



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Harrison County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-085

ANNUAL FINANCIAL REPORT

HARRISON COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

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INTRODUCTORY SECTION

HARRISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Jack Hodge

Commissioner 1st District – Rick Smith

Commissioner 2nd District– Jim Holcomb

Other Elected Officials

Assessor – Lila Craig

Circuit Clerk/Recorder – Sherece Eivins

Collector/Treasurer – Cheryl Coleman

Coroner – Jeremy Eivins

County Clerk – Jackie Deskins

Prosecuting Attorney – Cristine Stallings

Public Administrator – Kim King

Sheriff – Josh Eckerson

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Harrison County, Missouri

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of December 31, 2014 and 2013, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Harrison County, Missouri's basic financial statements. The Management's Discussion and Analysis and the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 31, 2015 on our consideration of Harrison County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harrison County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2015

FINANCIAL SECTION

HARRISON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013

The discussion and analysis of Harrison County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2014 and 2013. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. These basic financial statements are made up of three components: 1) the government-wide financial statements, 2) the governmental fund financial statements, and 3) the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole. The two statements included in this grouping are:

- Statement of Net Position – presents information related to the County's cash balances (assets), with the balances being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

- Statement of Activities – presents information demonstrating how the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as cash is received or disbursed, in accordance with the cash basis of accounting.

The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-like activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. Harrison County, like other

state and local governments, uses fund accounting to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. Certain funds are required by state law or established by bond covenants. Other funds are established by the County Commission to control and manage resources for particular purposes or to show that certain revenue sources (i.e., taxes, grants) are used appropriately. Harrison County funds can be divided into the following two categories:

- Governmental – Most of the County’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the County’s programs.
- Fiduciary – These funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own programs.

The County maintains 5 major governmental funds and 22 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the General Revenue fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10 percent of all governmental funds total assets, receipts, or disbursements. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds. The Senior Citizens Tax Board, which is a component unit of the County, is presented as a major fund. Data for the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis for all of the County’s governmental funds.

Financial Analysis of the County as a Whole

The following information was derived from the Statement of Net Position for 2013 and 2014 and restated 2012 information audited by a predecessor auditor (see Note 10 to the financial statements):

Net Position			
Governmental Activities			
	2012	2013	2014
ASSETS			
Cash	\$ 2,048,052	\$ 2,097,164	\$ 2,528,464
Total Assets	<u>\$ 2,048,052</u>	<u>\$ 2,097,164</u>	<u>\$ 2,528,464</u>
NET POSITION			
Restricted	\$ 1,074,197	\$ 1,116,442	\$ 1,549,532
Unrestricted	<u>973,855</u>	<u>980,722</u>	<u>978,932</u>
Total Net Position	<u>\$ 2,048,052</u>	<u>\$ 2,097,164</u>	<u>\$ 2,528,464</u>

The primary government's assets (cash balances) increased by \$480,412 (23.5%) over the three year period. The restricted net position of the County represents balances of special revenue funds which are restricted for use for a specific purpose and represents 61.3%, 53.2%, and 52.5% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's restricted net position increased by \$475,335 (44.3%) over the three year period. The unrestricted portion of the County's net position represents the balances of the General Revenue fund and represents 38.7%, 46.8%, and 47.5% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's unrestricted net position increased by \$5,077 (0.5%) over the three year period.

The following information was derived from the Statement of Activities for 2013 and 2014 and restated 2012 information audited by a predecessor auditor (see Note 10 to the financial statements):

Changes in Net Position			
	Governmental Activities		
	2012	2013	2014
RECEIPTS			
Program Receipts:			
Charges for Services	\$ 469,378	\$ 477,537	\$ 474,189
Operating Grants	880,105	887,768	921,582
Capital Grants	-	15,050	367,678
General Receipts:			
Property Taxes	352,309	341,451	346,001
Sales Taxes	1,412,854	1,435,426	1,575,495
Emergency Telephone Tax	83,771	96,227	108,351
Interest	30,606	14,946	4,078
Other	529,291	303,442	661,753
Transfers	-	-	-
Total Receipts	<u>\$ 3,758,314</u>	<u>\$ 3,571,847</u>	<u>\$ 4,459,127</u>
DISBURSEMENTS			
Program Disbursements:			
General county government	\$ 1,583,400	\$ 874,988	\$ 1,003,578
Public safety	1,140,683	1,099,235	1,123,806
Judicial	11,519	155,393	132,427
Roads and bridges	1,295,880	1,360,621	1,722,306
Health and welfare	59,933	32,498	45,710
Total Disbursements	<u>\$ 4,091,415</u>	<u>\$ 3,522,735</u>	<u>\$ 4,027,827</u>
Increase/(Decrease) in Net Position	<u>\$ (333,101)</u>	<u>\$ 49,112</u>	<u>\$ 431,300</u>

Receipts for the primary government exceeded disbursements in 2013 and 2014, while disbursements exceeded receipts in 2012. Receipts in 2013 decreased from the prior year by \$186,467 (5%) mainly due to a decrease in other revenue. Receipts in 2014 increased from the prior year by \$887,280 (24.8%) mainly due to the receipt of funds for the Leah Trullinger Endowment Fund, an increase in Special Road and Bridge sales tax revenue, and an increase in BRO bridge grant reimbursements. Disbursements in 2013 decreased from the prior year by \$568,660 (13.9%) mainly due to a decrease in expenditures for buildings and grounds improvements. Disbursements in 2014 increased from the previous year by \$505,092 (14.3%) mainly due to an increase in roads and bridges materials and projects.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on receipts and disbursements, as well as what resources remain available for future spending. Such information is useful in assessing the County's financing requirements. As the County is reporting on the cash basis of accounting, fund balances of the County's governmental funds are the same of the net position

reported for the County as a whole. However, net position that is classified as unrestricted on the government-wide financial statements is identified as unassigned on the fund financial statements.

The primary government reports five major funds: General Revenue, Special Road and Bridge, Harrison County Lake, ½ Cent Sales Tax Law Enforcement, and Leah Trullinger Endowment.

