



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Holt County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Holt 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 McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

July 2015
Report No. 2015-052

ANNUAL FINANCIAL REPORT

HOLT COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

HOLT COUNTY, MISSOURI

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INTRODUCTORY SECTION

HOLT COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mark Sitherwood

Associate Commissioner – Bill Gordon

Associate Commissioner – David Carroll

Other Elected Officials

Assessor – LaDonna Jones

Circuit Clerk/Recorder – Vicki Book

Collector – Donna Cotton

Coroner – Susan Lentz

County Clerk – Kathy Holstine

Prosecuting Attorney – Robert Shepherd

Public Administrator – Ed Meng

Sheriff – Scott Wedlock

Treasurer – Gay Quick

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of Holt County, Missouri

We have audited the accompanying financial statements of Holt 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 the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by Holt County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between this 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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Holt County, Missouri, as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

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 Holt County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Holt 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 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2015, on our consideration of Holt 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 Holt County, Missouri's internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

HOLT COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2013 AND 2014

Fund	2013		2013		2014		2014	
	Cash and Cash Equivalents January 1,	Receipts	Disbursements	Receipts	Disbursements	Cash and Cash Equivalents December 31,	Receipts	Disbursements
General Revenue	\$ 417,086	\$ 1,515,080	\$ 1,544,835	\$ 1,529,755	\$ 1,523,989	\$ 393,097		
Special Road and Bridge	482,936	1,196,772	1,499,699	1,191,912	1,123,779	248,142		
Assessment	58,901	140,905	121,872	154,421	153,593	78,762		
Law Enforcement Training	1,200	4,480	3,930	4,310	4,898	1,162		
Prosecuting Attorney Training	664	783	959	702	963	227		
Recorder's Special	7,632	4,022	2,993	3,782	3,299	9,144		
Local CART	73,313	175,509	202,131	190,141	185,523	51,309		
State CART	126,658	337,064	288,123	346,955	343,840	178,714		
Sheriff's Civil Fees	6,528	11,987	12,307	5,756	6,710	5,254		
Prosecuting Attorney's Check Collection	3,345	867	323	1,338	100	5,127		
Neighborhood Improvement District Pool	542	3,261	3,400	2,852	3,000	255		
Clerk's Election Fees	5,114	1,530	4,195	1,861	2,344	1,966		
Victims of Domestic Violence	35	140	-	180	170	185		
Johnson Grass	47,604	40,948	24,234	49,682	30,620	83,380		
Mausoleum Trust	28,300	457	250	337	245	28,599		
Community Development Block Grant	37,866	1,506,876	1,533,942	47,953	58,753	-		
Collector's Tax Maintenance	23,304	10,276	100	9,162	1,185	41,457		
Senior Citizen's Services	8,043	50,248	48,000	59,661	55,398	14,554		
911	191,547	183,166	209,616	195,959	152,829	208,227		
Local Emergency Planning Committee	8,500	45	760	42	50	7,777		
Sheriff's Revolving	8,103	10,731	6,452	3,189	2,916	12,655		
Deputy Sheriff Salary Supplementation	4,784	21,003	17,072	20,812	25,335	4,192		
Law Library	2,104	3,175	3,380	2,250	3,529	620		
Jail Commissary	-	5,566	1,000	3,326	3,467	4,425		
Inmate, Prisoner, Detainee Security	-	2,247	-	7,115	4,781	4,581		
Total	\$ 1,544,109	\$ 5,227,138	\$ 5,529,573	\$ 3,833,453	\$ 3,691,316	\$ 1,383,811		

