



**NICOLE GALLOWAY, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Howard County, Missouri

The Office of the State Auditor contracted for an audit of Howard County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA  
State Auditor

October 2019  
Report No. 2019-102



**Nicole Galloway, CPA**  
Missouri State Auditor

## RECOMMENDATION SUMMARY

---

### Recommendations in the contracted audit of Howard County

2018-001	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2018-002	The County keep appropriate minutes for closed session meetings.
2018-003	The County prepare the required budgets for each fund.

**The County of Howard  
Fayette, Missouri  
Independent Auditor's Report and Financial Statements  
For the years ended December 31, 2018 & 2017**



**The County of Howard  
Fayette, Missouri  
Table of Contents**

---

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2018.....	3
For the year ended December 31, 2017.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2018 and 2017.....	5
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	22
Notes to the Financial Statements.....	23
<u>Compliance Section</u>	
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 <i>Government Auditing Standards</i> .....	33
Schedule of Findings and Responses.....	35
Summary Schedule of Prior Year Findings and Questioned Costs.....	37

## INDEPENDENT AUDITOR'S REPORT

To the County Commission and  
Officeholders of Howard County, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Howard County, Missouri, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on 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 1 of the financial statements, the financial statements are prepared by Howard County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Howard County, Missouri as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Howard County, Missouri as of December 31, 2018 and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2019 on our consideration of Howard County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Howard County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Howard County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri  
August 19, 2019

**The County of Howard**  
**Fayette, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2018**

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 1,090,819	\$ 1,683,698	\$ 1,728,132	\$ 1,046,385
Special Road and Bridge	595,362	821,295	783,557	633,100
Assessment	133,983	175,015	165,685	143,313
Prosecuting Attorney Administrative Handling Cost	907	4,358	235	5,030
Prosecuting Attorney Delinquent	100	1	-	101
Law Officers' Training	985	1,312	1,128	1,169
Prosecuting Attorney Training	150	203	79	274
Recorder's User Fee	10,061	3,958	-	14,019
Recorder's Technology	18,991	2,575	-	21,566
Keller Building	861	154,470	129,849	25,482
Keller Building Maintenance	39,501	560	-	40,061
Victims of Domestic Violence	22,679	1,775	1,000	23,454
Civil Defense	2,829	31,162	29,982	4,009
County Law Enforcement Restitution	4,173	7,767	1,515	10,425
Sheriff's Civil Fees	4,887	12,716	13,171	4,432
Sheriff's Benevolent	1,298	1,365	935	1,728
Sheriff's Revolving Fee	5,977	1,906	5,389	2,494
Inmate Security	4,880	23,783	23,958	4,705
Sheriff's Recoupment	590	324	412	502
Prosecuting Attorney Supplemental	8,596	15,473	9,990	14,079
Election Services	5,291	3,649	7,128	1,812
Economic Development	555,725	31,245	12,821	574,149
Tax Maintenance	44,693	15,485	17,479	42,699
Jail Sales Tax	198	161	-	359
Law Enforcement	9,747	651,147	627,165	33,729
Howard County Water Project	-	-	-	-
Mount Gilead	91,413	1,438	860	91,991
Road and Bridge Special Trust	82,118	279,979	223,898	138,199
Bicentennial Year	-	-	-	-
Local Emergency Planning Commission	14,588	-	205	14,383
Howard County Sheltered Services Board	184,706	753,677	651,663	286,720
Total	<u>\$ 2,936,108</u>	<u>\$ 4,680,497</u>	<u>\$ 4,436,236</u>	<u>\$ 3,180,369</u>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Statement of Receipts, Disbursements, and Changes in Cash**  
**All Governmental Funds: Regulatory Basis**  
**For the year ended December 31, 2017**

