



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ozark County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ozark 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 Daniel Jones & Associates, Certified Public Accountants, is attached.

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

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-066

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

**THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ozark, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ozark ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and 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 the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to 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 opinions.

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

As described in Note I of the financial statements, the financial statements are prepared 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, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I 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 each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County 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 I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Ozark’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other 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.

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 the County of Ozark'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 County of Ozark's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 51,838.56	\$ 1,285,916.36	\$ 1,210,544.31	\$ 127,210.61
Assessment Fund	8,950.87	140,593.62	146,402.48	3,142.01
Law Enforcement Training Fund	1,128.91	1,532.00	1,695.75	965.16
Law Enforcement Restitution Fund	2,022.37	5,798.56	3,236.69	4,584.24
Prosecuting Attorney Training Fund	417.04	385.43	457.20	345.27
10% PA Delinquent Fund	847.93	450.00	40.46	1,257.47
Law Library Fund	4,587.57	2,530.00	4,786.69	2,330.88
Recorder User Fee Fund	15,885.63	7,587.56	3,691.70	19,781.49
Law Enforcement Sales Tax Fund	3.20	701,230.87	699,009.63	2,224.44
Election Services Fund	11,729.19	5,924.20	5,468.15	12,185.24
LEPC Fund	10,845.41	-	2,886.88	7,958.53
Road and Bridge West Fund	90,963.89	936,820.30	988,934.70	38,849.49
Road and Bridge East Fund	154,492.52	694,234.66	691,112.03	157,615.15
Tax Maintenance Fund	19,892.46	10,739.47	22,952.37	7,679.56
Sheriff Revolving Fund	21,631.02	8,282.10	9,676.15	20,236.97
Civil Fee Fund	5,143.80	8,890.15	12,643.00	1,390.95
CDV Fund	605.00	205.00	600.00	210.00
Bad Check Fund	3,193.09	4,084.64	578.00	6,699.73
Help America Vote Act Fund	12,600.00	1,200.00	-	13,800.00
Title III/ 9-1-1 Fund	3,336.22	13,787.43	14,162.24	2,961.41
Inmate Security Fund	596.15	3,142.24	-	3,738.39
Total	<u>\$ 420,710.83</u>	<u>\$ 3,833,334.59</u>	<u>\$ 3,818,878.43</u>	<u>\$ 435,166.99</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 132,098.27	\$ 1,090,592.76	\$ 1,170,852.47	\$ 51,838.56
Assessment Fund	15.61	136,489.51	127,554.25	8,950.87
Law Enforcement Training Fund	986.07	1,506.00	1,363.16	1,128.91
Law Enforcement Restitution Fund	-	2,022.37	-	2,022.37
Prosecuting Attorney Training Fund	152.22	379.82	115.00	417.04
10% PA Delinquent Fund	2,075.83	337.50	1,565.40	847.93
Law Library Fund	5,430.29	2,260.00	3,102.72	4,587.57
Recorder User Fee Fund	22,141.28	7,945.55	14,201.20	15,885.63
Law Enforcement Sales Tax Fund	1,025.94	709,108.75	710,131.49	3.20
Election Services Fund	9,817.47	3,070.18	1,158.46	11,729.19
LEPC Fund	8,230.88	3,867.67	1,253.14	10,845.41
Road and Bridge West Fund	72,514.58	558,777.11	540,327.80	90,963.89
Road and Bridge East Fund	2,313.20	650,908.14	498,728.82	154,492.52
Tax Maintenance Fund	18,644.93	12,396.06	11,148.53	19,892.46
Sheriff Revolving Fund	14,198.79	10,367.43	2,935.20	21,631.02
Civil Fee Fund	8,974.84	7,392.97	11,224.01	5,143.80
CDV Fund	685.00	270.00	350.00	605.00
Bad Check Fund	4,953.11	2,776.27	4,536.29	3,193.09
Help America Vote Act Fund	5,201.20	7,400.00	1.20	12,600.00
Title III/ 9-1-1 Fund	3,171.70	20,449.37	20,284.85	3,336.22
Inmate Security Fund	-	596.15	-	596.15
Total	<u>\$ 312,631.21</u>	<u>\$ 3,228,913.61</u>	<u>\$ 3,120,833.99</u>	<u>\$ 420,710.83</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 196,825.00	\$ 189,682.47	\$ 156,800.00	\$ 172,531.32
Sales Taxes	575,000.00	615,302.83	560,000.00	559,311.58
Intergovernmental	183,604.60	165,122.78	149,027.60	131,932.54
Charges for Services	172,838.19	153,531.96	161,021.89	168,061.07
Interest	550.00	503.14	650.00	539.97
Other	120,936.00	109,763.16	62,422.00	43,362.90
Transfers In	48,118.00	52,010.02	19,890.00	14,853.38
TOTAL RECEIPTS	<u>1,297,871.79</u>	<u>1,285,916.36</u>	<u>1,109,811.49</u>	<u>1,090,592.76</u>
DISBURSEMENTS				
County Commission	82,606.00	82,604.35	83,590.00	82,940.19
County Clerk	58,363.92	56,718.89	60,000.00	59,546.36
Elections	81,396.00	70,889.78	38,000.00	32,590.89
Buildings and Grounds	61,028.00	60,946.47	58,665.00	59,851.86
Employee Fringe Benefits	117,160.76	117,466.93	101,812.58	104,497.53
County Treasurer	42,199.92	41,985.56	42,147.59	40,604.45
Collector	79,869.92	76,812.43	80,086.50	73,652.56
Recorder of Deeds	20,993.25	21,205.63	18,242.00	16,463.62
Circuit Clerk	11,100.40	11,350.04	11,130.00	10,685.91
Court Administration	9,581.11	8,721.63	10,942.02	10,674.09
Public Administrator	45,628.00	45,468.38	45,928.00	48,309.93
Prosecuting Attorney	174,500.40	180,219.91	159,706.00	163,695.01
Juvenile Officer	28,136.32	21,391.96	31,321.61	21,901.65
Coroner	15,650.00	15,171.59	15,500.00	18,421.24
General County Government	100,055.00	104,964.02	58,200.00	74,155.15
Recycling	55,179.20	49,001.48	48,987.00	47,633.65
IV-D Child Support	39,949.64	30,766.82	33,011.00	30,026.33
Public Defender	5,960.00	5,965.05	5,865.00	5,551.62
Health and Welfare	1,000.00	900.00	10,000.00	3,394.86
Debt Service	5,320.00	5,320.00	5,320.00	5,320.00
Transfers Out	262,702.62	202,673.39	282,210.33	260,935.57
Emergency Fund	38,936.15	-	33,294.34	-
TOTAL DISBURSEMENTS	<u>1,337,316.61</u>	<u>1,210,544.31</u>	<u>1,233,958.97</u>	<u>1,170,852.47</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,444.82)	75,372.05	(124,147.48)	(80,259.71)
CASH BALANCES, JANUARY 1	<u>51,838.56</u>	<u>51,838.56</u>	<u>132,098.27</u>	<u>132,098.27</u>
CASH BALANCES, DECEMBER 31	<u>\$ 12,393.74</u>	<u>\$ 127,210.61</u>	<u>\$ 7,950.79</u>	<u>\$ 51,838.56</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 104,520.00	\$ 94,635.70	\$ 107,689.48	\$ 99,486.83	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	1,500.00	1,532.00	2,386.00	1,506.00
Interest	50.00	19.31	50.00	19.13	-	-	-	-
Other	2,200.00	3,054.59	2,100.00	2,572.24	-	-	-	-
Transfers In	33,770.93	42,884.02	32,210.33	34,411.31	-	-	-	-
TOTAL RECEIPTS	140,540.93	140,593.62	142,049.81	136,489.51	1,500.00	1,532.00	2,386.00	1,506.00
DISBURSEMENTS								
Salaries	109,722.80	103,922.62	95,370.29	94,133.99	-	-	-	-
Fringe Benefits	7,600.00	7,095.51	7,225.00	6,208.72	-	-	-	-
Office Expenses	29,994.00	25,554.13	34,654.52	26,387.17	-	-	-	-
Mileage & Training	2,000.00	717.13	4,800.00	824.37	-	-	-	-
Public Safety Sheriff Training	-	-	-	-	2,628.00	1,695.75	2,386.00	1,363.16
Transfers Out	-	9,113.09	-	-	-	-	-	-
TOTAL DISBURSEMENTS	149,316.80	146,402.48	142,049.81	127,554.25	2,628.00	1,695.75	2,386.00	1,363.16
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(8,775.87)	(5,808.86)	-	8,935.26	(1,128.00)	(163.75)	-	142.84
CASH BALANCES, JANUARY 1	8,950.87	8,950.87	15.61	15.61	1,128.91	1,128.91	986.07	986.07
CASH BALANCES, DECEMBER 31	\$ 175.00	\$ 3,142.01	\$ 15.61	\$ 8,950.87	\$ 0.91	\$ 965.16	\$ 986.07	\$ 1,128.91