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

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

	General Revenue Fund			
	Year Ended December 31,		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 378,000	\$ 387,764	\$ 396,000	\$ 471,068
Sales taxes	625,000	552,287	555,000	518,241
Intergovernmental	212,710	198,622	182,625	202,256
Charges for services	192,500	206,436	205,300	212,215
Interest	3,000	2,942	3,000	3,154
Other	2,000	1,641	-	50
Transfers in	184,500	165,388	174,000	122,771
Total Receipts	<u>\$ 1,597,710</u>	<u>\$ 1,515,080</u>	<u>\$ 1,515,925</u>	<u>\$ 1,529,755</u>
DISBURSEMENTS				
County Commission	\$ 81,490	\$ 80,376	\$ 81,240	\$ 79,408
County Clerk	106,600	98,597	106,600	101,620
Elections	33,225	15,797	68,250	51,039
Buildings and grounds	71,750	67,645	71,500	53,710
Employee fringe benefits	278,000	247,534	281,500	240,220
Treasurer	42,000	40,477	42,000	40,370
Collector	67,600	64,003	67,600	65,589
Recorder of Deeds	22,250	15,631	25,250	21,063
Circuit Court	13,500	5,057	18,000	10,194
Court Administration	10,900	1,016	10,900	3,127
Public Administrator	23,115	22,795	23,550	23,202
Sheriff	220,180	266,538	207,780	223,907
Jail	237,500	196,478	271,500	190,264
Prosecuting Attorney	88,500	81,784	88,500	78,453
Juvenile Officer	10,100	7,548	12,500	9,400
Coroner	20,150	19,297	20,150	28,282
Other County Government	182,090	176,198	184,100	166,367
Health Department	130,135	121,607	127,535	120,158
Health and Welfare	6,750	6,750	6,750	6,750
Transfers out	12,000	9,707	12,500	10,666
Emergency fund	50,000	-	50,000	-
Total Disbursements	<u>\$ 1,707,835</u>	<u>\$ 1,544,835</u>	<u>\$ 1,777,705</u>	<u>\$ 1,523,989</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (110,125)	\$ (29,755)	\$ (261,780)	\$ 5,766
CASH AND CASH EQUIVALENTS, JANUARY 1	417,086	417,086	387,331	387,331
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 306,961</u>	<u>\$ 387,331</u>	<u>\$ 125,551</u>	<u>\$ 393,097</u>

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

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

	Special Road and Bridge Fund				Assessment Fund			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 380,000	\$ 373,657	\$ 383,500	\$ 453,296	\$ -	\$ -	\$ -	\$ -
Sales taxes	215,000	175,035	175,000	189,608	-	-	-	-
Intergovernmental	533,000	274,957	393,100	162,201	110,324	116,741	113,550	140,487
Charges for services	1,500	76	75	-	12,000	14,678	8,910	4,382
Interest	1,500	2,047	2,000	1,807	250	486	250	552
Other	1,100	-	-	-	-	-	-	-
Transfers in	437,000	371,000	390,000	385,000	9,000	9,000	9,000	9,000
Total Receipts	\$ 1,569,100	\$ 1,196,772	\$ 1,343,675	\$ 1,191,912	\$ 131,574	\$ 140,905	\$ 131,710	\$ 154,421
DISBURSEMENTS								
Salaries	\$ 295,000	\$ 245,345	\$ 232,000	\$ 221,821	\$ 101,116	\$ 94,077	\$ 94,110	\$ 82,251
Employee fringe benefits	112,000	80,846	90,000	81,139	14,200	10,739	10,450	8,902
Materials and supplies	671,500	641,404	589,000	510,640	21,208	1,995	24,000	23,030
Services and other	163,800	139,494	143,300	124,800	40,771	13,561	50,200	37,910
Capital outlay	211,000	216,744	134,180	131,866	-	-	-	-
Construction	350,000	104,478	250,000	-	-	-	-	-
Transfers out	90,000	71,388	75,000	53,513	-	1,500	-	1,500
Total Disbursements	\$ 1,893,300	\$ 1,499,699	\$ 1,513,480	\$ 1,123,779	\$ 177,295	\$ 121,872	\$ 178,760	\$ 153,593
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (324,200)	\$ (302,927)	\$ (169,805)	\$ 68,133	\$ (45,721)	\$ 19,033	\$ (47,050)	\$ 828
CASH AND CASH EQUIVALENTS, JANUARY 1	482,936	482,936	180,009	180,009	58,901	58,901	77,934	77,934
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 158,736	\$ 180,009	\$ 10,204	\$ 248,142	\$ 13,180	\$ 77,934	\$ 30,884	\$ 78,762

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

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

	Law Enforcement Training Fund			Prosecuting Attorney Training Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013	2014		2013	2014	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,500	1,369	1,500	1,447	-	-
Charges for services	3,000	3,104	3,000	2,805	800	700
Interest	10	7	10	7	5	2
Other	-	-	-	51	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 4,510	\$ 4,480	\$ 4,510	\$ 4,310	\$ 705	\$ 783
					\$ 805	\$ 702
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	100	-	100	-	-	-
Services and other	5,500	3,930	5,500	4,898	1,350	963
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 5,600	\$ 3,930	\$ 5,600	\$ 4,898	\$ 1,350	\$ 963
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,090)	\$ 550	\$ (1,090)	\$ (588)	\$ (645)	\$ (176)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,200	1,200	1,750	1,750	664	664
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 110	\$ 1,750	\$ 660	\$ 1,162	\$ 19	\$ 43
					\$ 43	\$ 227