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 925,243	\$ 1,651,327	\$ 1,485,751	\$ 1,090,819
Special Road and Bridge	484,744	908,939	798,321	595,362
Assessment	113,841	173,766	153,624	133,983
Prosecuting Attorney Administrative Handling Cost	91	9,208	8,392	907
Prosecuting Attorney Delinquent	98	2	-	100
Law Officers' Training	1,163	1,526	1,704	985
Prosecuting Attorney Training	712	231	793	150
Recorder's User Fee	6,640	3,421	-	10,061
Recorder's Technology	16,750	2,241	-	18,991
Keller Building	36,720	129,941	165,800	861
Keller Building Maintenance	38,419	1,082	-	39,501
Victims of Domestic Violence	20,685	1,994	-	22,679
Civil Defense	2,110	29,474	28,755	2,829
County Law Enforcement Restitution	6,174	2,578	4,579	4,173
Sheriff's Civil Fees	5,379	7,129	7,621	4,887
Sheriff's Benevolent	1,125	1,211	1,038	1,298
Sheriff's Revolving Fee	13,383	2,717	10,123	5,977
Inmate Security	2,847	10,094	8,061	4,880
Sheriff's Recoupment	599	491	500	590
Prosecuting Attorney Supplemental	5,670	15,137	12,211	8,596
Election Services	4,005	3,126	1,840	5,291
Economic Development	540,969	28,868	14,112	555,725
Tax Maintenance	55,292	15,449	26,048	44,693
Jail Sales Tax	2,693	198	2,693	198
Law Enforcement	12,783	645,604	648,640	9,747
Howard County Water Project	-	3,612	3,612	-
Mount Gilead	96,074	1,394	6,055	91,413
Road and Bridge Special Trust	40,716	284,033	242,631	82,118
Bicentennial Year	265	-	265	-
Local Emergency Planning Commission	15,596	-	1,008	14,588
Howard County Sheltered Services Board	220,182	416,687	452,163	184,706
Total	<u>\$ 2,670,968</u>	<u>\$ 4,351,480</u>	<u>\$ 4,086,340</u>	<u>\$ 2,936,108</u>

See Notes to the Financial Statements



**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	General Revenue Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>				
Property Taxes	\$ 365,000	\$ 364,013	\$ 330,000	\$ 361,713
Sales Taxes	762,488	864,398	754,258	787,016
Intergovernmental	120,990	115,661	174,332	169,792
Charges for Services	210,780	254,187	209,050	244,602
Interest	15,000	17,490	15,000	17,212
Other Receipts	52,364	63,549	70,400	70,992
Transfers In	9,350	4,400	7,500	-
Total Receipts	1,535,972	1,683,698	1,560,540	1,651,327
<b><u>Disbursements</u></b>				
County Commission	91,360	88,769	89,556	87,159
County Clerk	95,965	95,600	94,254	92,694
Elections	89,675	85,886	44,979	38,930
Buildings and Grounds	70,525	59,766	69,997	53,363
Employee Fringe Benefits	174,750	158,769	169,469	140,297
County Treasurer	41,300	40,505	40,500	39,299
County Collector	82,598	77,961	77,550	74,534
Recorder of Deeds	40,156	33,524	39,517	34,168
Circuit Clerk	24,200	5,380	25,200	4,645
Court Administration	33,170	4,154	32,670	6,325
Public Administrator	71,785	68,768	70,616	70,549
Sheriff	45,000	44,500	5,000	-
Prosecuting Attorney	118,184	114,875	98,631	96,569
Juvenile Office	68,912	62,496	67,639	53,254
County Coroner	33,950	33,773	21,950	21,756
Health and Welfare	234,905	217,271	241,243	229,479
Other Disbursements	385,300	225,771	372,225	185,280
Transfers Out	307,655	306,469	308,093	257,450
Emergency Fund	55,000	3,895	55,000	-
Total Disbursements	2,064,390	1,728,132	1,924,089	1,485,751
Receipts Over (Under)				
Disbursements	\$ (528,418)	\$ (44,434)	\$ (363,549)	\$ 165,576
Cash and Equivalents, Jan 1	1,090,819	1,090,819	925,243	925,243
Cash and Equivalents, Dec 31	\$ 562,401	\$ 1,046,385	\$ 561,694	\$ 1,090,819