The General Revenue Fund is the primary operating fund of the County through which all receipts and payments of ordinary County operations are processed, unless they are required to be accounted for in another fund. The fund balance of the General Revenue fund increased from \$973,855 at the end of 2012 to \$978,932 at the end of 2014. The December 31, 2014 fund balance represents 66% of the budgeted expenditures for 2015. Receipts and disbursements had only modest increases in 2014 from 2013. Receipts increased by \$47,069 (4.1%) and disbursements increased by \$55,726 (4.8%) in 2014. In 2013, receipts increased by \$64,385 (5.9%) from 2012, and disbursements decreased by \$296,131 (20.5%) from 2012 due to the County cutting back on buildings and grounds expenses.

The fund balance of the Special Road and Bridge fund increased from \$471,883 at the end of 2012 to \$525,709 at the end of 2014. Receipts in 2014 increased by \$425,777 (31.4%) due to an increase in sales taxes received and grant funds for bridge projects. Receipts in 2013 had only a modest decrease of \$8,319 (0.6%) from 2012. Disbursements in 2014 had an increase of \$361,685 (26.6%) due to construction on a BRO bridge project. Disbursements in 2013 had a moderate increase by \$64,741 (5%) from 2012.

The fund balance of the Harrison County Lake fund increased from \$255,097 at the end of 2012 to \$266,595 at the end of 2014. Receipts had an increase in 2014 of \$2,436 (13.6%) and 2013 had a decrease of \$1,523 (7.8%), respectively, when compared to the previous years. Disbursements in 2014 and 2013 had a decrease of \$5,256 (32.7%) and \$9,266 (36.6%), respectively, when compared to the previous years.

The fund balance of the ½ Cent Sales Tax Law Enforcement fund increased from \$(14,909) at the end of 2012 to \$5,829 at the end of 2014. Receipts had a decrease in 2014 of \$11,854 (1.5%). Receipts in 2013 had a decrease of \$55,065 (6.3%). Disbursements in 2014 had an increase of \$17,701 (2.2%). In 2013, disbursements decreased from the previous year by \$75,914 (8.7%).

The Leah Trullinger Endowment fund was created in 2014. All funds held by the endowment were received in 2014 and minimal disbursements were made from the fund.

General Fund Budgetary Highlights

Actual receipts exceeded budgeted receipts by \$45,491 (3.9%) in 2014. Actual receipts were less than budgeted receipts by \$4,933 (.4%) in 2013. Actual disbursements were less than the budgeted amount in 2014 by \$352,296 (22.6%), due to transfers out being less than budgeted and a majority of departments spending less than expected. Actual disbursements were less than the budgeted amount in 2013 by \$274,334 (19.3%), once again due to less than expected expenses in almost every county department under the fund. There were no budget amendments made in either 2013 or 2014.

Next Year's Budget and Economic Factors

The budget for 2015 is projecting a decrease in the General Revenue fund balance to \$714,206 based on projected receipts of \$1,217,515 and projected disbursements of \$1,482,241.

Requests for Information

This financial report is designed to provide our constituents and other interested parties with a general overview of Harrison County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County Clerk's office, 1505 Main St., P.O. Box 525, Bethany, Missouri 64424, (660) 425-6424.

HARRISON COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET POSITION - CASH BASIS
DECEMBER 31, 2014 AND 2013

	December 31,			
	2013		2014	
	Primary County Government	Component Units Senior Citizens Tax Board	Primary County Government	Component Units Senior Citizens Tax Board
ASSETS				
Cash and Investments	\$ 2,097,164	\$ 13,771	\$ 2,528,464	\$ 12,902
Total Assets	<u>\$ 2,097,164</u>	<u>\$ 13,771</u>	<u>\$ 2,528,464</u>	<u>\$ 12,902</u>
NET POSITION				
Restricted	\$ 1,116,442	\$ 13,771	\$ 1,549,532	\$ 12,902
Unrestricted	<u>980,722</u>	<u>-</u>	<u>978,932</u>	<u>-</u>
Total Net Position	<u>\$ 2,097,164</u>	<u>\$ 13,771</u>	<u>\$ 2,528,464</u>	<u>\$ 12,902</u>

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

HARRISON COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	Disbursements	Charges for Services	Program Receipts		Net Receipts/(Disbursements) and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Senior Citizens Tax Board
PRIMARY GOVERNMENT:						
Governmental Activities:						
General county government	\$ 1,003,578	\$ 344,257	\$ 140,423	\$ -	\$ (518,898)	
Public safety	1,123,806	85,804	25,908	-	(1,012,094)	
Judicial	132,427	43,803	-	-	(88,624)	
Roads and bridges	1,722,306	-	740,251	367,678	(614,377)	
Health and welfare	45,710	325	15,000	-	(30,385)	
Total Governmental Activities	<u>\$ 4,027,827</u>	<u>\$ 474,189</u>	<u>\$ 921,582</u>	<u>\$ 367,678</u>	<u>\$ (2,264,378)</u>	
COMPONENT UNITS:						
Health and welfare	\$ 49,875	\$ -	\$ -	\$ -		\$ (49,875)
Total Component Units	<u>\$ 49,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (49,875)</u>
GENERAL RECEIPTS						
Taxes						
Property taxes					\$ 346,001	\$ 49,005
Sales taxes					1,575,495	-
Emergency Telephone System Tax					108,351	-
Interest					4,078	1
Other					661,753	-
Transfers					-	-
Total General Receipts					<u>\$ 2,695,678</u>	<u>\$ 49,006</u>
Changes in Net Position					\$ 431,300	\$ (869)
NET POSITION, JANUARY 1					<u>2,097,164</u>	<u>13,771</u>
NET POSITION, DECEMBER 31					<u>\$ 2,528,464</u>	<u>\$ 12,902</u>