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

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

	Recorder's Special Fund			Local CART Fund		
	Year Ended December 31,		Actual	Year Ended December 31,		Actual
	2013	2014		2013	2014	
	Budget	Budget	Budget	Budget	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	225,000	174,937	189,608
Intergovernmental	-	-	-	-	-	-
Charges for services	4,000	3,985	4,000	-	-	-
Interest	20	37	30	100	572	533
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 4,020	\$ 4,022	\$ 4,030	\$ 225,100	\$ 175,509	\$ 190,141
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	11,600	2,993	11,600	7,500	6,956	7,077
Capital outlay	-	-	-	-	-	-
Disbursements to Rd Districts	-	-	-	101,800	64,175	43,446
Transfers out	-	-	-	189,000	131,000	135,000
Total Disbursements	\$ 11,600	\$ 2,993	\$ 11,600	\$ 298,300	\$ 202,131	\$ 185,523
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (7,580)	\$ 1,029	\$ (7,570)	\$ (73,200)	\$ (26,622)	\$ 4,618
CASH AND CASH EQUIVALENTS, JANUARY 1	7,632	7,632	8,661	73,313	73,313	46,691
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 52	\$ 8,661	\$ 1,091	\$ 113	\$ 46,691	\$ 51,309

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

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

	State CART Fund			Sheriffs Civil Fees Fund		
	Year Ended December 31,		2014	Year Ended December 31,		2014
	2013	Budget		Actual	2013	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	301,500	335,887	330,000	345,433	-	-
Charges for services	-	-	-	4,719	-	-
Interest	1,200	1,177	1,000	7,268	7,500	5,719
Other	-	-	-	25	25	37
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 302,700	\$ 337,064	\$ 331,000	\$ 346,955	\$ 11,025	\$ 11,987
					\$ 7,525	\$ 5,756
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	-	10,800	7,192	6,710
Capital outlay	-	-	-	5,000	5,115	-
Disbursements to Rd Districts	168,500	48,123	120,000	-	-	-
Transfers out	260,000	240,000	250,000	250,000	-	-
Total Disbursements	\$ 428,500	\$ 288,123	\$ 370,000	\$ 343,840	\$ 15,800	\$ 12,307
					\$ 11,000	\$ 6,710
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (125,800)	\$ 48,941	\$ (39,000)	\$ 3,115	\$ (4,775)	\$ (320)
						\$ (954)
CASH AND CASH EQUIVALENTS, JANUARY 1	126,658	126,658	175,599	175,599	6,528	6,208
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 858	\$ 175,599	\$ 136,599	\$ 178,714	\$ 1,753	\$ 6,208
					\$ 2,733	\$ 5,254

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

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

	Clerk's Election Fees Fund			Victims of Domestic Violence Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013	2014		2013	2014	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	500	804	750	325	-	-
Charges for services	-	-	-	-	-	-
Interest	10	19	15	10	150	180
Other	-	-	-	-	-	-
Transfers in	2,000	707	3,500	1,526	-	-
Total Receipts	\$ 2,510	\$ 1,530	\$ 4,265	\$ 1,861	\$ 150	\$ 180
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	1,500	-	1,500	-	-	-
Services and other	5,000	4,195	5,000	2,344	300	170
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 6,500	\$ 4,195	\$ 6,500	\$ 2,344	\$ 175	\$ 170
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,990)	\$ (2,665)	\$ (2,235)	\$ (483)	\$ (25)	\$ 10
CASH AND CASH EQUIVALENTS, JANUARY 1	5,114	5,114	2,449	2,449	35	175
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,124	\$ 2,449	\$ 214	\$ 1,966	\$ 10	\$ 25

