	-	-	-	(67,844.15)
Fees, Licenses and Permits	-	-	-	-	-
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	110,000.00	-	-	-	(110,000.00)
Interest and Fiscal Charges	21,889.42	-	-	-	(21,889.42)
Capital Outlay:					
Construction of Roads and Bridges	2,547.81	-	-	-	(2,547.81)
Property, Equipment and Buildings	2,974,346.50	-	-	-	(2,974,346.50)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,018,681.41	\$ 2,409,517.49	\$ 487,513.07	\$ 4,023,180.53	(4,098,470.32)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	386,610.96
Sales Tax	3,284,918.11
Investment Income	43,231.84
Miscellaneous	9,305.38
TOTAL GENERAL REVENUES	3,724,066.29
CHANGE IN NET ASSETS	(374,404.03)
NET ASSETS, BEGINNING OF YEAR	1,202,028.14
NET ASSETS, END OF YEAR	\$ 827,624.11

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 4,114,875.62	\$ 696,255.11	\$ 506,934.53	\$ 2,037,765.15	\$ (873,920.83)
Road and Bridge	1,510,273.69	1,205,726.91	-	-	(304,546.78)
Financial Administration	213,434.45	-	-	-	(213,434.45)
Other Offices and Grants	704,655.38	-	-	-	(704,655.38)
Administration of Justice and Law Enforcement	564,845.78	-	-	381,705.94	(183,139.84)
Health and Welfare	5,919.28	-	-	-	(5,919.28)
Consulting	65,316.97	-	-	-	(65,316.97)
Fees, Licenses and Permits	-	-	-	-	-
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	512,687.41	-	512,687.41
Park Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	105,000.00	-	-	-	(105,000.00)
Interest and Fiscal Charges	26,503.29	-	-	-	(26,503.29)
Capital Outlay:					
Construction of Roads and Bridges.	27,635.76	-	-	-	(27,635.76)
Property, Equipment and Buildings	2,133,717.00	-	-	-	(2,133,717.00)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,472,177.22	\$ 1,901,982.02	\$ 1,019,621.94	\$ 2,419,471.09	(4,131,102.17)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	361,667.34
Sales Tax	3,677,853.51
Investment Income	87,389.69
Miscellaneous	11,456.90
TOTAL GENERAL REVENUES	4,138,367.44
CHANGE IN NET ASSETS	7,265.27
NET ASSETS, BEGINNING OF YEAR	1,194,762.87
NET ASSETS, END OF YEAR	\$ 1,202,028.14

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Special Road and Bridge	Law Enforcement Sales Tax	Special Grant Fund	Non-Major Governmental Funds	Total Governmental Funds	General	Special Road and Bridge	Law Enforcement Sales Tax	Special Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS												
Cash and Cash Equivalents	\$ 122,522.73	\$ 91,269.14	\$ 61,570.82	\$ -	\$ 359,261.42	\$ 634,624.11	\$ 260,549.90	\$ 443,378.12	\$ 158,999.68	\$ -	\$ 339,100.44	\$ 1,202,028.14
Investments	-	193,000.00	-	-	-	193,000.00	-	-	-	-	-	-
						-						-
TOTAL ASSETS	122,522.73	284,269.14	61,570.82	-	359,261.42	827,624.11	260,549.90	443,378.12	158,999.68	-	339,100.44	1,202,028.14
FUND BALANCES												
Unreserved:												
General Fund	122,522.73	-	-	-	-	122,522.73	260,549.90	-	-	-	-	260,549.90
Special Revenue Funds	-	284,269.14	61,570.82	-	359,261.42	705,101.38	-	443,378.12	158,999.68	-	339,100.44	941,478.24
TOTAL FUND BALANCES	122,522.73	284,269.14	61,570.82	-	359,261.42	827,624.11	260,549.90	443,378.12	158,999.68	-	339,100.44	1,202,028.14
TOTAL FUND BALANCES	\$ 122,522.73	\$ 284,269.14	\$ 61,570.82	\$ -	\$ 359,261.42	\$ 827,624.11	\$ 260,549.90	\$ 443,378.12	\$ 158,999.68	\$ -	\$ 339,100.44	\$ 1,202,028.14

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS FOR THE YEARS ENDED

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Special Road and Bridge	Law Enforcement Sales Tax Fund	Special Grant Fund	Non-Major Governmental Funds	Total Governmental Funds	General	Special Road and Bridge	Law Enforcement Sales Tax Fund	Special Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES												
Property Tax	\$ 51,576.81	\$ 335,034.15	\$ -	\$ -	\$ -	\$ 386,610.96	\$ 48,971.61	\$ 312,695.73	\$ -	\$ -	\$ -	\$ 361,667.34
Sales Tax	1,940,638.82	250,000.00	1,094,279.29	-	-	3,284,918.11	1,909,888.50	275,000.00	1,091,890.12	-	401,074.89	3,677,853.51
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-	1,160.00	1,160.00
Charges for Services	485,741.56	2,025.00	16,838.64	-	145,869.37	650,474.57	580,130.10	1,265.00	15,123.36	-	98,576.65	695,095.11
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	778,751.01	20,703.39	89,448.15	2,282,275.18	852,002.80	4,023,180.53	763,581.03	512,687.41	381,705.94	892,836.87	381,347.25	2,932,158.50
Fees, Licenses and Permits	270,897.32	1,759,042.92	104,009.66	-	112,606.09	2,246,555.99	252,354.35	1,205,726.91	123,918.77	-	130,661.41	1,712,661.44
Interest	19,676.43	12,182.32	2,904.62	-	8,468.47	43,231.84	39,000.85	17,658.53	10,837.95	-	19,892.36	87,389.69
Other	4,600.10	-	-	-	4,705.28	9,305.38	4,600.90	-	-	-	6,856.00	11,456.90
TOTAL REVENUES	3,551,882.05	2,378,987.78	1,307,480.36	2,282,275.18	1,123,652.01	10,644,277.38	3,598,527.34	2,325,033.58	1,623,476.14	892,836.87	1,039,568.56	9,479,442.49
EXPENDITURES												
Current:												
General County Government	1,180,334.71	-	2,090,443.20	-	722,996.59	3,993,774.50	958,271.63	-	2,119,629.22	-	1,036,974.77	4,114,875.62
Road and Bridge	-	1,941,456.16	-	-	-	1,941,456.16	-	1,510,273.69	-	-	-	1,510,273.69
Financial Administration	230,713.20	-	-	-	-	230,713.20	213,434.45	-	-	-	-	213,434.45
Other Offices and Grants	633,747.56	-	-	-	-	633,747.56	704,655.38	-	-	-	-	704,655.38
Property Valuation and Recording	67,844.15	-	-	-	-	67,844.15	65,316.97	-	-	-	-	65,316.97
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Permits and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Administration of Justice and Law	629,183.86	-	-	-	412,653.25	1,041,837.11	564,845.78	-	-	-	-	564,845.78
Health and Welfare	525.00	-	-	-	-	525.00	525.00	-	-	-	5,394.28	5,919.28
Principal, Interest and Fiscal Fee:	-	-	-	-	-	-	-	-	-	-	1,663.23	1,663.23
Capital Outlay:												
Construction of Roads and Bridges	-	2,547.81	-	-	-	2,547.81	-	27,635.76	-	-	-	27,635.76
Property, Equipment and Buildings	-	585,752.48	67,576.60	2,282,275.18	38,742.24	2,974,346.50	-	691,196.62	414,379.28	892,836.87	135,304.23	2,133,717.00
TOTAL EXPENDITURES	2,742,348.48	2,529,756.45	2,158,019.80	2,282,275.18	1,174,392.08	10,886,791.99	2,507,049.21	2,229,106.07	2,534,008.50	892,836.87	1,179,336.51	9,342,337.16
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	809,533.57	(150,768.67)	(850,539.44)	-	(50,740.07)	(242,514.61)	1,091,478.13	95,927.51	(910,532.36)	-	(139,767.95)	137,105.33
OTHER FINANCING SOURCES (USES)												
Transfers In	108,060.19	-	885,000.00	-	175,620.93	1,168,681.12	109,076.50	-	880,000.00	-	145,074.77	1,134,151.27
Transfers Out	(1,055,620.93)	(8,340.31)	-	-	(104,719.88)	(1,168,681.12)	(1,025,074.77)	-	(20,000.00)	-	(89,076.50)	(1,134,151.27)
Emergency Fund	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Payment	-	-	(110,000.00)	-	-	(110,000.00)	-	-	(105,000.00)	-	-	(105,000.00)
Interest and Fiscal Charges	-	-	(21,889.42)	-	-	(21,889.42)	-	-	(24,840.06)	-	-	(24,840.06)
TOTAL OTHER FINANCING SOURCES (USES)	(947,560.74)	(8,340.31)	753,110.58	-	70,901.05	(131,889.42)	(915,998.27)	-	730,159.94	-	55,998.27	(129,840.06)
NET CHANGE IN FUND BALANCE	(138,027.17)	(159,108.98)	(97,428.86)	-	20,160.98	(374,404.03)	175,479.86	95,927.51	(180,372.42)	-	(83,769.68)	7,265.27
FUND BALANCE - BEGINNING OF YEAR	260,549.90	443,378.12	158,999.68	-	339,100.44	1,202,028.14	85,070.04	347,450.61	339,372.10	-	422,870.12	1,194,762.87
FUND BALANCE - END OF YEAR	\$ 122,522.73	\$ 284,269.14	\$ 61,570.82	\$ -	\$ 359,261.42	\$ 827,624.11	\$ 260,549.90	\$ 443,378.12	\$ 158,999.68	\$ -	\$ 339,100.44	\$ 1,202,028.14

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Total Net Change in Fund Balances – Governmental Funds	\$ (374,404.03)
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ (374,404.03)</u>

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total Net Change in Fund Balances – Governmental Funds	\$ 7,265.27
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 7,265.27</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS

	<u>DECEMBER 31, 2008</u> <u>AGENCY FUNDS</u>	<u>DECEMBER 31, 2007</u> <u>AGENCY FUNDS</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 1,259,478.35</u>	<u>\$ 1,104,504.10</u>
TOTAL ASSETS	<u><u>1,259,478.35</u></u>	<u><u>1,104,504.10</u></u>
LIABILITIES		
Due to Other Funds	<u>1,259,478.35</u>	<u>1,104,504.10</u>
TOTAL LIABILITIES	<u><u>\$ 1,259,478.35</u></u>	<u><u>\$ 1,104,504.10</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Howell, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three board members, there are eight elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Primary Government.

