NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Howard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Howard 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, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

July 2015
Report No. 2015-050

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AUDITED FINANCIAL STATEMENTS

HOWARD COUNTY, MISSOURI

FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

HOWARD COUNTY, MISSOURI
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June 19, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Howard County, MO

Report on the Financial Statements

We have audited the accompanying financial statements of Howard County, Missouri, which collectively comprise cash for each fund as of December 31, 2014 and 2013, and the related statements of cash receipts and disbursements-budget to actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 1, the financial statements are prepared by Howard County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Howard County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Howard County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of Howard County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Howard County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Howard County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, 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. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

HOWARD COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	$ 176,058	1,388,841	1,163,092	$ 401,807	1,529,183	1,318,517	$ 612,473
Special Road and Bridge	183,562	1,381,225	1,282,253	282,534	1,706,233	1,699,118	289,649
Assessment	46,137	157,808	155,738	48,207	158,746	149,347	57,606
Law Officers Training	509	1,428	1,513	424	1,583	1,502	505
Prosecuting Attorney Training	580	246	-	826	286	-	1,112
Recorder's User Fee	5,355	4,091	3,543	5,903	3,662	3,300	6,265
Recorder's Technology	9,540	2,631	-	12,171	2,366	-	14,537
Keller Building	13,056	130,720	128,098	15,678	154,148	134,198	35,628
Keller Building Maintenance	44,381	765	8,341	36,805	6,580	13,195	30,190
Victims of Domestic Violence	13,794	1,155	-	14,949	2,042	-	16,991
Civil Defense	29	27,281	25,416	1,894	25,698	26,449	1,143
County Law Enforcement Restitution	5,092	5,090	5,553	4,629	6,648	-	11,277
Sheriff's Civil Fee	4,657	10,683	8,434	6,906	9,609	11,103	5,412
Sheriff's Benevolent	234	1,526	903	857	1,489	1,771	575
Sheriff's Revolving Fee	8,103	14,030	5,771	16,362	7,651	16,524	7,489
Inmate Security	-	503	-	503	8,122	-	8,625
Deputy Salary Supplement	240	3,700	3,640	300	3,560	3,420	440
Prosecuting Attorney Administrative Handling Cost	882	9,047	9,902	27	11,103	9,300	1,830
Prosecuting Attorney Delinquent	1,390	501	828	1,063	113	1,081	95
Prosecuting Attorney Supplemental	4,260	15,079	16,116	3,223	15,836	15,415	3,644
Election Services	1,461	2,889	964	3,386	1,597	2,024	2,959
Economic Development	432,009	51,502	70,212	413,299	134,421	25,213	522,507
Tax Maintenance	55,198	14,093	12,864	56,427	14,277	16,589	54,115
Jail Sales Tax	21,307	683	3,673	18,317	154	14,988	3,483
Law Enforcement	3,062	535,148	522,819	15,391	598,597	568,167	45,821
Howard County Water Project	-	-	-	-	1,080	1,080	-
Sheltered Services Board	276,880	504,604	505,871	275,613	146,465	112,758	309,320
Totals	$ 1,307,776	4,265,269	3,935,544	$ 1,637,501	4,551,249	4,145,059	$ 2,043,691

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	General Revenue Fund					
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 320,000	327,800	7,800	$ 325,000	318,729	(6,271)
Sales and use taxes	705,079	762,321	57,242	580,000	626,270	46,270
Intergovernmental	3,704	14,553	10,849	13,251	5,977	(7,274)
Charges for services	361,400	364,972	3,572	384,825	388,898	4,073
Interest income	7,500	10,872	3,372	5,000	7,586	2,586
Other	39,500	48,665	9,165	31,800	41,381	9,581
Operating transfers in	-	-	-	6,291	-	(6,291)
Total Receipts	$ 1,437,183	1,529,183	92,000	$ 1,346,167	1,388,841	42,674
DISBURSEMENTS						
General County Government-						
County Commission	$ 83,168	82,259	(909)	$ 83,305	82,365	(940)
County Clerk	83,380	81,905	(1,475)	81,755	80,744	(1,011)
Elections	70,972	57,329	(13,643)	32,372	22,110	(10,262)
Buildings and grounds	72,630	60,546	(12,084)	69,940	59,951	(9,989)
Employee fringe benefits	145,100	129,434	(15,666)	124,075	109,802	(14,273)
Treasurer	41,100	40,305	(795)	41,350	41,008	(342)
Collector	73,800	69,769	(4,031)	72,222	72,020	(202)
Recorder of Deeds	39,230	30,916	(8,314)	39,230	29,321	(9,909)
Circuit Clerk	25,200	9,921	(15,279)	25,200	9,196	(16,004)
Court Administration	30,670	5,847	(24,823)	29,220	3,754	(25,466)
Public Administrator	63,145	63,019	(126)	63,736	63,436	(300)
Other	202,947	156,614	(46,333)	173,500	118,814	(54,686)
Public Safety-						
Prosecuting Attorney	78,999	77,989	(1,010)	78,619	77,874	(745)
Juvenile Officer	69,510	64,463	(5,047)	73,000	64,251	(8,749)
Coroner	15,600	14,705	(895)	15,500	13,730	(1,770)
Public Defender	5,259	5,231	(28)	5,260	4,990	(270)
Public Health and Welfare Services	215,809	186,852	(28,957)	226,898	197,901	(28,997)
Operating transfers out	178,130	178,130	-	116,836	111,780	(5,056)
Emergency Fund	55,000	3,283	(51,717)	53,072	45	(53,027)
Total Disbursements	$ 1,549,649	1,318,517	(231,132)	$ 1,405,090	1,163,092	(241,998)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (112,466)	210,666	323,132	$ (58,923)	225,749	284,672
CASH, JANUARY 1	401,807	401,807	-	176,058	176,058	-
CASH, DECEMBER 31	$ 289,341	612,473	323,132	$ 117,135	401,807	284,672