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

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

	Johnson Grass Fund				Mausoleum Trust Fund			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 40,505	\$ 40,203	\$ 41,005	\$ 47,667	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	100	362	495	1,480	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	200	383	500	535	600	457	457	337
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 40,805	\$ 40,948	\$ 42,000	\$ 49,682	\$ 600	\$ 457	\$ 457	\$ 337
DISBURSEMENTS								
Salaries	\$ 20,000	\$ 10,272	\$ 20,000	\$ 14,210	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	6,700	786	5,500	1,087	-	-	-	-
Materials and supplies	10,000	6,540	8,000	5,485	-	-	-	-
Services and other	4,000	4,136	43,000	4,775	28,800	250	28,800	245
Capital outlay	1,000	-	20,000	2,563	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,500	2,500	2,500	2,500	-	-	-	-
Total Disbursements	\$ 44,200	\$ 24,234	\$ 99,000	\$ 30,620	\$ 28,800	\$ 250	\$ 28,800	\$ 245
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,395)	\$ 16,714	\$ (57,000)	\$ 19,062	\$ (28,200)	\$ 207	\$ (28,343)	\$ 92
CASH AND CASH EQUIVALENTS, JANUARY 1	47,604	47,604	64,318	64,318	28,300	28,300	28,507	28,507
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 44,209	\$ 64,318	\$ 7,318	\$ 83,380	\$ 100	\$ 28,507	\$ 164	\$ 28,599

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

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

	Community Development Block Grant Fund			Collector's Tax Maintenance Fund		
	Year Ended December 31,		Actual	Year Ended December 31,		Actual
	2013	Budget		2013	Budget	
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	3,700,000	1,506,876	47,953	-	-	-
Charges for services	-	-	-	8,200	10,276	9,162
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 3,700,000	\$ 1,506,876	\$ 47,953	\$ 8,200	\$ 10,276	\$ 9,162
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	800	-	800
Services and other	-	-	-	7,650	100	6,600
Capital outlay	-	-	-	-	-	-
Disbursements to Levee Dist	3,735,000	1,533,942	58,753	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 3,735,000	\$ 1,533,942	\$ 58,753	\$ 8,450	\$ 100	\$ 7,400
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (35,000)	\$ (27,066)	\$ (10,800)	\$ (250)	\$ 10,176	\$ 1,600
CASH AND CASH EQUIVALENTS, JANUARY 1	37,866	37,866	10,800	23,304	23,304	33,480
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,866	\$ 10,800	\$ -	\$ 23,054	\$ 33,480	\$ 41,457

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

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

	Local Emergency Planning Committee Fund				Sheriff's Revolving Fund			
	Year Ended December 31,		2014		2013		Year Ended December 31,	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000	-	2,000	-	-	-	-	-
Charges for services	-	-	-	-	7,000	10,670	7,500	3,120
Interest	25	45	10	42	25	61	40	69
Other	100	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,125	\$ 45	\$ 2,010	\$ 42	\$ 7,025	\$ 10,731	\$ 7,540	\$ 3,189
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	50	46	50	50	11,000	2,819	12,000	2,367
Services and other	8,050	714	9,550	-	1,000	3,633	3,500	549
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 8,100	\$ 760	\$ 9,600	\$ 50	\$ 12,000	\$ 6,452	\$ 15,500	\$ 2,916
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (4,975)	\$ (715)	\$ (7,590)	\$ (8)	\$ (4,975)	\$ 4,279	\$ (7,960)	\$ 273
CASH AND CASH EQUIVALENTS, JANUARY 1	8,500	8,500	7,785	7,785	8,103	8,103	12,382	12,382
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,525	\$ 7,785	\$ 195	\$ 7,777	\$ 3,128	\$ 12,382	\$ 4,422	\$ 12,655

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

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

	Deputy Sheriff Salary Supplementation Fund				Law Library Fund			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	30,000	21,003	20,000	20,672	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	3,000	3,175	3,200	2,250
Transfers in	-	-	-	140	-	-	-	-
Total Receipts	\$ 30,000	\$ 21,003	\$ 20,000	\$ 20,812	\$ 3,000	\$ 3,175	\$ 3,200	\$ 2,250
DISBURSEMENTS								
Salaries	\$ 22,500	\$ 15,837	\$ 21,500	\$ 18,865	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	2,000	1,235	2,000	1,470	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	5,000	3,380	5,000	3,529
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	10,000	-	5,000	5,000	-	-	-	-
Total Disbursements	\$ 34,500	\$ 17,072	\$ 28,500	\$ 25,335	\$ 5,000	\$ 3,380	\$ 5,000	\$ 3,529
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,500)	\$ 3,931	\$ (8,500)	\$ (4,523)	\$ (2,000)	\$ (205)	\$ (1,800)	\$ (1,279)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,784	4,784	8,715	8,715	2,104	2,104	1,899	1,899
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 284	\$ 8,715	\$ 215	\$ 4,192	\$ 104	\$ 1,899	\$ 99	\$ 620