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 400.00	\$ 385.43	\$ 350.00	\$ 379.82
Interest	-	5.06	-	0.37	-	-	-	-
Other	4,000.00	5,793.50	2,550.00	2,022.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,000.00	5,798.56	2,550.00	2,022.37	400.00	385.43	350.00	379.82
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Other	4,000.00	3,236.69	-	-	800.00	457.20	500.00	115.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,000.00	3,236.69	-	-	800.00	457.20	500.00	115.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	2,561.87	2,550.00	2,022.37	(400.00)	(71.77)	(150.00)	264.82
CASH BALANCES, JANUARY 1	2,022.37	2,022.37	-	-	417.04	417.04	152.22	152.22
CASH BALANCES, DECEMBER 31	\$ 2,022.37	\$ 4,584.24	\$ 2,550.00	\$ 2,022.37	\$ 17.04	\$ 345.27	\$ 2.22	\$ 417.04

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	10% PA DELINQUENT FUND				LAW LIBRARY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Other	\$ 300.00	\$ 450.00	\$ 1,500.00	\$ 337.50	\$ 2,000.00	\$ 2,530.00	\$ 2,000.00	\$ 2,260.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	300.00	450.00	1,500.00	337.50	2,000.00	2,530.00	2,000.00	2,260.00
DISBURSEMENTS								
Office	1,100.00	40.46	3,500.00	1,259.94	500.00	4,786.69	4,500.00	3,102.72
Equipment	-	-	-	-	5,350.00	-	-	-
Training	-	-	-	305.46	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,100.00	40.46	3,500.00	1,565.40	5,850.00	4,786.69	4,500.00	3,102.72
RECEIPTS OVER (UNDER) DISBURSEMENTS	(800.00)	409.54	(2,000.00)	(1,227.90)	(3,850.00)	(2,256.69)	(2,500.00)	(842.72)
CASH BALANCES, JANUARY 1	847.93	847.93	2,075.83	2,075.83	4,587.57	4,587.57	5,430.29	5,430.29
CASH BALANCES, DECEMBER 31	<u>\$ 47.93</u>	<u>\$ 1,257.47</u>	<u>\$ 75.83</u>	<u>\$ 847.93</u>	<u>\$ 737.57</u>	<u>\$ 2,330.88</u>	<u>\$ 2,930.29</u>	<u>\$ 4,587.57</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	RECORDER USER FEE FUND				LAW ENFORCEMENT SALES TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 267,500.00	\$ 285,097.00	\$ 265,000.00	\$ 260,465.57
Intergovernmental	-	-	-	-	147,998.91	180,314.07	127,692.89	144,224.78
Charges for Services	-	-	-	-	6,000.00	5,216.53	5,500.00	6,196.57
Interest	15.00	20.06	6.00	26.80	30.00	44.79	72.00	30.41
Other	7,500.00	7,567.50	7,500.00	7,918.75	60,348.84	58,126.11	79,600.00	69,587.36
Transfers In	-	-	-	-	245,028.69	172,432.37	250,000.00	228,604.06
TOTAL RECEIPTS	<u>7,515.00</u>	<u>7,587.56</u>	<u>7,506.00</u>	<u>7,945.55</u>	<u>726,906.44</u>	<u>701,230.87</u>	<u>727,864.89</u>	<u>709,108.75</u>
DISBURSEMENTS								
Office Expenses	7,900.00	3,691.70	5,710.00	4,311.20	-	-	-	-
Employee Fringe Benefits	-	-	-	-	76,529.33	68,937.53	74,425.00	65,050.93
JAIL Salaries & Bldg. Expenses	-	-	-	-	160,694.30	170,928.65	155,079.80	160,304.75
JAIL - Prisoner- Related Expenses	-	-	-	-	38,000.00	29,210.46	47,750.00	31,304.18
Sheriff- Department Salaries	-	-	-	-	325,180.64	323,304.72	326,972.40	328,252.88
Sheriff- Employee Related exp.	-	-	-	-	2,100.00	1,197.27	1,900.00	4,563.55
Sheriff- Office Expenses	-	-	-	-	46,402.16	32,867.07	44,300.39	59,807.47
Patrol Car Expenses	-	-	-	-	73,200.00	68,073.85	72,300.00	55,642.32
Deputy Expenses	-	-	-	-	4,800.00	4,490.08	4,620.00	5,205.41
Transfers Out	-	-	9,890.00	9,890.00	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,900.00</u>	<u>3,691.70</u>	<u>15,600.00</u>	<u>14,201.20</u>	<u>726,906.43</u>	<u>699,009.63</u>	<u>727,347.59</u>	<u>710,131.49</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(385.00)	3,895.86	(8,094.00)	(6,255.65)	0.01	2,221.24	517.30	(1,022.74)
CASH BALANCES, JANUARY 1	<u>15,885.63</u>	<u>15,885.63</u>	<u>22,141.28</u>	<u>22,141.28</u>	<u>3.20</u>	<u>3.20</u>	<u>1,025.94</u>	<u>1,025.94</u>