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

HARRISON COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

		Program Receipts		Net Receipts/(Disbursements) and Changes in Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Senior Citizens Tax Board
PRIMARY GOVERNMENT:						
Governmental Activities:						
General county government	\$ 874,988	\$ 347,223	\$ 133,770	\$ -	\$ (393,995)	
Public safety	1,099,235	86,659	12,881	-	(999,695)	
Judicial	155,393	43,375	-	-	(112,018)	
Roads and bridges	1,360,621	-	726,117	15,050	(619,454)	
Health and welfare	32,498	280	15,000	-	(17,218)	
					-	
Total Governmental Activities	<u>\$ 3,522,735</u>	<u>\$ 477,537</u>	<u>\$ 887,768</u>	<u>\$ 15,050</u>	<u>\$ (2,142,380)</u>	
COMPONENT UNITS:						
Health and Welfare	<u>\$ 49,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (49,321)</u>
Total Component Units	<u><u>\$ 49,321</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>		<u><u>\$ (49,321)</u></u>
GENERAL RECEIPTS						
Taxes						
Property taxes					\$ 341,451	\$ 49,864
Sales taxes					1,435,426	-
Emergency Telephone System Tax					96,227	-
Interest					14,946	1
Other					303,442	-
Transfers					-	-
Total General Receipts					<u>\$ 2,191,492</u>	<u>\$ 49,865</u>
Changes in Net Position					\$ 49,112	\$ 544
NET POSITION, JANUARY 1					<u>2,048,052</u>	<u>13,227</u>
NET POSITION, DECEMBER 31					<u>\$ 2,097,164</u>	<u>\$ 13,771</u>

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

HARRISON COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	LEAH TRULLINGER ENDOWMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 978,932	\$ 525,709	\$ 266,595	\$ 5,829	\$ 296,380	\$ 12,902	\$ 455,019	\$ 2,541,366
Total Assets	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 525,709	\$ 266,595	\$ 5,829	\$ 296,380	\$ 12,902	\$ 455,019	\$ 1,562,434
Unassigned	<u>978,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>978,932</u>
Total Fund Balances	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>

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

HARRISON COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS							
Cash and Investments	\$ 980,722	\$ 466,750	\$ 257,000	\$ 10,237	\$ 13,771	\$ 382,455	\$ 2,110,935
Total Assets	<u>\$ 980,722</u>	<u>\$ 466,750</u>	<u>\$ 257,000</u>	<u>\$ 10,237</u>	<u>\$ 13,771</u>	<u>\$ 382,455</u>	<u>\$ 2,110,935</u>
FUND BALANCES							
Restricted - Special Revenue Funds	\$ -	\$ 466,750	\$ 257,000	\$ 10,237	\$ 13,771	\$ 382,455	\$ 1,130,213
Unassigned	<u>980,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980,722</u>
Total Fund Balances	<u>\$ 980,722</u>	<u>\$ 466,750</u>	<u>\$ 257,000</u>	<u>\$ 10,237</u>	<u>\$ 13,771</u>	<u>\$ 382,455</u>	<u>\$ 2,110,935</u>

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

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	LEAH TRULLINGER ENDOWMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 346,001	\$ -	\$ -	\$ -	\$ -	\$ 49,005	\$ -	\$ 395,006
Sales taxes	403,273	586,113	-	586,109	-	-	-	1,575,495
Emergency telephone tax	-	-	-	-	-	-	108,351	108,351
Intergovernmental	17,874	1,107,929	-	-	-	-	163,457	1,289,260
Charges for services	340,453	-	-	32,796	-	-	100,940	474,189
Interest	1,916	952	421	21	-	1	768	4,079
Other	94,885	78,771	19,957	76,857	298,879	-	92,404	661,753
Transfers in	45	7,500	-	109,475	-	-	220,242	337,262
Total Receipts	<u>\$ 1,204,447</u>	<u>\$ 1,781,265</u>	<u>\$ 20,378</u>	<u>\$ 805,258</u>	<u>\$ 298,879</u>	<u>\$ 49,006</u>	<u>\$ 686,162</u>	<u>\$ 4,845,395</u>
DISBURSEMENTS								
General government	\$ 754,583	\$ -	\$ 10,783	\$ -	\$ -	\$ -	\$ 238,212	\$ 1,003,578
Public safety	-	-	-	774,663	-	-	349,143	1,123,806
Judicial	123,259	-	-	-	-	-	9,168	132,427
Roads and Bridges	-	1,722,306	-	-	-	-	-	1,722,306
Health and welfare	28,178	-	-	-	2,499	49,875	15,033	95,585
Transfers out	300,217	-	-	35,003	-	-	2,042	337,262
Total Disbursements	<u>\$ 1,206,237</u>	<u>\$ 1,722,306</u>	<u>\$ 10,783</u>	<u>\$ 809,666</u>	<u>\$ 2,499</u>	<u>\$ 49,875</u>	<u>\$ 613,598</u>	<u>\$ 4,414,964</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,790)	\$ 58,959	\$ 9,595	\$ (4,408)	\$ 296,380	\$ (869)	\$ 72,564	\$ 430,431
FUND BALANCE, JANUARY 1	<u>980,722</u>	<u>466,750</u>	<u>257,000</u>	<u>10,237</u>	<u>-</u>	<u>13,771</u>	<u>382,455</u>	<u>2,110,935</u>
FUND BALANCE, DECEMBER 31	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>

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

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS							
Property taxes	\$ 341,451	\$ -	\$ -	\$ -	\$ 49,864	\$ -	\$ 391,315
Sales taxes	382,180	526,628	-	526,618	-	-	1,435,426
Emergency telephone tax	-	-	-	-	-	96,227	96,227
Intergovernmental	16,011	741,167	-	-	-	145,640	902,818
Charges for services	339,827	-	-	33,659	-	104,051	477,537
Interest	7,595	3,405	1,481	1	1	2,464	14,947
Other	65,667	74,288	16,461	125,714	-	21,312	303,442
Transfers in	4,647	10,000	-	131,119	-	190,233	335,999
Total Receipts	<u>\$ 1,157,378</u>	<u>\$ 1,355,488</u>	<u>\$ 17,942</u>	<u>\$ 817,111</u>	<u>\$ 49,865</u>	<u>\$ 559,927</u>	<u>\$ 3,957,711</u>
DISBURSEMENTS							
General government	\$ 703,401	\$ -	\$ 13,039	\$ -	\$ -	\$ 158,548	\$ 874,988
Public safety	-	-	-	756,624	-	342,611	1,099,235
Judicial	138,443	-	-	-	-	16,950	155,393
Roads and Bridges	-	1,360,621	-	-	-	-	1,360,621
Health and welfare	17,315	-	-	-	49,321	15,183	81,819
Transfers out	291,352	-	3,000	35,341	-	6,306	335,999
Total Disbursements	<u>\$ 1,150,511</u>	<u>\$ 1,360,621</u>	<u>\$ 16,039</u>	<u>\$ 791,965</u>	<u>\$ 49,321</u>	<u>\$ 539,598</u>	<u>\$ 3,908,055</u>
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ 6,867	\$ (5,133)	\$ 1,903	\$ 25,146	\$ 544	\$ 20,329	\$ 49,656
FUND BALANCE, JANUARY 1	<u>973,855</u>	<u>471,883</u>	<u>255,097</u>	<u>(14,909)</u>	<u>13,227</u>	<u>362,126</u>	<u>2,061,279</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 980,722</u></u>	<u><u>\$ 466,750</u></u>	<u><u>\$ 257,000</u></u>	<u><u>\$ 10,237</u></u>	<u><u>\$ 13,771</u></u>	<u><u>\$ 382,455</u></u>	<u><u>\$ 2,110,935</u></u>