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Special Road and Bridge Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>				
Property Taxes	\$ 277,252	\$ 284,022	\$ 277,252	\$ 284,058
Sales Taxes	-	-	-	-
Intergovernmental	451,800	443,286	435,800	447,186
Charges for Services	16,400	6,150	119,290	92,811
Interest	7,800	9,729	7,800	10,264
Other Receipts	-	4,373	-	24,620
Transfers In	73,735	73,735	72,000	50,000
Total Receipts	<u>826,987</u>	<u>821,295</u>	<u>912,142</u>	<u>908,939</u>
<b><u>Disbursements</u></b>				
Salaries	285,600	261,026	285,600	251,542
Employee Fringe Benefits	97,750	80,748	97,347	83,168
Supplies	85,000	78,489	79,289	65,300
Insurance	26,748	26,143	29,292	29,292
Road and Bridge Materials	34,000	29,790	34,000	26,587
Equipment Repairs	74,500	62,800	89,290	43,687
Rentals	1,000	602	1,000	-
Equipment Purchases	121,090	79,985	138,090	138,015
Road and Bridge Construction	160,870	132,040	148,870	129,457
Other Disbursements	34,950	31,934	39,650	31,273
Transfers Out	-	-	-	-
Total Disbursements	<u>921,508</u>	<u>783,557</u>	<u>942,428</u>	<u>798,321</u>
Receipts Over (Under)				
Disbursements	\$ (94,521)	\$ 37,738	\$ (30,286)	\$ 110,618
Cash and Equivalents, Jan 1	<u>595,362</u>	<u>595,362</u>	<u>484,744</u>	<u>484,744</u>
Cash and Equivalents, Dec 31	<u>\$ 500,841</u>	<u>\$ 633,100</u>	<u>\$ 454,458</u>	<u>\$ 595,362</u>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Assessment Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	159,540	161,058	158,828	159,733
Charges for Services	11,100	6,629	11,100	5,652
Interest	1,500	2,510	1,500	2,364
Other Receipts	4,300	4,818	5,738	6,017
Transfers In	-	-	-	-
Total Receipts	176,440	175,015	177,166	173,766
<u>Disbursements</u>				
Salaries	104,400	97,486	101,800	91,017
Employee Fringe Benefits	33,312	25,925	32,719	22,111
Materials and Supplies	20,600	9,636	20,600	10,324
Services	27,000	16,182	17,000	10,237
Other Disbursements	5,000	234	10,000	8,030
Capital Outlay	28,500	16,222	30,000	11,905
Transfers Out	-	-	-	-
Total Disbursements	218,812	165,685	212,119	153,624
Receipts Over (Under)				
Disbursements	\$ (42,372)	\$ 9,330	\$ (34,953)	\$ 20,142
Cash and Equivalents, Jan 1	133,983	133,983	113,841	113,841
Cash and Equivalents, Dec 31	\$ 91,611	\$ 143,313	\$ 78,888	\$ 133,983