CASH BALANCES, DECEMBER 31	<u>\$ 15,500.63</u>	<u>\$ 19,781.49</u>	<u>\$ 14,047.28</u>	<u>\$ 15,885.63</u>	<u>\$ 3.21</u>	<u>\$ 2,224.44</u>	<u>\$ 1,543.24</u>	<u>\$ 3.20</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ELECTION SERVICES FUND				LEPC FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ 3,867.67
Interest	20.00	17.54	3.00	16.85	-	-	-	-
Other	4,000.00	5,906.66	1,500.00	3,053.33	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>4,020.00</u>	<u>5,924.20</u>	<u>1,503.00</u>	<u>3,070.18</u>	<u>3,000.00</u>	<u>-</u>	<u>-</u>	<u>3,867.67</u>
DISBURSEMENTS								
Office Expense	8,500.00	468.15	8,250.00	1,158.46	9,750.00	2,886.88	8,200.00	1,253.14
Transfers Out	-	5,000.00	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,500.00</u>	<u>5,468.15</u>	<u>8,250.00</u>	<u>1,158.46</u>	<u>9,750.00</u>	<u>2,886.88</u>	<u>8,200.00</u>	<u>1,253.14</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,480.00)	456.05	(6,747.00)	1,911.72	(6,750.00)	(2,886.88)	(8,200.00)	2,614.53
CASH BALANCES, JANUARY 1	<u>11,729.19</u>	<u>11,729.19</u>	<u>9,817.47</u>	<u>9,817.47</u>	<u>10,845.41</u>	<u>10,845.41</u>	<u>8,230.88</u>	<u>8,230.88</u>
CASH BALANCES, DECEMBER 31	<u>\$ 7,249.19</u>	<u>\$ 12,185.24</u>	<u>\$ 3,070.47</u>	<u>\$ 11,729.19</u>	<u>\$ 4,095.41</u>	<u>\$ 7,958.53</u>	<u>\$ 30.88</u>	<u>\$ 10,845.41</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ROAD AND BRIDGE WEST FUND				ROAD AND BRIDGE EAST FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 128,400.00	\$ 123,529.03	\$ 131,000.00	\$ 127,855.24	\$ 128,400.00	\$ 123,529.07	\$ 131,000.00	\$ 127,855.30
Sales Taxes	161,000.00	162,669.36	-	12,610.12	149,000.00	162,669.43	-	12,610.14
Intergovernmental	48,057.00	45,978.08	53,140.00	47,354.94	54,500.00	57,097.36	162,000.00	170,169.35
Charges for Services	614.00	4,566.28	1,000.00	2,878.43	1,000.00	8,764.00	-	1,895.61
Interest	250.00	288.52	300.00	213.46	300.00	288.58	300.00	213.53
Other	649,963.00	599,789.03	610,300.00	367,864.92	335,600.00	341,886.22	318,100.00	338,164.21
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	988,284.00	936,820.30	795,740.00	558,777.11	668,800.00	694,234.66	611,400.00	650,908.14
DISBURSEMENTS								
Road & Bridge Payroll Expenses	277,817.00	270,461.94	254,722.22	239,743.13	276,610.50	248,558.05	253,056.56	224,315.55
Building Maintenance & Upkeep	17,590.00	17,132.82	8,800.00	7,981.69	15,959.37	16,425.00	8,800.00	7,898.56
Supplies	90,000.00	83,216.91	89,500.00	76,229.51	102,000.00	95,334.38	99,500.00	97,311.45
Road & Bridge Construction	72,000.00	63,858.70	17,000.00	13,944.53	92,000.00	69,229.26	43,500.00	17,224.55
Road & Bridge Materials	122,280.00	122,018.88	55,000.00	37,519.76	117,000.00	95,602.33	62,000.00	37,534.94
Equipment Repairs	70,100.00	63,085.98	92,500.00	86,541.85	77,500.00	82,722.76	78,000.00	73,208.40
Equipment Purchases	98,502.09	97,334.30	28,896.03	32,431.84	9,800.00	60,017.83	28,850.00	30,877.20
Expenses	300,000.00	247,297.54	300,000.00	35,201.11	64,550.00	-	-	4,423.05
Other	28,004.00	6,527.63	8,350.00	10,734.38	19,164.00	5,222.42	8,000.00	5,935.12
Transfers Out	-	18,000.00	-	-	-	18,000.00	-	-
TOTAL DISBURSEMENTS	1,076,293.09	988,934.70	854,768.25	540,327.80	774,583.87	691,112.03	581,706.56	498,728.82
RECEIPTS OVER (UNDER) DISBURSEMENTS	(88,009.09)	(52,114.40)	(59,028.25)	18,449.31	(105,783.87)	3,122.63	29,693.44	152,179.32
CASH BALANCES, JANUARY 1	90,963.89	90,963.89	72,514.58	72,514.58	154,492.52	154,492.52	2,313.20	2,313.20
CASH BALANCES, DECEMBER 31	\$ 2,954.80	\$ 38,849.49	\$ 13,486.33	\$ 90,963.89	\$ 48,708.65	\$ 157,615.15	\$ 32,006.64	\$ 154,492.52