The Primary Government’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Howell County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Primary Government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government as of December 31, 2008 and 2007, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the Health Department of Howell County, Missouri and the Howell County Senate Bill 40 Board have issued separate reporting entity financial statements. For information on these component units, please contact the Howell County Health Department at (417) 256-7078 (or write to 180 S. Kentucky Street West Plains, MO 65775) and the Howell County Senate Bill 40 Board at (417) 469-1933 (or write to 8160 Co Rd. 5010 West Plains, MO 65775).

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services. The Primary Government does not have any such activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the primary government at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Primary Government.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Primary Government has determined that the General Fund, Road and Bridge Fund and the Law Enforcement Complex Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-Major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The fund financial statements of the Primary Government are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type are in the basic financial statements. The following fund types are used by the Primary Government:

Governmental Fund Types

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

The following are the Primary Government's governmental major funds:

General Fund – The General Fund is the general operating fund of the Primary Government. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund is a Special Revenue Fund used to account for receipts of the Primary Government property tax levy and related expenditures for road maintenance and improvement projects.

Howell County Law Enforcement Sales Tax Fund – The Howell County Law Enforcement Sales Tax Fund is a Special Revenue Fund used to account for the receipts of the primary government's sales taxes and related law enforcement expenditures.

Howell County Special Grant Fund– The Howell County Special Grant Fund is a Special Revenue Fund used to account for the receipts and expenditures of the Grants of Howell County.

The other governmental funds of the Primary Government are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the Modified cash basis of accounting. The basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash 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 Primary Government 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.

D. Property Taxes

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

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 258,225,540	\$ 257,402,270
Personal Property	114,101,810	108,117,700
Railroad and Utilities	16,627,173	16,623,260
Private Car	-	715,540
	\$ 388,954,523	\$ 382,858,770

During 2008 and 2007, the County Commission approved a \$.0800 and \$.0800, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
Special Road and Bridge Fund	\$.0800	\$.0800
	\$.0800	\$.0800

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from 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 investment 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 Primary Government's name at third-party banking institutions. Details of these cash balances are presented in Note II.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Modified Cash Basis – Governmental Fund.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Interfund Transactions (concluded)

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

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2008 and 2007.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

The Primary Government 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 Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the Primary Government's deposits was \$827,624.11 and \$1,202,028.14, the bank balance was \$1,807,581.75 and \$2,516,169.07 respectively. As of December 31, 2007, 100% of the Primary Government's investments were guaranteed by the U. S. Government, however as of December 31, 2008, the Primary Government's investments were 100% guaranteed by the U.S. Government.

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (continued)

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 827,624.11
Investments	-
Total Governmental Funds	827,624.11
<u>Balance Sheet – Agency Funds</u>	
Deposits	1,034,478.35
Investments	225,000.00
Total Deposits & Investments as of December 31, 2008	\$ 2,087,102.46

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 1,009,028.14
Investments	193,000.00
Total Governmental Funds	1,202,028.14
<u>Balance Sheet – Agency Funds</u>	
Deposits	904,504.10
Investments	200,000.00
Total Deposits & Investments as of December 31, 2007	\$ 2,306,532.24

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 Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the year end December 31, 2008 & 2007.

Custodial Credit Risk – Investments

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

Custodial Credit Risk – Investments

All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

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 Primary Government does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government 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 Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The Primary Government's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

III. LONG-TERM DEBT

Howell County has a non-profit Building Corporation that is considered a blended component unit. The building corporation was set up so that the County could have debt since it cannot issue its own. The Building Corporation has a 2005 Loan Series and a 2004 Bond Series, the details of each are following.

Series 2005 Loan – This loan is for the Governmental Building that the County is run out of. The maturity date of the loan is 12/29/09 and the interest rate is 4.8%. West Plains Bank & Trust Company hold this note.

Series 2004 Bond – This bond is for the Dispatching and Jail Facility Project. The maturity date of the bond is 12/1/13 and the interest rate is variable from 2.0% to 4.2%. UMB Bank is the paying agent of this bond.

DEBT	BALANCE AT 12/31/2006	2007		BALANCE AT 12/31/2007	INTEREST PD DURING YEAR
		AMOUNT BORROWED	AMOUNT REPAID		
2005 LOAN	\$ 711,924.26	\$ -	\$ 25,782.12	\$ 686,142.14	\$ 34,172.36
2004 BONDS	825,000.00	-	105,000.00	720,000.00	29,322.50
TOTAL	<u>\$ 1,536,924.26</u>	<u>\$ -</u>	<u>\$ 130,782.12</u>	<u>\$ 1,406,142.14</u>	<u>\$ 63,494.86</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT (concluded)

DEBT	2008				
	BALANCE AT 12/31/2007	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2008	INTEREST PD DURING YEAR
2005 LOAN	\$ 686,142.14	\$ -	\$ 27,019.66	\$ 659,122.48	\$ 32,934.82
2004 BONDS	720,000.00	-	110,000.00	610,000.00	26,645.00
TOTAL	\$ 1,406,142.14	\$ -	\$ 137,019.66	\$ 1,269,122.48	\$ 59,579.82

2007 Amortizations

2007 LOAN SCHEDULE				2007 BOND SCHEDULE			
YEAR	PRINCIPLE	INTEREST	TOTAL	YEAR	PRINCIPLE	INTEREST	TOTAL
2008	27,019.66	32,934.82	59,954.48	2008	110,000.00	26,645.00	136,645.00
2009	659,122.48	31,637.88	690,760.36	2009	110,000.00	23,455.00	133,455.00
				2010	115,000.00	19,825.00	134,825.00
				2011	120,000.00	15,685.00	135,685.00
				2012	125,000.00	11,005.00	136,005.00
				2013	140,000.00	5,880.00	145,880.00
TOTAL	686,142.14	64,572.70	750,714.84	TOTAL	720,000.00	102,495.00	822,495.00

2008 Amortizations

2008 LOAN SCHEDULE				2008 BOND SCHEDULE			
YEAR	PRINCIPLE	INTEREST	TOTAL	YEAR	PRINCIPLE	INTEREST	TOTAL
2009	659,122.48	31,637.88	690,760.36	2009	110,000.00	23,455.00	133,455.00
				2010	115,000.00	19,825.00	134,825.00
				2011	120,000.00	15,685.00	135,685.00
				2012	125,000.00	11,005.00	136,005.00
				2013	140,000.00	5,880.00	145,880.00
TOTAL	659,122.48	31,637.88	690,760.36	TOTAL	610,000.00	75,850.00	685,850.00

THE COUNTY OF HOWELL
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
MAJOR FUNDS				
General Fund	\$ 108,060.19	\$ 1,055,620.93	\$ 109,076.50	\$ 1,025,074.77
Special Road and Bridge Fund	-	8,340.31	-	-
Howell County Law Enforcement Sales Tax Fund	885,000.00	-	880,000.00	20,000.00
NON-MAJOR FUNDS	<u>175,620.93</u>	<u>104,719.88</u>	<u>145,074.77</u>	<u>89,076.50</u>
TOTAL	<u>\$ 1,168,681.12</u>	<u>\$ 1,168,681.12</u>	<u>\$ 1,134,151.27</u>	<u>\$ 1,134,151.27</u>

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

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

A. Plan Description

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

B. Pension Benefits

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

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

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

B. Pension Benefits (concluded)

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, all other departments in the county the age is sixty.

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, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately \$54,800.85 and \$53,545.12, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Howell County participates in the Missouri Local Government Employees Retirement System (LAGERS) an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Policy

Howell County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2008 are 15.4% (general) and 14.7% (police), for 2007 they are 16.1% (general) and 15.3% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

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

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$478,488 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and /or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial valuation using the entry age actuarial cost method. For 2007, the political subdivision's annual pension cost of \$475,406 was equal to the required and actual contributions. The required contribution was determined as part of February 28, 2005 and/or February 29, 2006 annual valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on RP 2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using the techniques that smooth the effects of short-term volatility in the market value of the investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2007 and a closed basis for 2008. The amortization period at 2/28/07 and at 2/29/08 was 15 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	\$ 455,736	100%	\$ 0
6/30/2007	475,406	100%	0
6/30/2008	478,488	100%	0

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	\$4,139,554	\$ 5,487,921	\$ 1,348,367	75%	\$ 2,847,455	47%
2/28/2007	4,865,205	5,947,685	1,082,480	82%	2,894,141	37%
2/29/2008	5,875,603	6,631,560	755,957	89%	3,022,656	25%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2007 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the Primary Government contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The Primary Government has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2008 and 2007.