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Prosecuting Attorney Administrative Handling Cost Fund				Prosecuting Attorney Delinquent Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,050	4,271	7,800	5,177	400	-	400	-
Interest	-	46	-	6	-	1	-	2
Other Receipts	50	41	-	25	-	-	-	-
Transfers In	-	-	4,000	4,000	-	-	-	-
<b>Total Receipts</b>	<b>7,100</b>	<b>4,358</b>	<b>11,800</b>	<b>9,208</b>	<b>400</b>	<b>1</b>	<b>400</b>	<b>2</b>
<b>Disbursements</b>								
Salaries	-	-	7,762	7,142	-	-	-	-
Employee Fringe Benefits	-	-	1,128	755	-	-	-	-
Materials and Supplies	4,000	-	400	-	-	-	-	-
Services	2,750	235	1,600	495	400	-	400	-
Other Disbursements	50	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>6,800</b>	<b>235</b>	<b>10,890</b>	<b>8,392</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>Receipts Over (Under)</b>								
Disbursements	\$ 300	\$ 4,123	\$ 910	\$ 816	\$ -	\$ 1	\$ -	\$ 2
<b>Cash and Equivalents, Jan 1</b>	<b>907</b>	<b>907</b>	<b>91</b>	<b>91</b>	<b>100</b>	<b>100</b>	<b>98</b>	<b>98</b>
<b>Cash and Equivalents, Dec 31</b>	<b>\$ 1,207</b>	<b>\$ 5,030</b>	<b>\$ 1,001</b>	<b>\$ 907</b>	<b>\$ 100</b>	<b>\$ 101</b>	<b>\$ 98</b>	<b>\$ 100</b>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Law Officers' Training Fund				Prosecuting Attorney Training Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,500	1,296	1,500	1,400	300	200	200	227
Interest	-	16	-	14	-	3	-	4
Other Receipts	-	-	-	112	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>1,500</u>	<u>1,312</u>	<u>1,500</u>	<u>1,526</u>	<u>300</u>	<u>203</u>	<u>200</u>	<u>231</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,485	1,128	2,663	1,704	300	79	912	793
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>2,485</u>	<u>1,128</u>	<u>2,663</u>	<u>1,704</u>	<u>300</u>	<u>79</u>	<u>912</u>	<u>793</u>
Receipts Over (Under)								
Disbursements	\$ (985)	\$ 184	\$ (1,163)	\$ (178)	\$ -	\$ 124	\$ (712)	\$ (562)
Cash and Equivalents, Jan 1	<u>985</u>	<u>985</u>	<u>1,163</u>	<u>1,163</u>	<u>150</u>	<u>150</u>	<u>712</u>	<u>712</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 1,169</u>	<u>\$ -</u>	<u>\$ 985</u>	<u>\$ 150</u>	<u>\$ 274</u>	<u>\$ -</u>	<u>\$ 150</u>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Recorder's User Fee Fund				Recorder's Technology Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,311	3,786	3,418	3,296	1,950	2,288	1,800	1,979
Interest	120	172	65	125	242	287	275	262
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>3,431</b>	<b>3,958</b>	<b>3,483</b>	<b>3,421</b>	<b>2,192</b>	<b>2,575</b>	<b>2,075</b>	<b>2,241</b>
<b><u>Disbursements</u></b>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	7,868	-	5,868	-	7,244	-	4,000	-
Services	5,624	-	3,700	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	13,939	-	12,639	-
Transfers Out	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>13,492</b>	<b>-</b>	<b>9,568</b>	<b>-</b>	<b>21,183</b>	<b>-</b>	<b>16,639</b>	<b>-</b>
<b>Receipts Over (Under)</b>								
Disbursements	\$ (10,061)	\$ 3,958	\$ (6,085)	\$ 3,421	\$ (18,991)	\$ 2,575	\$ (14,564)	\$ 2,241
<b>Cash and Equivalents, Jan 1</b>	<b>10,061</b>	<b>10,061</b>	<b>6,640</b>	<b>6,640</b>	<b>18,991</b>	<b>18,991</b>	<b>16,750</b>	<b>16,750</b>
<b>Cash and Equivalents, Dec 31</b>	<b>\$ -</b>	<b>\$ 14,019</b>	<b>\$ 555</b>	<b>\$ 10,061</b>	<b>\$ -</b>	<b>\$ 21,566</b>	<b>\$ 2,186</b>	<b>\$ 18,991</b>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Keller Building Fund				Keller Building Maintenance Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	148,620	153,744	151,841	126,960	-	-	-	-
Interest	-	238	765	390	300	560	300	582
Other Receipts	-	488	-	91	-	-	-	500
Transfers In	-	-	2,500	2,500	-	-	-	-
Total Receipts	148,620	154,470	155,106	129,941	300	560	300	1,082
<b>Disbursements</b>								
Salaries	30,986	21,676	28,435	28,310	-	-	-	-
Employee Fringe Benefits	8,747	4,926	7,995	7,700	-	-	-	-
Materials and Supplies	1,700	975	2,700	1,627	-	-	-	-
Services	82,472	82,335	82,200	77,525	-	-	-	-
Other Disbursements	4,000	-	8,000	1,212	-	-	-	-
Capital Outlay	10,000	9,950	48,000	39,439	38,719	-	38,719	-
Debt Service	10,000	9,987	10,000	9,987	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	147,905	129,849	187,330	165,800	38,719	-	38,719	-
Receipts Over (Under)								
Disbursements	\$ 715	\$ 24,621	\$ (32,224)	\$ (35,859)	\$ (38,419)	\$ 560	\$ (38,419)	\$ 1,082
Cash and Equivalents, Jan 1	861	861	36,720	36,720	39,501	39,501	38,419	38,419
Cash and Equivalents, Dec 31	\$ 1,576	\$ 25,482	\$ 4,496	\$ 861	\$ 1,082	\$ 40,061	\$ -	\$ 39,501

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Victims of Domestic Violence Fund				Civil Defense Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	15,870	15,112	15,395	15,496
Charges for Services	1,658	1,456	1,350	1,670	-	-	-	-
Interest	237	319	250	324	-	50	10	28
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	17,186	16,000	13,950	13,950
Total Receipts	1,895	1,775	1,600	1,994	33,056	31,162	29,355	29,474
<u>Disbursements</u>								
Salaries	-	-	-	-	15,600	15,456	13,874	13,874
Employee Fringe Benefits	-	-	-	-	1,400	1,341	1,260	1,172
Materials and Supplies	-	-	-	-	4,250	3,177	4,610	3,522
Services	-	-	-	-	11,372	10,008	10,642	10,187
Other Disbursements	24,574	1,000	18,700	-	300	-	300	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	2,000	-	-	-
Total Disbursements	24,574	1,000	18,700	-	34,922	29,982	30,686	28,755
Receipts Over (Under)								
Disbursements	\$ (22,679)	\$ 775	\$ (17,100)	\$ 1,994	\$ (1,866)	\$ 1,180	\$ (1,331)	\$ 719
Cash and Equivalents, Jan 1	22,679	22,679	20,685	20,685	2,829	2,829	2,110	2,110
Cash and Equivalents, Dec 31	\$ -	\$ 23,454	\$ 3,585	\$ 22,679	\$ 963	\$ 4,009	\$ 779	\$ 2,829