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

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
 December 31,

	<u>2013</u>	<u>2014</u>
Assets		
Cash	<u>\$ 5,578,417</u>	<u>\$ 5,896,873</u>
Total Assets	<u><u>\$ 5,578,417</u></u>	<u><u>\$ 5,896,873</u></u>
Liabilities		
Due to Other Entities	<u>\$ 5,578,417</u>	<u>\$ 5,896,873</u>
Total Liabilities	<u><u>\$ 5,578,417</u></u>	<u><u>\$ 5,896,873</u></u>

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

HARRISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of Harrison County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Harrison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The following component units are separate legal entities that are required to be included in the scope of our audit:

Harrison County Senior Citizens Tax Board – The Board was established to provide programs and services that enhance the health, nutrition, and quality of life of Harrison County seniors aged 60 or older. These programs and services are funded by a property tax levy passed specifically for the Board's purpose and are distributed to local service providers at the Board's discretion.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net position and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The County's major governmental funds are as follows:

General Revenue Fund - The General Revenue fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Harrison County Lake Fund – A special revenue fund used to account for receipt of fees collected at the County Lake for the purpose of funding the maintenance operations of the lake.

½ Cent Sales Tax Law Enforcement Fund – A special revenue fund used to account for receipt of sales tax collections and Sheriff Fees for the purpose of public safety.

Leah Trullinger Endowment Fund – A special revenue fund used to account for investment balances and earnings to be used exclusively for charitable purposes. The fund was created to improve the resident comfort and enjoyment for residents at three elderly care facilities in Harrison County, Missouri.

Fiduciary funds account for assets held by the County as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in separate Comparative Statements of Fiduciary Assets and Liabilities because the County cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations. The agency funds include balances held by the County Collector/Treasurer for distribution to various school, fire, road, and other districts within the County.

C. Basis of Accounting

The Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue 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 funds and all government-wide financial statements would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and

proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. All funds had budgeted expenditures which did not exceed budgeted revenues plus anticipated beginning fund balance, except for the 2013 budgeted ½ Cent Sales Tax Law Enforcement Fund.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The Leah Trullinger Endowment did not have a formal budget adopted in 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2013</u>	<u>2014</u>
FEMA/SEMA		X
Prosecuting Attorney Delinquent Tax	X	X

Also, the actual expenditures of the Leah Trullinger Endowment exceeded budgetary authority to the extent that a formal budget was not adopted for this fund.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid property taxes become delinquent as of January 1 of the following year.

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

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 72,259,079	\$ 70,993,687
Personal Property	29,614,835	29,537,106
Total	<u>\$ 101,873,914</u>	<u>\$100,530,793</u>

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

General Revenue	\$	0.3782	\$	0.3773
Senior Citizens Tax Board		0.0500		0.0500

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

1. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position—All other net assets that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the County Commission. Assigned fund balance is a limitation imposed by a designee of the County Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

G. Cash Deposits and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds’ average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. Interfund transfers between funds of the primary government have been eliminated from the government-wide financial statements.

I. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Implementation of this statement changed the way the County reported net position on the governmental fund Balance Sheet.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash and investments include both deposits and certificates of deposit with maturities less than 90 days. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills. Investments consist of certificates of deposit with maturities of greater than 90 days.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the primary County government's deposits were \$2,528,464 and \$2,097,164, respectively, and the bank balances were \$2,727,139 and \$2,167,153, respectively. Of the bank balances, \$250,000 at December 31, 2014 and \$251,346 at December 31, 2013 were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the carrying amounts of the Senior Citizens Tax Board's deposits and bank balances were \$12,902 and \$13,771, respectively. These balances were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$4,910,830 and \$4,484,711 at December 31, 2014 and 2013, respectively. The balances held by the Collector at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agency in the County's name.

3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2014				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	1/2 Cent Sales	
			Tax Law Enforcement	Non-Major Funds
General Revenue	\$ -	\$ 500	\$ 109,475	\$ 190,242
1/2 Cent Sales Tax Law Enforcement	3	5,000	-	30,000
Non-Major Funds	42	2,000	-	-

Year Ended December 31, 2013				
	Transfers In			
	General Revenue	Special Road and Bridge	1/2 Cent Sales	
			Tax Law Enforcement	Non-Major Funds
General Revenue	\$ -	\$ -	\$ 131,119	\$ 160,233
Harrison County Lake	-	3,000	-	-
1/2 Cent Sales Tax Law Enforcement	341	5,000	-	30,000
Non-Major Funds	4,306	2,000	-	-

4. COUNTY EMPLOYEES RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

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

1. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo,

circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

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

2. Pension Benefits

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

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

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

3. Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$52,072 and \$54,303 respectively, for the years then ended.

B. Prosecuting Attorney's 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 contributed \$2,244 for both the years ended December 31, 2014 and 2013.

5. 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.

6. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Federal and State Assisted Programs

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

B. Compensated Absences

The County provides full time employees with 3.33 hours per calendar month worked of compensated sick leave or 40 hours in a one year period, up to a maximum of 30 days. Vacation time is accrued for every full time employee beginning with the first year of employment at a rate of ten days per year. Employees with two to eight years of employment earn twelve days per year of vacation leave; nine to thirteen years of employment earn fifteen days per year of vacation leave; fourteen to eighteen earn eighteen days of vacation leave; and nineteen or more years of employment earns twenty-one days per year. Any days not used by the end of the year (anniversary date of hire) will be lost. Upon voluntary separation, an employee may receive compensation for unused accrued vacation leave.