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

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

	Jail Commissary Fund		Inmate, Prisoner, Detainee Security Fund			
	Year Ended December 31,		Year Ended December 31,			
	2013	2014	2013	2014		
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	-
Charges for services	5,000	5,559	5,990	3,304	8,000	7,090
Interest	5	7	10	22	25	25
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 10,005	\$ 5,566	\$ 6,000	\$ 3,326	\$ 8,025	\$ 7,115
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	10,000	1,000	10,000	3,467	4,000	4,781
Services and other	-	-	-	-	4,750	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 10,000	\$ 1,000	\$ 10,000	\$ 3,467	\$ 8,750	\$ 4,781
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	\$ 4,566	\$ (4,000)	\$ (141)	\$ (725)	\$ 2,334
CASH, JANUARY 1	-	-	4,566	4,566	2,247	2,247
CASH, DECEMBER 31	\$ 5	\$ 4,566	\$ 566	\$ 4,425	\$ 1,522	\$ 4,581

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

HOLT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Holt County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk/Recorder, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

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

A. Reporting Entity

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

The financial statements referred to above include the primary government of Holt County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered to comprise the County's legal entity.

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

B. Basis of Presentation

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

C. Basis of Accounting

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

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Adoption of a formal budget is required by law. The County adopted a formal budget for all funds.
9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Total actual expenditures did not exceed total budgeted amounts in any funds.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation were:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 62,836,220	\$ 61,507,420
Personal Property	30,589,198	29,417,209
Railroad and Utilities	28,048,626	27,906,376

During 2014 and 2013, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.3375	\$ 0.3413
Special Road and Bridge	0.4185	0.4185
Johnson Grass	0.0384	0.0384
Senior Citizen's Services Fund	0.0480	0.0480

F. 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 may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

G. Interfund Activity

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

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

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the County's deposits were \$1,383,811 and \$1,241,674, respectively. The corresponding bank balances at December 31, 2014 and 2013 were \$2,684,292 and \$2,849,181, respectively. Of the bank balances, \$279,219 for December 31, 2014 and \$295,973 for December 31, 2013, were covered by federal depository insurance and the remainder of the balances were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Johnson Grass, and Senior Citizen's Services Fund. Tax collections on deposit amounted to \$6,108,902 and \$6,464,470 at December 31, 2014 and 2013, respectively. Of the bank balances, \$250,000 for both December 31, 2014 and December 31, 2013, were covered by federal depository insurance and the remainder of the balances were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1) Plan Description

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

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

2) Pension Benefits

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

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

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

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$26,407 and \$26,284, respectively, for the years then ended.

B. Local Government Employees Retirement System

1) Plan Description

The County also 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 it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

The County's full-time employees contribute 4% of gross pay to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate; the rate for 2014 was 3.1% (general) and 0.2% (police) and in 2013 the rate contributed was 3.7% (general) and 0.2% (police) of annual covered payroll. During 2014 and 2013, the County contributed approximately \$26,180 and \$31,179 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees and part-time employees who receive benefits with four hours of sick leave on the first day of each month, up to a maximum of 240 hours. Twenty-four hours of sick leave is accrued on January 1 of each year. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year for employees with one year of service; two weeks per year for employees with 2 to 19 years of service; and 3 weeks for employees with 20 or more years of service up to a maximum of 120 hours. Upon termination, the employee is compensated for accrued vacation, up to a maximum of 120 hours.

B. Federal and State Assisted Programs

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

6. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body. 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 which are intended 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 Rural Services 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.

7. LONG TERM DEBT

The County's debt outstanding at December 31, 2014 consists of the following items associated with the purchases of equipment and property:

- A. \$10,125 owed on a lease payable for the purchase of a 2011 Ford Crown Victoria financed by Farmers State Bank of Oregon, Missouri. The note bears interest at 3.25% and is scheduled to be paid in annual payments of \$5,311 due September 1st of each year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
September 1, 2015	\$ 4,982	\$ 329	\$ 5,311
September 1, 2016	5,143	168	5,311

- B. \$35,696 owed on a note payable for the property purchase and construction of the Courthouse Annex building financed by the United States Department of Agriculture. The note bears interest at 0.00% and is scheduled to be paid in annual payments of \$19,116 due March 19th of each year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
March 19, 2015	\$ 19,116	\$ -	\$ 19,116
March 19, 2016	16,580	-	16,580