See Notes to the Financial Statements



**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	County Law Enforcement Restitution Fund				Sheriff's Civil Fees Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	5,150	5,000	2,475	10,785	12,572	6,500	7,051
Interest	-	117	-	103	-	78	-	78
Other Receipts	2,500	2,500	-	-	-	66	-	-
Transfers In	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>6,500</b>	<b>7,767</b>	<b>5,000</b>	<b>2,578</b>	<b>10,785</b>	<b>12,716</b>	<b>6,500</b>	<b>7,129</b>
<b>Disbursements</b>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	5,000	2,500	7,172	5,186	5,629	4,468
Services	-	-	5,700	2,079	8,500	7,985	6,250	3,153
Other Disbursements	10,673	1,515	474	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>10,673</b>	<b>1,515</b>	<b>11,174</b>	<b>4,579</b>	<b>15,672</b>	<b>13,171</b>	<b>11,879</b>	<b>7,621</b>
<b>Receipts Over (Under)</b>								
Disbursements	\$ (4,173)	\$ 6,252	\$ (6,174)	\$ (2,001)	\$ (4,887)	\$ (455)	\$ (5,379)	\$ (492)
<b>Cash and Equivalents, Jan 1</b>	<b>4,173</b>	<b>4,173</b>	<b>6,174</b>	<b>6,174</b>	<b>4,887</b>	<b>4,887</b>	<b>5,379</b>	<b>5,379</b>
<b>Cash and Equivalents, Dec 31</b>	<b>\$ -</b>	<b>\$ 10,425</b>	<b>\$ -</b>	<b>\$ 4,173</b>	<b>\$ -</b>	<b>\$ 4,432</b>	<b>\$ -</b>	<b>\$ 4,887</b>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Sheriff's Benevolent Fund				Sheriff's Revolving Fee Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	2,575	1,846	2,075	2,573
Interest	-	15	-	11	-	60	-	144
Other Receipts	-	1,350	1,200	1,200	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	1,365	1,200	1,211	2,575	1,906	2,075	2,717
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	798	790	2,325	1,038	-	-	-	-
Services	500	145	-	-	8,552	5,389	15,458	10,123
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	1,298	935	2,325	1,038	8,552	5,389	15,458	10,123
Receipts Over (Under)								
Disbursements	\$ (1,298)	\$ 430	\$ (1,125)	\$ 173	\$ (5,977)	\$ (3,483)	\$ (13,383)	\$ (7,406)
Cash and Equivalents, Jan 1	1,298	1,298	1,125	1,125	5,977	5,977	13,383	13,383
Cash and Equivalents, Dec 31	\$ -	\$ 1,728	\$ -	\$ 1,298	\$ -	\$ 2,494	\$ -	\$ 5,977

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Inmate Security Fund				Sheriff's Recoupment Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	18,250	21,103	7,000	10,033	500	318	500	480
Interest	-	135	-	61	-	6	-	11
Other Receipts	2,545	2,545	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>20,795</u>	<u>23,783</u>	<u>7,000</u>	<u>10,094</u>	<u>500</u>	<u>324</u>	<u>500</u>	<u>491</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	7,750	6,928	3,700	3,282	590	412	599	-
Services	17,925	17,030	6,147	4,779	500	-	500	500
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>25,675</u>	<u>23,958</u>	<u>9,847</u>	<u>8,061</u>	<u>1,090</u>	<u>412</u>	<u>1,099</u>	<u>500</u>
Receipts Over (Under)								
Disbursements	\$ (4,880)	\$ (175)	\$ (2,847)	\$ 2,033	\$ (590)	\$ (88)	\$ (599)	\$ (9)
Cash and Equivalents, Jan 1	<u>4,880</u>	<u>4,880</u>	<u>2,847</u>	<u>2,847</u>	<u>590</u>	<u>590</u>	<u>599</u>	<u>599</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 4,705</u>	<u>\$ -</u>	<u>\$ 4,880</u>	<u>\$ -</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 590</u>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Prosecuting Attorney Supplemental Fund				Election Services Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	15,000	15,000	15,000	15,000	1,000	372	1,000	1,133
Charges for Services	-	-	-	-	3,045	3,208	2,250	1,911
Interest	-	173	-	104	-	69	-	82
Other Receipts	-	300	-	33	-	-	-	-
Transfers In	-	-	7,500	-	-	-	-	-
Total Receipts	15,000	15,473	22,500	15,137	4,045	3,649	3,250	3,126
<b><u>Disbursements</u></b>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,000	2,328	4,065	1,534	-	-	-	-
Services	5,000	2,000	8,350	6,677	9,045	7,128	7,250	1,840
Other Disbursements	5,000	1,262	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	7,350	4,400	11,500	4,000	-	-	-	-
Total Disbursements	22,350	9,990	23,915	12,211	9,045	7,128	7,250	1,840
Receipts Over (Under)								
Disbursements	\$ (7,350)	\$ 5,483	\$ (1,415)	\$ 2,926	\$ (5,000)	\$ (3,479)	\$ (4,000)	\$ 1,286
Cash and Equivalents, Jan 1	8,596	8,596	5,670	5,670	5,291	5,291	4,005	4,005
Cash and Equivalents, Dec 31	\$ 1,246	\$ 14,079	\$ 4,255	\$ 8,596	\$ 291	\$ 1,812	\$ 5	\$ 5,291