7. RISK MANAGEMENT

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

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

The County is also a member of the Missouri 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.

8. LONG-TERM DEBT

The County entered into an agreement with BNY Mellon for Certificates of Participation as of June 1, 2012. The agreement was entered to improve buildings and facilities of the County to reduce energy consumption or operating costs, including heating and air conditioning and energy efficient lighting. As of December 31, 2014, the balance outstanding was \$1,135,000. Principal payments are made annually in May and interest is paid semi-annually at 3%. The final payment is scheduled for May 2022.

9. EQUIPMENT LEASES

- A. The County entered into a 60 month lease for 911 telephone systems on September 26, 2012. The lease is scheduled to be paid in monthly payments of \$4,384. The total remaining payments are \$166,604 over 38 months.
- B. The County entered into a 60 month lease for Harrison County 911 to be provided two Motorola Consoles, operator training and 24/7 service/maintenance on the consoles. This lease is scheduled to be paid in monthly payments of \$1,292. The total remaining payments are \$20,676 over 16 months.

10. RESTATEMENTS

The beginning balances of certain funds which were previously audited have been restated. The funds previously audited with changes in balance are the County Election Services fund, Eagleville Cemetery fund and the Senior Citizens Tax Board. The beginning balance for County Election Services fund was restated to \$6,711, an increase of \$2,000 from the prior audit. The beginning balance for the Eagleville Cemetery fund was restated to \$51,627, an increase of \$5 from the prior audit. Finally, the Senior Citizens Tax Board beginning balance was restated to \$13,227, an increase of \$1,620 from the prior audit.

11. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 31, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 350,000	\$ 341,451	\$ 335,000	\$ 346,001
Sales taxes	390,000	382,180	390,000	403,273
Intergovernmental	14,300	16,011	19,200	17,874
Charges for services	318,386	339,827	333,700	340,453
Interest	18,000	7,595	6,800	1,916
Other	63,350	65,667	69,556	94,885
Transfers in	8,275	4,647	4,700	45
Total Receipts	<u>\$ 1,162,311</u>	<u>\$ 1,157,378</u>	<u>\$ 1,158,956</u>	<u>\$ 1,204,447</u>
DISBURSEMENTS				
County Commission	\$ 84,886	\$ 82,454	\$ 84,886	\$ 81,847
County Clerk	72,151	67,437	73,826	67,942
Elections	83,209	44,221	127,109	81,989
Building & Grounds	149,079	129,926	153,902	116,444
Treasurer	115,908	104,841	109,194	100,319
Recorder of Deeds	39,672	38,002	39,172	32,171
Court Administration	17,912	11,561	17,424	3,528
Public Administrator	53,960	50,054	53,606	51,080
Prosecuting Attorney	114,742	109,936	114,743	100,341
Juvenile Officer	38,747	8,601	47,363	10,279
Coroner	22,665	17,315	23,742	28,178
Other Government	200,683	180,462	202,383	186,149
Public Defender	2,965	2,855	6,500	3,113
Misdemeanor Probation Program	3,622	3,611	3,629	4,331
Associate Circuit Court	4,250	1,880	4,250	1,666
Transfers Out	320,394	291,352	396,804	300,217
Emergency fund	100,000	6,003	100,000	36,643
Total Disbursements	<u>\$ 1,424,845</u>	<u>\$ 1,150,511</u>	<u>\$ 1,558,533</u>	<u>\$ 1,206,237</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (262,534)	\$ 6,867	\$ (399,577)	\$ (1,790)
FUND BALANCE, JANUARY 1	<u>973,855</u>	<u>973,855</u>	<u>980,722</u>	<u>980,722</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 711,321</u></u>	<u><u>\$ 980,722</u></u>	<u><u>\$ 581,145</u></u>	<u><u>\$ 978,932</u></u>

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	540,000	526,628	530,000	586,113	-	-	-	-
Intergovernmental	1,044,120	741,167	1,042,920	1,107,929	117,981	117,759	129,300	122,550
Charges for services	-	-	-	-	17,103	17,279	16,300	15,615
Interest	5,132	3,405	3,400	952	1,176	780	-	180
Other	82,000	74,288	33,500	78,771	4,796	11,673	11,000	3,643
Transfers in	7,000	10,000	7,500	7,500	-	-	-	-
Total Receipts	\$ 1,678,252	\$ 1,355,488	\$ 1,617,320	\$ 1,781,265	\$ 141,056	\$ 147,491	\$ 156,600	\$ 141,988
DISBURSEMENTS								
Salaries	\$ 179,400	\$ 164,899	\$ 151,840	\$ 140,229	\$ 91,483	\$ 90,486	\$ 91,470	\$ 89,018
Employee fringe benefits	69,538	76,777	55,356	49,635	20,698	20,558	19,998	21,218
Materials and Supplies	255,600	196,503	298,000	236,981	7,500	5,377	7,700	4,203
Services and Other	107,500	51,124	109,500	57,438	23,650	18,315	29,550	22,720
Capital Outlay	20,000	2,626	25,000	908	5,000	3,179	5,000	7,442
Construction	1,203,500	868,692	1,215,500	1,237,115	-	-	-	-
Transfers out	-	-	-	-	2,000	2,000	2,000	2,000
Total Disbursements	\$ 1,835,538	\$ 1,360,621	\$ 1,855,196	\$ 1,722,306	\$ 150,331	\$ 139,915	\$ 155,718	\$ 146,601
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (157,286)	\$ (5,133)	\$ (237,876)	\$ 58,959	\$ (9,275)	\$ 7,576	\$ 882	\$ (4,613)
FUND BALANCE, JANUARY 1	471,883	471,883	466,750	466,750	74,069	74,069	81,645	81,645
FUND BALANCE, DECEMBER 31	\$ 314,597	\$ 466,750	\$ 228,874	\$ 525,709	\$ 64,794	\$ 81,645	\$ 82,527	\$ 77,032