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TAX MAINTENANCE FUND				SHERIFF REVOLVING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 25.00	\$ 20.73	\$ 6.00	\$ 26.40	\$ 20.00	\$ 24.10	\$ -	\$ 21.43
Other	12,300.00	10,718.74	10,500.00	12,369.66	7,000.00	8,258.00	6,000.00	10,346.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>12,325.00</u>	<u>10,739.47</u>	<u>10,506.00</u>	<u>12,396.06</u>	<u>7,020.00</u>	<u>8,282.10</u>	<u>6,000.00</u>	<u>10,367.43</u>
DISBURSEMENTS								
Office Expenses	8,050.00	20,827.55	14,400.00	6,185.15	-	956.65	18,000.00	954.54
Equipment	16,000.00	69.49	100.00	-	28,637.02	8,719.50	-	1,680.66
Training	700.00	158.40	500.00	-	-	-	-	300.00
Transfers Out	-	1,896.93	-	4,963.38	-	-	-	-
TOTAL DISBURSEMENTS	<u>24,750.00</u>	<u>22,952.37</u>	<u>15,000.00</u>	<u>11,148.53</u>	<u>28,637.02</u>	<u>9,676.15</u>	<u>18,000.00</u>	<u>2,935.20</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,425.00)	(12,212.90)	(4,494.00)	1,247.53	(21,617.02)	(1,394.05)	(12,000.00)	7,432.23
CASH BALANCES, JANUARY 1	<u>19,892.46</u>	<u>19,892.46</u>	<u>18,644.93</u>	<u>18,644.93</u>	<u>21,631.02</u>	<u>21,631.02</u>	<u>14,198.79</u>	<u>14,198.79</u>
CASH BALANCES, DECEMBER 31	<u>\$ 7,467.46</u>	<u>\$ 7,679.56</u>	<u>\$ 14,150.93</u>	<u>\$ 19,892.46</u>	<u>\$ 14.00</u>	<u>\$ 20,236.97</u>	<u>\$ 2,198.79</u>	<u>\$ 21,631.02</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	CIVIL FEE FUND				CDV FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Other	\$ 7,500.00	\$ 8,890.15	\$ 9,000.00	\$ 7,392.97	\$ 200.00	\$ 205.00	\$ 350.00	\$ 270.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>7,500.00</u>	<u>8,890.15</u>	<u>9,000.00</u>	<u>7,392.97</u>	<u>200.00</u>	<u>205.00</u>	<u>350.00</u>	<u>270.00</u>
DISBURSEMENTS								
Patrol Car Expense	-	-	10,000.00	10,680.33	-	-	-	-
Equipment	546.00	-	7,000.00	543.68	-	-	-	-
Expenses	-	-	-	-	600.00	600.00	350.00	350.00
Transfer Out	12,097.00	12,643.00	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>12,643.00</u>	<u>12,643.00</u>	<u>17,000.00</u>	<u>11,224.01</u>	<u>600.00</u>	<u>600.00</u>	<u>350.00</u>	<u>350.00</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,143.00)	(3,752.85)	(8,000.00)	(3,831.04)	(400.00)	(395.00)	-	(80.00)
CASH BALANCES, JANUARY 1	<u>5,143.80</u>	<u>5,143.80</u>	<u>8,974.84</u>	<u>8,974.84</u>	<u>605.00</u>	<u>605.00</u>	<u>685.00</u>	<u>685.00</u>
CASH BALANCES, DECEMBER 31	<u>\$ 0.80</u>	<u>\$ 1,390.95</u>	<u>\$ 974.84</u>	<u>\$ 5,143.80</u>	<u>\$ 205.00</u>	<u>\$ 210.00</u>	<u>\$ 685.00</u>	<u>\$ 605.00</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	BAD CHECK FUND				HELP AMERICA VOTE ACT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ 4,079.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	-	3,500.00	2,770.79	3,500.00	1,200.00	5,000.00	7,400.00
Interest	-	5.64	2.00	5.48	-	-	2.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>3,000.00</u>	<u>4,084.64</u>	<u>3,502.00</u>	<u>2,776.27</u>	<u>3,500.00</u>	<u>1,200.00</u>	<u>5,002.00</u>	<u>7,400.00</u>
DISBURSEMENTS								
Office Expenses	6,100.00	578.00	-	460.00	-	-	-	-
Equipment	-	-	8,400.00	4,076.29	16,000.00	-	10,000.00	1.20
Transfers Out	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>6,100.00</u>	<u>578.00</u>	<u>8,400.00</u>	<u>4,536.29</u>	<u>16,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>1.20</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,100.00)	3,506.64	(4,898.00)	(1,760.02)	(12,500.00)	1,200.00	(4,998.00)	7,398.80
CASH BALANCES, JANUARY 1	<u>3,193.09</u>	<u>3,193.09</u>	<u>4,953.11</u>	<u>4,953.11</u>	<u>12,600.00</u>	<u>12,600.00</u>	<u>5,201.20</u>	<u>5,201.20</u>
CASH BALANCES, DECEMBER 31	<u>\$ 93.09</u>	<u>\$ 6,699.73</u>	<u>\$ 55.11</u>	<u>\$ 3,193.09</u>	<u>\$ 100.00</u>	<u>\$ 13,800.00</u>	<u>\$ 203.20</u>	<u>\$ 12,600.00</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TITLE III/9-1-1 FUND				INMATE SECURITY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 11,400.00	\$ 11,632.43	\$ 20,199.37	\$ 20,449.37	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	2,155.00	-	-	-	-	-	-
Interest	-	-	-	-	0.20	2.24	-	0.15
Other	-	-	-	-	800.00	3,140.00	600.00	596.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>11,400.00</u>	<u>13,787.43</u>	<u>20,199.37</u>	<u>20,449.37</u>	<u>800.20</u>	<u>3,142.24</u>	<u>600.00</u>	<u>596.15</u>
DISBURSEMENTS								
Salaries	-	-	14,000.00	13,041.90	-	-	-	-
Expenses	14,200.00	14,162.24	7,900.00	2,793.88	-	-	-	-
Other Expenses	-	-	1,300.00	2,369.27	-	-	-	-
Transfers Out	-	-	-	2,079.80	-	-	-	-
TOTAL DISBURSEMENTS	<u>14,200.00</u>	<u>14,162.24</u>	<u>23,200.00</u>	<u>20,284.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,800.00)	(374.81)	(3,000.63)	164.52	800.20	3,142.24	600.00	596.15
CASH BALANCES, JANUARY 1	<u>3,336.22</u>	<u>3,336.22</u>	<u>3,171.70</u>	<u>3,171.70</u>	<u>596.15</u>	<u>596.15</u>	<u>-</u>	<u>-</u>
CASH BALANCES, DECEMBER 31	<u>\$ 536.22</u>	<u>\$ 2,961.41</u>	<u>\$ 171.07</u>	<u>\$ 3,336.22</u>	<u>\$ 1,396.35</u>	<u>\$ 3,738.39</u>	<u>\$ 600.00</u>	<u>\$ 596.15</u>