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Economic Development Fund				Tax Maintenance Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,400	7,400	6,841	7,400	13,000	14,849	13,000	14,640
Interest	8,400	8,285	8,400	8,109	900	636	900	809
Other Receipts	11,132	15,560	13,360	13,359	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	26,932	31,245	28,601	28,868	13,900	15,485	13,900	15,449
<b><u>Disbursements</u></b>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	10,000	-	10,000	1,150
Services	-	-	-	-	21,200	10,875	34,000	23,981
Other Disbursements	582,657	12,821	569,570	14,112	-	-	-	-
Capital Outlay	-	-	-	-	10,000	6,604	10,000	917
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	582,657	12,821	569,570	14,112	41,200	17,479	54,000	26,048
Receipts Over (Under)								
Disbursements	\$ (555,725)	\$ 18,424	\$ (540,969)	\$ 14,756	\$ (27,300)	\$ (1,994)	\$ (40,100)	\$ (10,599)
Cash and Equivalents, Jan 1	555,725	555,725	540,969	540,969	44,693	44,693	55,292	55,292
Cash and Equivalents, Dec 31	\$ -	\$ 574,149	\$ -	\$ 555,725	\$ 17,393	\$ 42,699	\$ 15,192	\$ 44,693

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Jail Sales Tax Fund				Law Enforcement Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	157	-	166	334,948	337,006	320,709	331,293
Intergovernmental	-	-	-	-	69,810	51,474	59,810	48,811
Charges for Services	-	-	-	-	53,000	35,902	53,000	50,380
Interest	-	4	-	32	-	189	-	245
Other Receipts	-	-	-	-	6,251	9,842	22,875	23,875
Transfers In	-	-	-	-	216,734	216,734	212,143	191,000
Total Receipts	<u>\$ -</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ 680,743</u>	<u>\$ 651,147</u>	<u>\$ 668,537</u>	<u>\$ 645,604</u>
<b><u>Disbursements</u></b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 431,988	\$ 387,773	\$ 407,536	\$ 397,996
Employee Fringe Benefits	-	-	-	-	101,167	86,654	112,355	101,329
Materials and Supplies	198	-	2,693	2,693	80,470	79,413	69,300	61,613
Services	-	-	-	-	69,164	66,478	74,176	72,669
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	6,850	6,847	16,679	15,033
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 2,693</u>	<u>\$ 2,693</u>	<u>\$ 689,639</u>	<u>\$ 627,165</u>	<u>\$ 680,046</u>	<u>\$ 648,640</u>
Receipts Over (Under)								
Disbursements	\$ (198)	\$ 161	\$ (2,693)	\$ (2,495)	\$ (8,896)	\$ 23,982	\$ (11,509)	\$ (3,036)
Cash and Equivalents, Jan 1	<u>198</u>	<u>198</u>	<u>2,693</u>	<u>2,693</u>	<u>9,747</u>	<u>9,747</u>	<u>12,783</u>	<u>12,783</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ 359</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 198</u></u>	<u><u>\$ 851</u></u>	<u><u>\$ 33,729</u></u>	<u><u>\$ 1,274</u></u>	<u><u>\$ 9,747</u></u>

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Howard County Water Project Fund				Mount Gilead Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,612	3,612	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,438	-	1,391
Other Receipts	-	-	-	-	-	-	-	3
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	3,612	3,612	1,000	1,438	-	1,394
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	7,000	840	7,500	6,055
Other Disbursements	-	-	3,612	3,612	2,000	20	2,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	3,612	3,612	9,000	860	9,500	6,055
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (8,000)	\$ 578	\$ (9,500)	\$ (4,661)
Cash and Equivalents, Jan 1	-	-	-	-	91,413	91,413	96,074	96,074
Cash and Equivalents, Dec 31	\$ -	\$ -	\$ -	\$ -	\$ 83,413	\$ 91,991	\$ 86,574	\$ 91,413