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 260,000	253,547	(6,453)	$ 230,000	254,917	24,917
Sales taxes	280,000	271,226	(8,774)	240,405	250,023	9,618
Intergovernmental	1,137,096	1,056,890	(80,206)	693,639	688,607	(5,032)
Charges for services	120,700	90,726	(29,974)	86,700	84,652	(2,048)
Interest income	6,500	7,136	636	6,000	6,262	262
Other	4,199	6,693	2,494	70,515	96,764	26,249
Operating transfers in	11,500	20,015	8,515	-	-	-
Total Receipts	$ 1,819,995	1,706,233	(113,762)	$ 1,327,259	1,381,225	53,966
DISBURSEMENTS						
Salaries	$ 300,000	254,468	(45,532)	$ 312,493	247,278	(65,215)
Employee fringe benefits	107,250	87,562	(19,688)	92,662	80,466	(12,196)
Supplies	150,000	122,980	(27,020)	151,000	131,903	(19,097)
Insurance	30,141	29,507	(634)	29,641	28,799	(842)
Road and bridge materials	35,240	34,566	(674)	28,500	22,507	(5,993)
Equipment repairs	63,465	50,351	(13,114)	51,000	39,823	(11,177)
Rentals	500	-	(500)	500	-	(500)
Equipment purchases	256,292	253,023	(3,269)	189,892	174,702	(15,190)
Road and bridge construction	837,420	758,924	(78,496)	514,640	472,282	(42,358)
Other	111,734	107,737	(3,997)	86,389	84,493	(1,896)
Operating transfers out	-	-	-	5,291	-	(5,291)
Total Disbursements	$ 1,892,042	1,699,118	(192,924)	$ 1,462,008	1,282,253	(179,755)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (72,047)	7,115	79,162	$ (134,749)	98,972	233,721
CASH, JANUARY 1	282,534	282,534	-	183,562	183,562	-
CASH, DECEMBER 31	$ 210,487	289,649	79,162	$ 48,813	282,534	233,721

Assessment Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	$ 144,540	142,920	(1,620)	$ 144,474	141,195	(3,279)
Charges for services	10,100	6,606	(3,494)	10,100	12,894	2,794
Interest income	1,200	1,269	69	1,200	1,441	241
Other	3,700	3,951	251	1,700	2,278	578
Operating transfers in	4,000	4,000	-	4,000	-	(4,000)
Total Receipts	$ 163,540	158,746	(4,794)	$ 161,474	157,808	(3,666)
DISBURSEMENTS						
Assessor	$ 181,212	149,347	(31,865)	$ 164,271	155,738	(8,533)
Total Disbursements	$ 181,212	149,347	(31,865)	$ 164,271	155,738	(8,533)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (17,672)	9,399	27,071	$ (2,797)	2,070	4,867
CASH, JANUARY 1	48,207	48,207	-	46,137	46,137	-
CASH, DECEMBER 31	$ 30,535	57,606	27,071	$ 43,340	48,207	4,867

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Officers Training Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 1,500	1,574	74	$ 1,500	1,418	(82)
Interest income	6	9	3	-	10	10
Total Receipts	$ 1,506	1,583	77	$ 1,500	1,428	(72)
DISBURSEMENTS						
Sheriff	$ 1,506	1,502	(4)	$ 2,009	1,513	(496)
Total Disbursements	$ 1,506	1,502	(4)	$ 2,009	1,513	(496)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	81	81	$ (509)	(85)	424
CASH, JANUARY 1	424	424	-	509	509	-
CASH, DECEMBER 31	$ 424	505	81	$ -	424	424