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,200	1,208	1,100	1,336
Interest	-	97	93	20	60	29	20	6
Other	4,500	4,814	4,490	5,343	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,500	\$ 4,911	\$ 4,583	\$ 5,363	\$ 1,260	\$ 1,237	\$ 1,120	\$ 1,342
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,000	5,325	7,500	4,538	3,000	2,269	3,000	1,694
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	8,000	4,000	-	-	-	-	-	-
Total Disbursements	\$ 17,000	\$ 9,325	\$ 7,500	\$ 4,538	\$ 3,000	\$ 2,269	\$ 3,000	\$ 1,694
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (12,500)	\$ (4,414)	\$ (2,917)	\$ 825	\$ (1,740)	\$ (1,032)	\$ (1,880)	\$ (352)
FUND BALANCE, JANUARY 1	16,289	16,289	11,875	11,875	5,344	5,344	4,312	4,312
FUND BALANCE, DECEMBER 31	\$ 3,789	\$ 11,875	\$ 8,958	\$ 12,700	\$ 3,604	\$ 4,312	\$ 2,432	\$ 3,960

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL POOR FUND				LOTTIE WILSON TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	15,000	15,000	15,000	15,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	488	277	270	79	320	166	160	46
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15,488</u>	<u>\$ 15,277</u>	<u>\$ 15,270</u>	<u>\$ 15,079</u>	<u>\$ 320</u>	<u>\$ 166</u>	<u>\$ 160</u>	<u>\$ 46</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	15,488	14,582	18,100	14,708	320	320	160	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,488</u>	<u>\$ 14,582</u>	<u>\$ 18,100</u>	<u>\$ 14,708</u>	<u>\$ 320</u>	<u>\$ 320</u>	<u>\$ 160</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 695	\$ (2,830)	\$ 371	\$ -	\$ (154)	\$ -	\$ 46
FUND BALANCE, JANUARY 1	<u>47,051</u>	<u>47,051</u>	<u>47,746</u>	<u>47,746</u>	<u>28,490</u>	<u>28,490</u>	<u>28,336</u>	<u>28,336</u>
FUND BALANCE, DECEMBER 31	<u>\$ 47,051</u>	<u>\$ 47,746</u>	<u>\$ 44,916</u>	<u>\$ 48,117</u>	<u>\$ 28,490</u>	<u>\$ 28,336</u>	<u>\$ 28,336</u>	<u>\$ 28,382</u>

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	RECORDERS PRESERVATION FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,200	3,532	3,200	3,451	12,500	13,263	11,500	8,739
Interest	40	25	40	8	200	113	25	35
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,240	\$ 3,557	\$ 3,240	\$ 3,459	\$ 12,700	\$ 13,376	\$ 11,525	\$ 8,774
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 8,320	\$ 5,133	\$ 5,437	\$ 350
Employee fringe benefits	-	-	-	-	4,132	4,032	4,702	2,527
Materials and Supplies	2,500	2,238	1,000	947	300	92	300	147
Services and Other	2,700	1,470	2,700	800	3,500	2,677	3,000	1,244
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 5,200	\$ 3,708	\$ 3,700	\$ 1,747	\$ 16,252	\$ 11,934	\$ 13,439	\$ 4,268
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,960)	\$ (151)	\$ (460)	\$ 1,712	\$ (3,552)	\$ 1,442	\$ (1,914)	\$ 4,506
FUND BALANCE, JANUARY 1	4,070	4,070	3,919	3,919	18,355	18,355	19,797	19,797
FUND BALANCE, DECEMBER 31	\$ 2,110	\$ 3,919	\$ 3,459	\$ 5,631	\$ 14,803	\$ 19,797	\$ 17,883	\$ 24,303

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	DOMESTIC VIOLENCE FUND				HARRISON COUNTY LAKE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	350	280	350	325	11,361	11,958	11,700	15,454
Interest	1	-	1	-	3,000	1,481	1,500	421
Other	-	-	-	-	4,498	4,503	4,511	4,503
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 351	\$ 280	\$ 351	\$ 325	\$ 18,859	\$ 17,942	\$ 17,711	\$ 20,378
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	351	280	351	325	16,200	13,039	20,200	10,783
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	3,000	-	-
Total Disbursements	\$ 351	\$ 280	\$ 351	\$ 325	\$ 16,200	\$ 16,039	\$ 20,200	\$ 10,783
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 2,659	\$ 1,903	\$ (2,489)	\$ 9,595
FUND BALANCE, JANUARY 1	-	-	-	-	255,097	255,097	257,000	257,000
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 257,756	\$ 257,000	\$ 254,511	\$ 266,595

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	911 FUND				HARRISON COUNTY CAFO FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency telephone tax	80,000	96,227	80,000	108,351	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	83,000	53,000	83,000	53,007	-	-	-	2,500
Interest	-	1	-	19	26	14	1	5
Other	-	273	-	-	-	-	-	-
Transfers in	192,025	188,000	188,000	218,000	-	-	-	-
Total Receipts	\$ 355,025	\$ 337,501	\$ 351,000	\$ 379,377	\$ 26	\$ 14	\$ 1	\$ 2,505
DISBURSEMENTS								
Salaries	\$ 143,332	\$ 145,892	\$ 148,500	\$ 137,233	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	50,875	41,081	49,041	52,812	-	-	-	-
Materials and Supplies	47,000	46,583	46,500	70,005	-	-	-	-
Services and Other	8,200	4,002	8,200	2,856	-	-	-	-
Capital Outlay	101,193	97,443	98,304	74,781	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	306	-	42	-	-	-	-
Total Disbursements	\$ 350,600	\$ 335,307	\$ 350,545	\$ 337,729	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,425	\$ 2,194	\$ 455	\$ 41,648	\$ 26	\$ 14	\$ 1	\$ 2,505
FUND BALANCE, JANUARY 1	2,618	2,618	4,812	4,812	2,321	2,321	2,335	2,335
FUND BALANCE, DECEMBER 31	\$ 7,043	\$ 4,812	\$ 5,267	\$ 46,460	\$ 2,347	\$ 2,335	\$ 2,336	\$ 4,840