VIII. POST EMPLOYMENT BENEFITS

The Primary Government 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 Primary Government.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government currently involved in pending litigation, but there appears to be sufficient insurance coverage to cover any claims that may arise against the county.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. After the employees first year of employment they receive one week of vacation, after the second year of employment they will receive two weeks of vacation, and finally after fifteen years of vacation an employee will receive three weeks of vacation. Full time employees accrue sick time at six days per year and part time employees accrue sick time at a pro-rata basis, according to hours worked. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable

C. Federal and State Assisted Programs

The Primary Government has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF HOWELL
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

X. RISK MANAGEMENT

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 51,866.85	\$ 51,866.85	\$ 51,576.81	\$ (290.04)	\$ 47,600.00	\$ 47,600.00	\$ 48,971.61	\$ 1,371.61
Sales Tax	1,960,000.00	1,960,000.00	1,940,638.82	(19,361.18)	1,952,000.00	1,952,000.00	1,909,888.50	(42,111.50)
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	586,043.96	586,043.96	485,741.56	(100,302.40)	554,800.00	554,800.00	580,130.10	25,330.10
Grants, Distributions and Reimbursements	718,197.33	718,197.33	778,751.01	60,553.68	691,126.14	691,126.14	763,581.03	72,454.89
Fees, Licenses and Permits	234,771.25	234,771.25	270,897.32	36,126.07	199,036.60	199,036.60	252,354.35	53,317.75
Interests	39,680.41	39,680.41	19,676.43	(20,003.98)	28,925.00	28,925.00	39,000.85	10,075.85
Other	2,715.00	2,715.00	4,600.10	1,885.10	2,695.00	2,695.00	4,600.90	1,905.90
TOTAL REVENUES	3,593,274.80	3,593,274.80	3,551,882.05	(41,392.75)	3,476,182.74	3,476,182.74	3,598,527.34	122,344.60
EXPENDITURES								
Current:								
General County Government	1,114,480.30	1,114,480.30	1,180,334.71	65,854.41	1,003,500.00	1,003,500.00	958,271.63	(45,228.37)
Financial Administration	247,726.00	247,726.00	230,713.20	(17,012.80)	239,924.00	239,924.00	213,434.45	(26,489.55)
Other Offices and Grants	625,095.57	625,095.57	633,747.56	8,651.99	630,761.08	630,761.08	704,655.38	73,894.30
Health and Welfare	1,000.00	1,000.00	525.00	(475.00)	1,000.00	1,000.00	525.00	(475.00)
Property Valuation and Recording	72,633.20	72,633.20	67,844.15	(4,789.05)	68,603.60	68,603.60	65,316.97	(3,286.63)
Administration of Justice and Law	647,275.70	647,275.70	629,183.86	(18,091.84)	591,905.92	591,905.92	564,845.78	(27,060.14)
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,708,210.77	2,708,210.77	2,742,348.48	34,137.71	2,535,694.60	2,535,694.60	2,507,049.21	(28,645.39)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	885,064.03	885,064.03	809,533.57	(75,530.46)	940,488.14	940,488.14	1,091,478.13	150,989.99
OTHER FINANCING SOURCES (USES)								
Transfers In	68,000.00	68,000.00	108,060.19	40,060.19	76,000.00	76,000.00	109,076.50	33,076.50
Transfers Out	(991,620.93)	(991,620.93)	(1,055,620.93)	(64,000.00)	(960,074.77)	(960,074.77)	(1,025,074.77)	(65,000.00)
Emergency Fund	(112,113.50)	(112,113.50)	-	112,113.50	(107,000.00)	(107,000.00)	-	107,000.00
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,035,734.43)	(1,035,734.43)	(947,560.74)	88,173.69	(991,074.77)	(991,074.77)	(915,998.27)	75,076.50
NET CHANGE IN FUND BALANCE	(150,670.40)	(150,670.40)	(138,027.17)	12,643.23	(50,586.63)	(50,586.63)	175,479.86	226,066.49
FUND BALANCE - BEGINNING OF YEAR	260,549.90	260,549.90	260,549.90	-	85,070.04	85,070.04	85,070.04	-
FUND BALANCE - END OF YEAR	\$ 109,879.50	\$ 109,879.50	\$ 122,522.73	\$ 12,643.23	\$ 34,483.41	\$ 34,483.41	\$ 260,549.90	\$ 226,066.49

See accompanying Independent Auditor's Report.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Current:								
General County Government:								
County Commission	\$ 106,145.30	106,145.30	107,623.71	\$ 1,478.41	\$ 103,150.00	103,150.00	102,620.95	\$ (529.05)
County Clerk	117,285.00	117,285.00	132,917.61	15,632.61	111,000.00	111,000.00	110,474.49	(525.51)
Elections	160,500.00	160,500.00	160,418.37	(81.63)	72,000.00	72,000.00	64,422.79	(7,577.21)
Buildings and Grounds	89,600.00	89,600.00	86,014.31	(3,585.69)	83,350.00	83,350.00	84,292.08	942.08
Employee Fringe Benefits	355,000.00	355,000.00	377,120.42	22,120.42	362,100.00	362,100.00	339,695.48	(22,404.52)
Other Expenses	285,950.00	285,950.00	316,240.29	30,290.29	271,900.00	271,900.00	256,765.84	(15,134.16)
	<u>1,114,480.30</u>	<u>1,114,480.30</u>	<u>1,180,334.71</u>	<u>65,854.41</u>	<u>1,003,500.00</u>	<u>1,003,500.00</u>	<u>958,271.63</u>	<u>(45,228.37)</u>
Financial Administration:								
Collector	192,150.00	192,150.00	179,039.27	(13,110.73)	174,450.00	174,450.00	158,593.13	(15,856.87)
Treasurer	55,576.00	55,576.00	51,673.93	(3,902.07)	65,474.00	65,474.00	54,841.32	(10,632.68)
	<u>247,726.00</u>	<u>247,726.00</u>	<u>230,713.20</u>	<u>(17,012.80)</u>	<u>239,924.00</u>	<u>239,924.00</u>	<u>213,434.45</u>	<u>(26,489.55)</u>
Other Offices & Grants:								
Other Offices & Grants	625,095.57	625,095.57	633,747.56	8,651.99	630,761.08	630,761.08	704,655.38	73,894.30
	<u>625,095.57</u>	<u>625,095.57</u>	<u>633,747.56</u>	<u>8,651.99</u>	<u>630,761.08</u>	<u>630,761.08</u>	<u>704,655.38</u>	<u>73,894.30</u>
Health and Welfare:								
Non-Institutional Care	1,000.00	1,000.00	525.00	475.00	1,000.00	1,000.00	525.00	475.00
	<u>1,000.00</u>	<u>1,000.00</u>	<u>525.00</u>	<u>475.00</u>	<u>1,000.00</u>	<u>1,000.00</u>	<u>525.00</u>	<u>475.00</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Property Valuation and Recording:								
Recorder of Deeds	72,633.20	72,633.20	67,844.15	(4,789.05)	68,603.60	68,603.60	65,316.97	(3,286.63)
Administration of Justice and Law Enforcement:								
Associate Circuit	16,000.00	16,000.00	15,001.27	(998.73)	13,000.00	13,000.00	11,585.18	(1,414.82)
Circuit Clerk	39,700.00	39,700.00	20,479.24	(19,220.76)	30,700.00	30,700.00	16,883.90	(13,816.10)
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	10,800.00	10,800.00	4,458.14	(6,341.86)	8,100.00	8,100.00	4,143.80	(3,956.20)
Dispatch	-	-	-	-	-	-	-	-
Circuit Judges and Court Reporters	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	217,087.70	217,087.70	220,211.47	3,123.77	205,431.87	205,431.87	210,721.15	5,289.28
Medical Examiner	32,368.00	32,368.00	36,979.96	4,611.96	32,100.00	32,100.00	19,106.17	(12,993.83)
Sheriffs Office	-	-	-	-	-	-	-	-
Drug Task Force	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	275,935.00	275,935.00	276,985.77	1,050.77	248,274.05	248,274.05	250,428.45	2,154.40
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	55,385.00	55,385.00	55,068.01	(316.99)	54,300.00	54,300.00	51,977.13	(2,322.87)
	647,275.70	647,275.70	629,183.86	(18,091.84)	591,905.92	591,905.92	564,845.78	(27,060.14)
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment & Buildings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,708,210.77	\$ 2,708,210.77	\$ 2,742,348.48	\$ 34,137.71	\$ 2,535,694.60	\$ 2,535,694.60	\$ 2,507,049.21	\$ (28,645.39)