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	Oversurplus	Fines & Forfeitures	FIT	Unclaimed Fees	CERF	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 29,571.74	\$ 26,751.86	\$ -	\$ 886.31	\$ 6,249.70	\$ 290.00
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>29,571.74</u>	<u>26,751.86</u>	<u>-</u>	<u>886.31</u>	<u>6,249.70</u>	<u>290.00</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>29,571.74</u>	<u>26,751.86</u>	<u>-</u>	<u>886.31</u>	<u>6,249.70</u>	<u>290.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,571.74</u>	<u>\$ 26,751.86</u>	<u>\$ -</u>	<u>\$ 886.31</u>	<u>\$ 6,249.70</u>	<u>\$ 290.00</u>
	Collector	Sheriff	Total Agency Funds			
ASSETS						
Cash and Cash Equivalents	\$ 2,937,557.46	\$ 2,858.35	\$ 3,004,165.42			
Investments	-	-	-			
TOTAL ASSETS	<u>2,937,557.46</u>	<u>2,858.35</u>	<u>3,004,165.42</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>2,937,557.46</u>	<u>2,858.35</u>	<u>3,004,165.42</u>			
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,937,557.46</u>	<u>\$ 2,858.35</u>	<u>\$ 3,004,165.42</u>			

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

THE COUNTY OF OZARK
 GAINESVILLE, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2013

	Oversurplus	Fines & Forfeitures	FIT	Unclaimed Fees	CERF	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 34,397.60	\$ 27,556.38	\$ 2,394.24	\$ 886.31	\$ 5,445.86	\$ 255.00
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>34,397.60</u>	<u>27,556.38</u>	<u>2,394.24</u>	<u>886.31</u>	<u>5,445.86</u>	<u>255.00</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>34,397.60</u>	<u>27,556.38</u>	<u>2,394.24</u>	<u>886.31</u>	<u>5,445.86</u>	<u>255.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,397.60</u>	<u>\$ 27,556.38</u>	<u>\$ 2,394.24</u>	<u>\$ 886.31</u>	<u>\$ 5,445.86</u>	<u>\$ 255.00</u>
	Collector	Sheriff	Total Agency Funds			
ASSETS						
Cash and Cash Equivalents	\$ 2,781,303.58	\$ 2,403.83	\$ 2,854,642.80			
Investments	-	-	-			
TOTAL ASSETS	<u>2,781,303.58</u>	<u>2,403.83</u>	<u>2,854,642.80</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>2,781,303.58</u>	<u>2,403.83</u>	<u>2,854,642.80</u>			
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,781,303.58</u>	<u>\$ 2,403.83</u>	<u>\$ 2,854,642.80</u>			

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ozark, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: Assessor, Circuit Clerk, Collector of Revenue, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff and Treasurer.