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				POST COMMISSION TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,600	-	2,500	5,524	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	50	23	25	6	80	29	25	5
Other	-	-	-	-	2,500	2,099	2,000	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,650	\$ 23	\$ 2,525	\$ 5,530	\$ 2,580	\$ 2,128	\$ 2,025	\$ 5
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,400	2,286	4,200	2,239	6,000	3,638	2,800	2,002
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,400	\$ 2,286	\$ 4,200	\$ 2,239	\$ 6,000	\$ 3,638	\$ 2,800	\$ 2,002
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,750)	\$ (2,263)	\$ (1,675)	\$ 3,291	\$ (3,420)	\$ (1,510)	\$ (775)	\$ (1,997)
FUND BALANCE, JANUARY 1	5,774	5,774	3,511	3,511	6,178	6,178	4,668	4,668
FUND BALANCE, DECEMBER 31	\$ 4,024	\$ 3,511	\$ 1,836	\$ 6,802	\$ 2,758	\$ 4,668	\$ 3,893	\$ 2,671

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	COUNTY ELECTION SERVICES FUND				RECORDERS TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,900	2,013	1,800	1,904
Interest	55	40	10	13	10	6	4	3
Other	800	1,054	1,000	948	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 855	\$ 1,094	\$ 1,010	\$ 961	\$ 1,910	\$ 2,019	\$ 1,804	\$ 1,907
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	379	1,000	710
Services and Other	-	-	-	-	750	972	750	100
Capital Outlay	2,000	-	2,000	648	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,000	\$ -	\$ 2,000	\$ 648	\$ 1,750	\$ 1,351	\$ 1,750	\$ 810
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,145)	\$ 1,094	\$ (990)	\$ 313	\$ 160	\$ 668	\$ 54	\$ 1,097
FUND BALANCE, JANUARY 1 (RESTATED)	6,711	6,711	7,805	7,805	726	726	1,394	1,394
FUND BALANCE, DECEMBER 31	\$ 5,566	\$ 7,805	\$ 6,815	\$ 8,118	\$ 886	\$ 1,394	\$ 1,448	\$ 2,491

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	PROSECUTING ATTORNEY RETIREMENT FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	15,500	13,476	15,500	14,063
Interest	16	9	5	2	500	278	90	89
Other	-	-	-	-	-	-	-	-
Transfers in	2,250	2,233	2,300	2,242	-	-	-	-
Total Receipts	\$ 2,266	\$ 2,242	\$ 2,305	\$ 2,244	\$ 16,000	\$ 13,754	\$ 15,590	\$ 14,152
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	2,250	2,244	2,300	2,244	-	-	-	-
Materials and Supplies	-	-	-	-	3,000	5,425	3,000	2,941
Services and Other	-	-	-	-	6,000	1,826	5,600	4,475
Capital Outlay	-	-	-	-	9,000	3,185	9,000	393
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,250	\$ 2,244	\$ 2,300	\$ 2,244	\$ 18,000	\$ 10,436	\$ 17,600	\$ 7,809
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 16	\$ (2)	\$ 5	\$ -	\$ (2,000)	\$ 3,318	\$ (2,010)	\$ 6,343
FUND BALANCE, JANUARY 1	2,246	2,246	2,244	2,244	46,270	46,270	49,588	49,588
FUND BALANCE, DECEMBER 31	\$ 2,262	\$ 2,244	\$ 2,249	\$ 2,244	\$ 44,270	\$ 49,588	\$ 47,578	\$ 55,931

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	1/2 CENT SALES TAX LAW ENFORCEMENT FUND				EAGLEVILLE CEMETARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	530,000	526,618	525,000	586,109	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	30,000	33,659	30,000	32,796	-	-	-	-
Interest	-	1	-	21	573	299	292	80
Other	177,600	125,714	110,100	76,857	100	-	-	-
Transfers in	134,119	131,119	206,504	109,475	-	-	-	-
Total Receipts	\$ 871,719	\$ 817,111	\$ 871,604	\$ 805,258	\$ 673	\$ 299	\$ 292	\$ 80
DISBURSEMENTS								
Salaries	\$ 327,540	\$ 329,973	\$ 327,604	\$ 322,382	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	106,702	101,932	125,865	111,011	-	-	-	-
Materials and Supplies	55,950	58,597	56,550	52,910	-	-	-	-
Services and Other	182,222	128,236	153,635	125,092	1,500	1,500	2,000	1,800
Capital Outlay	156,035	137,886	167,450	163,268	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	35,000	35,341	40,500	35,003	-	-	-	-
Total Disbursements	\$ 863,449	\$ 791,965	\$ 871,604	\$ 809,666	\$ 1,500	\$ 1,500	\$ 2,000	\$ 1,800
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 8,270	\$ 25,146	\$ -	\$ (4,408)	\$ (827)	\$ (1,201)	\$ (1,708)	\$ (1,720)
FUND BALANCE, JANUARY 1 (RESTATED)	(14,909)	(14,909)	10,237	10,237	51,627	51,627	50,426	50,426
FUND BALANCE, DECEMBER 31	\$ (6,639)	\$ 10,237	\$ 10,237	\$ 5,829	\$ 50,800	\$ 50,426	\$ 48,718	\$ 48,706

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	JUVENILE RESTITUTION FUND				FEMA/SEMA FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	9	-	3	439	231	200	131
Other	1,600	25	1,648	250	-	-	40,700	81,228
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,600	\$ 34	\$ 1,648	\$ 253	\$ 439	\$ 231	\$ 40,900	\$ 81,359
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,500	-	1,600	265	-	-	40,700	78,795
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,500	\$ -	\$ 1,600	\$ 265	\$ -	\$ -	\$ 40,700	\$ 78,795
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 100	\$ 34	\$ 48	\$ (12)	\$ 439	\$ 231	\$ 200	\$ 2,564
FUND BALANCE, JANUARY 1	1,615	1,615	1,649	1,649	39,530	39,530	39,761	39,761
FUND BALANCE, DECEMBER 31	\$ 1,715	\$ 1,649	\$ 1,697	\$ 1,637	\$ 39,969	\$ 39,761	\$ 39,961	\$ 42,325