Prosecuting Attorney Training Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 200	270	70	$ 150	233	83
Interest income	-	16	16	-	13	13
Total Receipts	$ 200	286	86	$ 150	246	96
DISBURSEMENTS						
Prosecuting Attorney	$ 1,026	-	(1,026)	$ 730	-	(730)
Total Disbursements	$ 1,026	-	(1,026)	$ 730	-	(730)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (826)	286	1,112	$ (580)	246	826
CASH, JANUARY 1	826	826	-	580	580	-
CASH, DECEMBER 31	$ -	1,112	1,112	$ -	826	826

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Recorder's User Fee Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 3,600	3,578	(22)	$ 3,600	4,002	402
Interest income	65	84	19	65	89	24
Total Receipts	$ 3,665	3,662	(3)	$ 3,665	4,091	426
DISBURSEMENTS						
Recorder of Deeds	$ 9,568	3,300	(6,268)	$ 7,715	3,543	(4,172)
Total Disbursements	$ 9,568	3,300	(6,268)	$ 7,715	3,543	(4,172)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,903)	362	6,265	$ (4,050)	548	4,598
CASH, JANUARY 1	5,903	5,903	-	5,355	5,355	-
CASH, DECEMBER 31	$ -	6,265	6,265	$ 1,305	5,903	4,598

Recorder's Technology Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 1,800	2,146	346	$ 1,800	2,419	619
Interest income	275	220	(55)	275	212	(63)
Total Receipts	$ 2,075	2,366	291	$ 2,075	2,631	556
DISBURSEMENTS						
Recorder of Deeds	$ 14,246	-	(14,246)	$ 10,356	-	(10,356)
Total Disbursements	$ 14,246	-	(14,246)	$ 10,356	-	(10,356)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (12,171)	2,366	14,537	$ (8,281)	2,631	10,912
CASH, JANUARY 1	12,171	12,171	-	9,540	9,540	-
CASH, DECEMBER 31	$ -	14,537	14,537	$ 1,259	12,171	10,912

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Keller Building Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 123,080	153,394	30,314	$ 113,126	120,636	7,510
Interest income	350	373	23	250	486	236
Other	-	381	381	9,598	9,598	-
Total Receipts	$ 123,430	154,148	30,718	$ 122,974	130,720	7,746
DISBURSEMENTS						
Salaries and benefits	$ 33,905	33,463	(442)	$ 32,735	32,514	(221)
Building operations	105,200	100,735	(4,465)	103,295	95,584	(7,711)
Total Disbursements	$ 139,105	134,198	(4,907)	$ 136,030	128,098	(7,932)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (15,675)	19,950	35,625	$ (13,056)	2,622	15,678
CASH, JANUARY 1	15,678	15,678	-	13,056	13,056	-
CASH, DECEMBER 31	$ 3	35,628	35,625	$ -	15,678	15,678

Keller Building Maintenance Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	$ 200	549	349	$ 80	765	685
Other	-	6,031	6,031	-	-	-
Total Receipts	$ 200	6,580	6,380	$ 80	765	685
DISBURSEMENTS						
Building maintenance	$ 36,000	13,195	(22,805)	$ 44,381	8,341	(36,040)
Total Disbursements	$ 36,000	13,195	(22,805)	$ 44,381	8,341	(36,040)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (35,800)	(6,615)	29,185	$ (44,301)	(7,576)	36,725
CASH, JANUARY 1	36,805	36,805	-	44,381	44,381	-
CASH, DECEMBER 31	$ 1,005	30,190	29,185	$ 80	36,805	36,725

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PAT OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Victims of Domestic Violence Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 800	1,780	980	$ 700	878	178
Interest income	25	262	237	250	277	27
Total Receipts	$ 825	2,042	1,217	$ 950	1,155	205
DISBURSEMENTS						
Shelter expenses	$ 15,200	-	(15,200)	$ 14,400	-	(14,400)
Total Disbursements	$ 15,200	-	(15,200)	$ 14,400	-	(14,400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (14,375)	2,042	16,417	$ (13,450)	1,155	14,605
CASH, JANUARY 1	14,949	14,949	-	13,794	13,794	-
CASH, DECEMBER 31	$ 574	16,991	16,417	$ 344	14,949	14,605

Civil Defense Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	$ 15,610	13,076	(2,534)	$ 19,451	17,145	(2,306)
Interest income	-	22	22	-	36	36
Operating transfers in	12,600	12,600	-	11,336	10,100	(1,236)
Total Receipts	$ 28,210	25,698	(2,512)	$ 30,787	27,281	(3,506)
DISBURSEMENTS						
Salaries and benefits	$ 14,610	14,530	(80)	$ 13,860	13,815	(45)
Emergency management	13,220	11,919	(1,301)	12,300	11,601	(699)
Total Disbursements	$ 27,830	26,449	(1,381)	$ 26,160	25,416	(744)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 380	(751)	(1,131)	$ 4,627	1,865	(2,762)
CASH, JANUARY 1	1,894	1,894	-	29	29	-
CASH, DECEMBER 31	$ 2,274	1,143	(1,131)	$ 4,656	1,894	(2,762)