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

A. Reporting Entity

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

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

The financial statements referred to above include only Ozark County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency 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. The following fund types are used by the County:

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

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

Fiduciary Fund Types

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and 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.

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

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

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

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

	2014	2013
Real Estate	\$ 76,552,260	\$ 75,672,030
Personal Property	23,008,332	22,771,746
Railroad and Utilities	5,526,969	5,631,028
	\$ 105,087,561	\$ 104,074,804

During 2014 and 2013, the County Commission approved a \$0.4187 and \$0.4173, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2014	2013
General Revenue Fund	\$ 0.1800	\$ 0.1788
Road and Bridge West and East Funds	0.2387	0.2385
	\$ 0.4187	\$ 0.4173

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

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 amount of the County's deposits were \$435,166.99 and \$420,710.83, and the bank balances were \$3,054,711.44 and \$2,930,305.20, respectively. The total bank balances as of December 31, 2014, and 2013 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 435,166.99
Total Governmental Funds	435,166.99
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	3,004,165.42
Total Agency Funds	3,004,165.42
Total Deposits as of December 31, 2014	\$ 3,439,332.41

The carrying values of deposits shown above are included in the financial statements at December 31, 2013, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 420,710.83
Total Governmental Funds	420,710.83
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	2,854,642.80
Total Agency Funds	2,854,642.80
Total Deposits as of December 31, 2013	\$ 3,275,353.63

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County’s investments were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LONG-TERM DEBT

DNR Energy Loan

On December 16, 2004, the County entered into a loan agreement with the DNR under the Energy Efficiency Leveraged Loan Program in the amount not to exceed \$63,630 to be used to implement energy conservation measures. The loan is at 3.75% interest with a 1% origination fee.

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/14</u>
DNR Energy Loan	\$37,692.79	-	3,943.14	33,749.65	-	4,092.39	\$29,657.26

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

The future payments for the DNR Energy loan as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,247.31	\$ 1,072.69	\$ 5,320.00
2016	4,408.07	911.93	5,320.00
2017	4,574.92	745.08	5,320.00
2018	4,748.08	571.92	5,320.00
2019	4,927.81	392.19	5,320.00
2020-2021	<u>6,751.07</u>	<u>236.35</u>	<u>6,987.42</u>
	<u>\$ 29,657.26</u>	<u>\$ 3,930.16</u>	<u>\$ 33,587.42</u>

The future payments for the DNR Energy loan as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,092.39	\$ 1,227.61	\$ 5,320.00
2015	4,247.31	1,072.69	5,320.00
2016	4,408.07	911.93	5,320.00
2017	4,574.92	745.08	5,320.00
2018	4,748.08	571.92	5,320.00
2019-2021	<u>11,678.88</u>	<u>628.54</u>	<u>12,307.42</u>
	<u>\$ 33,749.65</u>	<u>\$ 5,157.77</u>	<u>\$ 38,907.42</u>

CAPITAL LEASES

On July 31, 2013, the County entered into a lease purchase agreement to finance the purchase of a 2013 Dodge Ram 1500 ST Truck. The agreement requires annual lease payments of \$6,982.33, including interest at 6.065%.

On May 27, 2014, the County entered into a lease purchase agreement to finance the purchase of a 2014 Ford F-150 4X4. The agreement requires annual lease payments of \$7,272.15, including interest at 6.450%.

On November 18, 2014, the County entered into a lease purchase agreement to finance the purchase of three 2013 John Deere 770G Road Graders. The agreement requires annual lease payments of \$105,570.72, including interest at 2.670%.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (concluded)

CAPITAL LEASES (concluded)

As of December 31, 2014, the payments for the capital leases of the County are as follows:

	Balance at December 31, 2013	Amount Borrowed	Amount Repaid	Balance at December 31, 2014	Interest Paid During Year
2013 Dodge Ram	\$ 18,582.67	\$ -	\$ 5,823.52	\$ 12,759.15	\$ 1,158.81
2014 Ford F-150	-	26,550.00	7,272.15	19,277.85	-
2013 John Deere 770G Road Graders	-	395,220.61	-	395,220.61	-
Totals	\$ 18,582.67	\$ 421,770.61	\$ 13,095.67	\$ 427,257.61	\$ 1,158.81

The future payments for the capital lease as of December 31, 2014, are as follows:

December 31,	Principal	Interest	Total
2015	\$ 107,103.65	\$ 13,084.70	\$ 120,188.35
2016	110,443.06	9,767.95	120,211.01
2017	106,918.58	5,924.29	112,842.87
2018	102,792.32	2,778.40	105,570.72
	<u>\$ 427,257.61</u>	<u>\$ 31,555.34</u>	<u>\$ 458,812.95</u>

As of December 31, 2013, the payment for the capital lease of the County is as follows:

	Balance at December 31, 2012	Amount Borrowed	Amount Repaid	Balance at December 31, 2013	Interest Paid During Year
2013 Dodge Ram	\$ -	\$ 25,565.00	\$ 6,982.33	\$ 18,582.67	\$ -
Totals	\$ -	\$ 25,565.00	\$ 6,982.33	\$ 18,582.67	\$ -

The future payments for the capital lease as of December 31, 2013, are as follows:

December 31,	Principal	Interest	Total
2014	\$ 5,823.52	\$ 1,158.81	\$ 6,982.33
2015	6,186.67	795.66	6,982.33
2016	6,572.48	409.85	6,982.33
	<u>\$ 18,582.67</u>	<u>\$ 2,364.32</u>	<u>\$ 20,946.99</u>

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. INTERFUND TRANSFERS

The following transfers were made during the years ended December 31, 2014, and 2013.