See accompanying Independent Auditor's Report

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	ORIGINAL	FINAL		(UNDER)
			FINAL BUDGET				FINAL BUDGET	
REVENUES								
Property Tax	\$ 300,100.00	\$ 300,100.00	\$ 335,034.15	\$ 34,934.15	\$ 312,000.00	\$ 312,000.00	\$ 312,695.73	\$ 695.73
Sales Tax	275,000.00	275,000.00	250,000.00	(25,000.00)	275,000.00	275,000.00	275,000.00	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	2,000.00	2,000.00	2,025.00	25.00	2,000.00	2,000.00	1,265.00	(735.00)
Grants, Distributions and Reimbursements	52,000.00	52,000.00	20,703.39	(31,296.61)	524,000.00	524,000.00	512,687.41	(11,312.59)
Fees, Licenses and Permits	1,744,455.20	1,744,455.20	1,759,042.92	14,587.72	1,195,483.08	1,195,483.08	1,205,726.91	10,243.83
Interests	8,600.00	8,600.00	12,182.32	3,582.32	4,600.00	4,600.00	17,658.53	13,058.53
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,382,155.20	2,382,155.20	2,378,987.78	(3,167.42)	2,313,083.08	2,313,083.08	2,325,033.58	11,950.50
EXPENDITURES								
Current:								
Salaries	655,700.00	655,700.00	670,637.69	14,937.69	651,000.00	651,000.00	641,665.68	(9,334.32)
Employee Fringe Benefits	343,543.10	343,543.10	327,330.63	(16,212.47)	310,150.00	310,150.00	311,172.17	1,022.17
Supplies	542,675.00	542,675.00	604,551.63	61,876.63	469,677.80	469,677.80	425,214.45	(44,463.35)
Property and Equipment Insurance	38,000.00	38,000.00	29,439.24	(8,560.76)	26,000.00	26,000.00	34,804.84	8,804.84
Equipment Repairs	70,800.00	70,800.00	81,103.08	10,303.08	65,000.00	65,000.00	75,922.24	10,922.24
Rentals	3,000.00	3,000.00	1,923.11	(1,076.89)	4,800.00	4,800.00	2,595.14	(2,204.86)
Maintenance of Roads:								
Highway and Roads	-	-	-	-	-	-	-	-
Other	249,750.00	249,750.00	226,470.78	(23,279.22)	21,800.00	21,800.00	18,899.17	(2,900.83)
Capital Outlay:								
Construction of Roads and Bridges	56,000.00	56,000.00	2,547.81	(53,452.19)	56,200.00	56,200.00	27,635.76	(28,564.24)
Property, Equipment and Buildings	582,000.00	582,000.00	585,752.48	3,752.48	700,500.00	700,500.00	691,196.62	(9,303.38)
TOTAL EXPENDITURES	2,541,468.10	2,541,468.10	2,529,756.45	(11,711.65)	2,305,127.80	2,305,127.80	2,229,106.07	(76,021.73)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(159,312.90)	(159,312.90)	(150,768.67)	8,544.23	7,955.28	7,955.28	95,927.51	87,972.23
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(8,340.31)	(8,340.31)	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(8,340.31)	(8,340.31)	-	-	-	-
NET CHANGE IN FUND BALANCE	(159,312.90)	(159,312.90)	(159,108.98)	203.92	7,955.28	7,955.28	95,927.51	87,972.23
FUND BALANCE - BEGINNING OF YEAR	443,378.12	443,378.12	443,378.12	-	347,450.61	347,450.61	347,450.61	-
FUND BALANCE - END OF YEAR	\$ 284,065.22	\$ 284,065.22	\$ 284,269.14	\$ 203.92	\$ 355,405.89	\$ 355,405.89	\$ 443,378.12	\$ 87,972.23

See accompanying Independent Auditor's Report.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
BUDGET AND ACTUAL - LAW ENFORCEMENT SALES TAX FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,120,000.00	1,120,000.00	1,094,279.29	(25,720.71)	1,118,000.00	1,118,000.00	1,091,890.12	(26,109.88)
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	15,000.00	15,000.00	16,838.64	1,838.64	10,500.00	10,500.00	15,123.36	4,623.36
Grants, Distributions and Reimbursements	51,804.20	51,804.20	89,448.15	37,643.95	304,344.25	304,344.25	381,705.94	77,361.69
Fees, Licenses and Permits	107,200.00	107,200.00	104,009.66	(3,190.34)	77,650.00	77,650.00	123,918.77	46,268.77
Interest	10,000.00	10,000.00	2,904.62	(7,095.38)	7,500.00	7,500.00	10,837.95	3,337.95
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,304,004.20	1,304,004.20	1,307,480.36	3,476.16	1,517,994.25	1,517,994.25	1,623,476.14	105,481.89
EXPENDITURES								
Salaries	1,221,162.70	1,221,162.70	1,169,081.06	(52,081.64)	1,193,579.00	1,193,579.00	1,170,280.61	(23,298.39)
Employee Fringe Benefits	511,022.00	511,022.00	505,488.48	(5,533.52)	545,691.40	545,691.40	464,680.97	(81,010.43)
Supplies	314,178.00	314,178.00	318,716.60	4,538.60	332,710.00	332,710.00	386,920.07	54,210.07
Property and Equipment Insurance	98,200.00	98,200.00	96,461.23	(1,738.77)	95,050.00	95,050.00	97,747.57	2,697.57
Equipment Repairs	2,000.00	2,000.00	695.83	(1,304.17)	2,500.00	2,500.00	-	(2,500.00)
Rentals	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment and Buildings	61,706	61,705.69	67,576.60	5,870.91	340,531.79	340,531.79	414,379.28	73,847.49
TOTAL EXPENDITURES	2,208,268.39	2,208,268.39	2,158,019.80	(50,248.59)	2,510,062.19	2,510,062.19	2,534,008.50	23,946.31
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(904,264.19)	(904,264.19)	(850,539.44)	53,724.75	(992,067.94)	(992,067.94)	(910,532.36)	81,535.58
OTHER FINANCING SOURCES (USES)								
Transfers In	880,000.00	880,000.00	885,000.00	5,000.00	880,000.00	880,000.00	880,000.00	-
Transfers Out	-	-	-	-	(85,000.00)	(85,000.00)	(20,000.00)	65,000.00
Debt Service:								
Principle	(110,000.00)	(110,000.00)	(110,000.00)	-	(105,000.00)	(105,000.00)	(105,000.00)	-
Interest	(22,000.00)	(22,000.00)	(21,889.42)	110.58	(32,000.00)	(32,000.00)	(24,840.06)	7,159.94
TOTAL OTHER FINANCING SOURCES (USES)	748,000.00	748,000.00	753,110.58	5,110.58	658,000.00	658,000.00	730,159.94	72,159.94
NET CHANGE IN FUND BALANCE	(156,264.19)	(156,264.19)	(97,428.86)	58,835.33	(334,067.94)	(334,067.94)	(180,372.42)	153,695.52
FUND BALANCE - BEGINNING OF YEAR	158,999.68	158,999.68	158,999.68	-	339,372.10	339,372.10	339,372.10	-
FUND BALANCE - END OF YEAR	<u>\$ 2,735.49</u>	<u>\$ 2,735.49</u>	<u>\$ 61,570.82</u>	<u>\$ 58,835.33</u>	<u>\$ 5,304.16</u>	<u>\$ 5,304.16</u>	<u>\$ 158,999.68</u>	<u>\$ 153,695.52</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
BUDGET AND ACTUAL - SPECIAL GRANT FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	2,299,210.51	2,299,210.51	2,282,275.18	(16,935.33)	3,378,507.69	3,378,507.69	892,836.87	(2,485,670.82)
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,299,210.51	2,299,210.51	2,282,275.18	(16,935.33)	3,378,507.69	3,378,507.69	892,836.87	(2,485,670.82)
EXPENDITURES								
Property, Equipment and Buildings	2,299,210.51	2,299,210.51	2,282,275.18	(16,935.33)	3,378,507.69	3,378,507.69	892,836.87	(2,485,670.82)
TOTAL EXPENDITURES	2,299,210.51	2,299,210.51	2,282,275.18	(16,935.33)	3,378,507.69	3,378,507.69	892,836.87	(2,485,670.82)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

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

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

SUPPLEMENTARY INFORMATION

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	Assessment Fund	911 Emergency Telephone Fund	School Resource Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Recorder Special Fund	Prosecuting Attorney Training Fund	Unclaimed Fees Fund	Prosecuting Attorney Retirement Fund	Children's Trust Fund	Prosecuting Attorney Special Fund	Employee Health Benefit Fund
ASSETS												
Cash and Cash Equivalents	\$ 6,186.37	\$ -	\$ 35,311.52	\$ 4,122.47	\$ 17,314.38	\$ 46,988.75	\$ 2,079.09	\$ 5,004.93	\$ -	\$ -	\$ 4,042.02	\$ 67,440.55
TOTAL ASSETS	<u>6,186.37</u>	<u>-</u>	<u>35,311.52</u>	<u>4,122.47</u>	<u>17,314.38</u>	<u>46,988.75</u>	<u>2,079.09</u>	<u>5,004.93</u>	<u>-</u>	<u>-</u>	<u>4,042.02</u>	<u>67,440.55</u>
LIABILITIES AND FUND BALANCES												
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>6,186.37</u>	<u>-</u>	<u>35,311.52</u>	<u>4,122.47</u>	<u>17,314.38</u>	<u>46,988.75</u>	<u>2,079.09</u>	<u>5,004.93</u>	<u>-</u>	<u>-</u>	<u>4,042.02</u>	<u>67,440.55</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,186.37</u>	<u>\$ -</u>	<u>\$ 35,311.52</u>	<u>\$ 4,122.47</u>	<u>\$ 17,314.38</u>	<u>\$ 46,988.75</u>	<u>\$ 2,079.09</u>	<u>\$ 5,004.93</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,042.02</u>	<u>\$ 67,440.55</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	Sheriff Special Fund	HAVA Grant Fund	Election Service Fund	Collectors Tax Maintenance Fund	Sheriff Forfeiture Fund	Sheriff Revolving Fund	Recorder's Technology Fund	Court Appeals Special	Total
ASSETS									
Cash and Cash Equivalents	\$ 39,186.09	\$ 319.40	\$ 17,254.65	\$ 43,285.67	\$ 13,630.22	\$ 8,359.94	\$ 26,372.93	\$ 22,362.44	\$ 359,261.42
TOTAL ASSETS	<u>39,186.09</u>	<u>319.40</u>	<u>17,254.65</u>	<u>43,285.67</u>	<u>13,630.22</u>	<u>8,359.94</u>	<u>26,372.93</u>	<u>22,362.44</u>	<u>359,261.42</u>
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>39,186.09</u>	<u>319.40</u>	<u>17,254.65</u>	<u>43,285.67</u>	<u>13,630.22</u>	<u>8,359.94</u>	<u>26,372.93</u>	<u>22,362.44</u>	<u>359,261.42</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,186.09</u>	<u>\$ 319.40</u>	<u>\$ 17,254.65</u>	<u>\$ 43,285.67</u>	<u>\$ 13,630.22</u>	<u>\$ 8,359.94</u>	<u>\$ 26,372.93</u>	<u>\$ 22,362.44</u>	<u>\$ 359,261.42</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Assessment Fund	911 Emergency Telephone Fund	School Resource Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Recorder Special Fund	Prosecuting Attorney Training Fund	Unclaimed Fees Fund	Prosecuting Attorney Retirement Fund
REVENUES									
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	13,114.09	-	-	3,812.93	69,811.32	-	2,663.57	-	-
Grants, Distributions and Reimbursements	307,084.35	400,210.35	70,270.09	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	11,865.54	-	14,806.00	-	-	-
Interest	1,760.13	-	-	205.60	529.65	967.00	41.14	-	-
Other	849.25	-	-	-	-	-	138.00	3,656.21	-
TOTAL REVENUES	322,807.82	400,210.35	70,270.09	15,884.07	70,340.97	15,773.00	2,842.71	3,656.21	-
EXPENDITURES									
General Government	440,308.52	-	46,311.18	21,813.76	55,354.94	11,203.36	2,766.18	1,340.40	2,244.00
Administration of Justice and Law	-	412,653.25	-	-	-	-	-	-	-
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Payment	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	440,308.52	412,653.25	46,311.18	21,813.76	55,354.94	11,203.36	2,766.18	1,340.40	2,244.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(117,500.70)	(12,442.90)	23,958.91	(5,929.69)	14,986.03	4,569.64	76.53	2,315.81	(2,244.00)
OTHER FINANCING SOURCES (USES)									
Transfers In	109,376.93	64,000.00	-	-	-	-	-	-	2,244.00
Transfers Out	(5,000.00)	(64,000.00)	-	-	(20,000.00)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	104,376.93	-	-	-	(20,000.00)	-	-	-	2,244.00
NET CHANGE IN FUND BALANCES	(13,123.77)	(12,442.90)	23,958.91	(5,929.69)	(5,013.97)	4,569.64	76.53	2,315.81	-
FUND BALANCES - BEGINNING OF YEAR	19,310.14	12,442.90	11,352.61	10,052.16	22,328.35	42,419.11	2,002.56	2,689.12	-
FUND BALANCES - END OF YEAR	\$ 6,186.37	\$ -	\$ 35,311.52	\$ 4,122.47	\$ 17,314.38	\$ 46,988.75	\$ 2,079.09	\$ 5,004.93	\$ -