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

County Law Enforcement Restitution Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 6,000	6,500	500	$ 6,000	4,950	(1,050)
Interest income	-	148	148	-	140	140
Total Receipts	$ 6,000	6,648	648	$ 6,000	5,090	(910)
DISBURSEMENTS						
Sheriff	$ 5,311	-	(5,311)	$ 5,546	2,776	(2,770)
Prosecuting Attorney	5,311	-	(5,311)	5,546	2,777	(2,769)
Total Disbursements	$ 10,622	-	(10,622)	$ 11,092	5,553	(5,539)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,622)	6,648	11,270	$ (5,092)	(463)	4,629
CASH, JANUARY 1	4,629	4,629	-	5,092	5,092	-
CASH, DECEMBER 31	$ 7	11,277	11,270	$ -	4,629	4,629

Sheriff's Civil Fee Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 8,000	9,513	1,513	$ 8,000	10,566	2,566
Interest income	100	96	(4)	-	117	117
Total Receipts	$ 8,100	9,609	1,509	$ 8,000	10,683	2,683
DISBURSEMENTS						
Sheriff	$ 13,200	11,103	(2,097)	$ 10,900	8,434	(2,466)
Operating transfers out	1,800	-	(1,800)	1,757	-	(1,757)
Total Disbursements	$ 15,000	11,103	(3,897)	$ 12,657	8,434	(4,223)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (6,900)	(1,494)	5,406	$ (4,657)	2,249	6,906
CASH, JANUARY 1	6,906	6,906	-	4,657	4,657	-
CASH, DECEMBER 31	$ 6	5,412	5,406	$ -	6,906	6,906

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheriff's Benevolent Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	$ -	14	14	$ -	26	26
Other	1,250	1,475	225	1,500	1,500	-
Total Receipts	$ 1,250	1,489	239	$ 1,500	1,526	26
DISBURSEMENTS						
Sheriff	$ 2,105	1,771	(334)	$ 1,700	903	(797)
Total Disbursements	$ 2,105	1,771	(334)	$ 1,700	903	(797)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (855)	(282)	573	$ (200)	623	823
CASH, JANUARY 1	857	857	-	234	234	-
CASH, DECEMBER 31	$ 2	575	573	$ 34	857	823

Sheriff's Revolving Fee Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 6,500	7,518	1,018	$ 6,500	13,730	7,230
Interest income	200	133	(67)	-	300	300
Total Receipts	$ 6,700	7,651	951	$ 6,500	14,030	7,530
DISBURSEMENTS						
Sheriff	$ 19,462	16,524	(2,938)	$ 11,000	5,771	(5,229)
Operating transfers out	3,600	-	(3,600)	3,603	-	(3,603)
Total Disbursements	$ 23,062	16,524	(6,538)	$ 14,603	5,771	(8,832)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (16,362)	(8,873)	7,489	$ (8,103)	8,259	16,362
CASH, JANUARY 1	16,362	16,362	-	8,103	8,103	-
CASH, DECEMBER 31	$ -	7,489	7,489	$ -	16,362	16,362

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Inmate Security Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 1,000	2,596	1,596	$ -	502	502
Interest income	-	73	73	-	-	-
Other	-	5,453	5,453	-	1	1
Total Receipts	$ 1,000	8,122	7,122	$ -	503	503
DISBURSEMENTS						
Sheriff	$ -	-	-	$ -	-	-
Total Disbursements	$ -	-	-	$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,000	8,122	7,122	$ -	503	503
CASH, JANUARY 1	503	503	-	-	-	-
CASH, DECEMBER 31	$ 1,503	8,625	7,122	$ -	503	503

Deputy Salary Supplement Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 5,000	3,560	(1,440)	$ 4,000	3,700	(300)
Total Receipts	$ 5,000	3,560	(1,440)	$ 4,000	3,700	(300)
DISBURSEMENTS						
Sheriff	$ 5,000	3,420	(1,580)	$ 4,000	3,640	(360)
Total Disbursements	$ 5,000	3,420	(1,580)	$ 4,000	3,640	(360)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	140	140	$ -	60	60
CASH, JANUARY 1	300	300	-	240	240	-
CASH, DECEMBER 31	$ 300	440	140	$ 240	300	60

Prosecuting Attorney Administrative Handling Cost Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 9,866	8,835	(1,031)	$ 9,660	8,843	(817)
Interest income	-	8	8	-	7	7
Other	50	10	(40)	-	17	17
Operating transfers in	-	2,250	2,250	-	180	180
Total Receipts	$ 9,916	11,103	1,187	$ 9,660	9,047	(613)
DISBURSEMENTS						
Prosecuting Attorney	$ 8,416	8,310	(106)	$ 9,040	8,541	(499)
Other	1,500	990	(510)	1,500	1,361	(139)
Total Disbursements	$ 9,916	9,300	(616)	$ 10,540	9,902	(638)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	1,803	1,803	$ (880)	(855)	25
CASH, JANUARY 1	27	27	-	882	882	-
CASH, DECEMBER 31	$ 27	1,830	1,803	$ 2	27	25