See Notes to the Financial Statements

**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Road and Bridge Special Trust Fund				Bicentennial Year Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b><u>Receipts</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	277,805	277,805	283,146	283,146	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	600	2,174	-	887	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	278,405	279,979	283,146	284,033	-	-	-	-
<b><u>Disbursements</u></b>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	85,000	66,280	122,465	84,300	-	-	265	265
Services	-	-	-	-	-	-	-	-
Other Disbursements	55,561	55,561	56,629	56,629	-	-	-	-
Capital Outlay	36,000	-	68,955	40,267	-	-	-	-
Debt Service	102,058	102,057	61,873	61,435	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	278,619	223,898	309,922	242,631	-	-	265	265
Receipts Over (Under)								
Disbursements	\$ (214)	\$ 56,081	\$ (26,776)	\$ 41,402	\$ -	\$ -	\$ (265)	\$ (265)
Cash and Equivalents, Jan 1	82,118	82,118	40,716	40,716	-	-	265	265
Cash and Equivalents, Dec 31	\$ 81,904	\$ 138,199	\$ 13,940	\$ 82,118	\$ -	\$ -	\$ -	\$ -

See Notes to the Financial Statements



**The County of Howard**  
**Fayette, Missouri**  
**Comparative Statement of Receipts, Disbursements, and Changes in Cash**  
**Budget and Actual, All Governmental Funds: Regulatory Basis**  
**For the years ended December 31, 2018 & 2017**

	Local Emergency Planning Commission Fund				Howard County Sheltered Services Board Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 106,168	\$ 126,403	\$ 116,990	\$ 126,583
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	746,496	626,184	327,006	289,276
Interest	-	-	-	-	540	1,085	2,500	446
Other Receipts	-	-	-	-	-	5	1,000	382
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	853,204	753,677	447,496	416,687
<b>Disbursements</b>								
Salaries	-	-	-	-	368,763	329,223	274,998	191,060
Employee Fringe Benefits	-	-	-	-	105,009	87,986	4,511	40,977
Materials and Supplies	-	-	-	-	21,825	17,348	2,100	4,779
Services	-	-	-	-	295,135	199,340	254,298	209,485
Other Disbursements	-	205	-	1,008	45,597	12,066	-	5,862
Capital Outlay	-	-	-	-	6,100	5,700	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	205	-	1,008	842,429	651,663	535,907	452,163
Receipts Over (Under)								
Disbursements	\$ -	\$ (205)	\$ -	\$ (1,008)	\$ 10,775	\$ 102,014	\$ (88,411)	\$ (35,476)
Cash and Equivalents, Jan 1	14,588	14,588	15,596	15,596	184,706	184,706	220,182	220,182
Cash and Equivalents, Dec 31	\$ 14,588	\$ 14,383	\$ 15,596	\$ 14,588	\$ 195,481	\$ 286,720	\$ 131,771	\$ 184,706

See Notes to the Financial Statements

**The County of Howard  
Fayette, Missouri  
Statements of Assets and Liabilities Arising From Cash Transactions  
Agency Funds - Regulatory Basis  
December 31, 2018 & 2017**

		2018			
		Collector	Recorder	Sheriff	Prosecuting Attorney
<b>Assets</b>					
Cash and Equivalents		\$ 6,992,869	\$ 4,296	\$ 7,000	\$ 3,929
Total Assets		6,992,869	4,296	7,000	3,929
<b>Liabilities and Fund Balances</b>					
Total Liabilities		6,992,869	4,296	7,000	3,929
		6,992,869	4,296	7,000	3,929
Fund Balances		-	-	-	-
Total Liabilities and Fund Balances		\$ 6,992,869	\$ 4,296	\$ 7,000	\$ 3,929
		Treasurer	Total		
<b>Assets</b>					
Cash and Equivalents		\$ 41,826	\$ 7,049,920		
Total Assets		41,826	7,049,920		
<b>Liabilities and Fund Balances</b>					
Total Liabilities		41,826	7,049,920		
		41,826	7,049,920		
Fund Balances		-	-		
Total Liabilities and Fund Balances		\$ 41,826	\$ 7,049,920		
		2017			
		Collector	Recorder	Sheriff	Prosecuting Attorney
<b>Assets</b>					
Cash and Equivalents		\$ 5,922,832	\$ 6,230	\$ 5,634	\$ 3,225
Total Assets		5,922,832	6,230	5,634	3,225
<b>Liabilities and Fund Balances</b>					
Total Liabilities		5,922,832	6,230	5,634	3,225
		5,922,832	6,230	5,634	3,225
Fund Balances		-	-	-	-
Total Liabilities and Fund Balances		\$ 5,922,832	\$ 6,230	\$ 5,634	\$ 3,225
		Treasurer	Total		
<b>Assets</b>					
Cash and Equivalents		\$ 39,087	\$ 5,977,008		
Total Assets		39,087	5,977,008		
<b>Liabilities and Fund Balances</b>					
Total Liabilities		39,087	5,977,008		
		39,087	5,977,008		
Fund Balances		-	-		
Total Liabilities and Fund Balances		\$ 39,087	\$ 5,977,008		