Fund	2014		2013	
	Transfers	Transfers	Transfers	Transfers
	In	Out	In	Out
General Revenue Fund	\$ 52,010.02	\$ 202,673.39	\$ 14,853.38	\$ 260,935.57
Assessment Fund	42,884.02	9,113.09	34,411.31	-
Recorder User Fee Fund	-	-	-	9,890.00
Law Enforcement Sales Tax Fund	172,432.37	-	228,604.06	-
Election Services Fund	-	5,000.00	-	-
Road and Bridge West Fund	-	18,000.00	-	-
Road and Bridge East Fund	-	18,000.00	-	-
Tax Maintenance Fund	-	1,896.93	-	4,963.38
Civil Fee Fund	-	12,643.00	-	-
Title III/9-1-1 Fund	-	-	-	2,079.80
	<u>\$ 267,326.41</u>	<u>\$ 267,326.41</u>	<u>\$ 277,868.75</u>	<u>\$ 277,868.75</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county, which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

A. Plan Description (concluded)

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. 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.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2014, and 2013 were \$67,425 and \$62,437, respectively.

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2014, paying a premium of \$9,997. The County had one COBRA participant at December 31, 2013, paying a premium of \$2,133.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 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 has contributed \$8,398 and \$7,752, respectively, for the years ended December 31, 2014, and 2013.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides regular full-time employees with vacation time after they have completed their introductory period. Vacation time accrues at the rate of four hours per completed month of employment annually, for the first three years. After three years, vacation time will accrue at eight hours per completed month of employment annually with a maximum of 40 hours vacation time that can be carried forward to the following year. Regular full-time employees shall earn four hours of sick leave for each complete calendar month of employment and be allowed to accumulate up to 240 hours. Upon termination of employment, accumulated sick leave is not reimbursable.

C. Federal and State Assisted Programs

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

IX. RISK MANAGEMENT

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

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

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2014 and 2013.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To the County Commission
The County of Ozark, 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 the County of Ozark ("County") 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, 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 the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 2014-001, FS 2014-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were 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 result 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.

Daniel Jones & Associates

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

June 19, 2015



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To The County Commission
The County of Ozark, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Ozark's ("County") 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 the County's major federal programs for the years ended December 31, 2014, and 2013. The County'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 the County'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 the County'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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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.

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 SA 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County'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 the County 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 the County'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 the County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2014-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Daniel Jones & Associates

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

June 19, 2015

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

FEDERAL GRANT/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NAME	GRANT OR IDENTIFYING NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2014	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013
U.S. DEPARTMENT OF AGRICULTURE					
PASSED THROUGH THE STATE					
SCHOOLS AND ROADS - GRANTS TO STATES (PILT)	10.665	MISSOURI OFFICE OF ADMINISTRATION		\$ 1,293.23	\$ 1,293.23
SCHOOLS AND ROADS - GRANTS TO STATES (NATIONAL FOREST)	10.665	MISSOURI OFFICE OF ADMINISTRATION		139,658.57	187,032.65
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>140,951.80</u>	<u>188,325.88</u>
U.S. DEPARTMENT OF DEFENSE					
PASSED THROUGH STATE:					
PAYMENTS TO STATES IN LIEU OF REAL ESTATE TAXES	12.112	MISSOURI OFFICE OF ADMINISTRATION		47,900.63	36,000.72
TOTAL U.S. DEPARTMENT OF DEFENSE				<u>47,900.63</u>	<u>36,000.72</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASSED THROUGH STATE:					
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.228	MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT	2013-PF-01	212,410.39	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>212,410.39</u>	<u>-</u>
U.S. DEPARTMENT OF THE INTERIOR					
DIRECT PROGRAM:					
PAYMENT IN LIEU OF TAXES - PILT	15.226			93,361.00	75,891.00
TOTAL U.S. DEPARTMENT OF THE INTERIOR				<u>93,361.00</u>	<u>75,891.00</u>
U.S. DEPARTMENT OF JUSTICE					
PASSED THROUGH STATE:					
2012 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2012-LLEBG-065	-	4,297.40
2014 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-072	4,025.10	-
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>4,025.10</u>	<u>4,297.40</u>
U.S. DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH STATE:					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION	BRO-B077(009)	245,621.36	35,162.11
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>245,621.36</u>	<u>35,162.11</u>
ELECTION ASSISTANCE COMMISSION:					
PASSED THROUGH STATE:					
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401	MISSOURI OFFICE OF SECRETARY OF STATE		1,139.76	1,011.14
TOTAL ELECTION ASSISTANCE COMMISSION				<u>1,139.76</u>	<u>1,011.14</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASSED THROUGH STATE:					
TITLE IV-D ADMINISTRATION (CHILD SUPPORT ENFORCEMENT)	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		40,981.10	39,990.05
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>40,981.10</u>	<u>39,990.05</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
PASSED THROUGH STATE:					
DISASTER GRANTS - PUBLIC ASSISTANCE GRANTS (PRESIDENTIALLY DECLARED DISASTERS)	97.036	MISSOURI DEPARTMENT OF PUBLIC SAFETY	FEMA 4144-DR-MO	70,930.01	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>70,930.01</u>	<u>-</u>
	Total			<u>\$ 857,321.15</u>	<u>\$ 380,678.30</u>

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

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 major 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 Ozark 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 services rendered to individuals.