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Delinquent Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 250	110	(140)	$ 700	475	(225)
Interest income	-	3	3	-	26	26
Total Receipts	$ 250	113	(137)	$ 700	501	(199)
DISBURSEMENTS						
Prosecuting Attorney	$ 1,313	1,081	(232)	$ 2,090	828	(1,262)
Total Disbursements	$ 1,313	1,081	(232)	$ 2,090	828	(1,262)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,063)	(968)	95	$ (1,390)	(327)	1,063
CASH, JANUARY 1	1,063	1,063	-	1,390	1,390	-
CASH, DECEMBER 31	$ -	95	95	$ -	1,063	1,063

Prosecuting Attorney Supplemental Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	$ 15,000	15,000	-	$ 18,750	15,030	(3,720)
Interest income	-	126	126	-	49	49
Other	-	710	710	-	-	-
Total Receipts	$ 15,000	15,836	836	$ 18,750	15,079	(3,671)
DISBURSEMENTS						
Prosecuting Attorney	$ 9,023	6,215	(2,808)	$ 15,510	8,616	(6,894)
Operating transfers out	9,200	9,200	-	7,500	7,500	-
Total Disbursements	$ 18,223	15,415	(2,808)	$ 23,010	16,116	(6,894)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,223)	421	3,644	$ (4,260)	(1,037)	3,223
CASH, JANUARY 1	3,223	3,223	-	4,260	4,260	-
CASH, DECEMBER 31	$ -	3,644	3,644	$ -	3,223	3,223

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Election Services Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	$ 1,000	466	(534)	$ 1,000	2,465	1,465
Charges for services	1,000	1,071	71	1,000	369	(631)
Interest income	-	60	60	-	55	55
Total Receipts	$ 2,000	1,597	(403)	$ 2,000	2,889	889
DISBURSEMENTS						
Elections	$ 5,386	2,024	(3,362)	$ 3,461	964	(2,497)
Total Disbursements	$ 5,386	2,024	(3,362)	$ 3,461	964	(2,497)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,386)	(427)	2,959	$ (1,461)	1,925	3,386
CASH, JANUARY 1	3,386	3,386	-	1,461	1,461	-
CASH, DECEMBER 31	$ -	2,959	2,959	$ -	3,386	3,386

Economic Development Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	$ 7,653	7,651	(2)	$ 9,243	8,572	(671)
Other	54,219	126,770	72,551	40,703	42,930	2,227
Total Receipts	$ 61,872	134,421	72,549	$ 49,946	51,502	1,556
DISBURSEMENTS						
Economic development	$ 451,278	25,213	(426,065)	$ 428,322	70,212	(358,110)
Total Disbursements	$ 451,278	25,213	(426,065)	$ 428,322	70,212	(358,110)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (389,406)	109,208	498,614	$ (378,376)	(18,710)	359,666
CASH, JANUARY 1	413,299	413,299	-	432,009	432,009	-
CASH, DECEMBER 31	$ 23,893	522,507	498,614	$ 53,633	413,299	359,666

Tax Maintenance Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 14,000	13,361	(639)	$ 14,613	12,991	(1,622)
Interest income	1,300	916	(384)	1,410	1,102	(308)
Total Receipts	$ 15,300	14,277	(1,023)	$ 16,023	14,093	(1,930)
DISBURSEMENTS						
Collector	$ 71,727	16,589	(55,138)	$ 71,221	12,864	(58,357)
Total Disbursements	$ 71,727	16,589	(55,138)	$ 71,221	12,864	(58,357)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (56,427)	(2,312)	54,115	$ (55,198)	1,229	56,427
CASH, JANUARY 1	56,427	56,427	-	55,198	55,198	-
CASH, DECEMBER 31	$ -	54,115	54,115	$ -	56,427	56,427

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Jail Sales Tax Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	$ -	-	-	$ -	314	314
Interest income	200	154	(46)	-	369	369
Total Receipts	$ 200	154	(46)	$ -	683	683
DISBURSEMENTS						
Jail building/maintenance	$ 18,517	14,988	(3,529)	$ 20,307	3,673	(16,634)
Operating transfers out	-	-	-	1,000	-	(1,000)
Total Disbursements	$ 18,517	14,988	(3,529)	$ 21,307	3,673	(17,634)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (18,317)	(14,834)	3,483	$ (21,307)	(2,990)	18,317
CASH, JANUARY 1	18,317	18,317	-	21,307	21,307	-
CASH, DECEMBER 31	$ -	3,483	3,483	$ -	18,317	18,317