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 26, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that the following subsequent events occurred that require additional disclosure in the financial statements:

- A. \$14,250 owed on a lease payable for a 2011 Ford Crown Victoria purchased on March 9, 2015 financed by Home Exchange Bank. The lease bears interest at 3% and is scheduled to be paid in three annual payments of \$4,925 due June 1 of each year through 2017.
- B. \$184,500 owed on a lease payable for a 2015 John Deere motor grader purchased on January 28, 2015 financed by John Deere Financial. The lease bears interest at 2.76% and is scheduled to be paid in four annual payments of \$48,274 due March 31 of each year through 2018.
- C. \$193,765 owed on a lease payable for two 2016 Mack trucks purchased on April 1, 2015 financed by KS State Bank. The lease bears interest at 3.02% and is scheduled to be paid in five annual payments of \$41,099 due April 1 of each year through 2019.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

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 Holt County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holt 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 Holt County, Missouri's basic financial statements and have issued our report thereon dated May 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holt 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 Holt County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holt 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance we have reported to Holt County, Missouri in the accompanying Schedule of Findings and Recommendations as item 1.

Holt County, Missouri's Response to Findings

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

Purpose of this Report

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



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

McBRIDE, LOCK & ASSOCIATES, LLC

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

To the County Commission and
Officeholders of Holt County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Holt 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 Holt County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Holt County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Holt County, Missouri's major federal programs 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 Holt County, Missouri's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Holt County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Holt 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 each of its major federal programs for the years ended December 31, 2014 and 2013.

Report on Internal Control Over Compliance

Management of Holt 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 Holt County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Holt 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.



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

HOLT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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:				
10.557	Department of Health and Senior Services - Special Supplemental Nutrition Program for Women, Infants, and Children	ERS04513143 ERS04514143 ERS04515011	\$ - 11,379 3,135	\$ 14,861 - -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
14.228	Department of Economic Development - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2011-EM-04 2011-EM-10 2011-EM-07 2011-EM-08 2011-EM-09 2011-EM-05 2011-EM-24	- - - - - - 42,874	42,815 100,696 397,319 539,449 148,429 198,062 80,106
15.226	U.S. DEPARTMENT OF INTERIOR Payment in Lieu of Taxes	n/a	20,008	-
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-31	-	126,520
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
93.268	Department of Health and Senior Services - Immunization Grants		-	10,294
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	DH130003002	-	4,300
93.069	Public Health Emergency Preparedness	DH120009027 DH140021014	7,144 3,703	10,320 -
93.575	Child Care and Development Block Grant	ERS22014036 DH130002002 DH140004063	310 - 1,380	240 1,356 -
93.994	Maternal and Child Health Services Block Grant to the States	DH120004020 DH150006017	2,739 13,422	17,388 -
Total Expenditures of Federal Awards			\$ 106,094	\$ 1,692,155

HOLT COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

The amount reported for project BRO-31 under CFDA 20.205 for December 31, 2013 includes \$12,185 of expenditures that were incurred during 2012 but were not reported on the Schedule of Expenditures of Federal Awards for December 31, 2012. These amounts are included to ensure that the full amount of expenditures incurred on the project is reported.

NOTE B – 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.

NOTE C – SUBRECEIPIENTS

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

HOLT COUNTY, MISSOURI
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
 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 deficiencies identified that are not considered to be material weaknesses? ___ 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 deficiencies identified that are not considered to be material weaknesses? ___ Yes X None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? ___ Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as Low-Risk: ___ Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Absence of Investment Policy

Summary of Schedule of Prior Audit Findings:

1. Inaccurate Published Financials
2. Outstanding Checks
3. Disbursement Approval

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

HOLT COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCY

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

1. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. 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 authority to invest in instruments other than depository 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 purchase 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.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: The County is willing to review other county's policies, draft and adopt a policy for Holt County that complies with Missouri statutes.

Auditor's Evaluation: The corrective action is responsive to the concern.

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

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Holt County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012 and 2011.

1. Due to typographical errors, the published financial statements of the County for both years under review do not accurately report disbursements.

Status - Resolved.

2. As of December 31, 2012, the County Treasurer listed on the bank reconciliation one outstanding check that was written in 2005. As of December 31, 2011, the County Treasurer listed on the bank reconciliation seven outstanding checks that were written prior to 2010, with three checks going as far back as 2005.

Status – Resolved.

3. We noted that the Commissioner Meeting minutes do not note when checks are approved for payment by the Commission.

Status – Resolved.