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Children's Trust Fund	Prosecuting Attorney Special Fund	Employee Health Benefit Fund	Sheriff Special Fund	HAVA Grant Fund	Election Service Fund	Collectors Tax Maintenance Fund	Sheriff Forfeiture Fund	Sheriff Revolving Fund	Recorder's Technology Fund	Court Appeals Special	Total
REVENUES												
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	319.40	-	38,328.81	-	17,819.25	-	-	145,869.37
Grants, Distributions and Reimbursements	-	-	33,059.41	-	-	-	3,259.00	-	-	-	38,119.60	852,002.80
Fees, Licenses and Permits	7,195.75	2,746.19	-	56,872.20	-	9,011.66	-	-	-	10,108.75	-	112,606.09
Interest	80.85	48.12	1,058.37	219.10	-	396.05	1,508.98	442.67	155.98	602.56	452.27	8,468.47
Other	-	-	-	-	-	-	61.82	-	-	-	-	4,705.28
TOTAL REVENUES	7,276.60	2,794.31	34,117.78	57,091.30	319.40	9,407.71	43,158.61	442.67	17,975.23	10,711.31	38,571.87	1,123,652.01
EXPENDITURES												
General Government	7,276.60	699.11	11,782.44	12,924.05	-	1,252.41	36,185.70	-	16,920.09	9,304.99	45,308.86	722,996.59
Administration of Justice and Law	-	-	-	-	-	-	-	-	-	-	-	412,653.25
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	190.58	-	8,224.38	18,798.33	9,894.28	-	1,634.67	-	38,742.24
Debt Service:												
Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	7,276.60	699.11	11,782.44	13,114.63	-	9,476.79	54,984.03	9,894.28	16,920.09	10,939.66	45,308.86	1,174,392.08
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,095.20	22,335.34	43,976.67	319.40	(69.08)	(11,825.42)	(9,451.61)	1,055.14	(228.35)	(6,736.99)	(50,740.07)
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	175,620.93
Transfers Out	-	-	-	(5,719.88)	-	-	(10,000.00)	-	-	-	-	(104,719.88)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(5,719.88)	-	-	(10,000.00)	-	-	-	-	70,901.05
NET CHANGE IN FUND BALANCES	-	2,095.20	22,335.34	38,256.79	319.40	(69.08)	(21,825.42)	(9,451.61)	1,055.14	(228.35)	(6,736.99)	20,160.98
FUND BALANCES - BEGINNING OF YEAR	-	1,946.82	45,105.21	929.30	-	17,323.73	65,111.09	23,081.83	7,304.80	26,601.28	29,099.43	339,100.44
FUND BALANCES - END OF YEAR	\$ -	\$ 4,042.02	\$ 67,440.55	\$ 39,186.09	\$ 319.40	\$ 17,254.65	\$ 43,285.67	\$ 13,630.22	\$ 8,359.94	\$ 26,372.93	\$ 22,362.44	\$ 359,261.42

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 COMBINING BALANCE SHEET -MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
 DECEMBER 31, 2007

	Assessment Fund	911 Emergency Telephone Fund	School Resource Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Recorder Special Fund	Prosecuting Attorney Training Fund	Unclaimed Fees Fund	Prosecuting Attorney Retirement Fund	Children's Trust Fund	Prosecuting Attorney Special Fund	Employee Health Benefit Fund
ASSETS												
Cash and Cash Equivalents	\$ 19,310.14	\$ 12,442.90	\$ 11,352.61	\$ 10,052.16	\$ 22,328.35	\$ 42,419.11	\$ 2,002.56	\$ 2,689.12	\$ -	\$ -	\$ 1,946.82	\$ 45,105.21
TOTAL ASSETS	<u>19,310.14</u>	<u>12,442.90</u>	<u>11,352.61</u>	<u>10,052.16</u>	<u>22,328.35</u>	<u>42,419.11</u>	<u>2,002.56</u>	<u>2,689.12</u>	<u>-</u>	<u>-</u>	<u>1,946.82</u>	<u>45,105.21</u>
LIABILITIES AND FUND BALANCES												
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	19,310.14	12,442.90	11,352.61	10,052.16	22,328.35	42,419.11	2,002.56	2,689.12	-	-	1,946.82	45,105.21
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,310.14</u>	<u>\$ 12,442.90</u>	<u>\$ 11,352.61</u>	<u>\$ 10,052.16</u>	<u>\$ 22,328.35</u>	<u>\$ 42,419.11</u>	<u>\$ 2,002.56</u>	<u>\$ 2,689.12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,946.82</u>	<u>\$ 45,105.21</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET -MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	Sheriff Special Fund	HAVA Grant Fund	Election Service Fund	Collectors Tax Maintenance Fund	Sheriff Forfeiture Fund	Sheriff Revolving Fund	Recorder's Technology Fund	Court Appeals Special	Total
ASSETS									
Cash and Cash Equivalents	\$ 929.30	\$ -	\$ 17,323.73	\$ 65,111.09	\$ 23,081.83	\$ 7,304.80	\$ 26,601.28	\$ 29,099.43	\$ 339,100.44
TOTAL ASSETS	<u>929.30</u>	<u>-</u>	<u>17,323.73</u>	<u>65,111.09</u>	<u>23,081.83</u>	<u>7,304.80</u>	<u>26,601.28</u>	<u>29,099.43</u>	<u>339,100.44</u>
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>929.30</u>	<u>-</u>	<u>17,323.73</u>	<u>65,111.09</u>	<u>23,081.83</u>	<u>7,304.80</u>	<u>26,601.28</u>	<u>29,099.43</u>	<u>339,100.44</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 929.30</u>	<u>\$ -</u>	<u>\$ 17,323.73</u>	<u>\$ 65,111.09</u>	<u>\$ 23,081.83</u>	<u>\$ 7,304.80</u>	<u>\$ 26,601.28</u>	<u>\$ 29,099.43</u>	<u>\$ 339,100.44</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Assessment Fund	911 Emergency Telephone Fund	School Resource Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Recorder Special Fund	Prosecuting Attorney Training Fund	Unclaimed Fees Fund	Prosecuting Attorney Retirement Fund	Children's Trust Fund
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	401,074.89	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-
Charges for Services	12,377.01	-	-	7,174.50	76,522.57	-	2,502.57	-	-	-
Grants, Distributions and Reimbursements	297,550.67	-	33,105.12	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	6,865.74	-	17,266.00	-	2,110.93	-	7,434.02
Interest	6,014.47	1,409.47	-	220.66	1,029.48	1,914.00	108.74	-	-	171.30
Other	278.20	6,521.02	-	-	56.78	-	-	-	-	-
TOTAL REVENUES	316,220.35	409,005.38	33,105.12	14,260.90	77,608.83	19,180.00	2,611.31	2,110.93	-	7,605.32
EXPENDITURES										
General Government	436,478.65	380,387.65	46,544.61	4,967.96	57,370.49	11,431.35	2,746.74	6,612.08	2,244.00	11,471.95
Administration of Justice and Law	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	171.30
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	36,367.04	-	-	13,595.36	-	-	-	-	-
Debt Service:										
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	436,478.65	416,754.69	46,544.61	4,967.96	70,965.85	11,431.35	2,746.74	6,612.08	2,244.00	11,643.25
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(120,258.30)	(7,749.31)	(13,439.49)	9,292.94	6,642.98	7,748.65	(135.43)	(4,501.15)	(2,244.00)	(4,037.93)
OTHER FINANCING SOURCES (USES)										
Transfers In	77,830.77	65,000.00	-	-	-	-	-	-	2,244.00	-
Transfers Out	-	(65,000.00)	-	-	(6,000.00)	-	-	(76.50)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	77,830.77	-	-	-	(6,000.00)	-	-	(76.50)	2,244.00	-
NET CHANGE IN FUND BALANCES	(42,427.53)	(7,749.31)	(13,439.49)	9,292.94	642.98	7,748.65	(135.43)	(4,577.65)	-	(4,037.93)
FUND BALANCES - BEGINNING OF YEAR	61,737.67	20,192.21	24,792.10	759.22	21,685.37	34,670.46	2,137.99	7,266.77	-	4,037.93
FUND BALANCES - END OF YEAR	\$ 19,310.14	\$ 12,442.90	\$ 11,352.61	\$ 10,052.16	\$ 22,328.35	\$ 42,419.11	\$ 2,002.56	\$ 2,689.12	\$ -	\$ -