Law Enforcement Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	$ 300,000	328,852	28,852	$ 290,000	302,652	12,652
Intergovernmental	32,850	32,823	(27)	34,298	32,027	(2,271)
Charges for services	51,000	48,969	(2,031)	58,800	44,414	(14,386)
Interest income	160	172	12	160	168	8
Other	48,351	38,766	(9,585)	46,600	46,887	287
Operating transfers in	145,900	149,015	3,115	114,360	109,000	(5,360)
Total Receipts	$ 578,261	598,597	20,336	$ 544,218	535,148	(9,070)
DISBURSEMENTS						
Sheriff's department personnel	$ 260,838	260,041	(797)	$ 261,525	252,043	(9,482)
Sheriff other expenses	83,701	81,908	(1,793)	73,332	70,169	(3,163)
Jail personnel	158,176	143,734	(14,442)	130,221	119,509	(10,712)
Jail other expenses	82,654	82,484	(170)	82,134	81,098	(1,036)
Total Disbursements	$ 585,369	568,167	(17,202)	$ 547,212	522,819	(24,393)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,108)	30,430	37,538	$ (2,994)	12,329	15,323
CASH, JANUARY 1	15,391	15,391	-	3,062	3,062	-
CASH, DECEMBER 31	$ 8,283	45,821	37,538	$ 68	15,391	15,323

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Howard County Water Project Fund

	2014		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental	$ 1,080	1,080	-
Total Receipts	$ 1,080	1,080	-
DISBURSEMENTS			
Water regionalization project	$ 1,080	1,080	-
Total Disbursements	$ 1,080	1,080	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	-	-
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	$ -	-	-

Sheltered Services Board Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 95,000	115,097	20,097	$ 95,000	113,629	18,629
Intergovernmental	-	28,586	28,586	380,000	386,255	6,255
Interest income	-	1,865	1,865	-	3,762	3,762
Other	-	917	917	2,200	958	(1,242)
Total Receipts	$ 95,000	146,465	51,465	$ 477,200	504,604	27,404
DISBURSEMENTS						
Administration	$ 20,875	18,561	(2,314)	$ 20,000	17,847	(2,153)
Services	105,000	94,197	(10,803)	503,000	488,024	(14,976)
Total Disbursements	$ 125,875	112,758	(13,117)	$ 523,000	505,871	(17,129)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (30,875)	33,707	64,582	$ (45,800)	(1,267)	44,533
CASH, JANUARY 1	275,613	275,613	-	276,880	276,880	-
CASH, DECEMBER 31	$ 244,738	309,320	64,582	$ 231,080	275,613	44,533

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, the Sheltered Services Board, or elected county officials.

The financial statements referred to above include the primary government of Howard County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This would include the local public health unit and Sheltered Services Board.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

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

1. D. BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund and the Sheltered Services Board for its budget.

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Sheltered Services Board will prepare its budget document and submit its budget to the County Commission also.

3. The County Clerk and Sheltered Services Board submit to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budgets include estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures should not exceed budgeted revenues plus anticipated beginning fund balance. The County did not have any funds that reflected a deficit budgeted cash balance.

5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Sheltered Services Board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission and the Sheltered Services Board for its budget document.

7. Subsequent to its formal approval of the budget, the County Commission and Sheltered Services Board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or Sheltered Services Board. The County Commission amended budgets for the following funds:

Fund	Years Ended December 31,
General Revenue	2014 and 2013
Special Road and Bridge	2014 and 2013
Assessment	2014 and 2013
Keller Building	2014 and 2013
Sheriff's Benevolent	2014 and 2013
Law Officers Training	2014
Civil Defense	2013
Law Enforcement	2013

8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Sheltered Services Board.

9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013.

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	$ 74,983,100	$ 73,527,510
Personal Property	27,437,095	24,657,054
Railroad and Utilities	15,102,709	15,073,887
Total Assessed Valuation	$ 117,522,904	$ 113,258,451

The county-wide levy per $100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	$ 0.2675	$ 0.2790
Special Road and Bridge Fund *	0.3008	0.2998
Sheltered Services Board Fund	0.1000	0.1000

* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

1. F. SALES TAXES AND USE TAX

The county has the following sales tax and use tax rates:

General sales tax-subject to rollback 50%	1/2 %	$ .00500
General sales tax	1/2 %	.00500
Law Enforcement sales tax	1/2 %	.00500
Capital Improvement sales tax	1/2 %	.00500
911 sales tax	5/8 %	.00625
Total sales tax rate		$ .02625
Use tax		$ .02625

1. G. CASH DEPOSITS AND INVESTMENTS

Cash 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 may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. G. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

I. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund. Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

	Year Ended December 31, 2014	
FUNDS:	Transfers In	Transfers Out
General Revenue	$ -	$ 178,130
Special Road and Bridge	20,015	-
Assessment	4,000	-
Civil Defense	12,600	-
Prosecuting Attorney Administrative Handling Cost	2,250	-
Prosecuting Attorney Supplemental	-	9,200
Law Enforcement	149,015	-
Totals	$ 187,880	$ 187,330