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				SENIOR CITIZENS TAX BOARD			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 47,000	\$ 49,864	\$ 50,000	\$ 49,005
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	20	19	10	6	-	1	-	1
Other	1,000	1,374	800	992	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,020	\$ 1,393	\$ 810	\$ 998	\$ 47,000	\$ 49,865	\$ 50,000	\$ 49,006
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	503	500	697	53,000	49,321	53,000	49,875
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 500	\$ 503	\$ 500	\$ 697	\$ 53,000	\$ 49,321	\$ 53,000	\$ 49,875
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 520	\$ 890	\$ 310	\$ 301	\$ (6,000)	\$ 544	\$ (3,000)	\$ (869)
FUND BALANCE, JANUARY 1 (RESTATED)	2,842	2,842	3,732	3,732	13,227	13,227	13,771	13,771
FUND BALANCE, DECEMBER 31	\$ 3,362	\$ 3,732	\$ 4,042	\$ 4,033	\$ 7,227	\$ 13,771	\$ 10,771	\$ 12,902

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LEAH TRULLINGER ENDOWMENT FUND				COUNTY SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,300	5,975	4,010
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	10	8	11
Other	-	-	-	298,879	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ 298,879	\$ -	\$ 6,310	\$ 5,983	\$ 4,021
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	900	-
Services and Other	-	-	-	2,499	-	-	5,500	2,073
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ 2,499	\$ -	\$ -	\$ 6,400	\$ 2,073
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 296,380	\$ -	\$ 6,310	\$ (417)	\$ 1,948
FUND BALANCE, JANUARY 1	-	-	-	-	-	-	6,310	6,310
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ 296,380	\$ -	\$ 6,310	\$ 5,893	\$ 8,258

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

INMATE PRISONER DETAINEE FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	6,581	6,000	16,373
Charges for services	-	-	-	-
Interest	-	9	-	21
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	\$ -	\$ 6,590	\$ 6,000	\$ 16,394
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	1,800	2,168
Services and Other	-	-	3,500	437
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 5,300	\$ 2,605
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ 6,590	\$ 700	\$ 13,789
FUND BALANCE, JANUARY 1	-	-	6,590	6,590
FUND BALANCE, DECEMBER 31	\$ -	\$ 6,590	\$ 7,290	\$ 20,379

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

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

To the County Commission and
Officeholders of Harrison County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Harrison County, Missouri's basic financial statements and have issued our report thereon dated July 31, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency as item 1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed a certain instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2.

We also noted other matters that we reported to management of Harrison County, Missouri in the accompanying schedule of findings and recommendations as items 3 and 4.

Harrison County, Missouri's Response to Findings

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

Purpose of this Report

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

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2015

FINDINGS AND RECOMMENDATIONS SECTION

HARRISON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, the recorded transfers in did not equal the transfers out in either 2013 or 2014. In 2014, there was a TIF payment recorded as a transfer out of the ½ Cent Sales Tax Law Enforcement fund which should have been recorded as an expenditure. In 2013, \$5,000 of a transfer out of the General Revenue fund to the ½ Cent Sales Tax Law Enforcement fund was recorded on the Emergency Fund expenditure line rather than as a transfer out. The financial statements presented in this report have been adjusted so that transfers in equal transfers out.

Recommendation: In order to ensure that transfers are properly reported on the budgets and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: We will manage transfers more efficiently.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2. Budgetary Controls

Condition: We noted three issues with the County's budgeting process during 2014 and 2013, as follows:

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Leah Trullinger Endowment fund which was created during 2014.
- b) Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the ½ Cent Sales Tax Law Enforcement fund for 2013.
- c) Actual expenditures exceeded budgeted expenditures for two funds in 2014 and for one fund in 2013. A list of the individual funds can be found at Note 1.D.10 in the notes to the financial statements. State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. The County should also ensure that the budgeted expenditures of a fund do not exceed the beginning fund balance plus budgeted receipts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County Commission will strive to maintain compliance with State Statutes in regard to the budget process.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

3. Abatement Write-offs

Condition: The majority of the County Clerk's abatement requests were not signed by the Commission during the two years. The abatement process begins with the Assessor who prepares an abatement order and sends it to the County Clerk's office for approval. The Clerk and the Commission review the request for the abatement of taxes and sign the order if the write off is approved. The approved order is then sent to the Collector/Treasurer for her records. A review of the abatement orders sent from the County Clerk to the Collector/Treasurer noted that the majority of them were not approved by the Commission. Total abatements shown on the 2014 Collector's Annual Settlement were \$39,628, while the Commission only approved \$8,456 of abatements. Total abatements shown on the 2013 Collector's Annual Settlement were \$30,859, while the Commission only approved \$8,131 of abatements.

Recommendation: We recommend that the County ensure that the Commission reviews all abatement requests for propriety and documents their approval by signing the abatement orders.

County Response: This has been resolved. The Presiding Commissioner will sign off on all abatements.

Auditor's Evaluation: The response is appropriate to correct the concern.

4. Sheriff's Fuel Credit Cards

Condition: The Sheriff's office utilizes five MFA Oil Petro-Cards, one for each of the four Deputy's fleet cars and one for the Sheriff's fleet car. All five cards are under one account and may be used to purchase fuel or for basic upkeep of each vehicle. All receipts from purchases using the cards must be returned to the Sheriff's office and placed into an envelope. The Sheriff reviews the monthly statement received from MFA Oil and agrees the statement to each receipt. If the receipts agree to the monthly credit card statement, the credit card statement with accompanying receipts is sent to the Clerk's office for payment. Of the four months of MFA Oil credit card statements reviewed, only one month had all accompanying receipts which tied to the corresponding monthly credit card statement, two months only had partial accompanying

receipts that tied to the monthly statement, and one month had no accompanying receipts with the monthly statement.

Recommendation: We recommend that the Sheriff's Department maintain all receipts for the Petro-Cards and provide them to the County Clerk's office to support charges to the MFA Petro-Card account.

County Response: The Commission has spoken to the Sheriff. This has been resolved. All receipts will be maintained and provided to the County Clerk's office.

Auditor's Evaluation: The response is appropriate to correct the concern.

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

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

1. The County had an excess of expenditures over appropriations in individual funds during both 2012 and 2011.

Status – Not resolved. See Finding 2.

2. The ½ Cent Sales Tax Law Enforcement fund had a deficit balance of \$(14,909) for the year ended December 31, 2012 and \$(19,206) for the year ended December 31, 2011.

Status – Resolved.