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Prosecuting Attorney Special Fund	Employee Health Benefit Fund	Sheriff Special Fund	HAVA Grant Fund	Election Service Fund	Collectors Tax Maintenance Fund	Sheriff Forfeiture Fund	Sheriff Revolving Fund	Recorder's Technology Fund	Court Appeals Special	Total
REVENUES											
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-	401,074.89
Inter-Governmental Revenue	-	-	-	-	-	-	1,160.00	-	-	-	1,160.00
Charges for Services	-	-	-	-	-	-	-	-	-	-	98,576.65
Grants, Distributions and Reimbursements	-	2,963.28	1,478.84	-	3,734.90	-	-	5.51	-	42,508.93	381,347.25
Fees, Licenses and Permits	1,356.42	-	32,831.64	-	4,396.08	31,618.08	-	14,760.00	12,022.50	-	130,661.41
Interest	100.08	2,158.33	134.39	407.41	717.12	3,963.74	-	134.68	1,274.02	134.47	19,892.36
Other	-	-	-	-	-	-	-	-	-	-	6,856.00
TOTAL REVENUES	1,456.50	5,121.61	34,444.87	407.41	8,848.10	35,581.82	1,160.00	14,900.19	13,296.52	42,643.40	1,039,568.56
EXPENDITURES											
General Government	1,717.95	-	35,116.17	156.21	559.30	8,441.36	-	8,543.39	9,652.59	12,532.32	1,036,974.77
Administration of Justice and Law	-	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	5,394.28	-	-	-	-	-	-	-	-	5,394.28
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	1,491.93	-	-	-	1,663.23
Capital Outlay:											
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	41,798.01	9,976.43	1,517.74	10,738.00	20,300.00	-	-	1,011.65	135,304.23
Debt Service:											
Principal Payment	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,717.95	5,394.28	76,914.18	10,132.64	2,077.04	19,179.36	21,791.93	8,543.39	9,652.59	13,543.97	1,179,336.51
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(261.45)	(272.67)	(42,469.31)	(9,725.23)	6,771.06	16,402.46	(20,631.93)	6,356.80	3,643.93	29,099.43	(139,767.95)
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	-	-	-	145,074.77
Transfers Out	-	-	-	-	-	(18,000.00)	-	-	-	-	(89,076.50)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(18,000.00)	-	-	-	-	55,998.27
NET CHANGE IN FUND BALANCES	(261.45)	(272.67)	(42,469.31)	(9,725.23)	6,771.06	(1,597.54)	(20,631.93)	6,356.80	3,643.93	29,099.43	(83,769.68)
FUND BALANCES - BEGINNING OF YEAR	2,208.27	45,377.88	43,398.61	9,725.23	10,552.67	66,708.63	43,713.76	948.00	22,957.35	-	422,870.12
FUND BALANCES - END OF YEAR	\$ 1,946.82	\$ 45,105.21	\$ 929.30	\$ -	\$ 17,323.73	\$ 65,111.09	\$ 23,081.83	\$ 7,304.80	\$ 26,601.28	\$ 29,099.43	\$ 339,100.44

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF
FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008

	Collectors Funds	Recorders Funds	Circuit Clerks Funds	Associated Circuit Clerks Funds	County Clerks Funds	Sheriffs Funds	Prosecuting Attorney Funds	School Fund	Ambulance Fund	Sherltered Workshop
ASSETS										
Cash and Cash Equivalents	\$ (91.15)	\$ 6.02	\$ 662,554.75	\$ 70,727.90	\$ 2,500.00	\$ 2,110.82	\$ 169.52	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>(91.15)</u>	<u>6.02</u>	<u>662,554.75</u>	<u>70,727.90</u>	<u>2,500.00</u>	<u>2,110.82</u>	<u>169.52</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	(91.15)	6.02	662,554.75	70,727.90	2,500.00	2,110.82	169.52	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (91.15)</u>	<u>\$ 6.02</u>	<u>\$ 662,554.75</u>	<u>\$ 70,727.90</u>	<u>\$ 2,500.00</u>	<u>\$ 2,110.82</u>	<u>\$ 169.52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF
FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008

	Fire District Funds	Capital Principle Fund	Overplus Fund	National Forest Fund	Intangible Property Tax	County Employee Fund	School Building	Howell County Health	County Law	Total
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 401,707.08	\$ 69,272.52	\$ -	\$ -	\$ 15,699.70	\$ 74.06	\$ -	\$ 34,747.13	\$ 1,259,478.35
TOTAL ASSETS	<u>-</u>	<u>401,707.08</u>	<u>69,272.52</u>	<u>-</u>	<u>-</u>	<u>15,699.70</u>	<u>74.06</u>	<u>-</u>	<u>34,747.13</u>	<u>1,259,478.35</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>401,707.08</u>	<u>69,272.52</u>	<u>-</u>	<u>-</u>	<u>15,699.70</u>	<u>74.06</u>	<u>-</u>	<u>34,747.13</u>	<u>1,259,478.35</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 401,707.08</u>	<u>\$ 69,272.52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,699.70</u>	<u>\$ 74.06</u>	<u>\$ -</u>	<u>\$ 34,747.13</u>	<u>\$ 1,259,478.35</u>

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS -MODIFIED CASH BASIS
 DECEMBER 31, 2007

	Collectors Funds	Recorders Funds	Circuit Clerks Funds	Associated Circuit Clerks Funds	County Clerks Funds	Sheriffs Funds	Prosecuting Attorney Funds	School Fund	Ambulance Fund	Sherltered Workshop
ASSETS										
Cash and Cash Equivalents	\$ (90.98)	\$ 693.03	\$ 501,970.01	\$ 93,765.68	\$ 28,436.56	\$ 242.80	\$ 150.06	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>(90.98)</u>	<u>693.03</u>	<u>501,970.01</u>	<u>93,765.68</u>	<u>28,436.56</u>	<u>242.80</u>	<u>150.06</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	(90.98)	693.03	501,970.01	93,765.68	28,436.56	242.80	150.06	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (90.98)</u>	<u>\$ 693.03</u>	<u>\$ 501,970.01</u>	<u>\$ 93,765.68</u>	<u>\$ 28,436.56</u>	<u>\$ 242.80</u>	<u>\$ 150.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS -MODIFIED CASH BASIS
 DECEMBER 31, 2007

	Fire District Funds	Capital Principle Fund	Overplus Fund	National Forest Fund	Intangible Property Tax	County Employee Fund	School Building	Howell County Health	County Law	Total
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 385,657.66	\$ 73,144.96	\$ -	\$ -	\$ 16,844.19	\$ -	\$ -	\$ 3,690.13	\$ 1,104,504.10
TOTAL ASSETS	-	385,657.66	73,144.96	-	-	16,844.19	-	-	3,690.13	1,104,504.10
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	385,657.66	73,144.96	-	-	16,844.19	-	-	3,690.13	1,104,504.10
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 385,657.66	\$ 73,144.96	\$ -	\$ -	\$ 16,844.19	\$ -	\$ -	\$ 3,690.13	\$ 1,104,504.10

STATE COMPLIANCE SECTION

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended 12/31/07 and 12/31/08.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the County Commission
The County of Howell, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Howell (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Primary Government's basic financial statements of the County's primary government, and have issued our modified cash basis report thereon dated July 29, 2009. Our report which was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Over Financial Reporting (concluded)

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, and 07/08-03 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we 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 objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter Dated July 29, 2009.

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

This report is intended for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

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

July 29, 2009

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2007, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is in compliance with state law (50.800 through 50.810 RSM0.) in regards to the format, preparation and publication of the annual financial statement by the county.

The statutory format for the financial statement is extremely comprehensive and detailed. The statement consists of nearly 738 column inches (six pages) of newspaper print for its required publication.

The County will with additional knowledgeable resources to determine if in the future, financial state format(s) other than the statutory format is essential. If so, the county is confident that the maintained comprehensive data is sufficient to prepare format(s) as may be required.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

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

Management's Response: The County's controls and internal procedures are strong. Howell County accounting procedures and controls has been provided to Daniel Jones and Associates.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-03 Management's Response: The Howell County Commission has appointed a "Risk Management Committee." This committee will serve on a continuing basis to review current controls and procedures, as well as develop and implement controls as may be identified in the future to help ensure reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The Committee consists of: Presiding Commissioner, County Clerk, County Treasurer, and Prosecuting Attorney.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.

**THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
DECEMBER 31, 2008 & 2007**

**THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the County Commission
The County of Howell, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Howell, Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Primary Government's basic financial statements, and have issued our modified cash basis report thereon dated July 29, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies *FS 07/08-01*, *FS 07/08-02* and *FS 07/08-03*, described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Primary Government in a separate letter dated July 29, 2009.