	Year Ended December 31, 2013	
FUNDS:	Transfers In	Transfers out
General Revenue	$ -	$ 111,780
Civil Defense	10,100	-
Prosecuting Attorney Administrative Handling Cost	180	-
Prosecuting Attorney Supplemental	-	7,500
Law Enforcement	109,000	-
Totals	$ 119,280	$ 119,280

In 2014, $550 was transferred from the General Revenue Fund to the Prosecuting Attorney Administrative Handling Cost Fund but was reflected as disbursements from the Emergency Fund.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. I. PUBLISHED FINANCIAL STATEMENTS (CONTINUED)

financial statements included all applicable funds. The Sheltered Services Board also published its financial statements for the two years ended December 31, 2014.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the county's banking facilities at December 31, 2014 and December 31, 2013 were covered by Federal Deposit Insurance Coverage (FDIC) and additional collateral held at the Federal Reserve Bank in the county's name or by its agent in the county's name.

The Sheltered Services Board's deposits at December 31, 2014 and 2013 were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance or by collateral securities held by the board's custodial bank in the board's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Howard 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 401(a) and 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, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions. As of December 31, 2014, Howard County had 42 employees enrolled in LAGERS.

3) Funding Policy

Howard County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2014 is 4.6% (general) and 6.6% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2014 and 2013, total payments to LAGERS were $42,033 and $21,165, respectively.

B. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

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

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. 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 formula). An eligible death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions. As of December 31, 2014, Howard County had 43 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of $117,545 and $117,701, respectively, for the years then ended.

C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed $2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry annual vacation leave days over to the following year up to the maximum earned in one year to be taken in the following year. Compensation for unused vacation is at the discretion of the County Commission. The county provides full-time county employees with up to one day of sick leave time per month and may accumulate to an unlimited amount of days. Sick leave is not paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the County provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The County incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

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

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. Management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

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

NOTE 7. LEASE-PURCHASE AGREEMENTS

A. The County Commission entered into a lease-purchase agreement on August 31, 2012 for the lease-purchase of three graders. The lease is for sixty months with five annual payments of $32,904 and a final payment of $430,480 plus interest in 2017. At December 31, 2014, the county owed $475,203 in principal plus $28,510 in interest.

B. The County Commission entered into an agreement on June 15, 2010 for the lease-purchase of an excavator. The total lease for the grader is for 60 months with five annual payments of $23,173. At December 31, 2013, the County owed $22,156, which was paid in 2014.

NOTE 8. LONG-TERM DEBT

The county had the following long-term debt:

A. The County Commission entered into an energy efficiency loan agreement with the Missouri Department of Natural Resources (DNR) to finance major repairs at the courthouse and the Keller Building. In July 2008, DNR issued a sixteen-year loan in the amount of $49,336 with a 4.1% interest rate. The county paid off this debt in 2013.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. The County Commission entered into an energy efficiency loan agreement with the DNR to finance major repairs at the courthouse and the Keller Building. In July 2012, DNR issued an eight-year loan in the amount of $75,557 with no interest to be repaid through 2020.

The County paid $9,987 in 2013 and 2014 in semi-annual payments. At December 31, 2014, the County owed $55,583 to the DNR. The annual debt service requirements for the DNR energy efficient loan on principal payments at December 31, 2014 are as follows:

Year Ended December 31,		Principal
2015	$	9,987
2016		9,987
2017		9,987
2018		9,987
2019		9,987
2020		5,648
Total	$	55,583

C. The County Commission borrowed funds in 2014 from a local bank for the purchase of a tractor. The total bank note is for $68,815, due in five annual payments of $15,377 (principal plus interest) beginning September 1, 2014 and ending September 1, 2018. At December 31, 2014, the County's long-term debt on this note is as follows:

Year Ended December 31,		Principal		Interest
2015	$	13,245	$	2,132
2016		13,745		1,632
2017		14,272		1,105
2018		14,814		563
Totals	$	56,076	$	5,432

NOTE 9. RENTAL OF KELLER BUILDING SPACE

The County owns the old hospital building and rents out various office spaces to many outside organizations and receives lease payments every year per a written lease contract agreement. The building also houses the County's public health unit, the Prosecuting Attorney, and the 911 office. During the years ended December 31, 2014 and 2013, the County received total lease rental payments of $153,394 and $120,636, respectively.