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

Accordingly, the schedule includes expenditures of both cash and, if applicable, noncash awards.

C. Basis of Accounting

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

NOTE 2 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County had the following sub-recipients:

Sub-Recipients	CFDA Number	2014	2013
Dora R-3 School District	10.665	\$ 346.21	\$ 346.21
Gainesville R-5 School District	10.665	733.98	733.98
Thornfield R-1 School District	12.112	2,653.15	1,994.03
Bakersfield R-4 School District	12.112	2,439.79	1,833.67
Gainesville R-5 School District	12.112	11,679.82	8,778.21
Lutie R-6 School District	12.112	19,152.71	14,394.63
Thornfield R-1 School District	10.665	41,174.91	51,639.07
Dora R-3 School District	10.665	27,467.58	34,448.16
Bakersfield R-4 School District	10.665	7,697.63	9,653.90
Gainesville R-5 School District	10.665	11,667.52	14,632.68
Lutie R-6 School District	10.665	1,013.60	1,271.20
Ava R-1 School District	10.665	4,325.30	5,424.53
Bradleyville R-1 School District	10.665	3,901.72	4,893.30
Howell Co R-11 School District	10.665	2,521.35	3,162.12
Total		\$ 136,775.27	\$ 153,205.69

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified?

	2014	___ Yes	___ No	
	2013	___ Yes	___ No	
 - b. Significant deficiency(ies) identified?

	2014	___ Yes	___ None Reported	
	2013	___ Yes	___ None Reported	
3. Noncompliance material to financial statements noted?

	2014	___ Yes	___ No	
	2013	___ Yes	___ No	

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified?

	2014	___ Yes	___ No	
	2013	___ Yes	___ No	
 - b. Significant deficiency(ies) identified?

	2014	___ Yes	___ None Reported	
	2013	___ Yes	___ None Reported	
2. Type of auditor's report issued on compliance for major federal programs:

	2014 - Unmodified
	2013 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

	2014	___ Yes	___ No	
	2013	___ Yes	___ No	

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

Views of responsible officials and planned corrective actions: The County Commission is in the process of adopting periodic reviews of our policies and procedures. We will be doing ongoing evaluations to ensure control documentation meets the needs of the County Government. Our bill paying practices and payroll review approval process will be evaluated with an eye towards fraud prevention and an upgraded system of accountability. The Presiding Commission is John Turner (417)679-4096.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

The following findings, recommendations, and questioned costs are the results of the single audit of Ozark County, Missouri, for the years ended December 31, 2014, and 2013. Each finding is referenced with a four-digit number representing the years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

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

1. Significant Deficiency: A significant deficiency 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.
2. Material Weakness: 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.

B. Category of Noncompliance Findings

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

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

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (concluded)

C. Federal Award Findings and Questioned Costs

SA 2014-001 Schedule of Expenditures of Federal Awards

Federal Grantor: All except U.S. Department of Transportation and U.S. Department of Housing and Urban Development

Pass-Through Grantor: All except Highway and Transportation Commission and Department of Economic Development

Federal CFDA Number: All except 20.205 and 14.228

Program Title: All except Highway Planning and Construction and Community Development Block Grants

Award Year: 2014 and 2013

Type of Finding: Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office will work diligently to correct, and improve the SEFA pages and would be very interested to see how Daniel Jones & Associates corrected the SEFA pages for 2013 and 2014. The County Clerk is Brian Wise and his office phone number is (417)679-3516.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no prior audit completed for the year ended December 31, 2012.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There was no prior audit completed for the year ended December 31, 2012.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Ozark

In planning and performing our audit of the regulatory based financial statements of the County of Ozark (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

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

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

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

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

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

Views of responsible officials and planned corrective actions: Each office holder will be contacted by a letter signed by the County Commissioners stating the following: In light of recent audit recommendations the County Commission requests each office holder to implement internal control documentation as outlined in the COSO framework. We also asked each office holder to prepare risk assessment process to prevent instances of fraud or mismanagement. By following these guidelines we can better serve the people of Ozark County. The Presiding Commissioner is John Turner (417)679-4096.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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

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

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 2014-002 Views of responsible officials and planned corrective actions: The County Commission is in the process of adopting periodic reviews of our policies and procedures. We will be doing ongoing evaluations to ensure control documentation meets the needs of the County Government. Our bill paying practices and payroll review approval process will be evaluated with an eye towards fraud prevention and an upgraded system of accountability. The Presiding Commission is John Turner (417)679-4096.

SA 2014-001 Schedule of Expenditures of Federal Awards

Federal Grantor: All except U.S. Department of Transportation and U.S. Department of Housing and Urban Development

Pass-Through Grantor: All except Highway and Transportation Commission and Department of Economic Development

Federal CFDA Number: All except 20.205 and 14.228

Program Title: All except Highway Planning and Construction and Community Development Block Grants

Award Year: 2014 and 2013

Type of Finding: Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office will work diligently to correct, and improve the SEFA pages and would be very interested to see how Daniel Jones & Associates corrected the SEFA pages for 2013 and 2014. The County Clerk is Brian Wise and his office phone number is (417)679-3516.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 4, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants (Concluded)

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.