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

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

Daniel Jones & Associates

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

July 29, 2009



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

To the County Commission
The County of Howell, West Plains, Missouri

Compliance

We have audited the compliance of Howell County, (the Primary Government), State of Missouri, with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Primary Government's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

Internal Control Over Compliance (concluded)

In planning and performing our audit, we considered the Primary Government's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Daniel Jones & Associates

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

July 29, 2009

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2008</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State:			
Office of Administration:			
Schools and Roads - Grants to States	10.665		\$ 323,930.90
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through State:			
Department of Social Services:			
Emergency Shelter Grants Program	14.231	ERO1640	9,068.06
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Public Safety Partnership and Community			
Policing Grants	16.710	2006CKWX0417	37,268.21
Passed Through:			
State Department of Public Safety:			
Juvenile Justice and Delinquency Prevention -			
Allocation to States	16.540	2007-JFJ2-25	4,147.98
National Criminal History Improvement Program			
Crime Victim Assistance	16.554		
	16.575	2008-VOCA-0024	6,016.00
Cape Girardeau County:			
Enforcement Assistance Discretionary Grants			
Program	16.580	2007 SCDTF	9,211.30
Missouri Sheriff's Association:			
Justice Assistance Grant Program			
	16.738	2007-LBGJ-025	9,000.00
Byrne / Justice Assistance Grant			
	16.738	2007-JAG-004	91,503.85
Enforcement Assistance Discretionary Grants			
Program	16.580	2007-HOWE	553.83
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through State:			
DWI Enforcement			
	20.607	08-154-AL-09	4,041.66
Highway Planning and Construction			
	20.205	STP6600(906)	23,983.78
Department of Public Safety:			
Hazardous Moving Violations			
	20.600	09-PT-02-61	1,525.14
DWI Enforcement Project - Alcohol			
	20.601	09-K8-03-50	1,214.16
Hazardous Moving Violations			
	20.600	08-PT-02-53	4,403.11

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (concluded)
FOR THE YEARS ENDED DECEMBER 31, 2008

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2008
ELECTION ASSISTANCE COMMISSION			
Passed Through the Office of Secretary of State:			
Help America Vote Act Requirements Payments	90.401	02 01	2,526.89
		02 03	4,000.00
		02 05	2,496.00
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed Through State:			
Family Centered Out of Home	93.658	AOCO8380376	21,981.06
Multidisciplinary Training for Child Abuse/Neglect	93.586	OSCA0801206	1,521.84
Department of Social Services:			
Child Support Enforcement	93.563		1,846.43
Child Support Enforcement	93.563		166,346.19
Family Centered Out of Home	93.658	AOCO8380376	18,238.45
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through State Department of Public Safety:			
Disaster Grants - Public Assistance Grants (Presidentially Declared Disasters)	97.036	FEMA 1749	553,869.39
Tornado Safe Room / Shelter	97.017	EMK2006PC0002 A	1,963,116.81
DVERT Grants to Encourage Arrest Policies & Enf.	16.590	2005WEAX0101	95.00
Emergency Preparedness	83.534		9,571.00
Justice Assistance	16.738	2005JAG026	114,316.14
Victims Service Unit	16.575	2006VOCA0024	22,416.64
Chronic Truancy Initiative	16.540	07JFJ209	36,656.97
<i>Total Expenditures of Federal Awards</i>			<u>3,444,866.79</u>

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2007
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State:			
Office of Administration:			
Schools and Roads - Grants to States	10.665		\$ 224,972.76
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through State:			
Department of Economic Development:			
Community Development Block Grants / State Program	14.228	2006-FL-02	400,000.00
Department of Social Services:			
Emergency Shelter Grants Program	14.231	BRO-1640746	17,284.33
Emergency Shelter Grants Program	14.231	ERO-1640	19,754.94
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Public Safety Partnership and Community			
Policing Grants	16.710	2004-NCD2-048	123,051.25
Equitable Sharing of Seized and Forfeited Property			1,160.00
Passed Through:			
State Department of Public Safety:			
Juvenile Accountability Incentive Block Grants	16.523	06-JFJ2-08A	6,058.76
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	06-JF-J2-08	31,617.81
National Criminal History Improvement Program	16.554		
Crime Victim Assistance	16.575	2005-VOCA-0024	21,452.27
Cape Girardeau County:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2007-SCDTF	28,805.55
Missouri Sheriff's Association:			
COPS Methamphetamine	16.710	2006CKWX0417	63,651.83
Edward Byrne Memorial State and Local Law	16.580	2007-HOWE	27,650.86
Bulletproof Vest Partnership	16.607		571.40
COPS Methamphetamine	16.710	2005-JAG-026	81,816.77
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through State:			
Highway and Transportation Commission:			
Highway Planning and Construction	20.205	BRO-	
Hazardous Moving Violation	20.600	06-PT-02-58	33.90
Hazardous Moving Violation	20.600	GAC065	786.27
Transportation Enhancement	20.205	STP-6600(906)	94,756.43
DWI Saturation		07-154-AL-55	3,736.62

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (concluded)
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2007</u>
U.S. DEPARTMENT OF TRANSPORTATION (concluded)			
Passed Through State:			
Department of Public Safety:			
DWI Enforcement	20.607	08-154-AL-09	654.15
Hazardous Moving Violation	20.600	08-PT-02-53	2,100.74
Hazardous Moving Violation	20.600	07-PT-02-06	1,502.13
Hazardous Moving Violation	20.600	07-PT-02-66	6,120.81
GENERAL SERVICES ADMINISTRATION			
Passed Through State Office of Administration:			
Election Reform Payments	39.011		3,149.81
U.S. DEPARTMENT OF JUSTICE			
Family Centered Out of Home			14,503.63
Department of Social Services:			
Child Support Enforcement	93.563		2,086.30
Child Support Enforcement	93.563		159,121.68
Multidisciplinary Training for Child Abuse Neglect	93.586	OSCA 08-012-06	2,030.83
Edward Bryne Memorial State & Local Law	16.580	2005-SCDTF	23,114.50
COPS Methamphetamine	16.710	2005-CKWX-0318	12,750.87
Domestic Violence Emergency Response Team	16.590	2005-WE-AX-0101	191,356.68
Election Reform Payments	39.011		9,976.43
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through State Department of Public Safety:			
Homeland Security Grant Program	97.067 *	2005-GE-T5-0022	56,080.90
Homeland Security Grant Program	97.067 *	2006-GE-T6-0067	20,881.00
Public Safety Partnership & Community Policing Grants	16.607	2003BUBX03017447	399.57
Juvenile Justice & Delinquency Prevention	16.540	07-JFJ2-09	5,497.24
Crime Victim Assistance	16.575	2006-VOCA-0024	6,615.00
Tornado Safe Room / Shelter	97.017	EMK-2006-PC-0002	130,194.71
Emergency Preparedness	83.534		9,797.34
<i>Total Expenditures of Federal Awards</i>			\$ 1,805,096.07

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 SINGLE AUDIT REPORT
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

	2008	___ Yes	___ No	
	2007	___ Yes	___ No	
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

	2008	___ Yes	___ None Reported	
	2007	___ Yes	___ None Reported	
3. Any noncompliance material to financial statements noted?

	2008	___ Yes	___ No	
	2007	___ Yes	___ No	

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2008	___ Yes	___ No	
	2007	___ Yes	___ No	
2. Any significant deficiencies identified that are not considered to be material weaknesses?

	2008	___ Yes	___ No	
	2007	___ Yes	___ No	
3. Type of auditor's report issued on compliance for major programs:

	2008	- Unqualified		
	2007	- Unqualified		
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

	2008	___ Yes	___ No	
	2007	___ Yes	___ No	

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

Management's Response: The County is in compliance with state law (50.800 through 50.810 RSM0.) in regards to the format, preparation and publication of the annual financial statement by the county.

The statutory format for the financial statement is extremely comprehensive and detailed. The statement consists of nearly 738 column inches (six pages) of newspaper print for its required publication.

The County will with additional knowledgeable resources to determine if in the future, financial state format(s) other than the statutory format is essential. If so, the county is confident that the maintained comprehensive data is sufficient to prepare format(s) as may be required.

FS 07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

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

Management's Response: The County's controls and internal procedures are strong. Howell County accounting procedures and controls has been provided to Daniel Jones and Associates.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 07/08-03 Criteria: Anti-fraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Management's Response: The Howell County Commission has appointed a "Risk Management Committee." This committee will serve on a continuing basis to review current controls and procedures, as well as develop and implement controls as may be identified in the future to help ensure reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The Committee consists of: Presiding Commissioner, County Clerk, County Treasurer, and Prosecuting Attorney.

III. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs related to *Government Auditing Standards* for an audit of financial statements.

THE COUNTY OF HOWELL
WEST PLAINS, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007

The following findings, recommendations, and questioned costs are the results of the single audit of Howell County, Missouri for the fiscal year ended December 31, 2008 and 2007. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

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

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

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

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

THE COUNTY OF HOWELL
 WEST PLAINS, MISSOURI
 (the Primary Government)
 SINGLE AUDIT REPORT
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		<u>Findings:</u> There were no findings or questioned costs.

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		There were no findings or questioned costs.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Howell County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Howell County as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

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

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
July 29, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is in compliance with state law (50.800 through 50.810 RSM0.) in regards to the format, preparation and publication of the annual financial statement by the county.

The statutory format for the financial statement is extremely comprehensive and detailed. The statement consists of nearly 738 column inches (six pages) of newspaper print for its required publication.

The County will with additional knowledgeable resources to determine if in the future, financial state format(s) other than the statutory format is essential. If so, the county is confident that the maintained comprehensive data is sufficient to prepare format(s) as may be required.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

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

Management's Response: The County's controls and internal procedures are strong. Howell County accounting procedures and controls has been provided to Daniel Jones and Associates.