SUPPLEMENTARY INFORMATION

HOWARD COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2014	2013
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Department of Health and Senior Services-			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS04515098	$ 30,695	$ -
		ERS04514144	-	28,641
10.559	Summer Food Service Program for Children	N/A	-	90
10.560	State Administrative Expenses for Child Nutrition	DH130002091	-	630
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development-			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		1,080	-
	U. S. DEPARTMENT OF JUSTICE			
	Passed through:			
	State Department of Public Safety-			
16.738	Local Law Enforcement Block Grant Program	2013-LLEBG-035	4,185	-
16.803	Local Law Enforcement Block Grant	2012-LLEBG-035	-	8,998
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO - BO45(27)	-	250,243
		BRO - BO45(28)	249,955	35,750
		BRO - BO45(29)	257,787	-
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration-			
39.003	Donation of Federal Surplus Personal Property	N/A	21,827	-
	ELECTION ASSISTANCE COMMISSION			
	Passed through state:			
	Office of Secretary of State-			
90.401	Help America Vote Act Requirements Payments	N/A	1,411	3,018
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Direct Program:			
93.008	National Association of County and City Health Officials (NAACHO)	MRC 14-2505	2,370	-
	Passed through state:			
	Department of Health and Senior Services-			
93.008	Medical Reserve Corps Small Grant Program		-	404
93.069	Bioterriorism/Emergency Preparedness (HHS)	DH120009037	12,097	18,985
		DH140021027	6,590	-
93.575	Child Care and Development Block Grant	ERS22014037	1,940	910
		DH130002091	-	599
		DH140004100	577	-
93.889	National Bioterroism Hospital Preparedness Program	TP000531-02J	1,417	1,658
93.994	Maternal and Child Health Services Block Grant to the States		34,252	29,240
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
	Department of Public Safety-			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	FEMA-4130-DR-MO	116,677	-
97.042	Emergency Management Performance Grants		14,322	-
	Total Expenditures of Federal Awards		$ 757,182	$ 379,166

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Howard County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule.

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

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

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value (23.3 percent of original acquisition cost) of the property at the time of receipt.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

D. MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule. The schedule does include the County's 20% credit or soft match funds that were distributed by the federal government to each of the BRO projects totaling $101,228 for 2014 and $57,199 for 2013.

NOTE 2. SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2014 and 2013.

COMPLIANCE SECTION

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June 19, 2015

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

To the County Commission
and Officeholders of
Howard County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Howard County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Howard County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards.* (See finding 2014-01)

Howard County, Missouri's Response to Finding

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

Purpose of this Report

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

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, 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. However, this report is a matter of public record and its distribution is not limited.

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June 19, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLAINCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission
and Officeholders of
Howard County, MO

Report on Compliance for Each Major Federal Program

We have audited Howard County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Howard County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Howard County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Howard County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. 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 Howard County, Missouri'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 on compliance for the major federal program. However, our audit does not provide a legal determination of Howard County, Missouri's compliance.

Opinion on Major Federal Program

In our opinion, Howard County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-02. Our opinion on the major federal program is not modified with respect to this matter.

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Howard County, Missouri's response to the noncompliance finding indentified in our audit is disclosed in the accompanying schedule of findings and questioned costs. Howard County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Howard County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Howard County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Howard County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, 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. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

HOWARD COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	X no
Significant deficiency(ies) identified?	_____ yes	X none reported
Noncompliance material to financial statements noted?	_____ yes	X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ yes	X no
Significant deficiency(ies) identified?	_____ yes	X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? X yes _____ no

Identification of major program:

CFDA Number	Program Title
20.205	Highway Planning and Construction

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

Auditee qualified as a low-risk auditee? _____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

2014-01 Budgetary Noncompliance on Expenditure Use

Condition: Expenditures were made in 2014 and 2013 from the General Revenue Fund Emergency Fund classification totaling $3,283 and $45, respectively, which did not meet the statutory requirement of being emergency-type expenditures.

Criteria: Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: The County Commission and County Clerk did not understand the statutory provision for use of the Emergency Fund within the General Revenue Fund.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:
The County Commission and County Clerk should only use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

Response: The Howard County Commission and the County Clerk concur with the recommendation and will use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

SECTION III – FEDERAL AWARD FINDING

2014-02 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Transportation, General Services Administration, Election Assistance Commission, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security
Pass-Through Grantor:	Various
Federal CFDA Number:	Various
Program Title:	Various
Pass-Through Entity Identifying Number:	N/A
Award Year:	2014 and 2013
Questioned Costs:	N/A

Condition: The County's Schedule of Expenditures of Federal Awards (SEFA) contained some errors and omissions of information required by the federal government. Purchases of state surplus property and federal disaster payments were not reported on the 2014 SEFA, and federal awards for the County's public health unit were not properly reported or some not reported on the SEFA for both 2014 and 2013. Also,

federal bridge 20% credit or soft match funds distributed to the county totaling $101,228 for 2014 and $57,199 for 2013 were also excluded by the county. Total amendments to the County's SEFA for 2014 and 2013 were $242,263 and $50,535, respectively.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause: The County Commission and County Clerk did not take the appropriate steps to ensure the accuracy of the SEFA.

Effect: The SEFA schedules prepared for the County's federal programs were misstated for both years of 2014 and 2013.

Recommendation:

Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.

Response: *The Howard County Commission and the County Clerk concurs with the recommendation and is taking steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.*

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

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

Because Howard County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2012, this section does not report the status of any prior audit findings.