07/08-03

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

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

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

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

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

Management Response: The Howell County Commission has appointed a "Risk Management Committee." This committee will serve on a continuing basis to review current controls and procedures, as well as develop and implement controls as may be identified in the future to help ensure reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The Committee consists of: Presiding Commissioner, County Clerk, County Treasurer, and Prosecuting Attorney.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated April 16, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Howell County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we 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 objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Howell County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Howell County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Howell County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 23, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Howell County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 29, 2009.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

HOWELL COUNTY SENATE BILL 40
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007

**HOWELL COUNTY SENATE BILL 40
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Howell County Senate Bill 40
of Missouri

We have audited the accompanying basic financial statements of the Howell County Senate Bill 40 of Missouri, a component unit of Howell County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senate Bill 40's financial statements as listed in the table of contents. These financial statements are the responsibility of the Howell County Senate Bill 40's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note I, the SB 40 prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note II the SB 40 has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended December 31, 2006.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the Howell County Senate Bill 40 of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The SB 40 has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2009, on our consideration of the Howell County Senate Bill 40 of Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

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

August 31, 2009



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

Board of Trustees
Howell County Senate Bill 40 of Missouri

We have audited the basic financial statements of the Howell County Senate Bill 40 of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated August 31, 2009, which was modified because the SB 40 prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Howell County Senate Bill 40 of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Howell County Senate Bill 40's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Howell County Senate Bill 40's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, and 07/08-03, described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Howell County Senate Bill 40 of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Howell County Senate Bill 40 in a separate letter dated August 31, 2009.

Howell County Senate Bill 40's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Howell County Senate Bill 40's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, Board of Trustees and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

August 31, 2009

FINANCIAL STATEMENTS

HOWELL COUNTY SENATE BILL 40
 (A COMPONENT UNIT OF HOWELL COUNTY MISSOURI)
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - CASH BASIS
 FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ASSETS

	2008	2007
Cash	\$ 193,920.61	\$ 207,322.53
Investments		
Total Assets	193,920.61	207,322.53

LIABILITIES AND FUND BALANCE

Liabilities	\$ -	\$ -
Total Liabilities	-	-
Fund Balance		
Unrestricted	\$ 193,920.61	\$ 207,322.53
Total Fund Balance	193,920.61	207,322.53
Total Liabilities and Fund Balance	193,920.61	207,322.53

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

HOWELL COUNTY SENATE BILL 40
(A COMPONENT UNIT OF HOWELL COUNTY MISSOURI)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Property Tax Revenues	\$ 199,864.14	\$ 187,056.32
	<u>199,864.14</u>	<u>187,056.32</u>
TOTAL REVENUES	199,864.14	187,056.32
EXPENDITURES		
General Administration	-	-
Insurance & Bonds	2,073.00	2,003.00
Publication Cost	50.10	36.30
Board Expenses	-	-
Miscellaneous	-	-
Meeting & Mileage	-	3,030.44
Dues	562.50	562.50
Contractual Services	<u>217,243.68</u>	<u>204,875.05</u>
TOTAL EXPENDITURES	<u>219,929.28</u>	<u>210,507.29</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(20,065.14)	(23,450.97)
OTHER FINANCING SOURCES (USES)		
Interest	6,663.22	13,873.42
Miscellaneous	-	-
Rents	-	-
Donations	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,663.22</u>	<u>13,873.42</u>
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	(13,401.92)	(9,577.55)
FUND BALANCE - BEGINNING OF YEAR	<u>207,322.53</u>	<u>216,900.08</u>
FUND BALANCE - END OF YEAR	<u>\$ 193,920.61</u>	<u>\$ 207,322.53</u>

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

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Howell County Senate Bill 40 (“SB 40”), which is governed by a nine-member board of directors, was established by an Act of the Senate Bill 40.

As discussed further in Note I, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the cash basis of accounting, these financial statements present financial accountability of the SB 40.

The SB 40 has developed criteria to determine whether outside agencies with activities which benefit the clients of the SB 40, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the SB 40 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The SB 40 has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the SB 40's financial statements. However, Howell County Senate Bill 40 is a component unit of Howell County, Missouri. The SB 40 has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain SB 40 functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

Governmental Fund Type - The General Fund is the general operating fund of the SB 40 and accounts for all revenues and expenditures of the SB 40. All general tax revenues and other receipts are accounted for in this fund.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash 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 SB 40 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.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. 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 investment 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 SB 40's name at third-party banking institutions. Details of these cash balances are presented in Note II.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the SB 40 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The SB 40 applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

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 SB 40's investment policy does not include custodial credit risk requirements. The SB 40's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The SB 40's deposits were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the Board's deposits was \$193,920.61 with respective bank balances totaling \$193,920.61. At December 31, 2007, the carrying amount of the Board's deposits was \$207,322.53 with respective bank balances totaling \$207,322.53. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The Deposits held at December 31, 2008 and reported at cost, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	Cost
Deposits:		
Checking and Money Market Accounts	N/A	\$ <u>193,920.61</u>
TOTAL DEPOSITS		\$ <u>193,920.61</u>

The Deposits held at December 31, 2007 and reported cost, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	Cost
Deposits:		
Checking and Money Market Accounts	N/A	\$ <u>207,322.53</u>
TOTAL DEPOSITS		\$ <u>207,322.53</u>

III. TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the SB 40 the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$389,008,283 and \$381,943,530 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .05 and .05 respectively.

IV. RISK MANAGEMENT

The SB 40 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

IV. RISK MANAGEMENT (CONCLUDED)

The SB 40 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the SB 40. Settled claims have not exceeded this commercial coverage in any of the past three years.

V. LITIGATION

The SB 40 is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

REQUIRED SUPPLEMENTARY INFORMATION

HOWELL COUNTY SENATE BILL 40
(A COMPONENT UNIT OF HOWELL COUNTY MISSOURI)
STATEMENT OF REVENUES AND EXPENDITURES BUDGET TO ACTUAL NON GAAP - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Property Tax Revenues	\$ 190,000.00	\$ 199,864.14	\$ 9,864.14
TOTAL REVENUES	<u>190,000.00</u>	<u>199,864.14</u>	<u>9,864.14</u>
 EXPENDITURES			
General Administration	200.00	-	(200.00)
Insurance & Bonds	2,000.00	2,073.00	73.00
Publication Cost	100.00	50.10	(49.90)
Board Expenses	-	-	-
Miscellaneous	500.00	-	(500.00)
Meeting & Mileage	4,000.00	-	(4,000.00)
Dues	600.00	562.50	(37.50)
Contractual Services	375,000.00	217,243.68	(157,756.32)
TOTAL EXPENDITURES	<u>382,400.00</u>	<u>219,929.28</u>	<u>(162,470.72)</u>
 REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(192,400.00)	(20,065.14)	172,334.86
 OTHER FINANCING SOURCES (USES)			
Interest	12,500.00	6,663.22	(5,836.78)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,500.00</u>	<u>6,663.22</u>	<u>(5,836.78)</u>
 REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(179,900.00)	(13,401.92)	166,498.08
 FUND BALANCE BEGINNING OF YEAR	<u>207,322.53</u>	<u>207,322.53</u>	<u>-</u>
 FUND BALANCE END OF YEAR	<u>\$ 27,422.53</u>	<u>\$ 193,920.61</u>	<u>\$ 166,498.08</u>

HOWELL COUNTY SENATE BILL 40
(A COMPONENT UNIT OF HOWELL COUNTY MISSOURI)
STATEMENT OF REVENUES AND EXPENDITURES BUDGET TO ACTUAL NON GAAP - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Property Tax Revenues	\$ 180,000.00	187,056.32	\$ 7,056.32
TOTAL REVENUES	180,000.00	187,056.32	7,056.32
 EXPENDITURES			
General Administration	200.00	-	(200.00)
Insurance & Bonds	2,144.00	2,003.00	(141.00)
Publication Cost	100.00	36.30	(63.70)
Board Expenses	300.00	-	(300.00)
Miscellaneous	600.00	-	(600.00)
Meeting & Mileage	4,000.00	3,030.44	(969.56)
Dues	562.50	562.50	-
Contractual Services	220,000.00	204,875.05	(15,124.95)
TOTAL EXPENDITURES	227,906.50	210,507.29	(17,399.21)
 REVENUES COLLECTED OVER (UNDER) EXPENDITURES	 (47,906.50)	 (23,450.97)	 24,455.53
 OTHER FINANCING SOURCES (USES)			
Interest	12,000.00	13,873.42	1,873.42
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	12,000.00	13,873.42	1,873.42
 REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	 (35,906.50)	 (9,577.55)	 26,328.95
 FUND BALANCE BEGINNING OF YEAR	 216,900.08	 216,900.08	 -
 FUND BALANCE END OF YEAR	 \$ 180,993.58	 \$ 207,322.53	 \$ 26,328.95

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

BUDGETS AND BUDGETARY ACCOUNTING

The SB 40 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senate Bill 40 Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all SB 40 funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senate Bill 40 Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senate Bill 40 Board.
5. Subsequent to its formal approval of the budget, the Senate Bill 40 Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the cash basis of accounting.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
SCHEDULE OF QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senate Bill 40 assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senate Bill 40's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS
(concluded) requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

Recommendation: We recommend that the Senate Bill 40 address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senate Bill 40 is in the process of developing an anti-fraud policy.

HOWELL COUNTY SENATE BILL 40 OF MISSOURI
(A COMPONENT UNIT OF HOWELL COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs related to *Government Auditing Standards* for an audit of financial statements.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Howell County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Howell County Senate Bill 40 as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Senate Bill 40's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Senate Bill 40's internal control. Accordingly, we do not express an opinion on the effectiveness of the Senate Bill 40's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Howell County Senate Bill 40's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants

August 31, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senate Bill 40 assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senate Bill 40's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

07/08-03

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

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

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

Recommendation: We recommend that the Senate Bill 40 address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senate Bill 40 is in the process of developing an anti-fraud policy.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated June 22, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

In planning and performing our audit, we considered Howell County Senate Bill 40's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Senate Bill 40's financial statements are free of material misstatement, we 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 objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Howell County Senate Bill 40's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Howell County Senate Bill 40's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Howell County Senate Bill 40's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 22, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Howell County Senate Bill 40 are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2009.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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