See Notes to the Financial Statements

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 1 - Summary of Significant Accounting Policies**

Organized in 1816, the county of Howard was named after the governor of the Missouri territory, Benjamin Howard. It is a third-class county, and the county seat is Fayette. Howard County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and *ex-officio* Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, 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).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Howard County, Missouri and the Howard County Senate Bill 40 Board.

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

The financial statements referred to above include only the primary government of Howard County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Howard County's legal entity. The Howard County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Howard County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Howard County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of 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.

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

If Howard 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.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Howard County adopts a budget for each governmental fund.

On or before January 15th, each elected official 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.

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 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.

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.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

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 financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds did not have a budget prepared in 2018 or 2017: Local Emergency Planning Commission Fund.

Taxes

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

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

Taxes (continued)

The assessed valuation of the tangible taxable property, included within Howard County's boundaries for the calendar year 2018 and 2017, respectively, for the purposes of County taxation was as follows:

	<u>2018</u>	<u>2017</u>
Real Estate	\$ 80,719,950	\$ 78,927,090
Personal Property	32,369,492	30,213,509
Railroad and Utilities	<u>15,926,643</u>	<u>15,233,231</u>
	<u><u>\$ 129,016,085</u></u>	<u><u>\$ 124,373,830</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2018 and 2017, respectively, for the purpose of County taxation, was as follows:

	<u>2018</u>	<u>2017</u>
General Revenue	\$ 0.2706	\$ 0.2830
Special Road and Bridge	0.3063	0.3052
Sheltered Services Board	0.1000	0.1000

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Howard County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

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

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

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 2 - Deposits and Investments**

Howard County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 10,191,533	\$ 8,307,282
Investments	<u>38,756</u>	<u>38,756</u>
Total Deposits and Investments as of December 31, 2018	<u><u>\$ 10,230,289</u></u>	<u><u>\$ 8,346,038</u></u>
Total Cash and Equivalents - Governmental Funds	\$ 3,180,369	
Total Cash and Equivalents - Agency Funds	<u>7,049,920</u>	
	<u><u>\$ 10,230,289</u></u>	

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 8,874,487	\$ 7,536,439
Investments	<u>38,629</u>	<u>38,629</u>
Total Deposits and Investments as of December 31, 2017	<u><u>\$ 8,913,116</u></u>	<u><u>\$ 7,575,068</u></u>
Total Cash and Equivalents - Governmental Funds	\$ 2,936,108	
Total Cash and Equivalents - Agency Funds	<u>5,977,008</u>	
	<u><u>\$ 8,913,116</u></u>	

**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. At December 31, 2018 and 2017, 100% of Howard County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

**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 that sold the security to Howard County or its agent but not in the government's name. Howard County does not have a policy for custodial credit risk relating to investments.

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

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 2 - Deposits and Investments (continued)**

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. Howard 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 Howard 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). Howard County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2018 Balance	% of Portfolio	2017 Balance	% of Portfolio
Merchant & Farmers Bank	Cert. of Deposit	<u>\$ 38,756</u>	100%	<u>\$ 38,629</u>	100%

**Note 3 - Interfund Transfers**

Transfers between funds for the years ended December 31, 2018 and 2017 are as follows:

Fund	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 4,400	\$ 306,469	\$ -	\$ 257,450
Special Road and Bridge	73,735	-	50,000	-
Prosecuting Attorney Administrative Handling Cost	-	-	4,000	-
Keller Building	-	-	2,500	-
Civil Defense	16,000	-	13,950	-
Prosecuting Attorney Supplemental	-	4,400	-	4,000
Law Enforcement	216,734	-	191,000	-
Total	<u>\$ 310,869</u>	<u>\$ 310,869</u>	<u>\$ 261,450</u>	<u>\$ 261,450</u>

**Note 4 - Long-Term Debt**

Capital Leases

In 2012, the County entered into a capital lease agreement with John Deere financial for \$513,962 for three motor graders. The lease had a nominal annual rate of 2.30% and expired on October 31, 2017. Combined principal and interest payments are paid annually in the amount of \$32,904 with a balloon payment of \$405,000 due at the end of the term. This lease was refinanced in September of 2017 with a nominal annual rate of 3.50%. New combined principal and interest payments are paid annually in the amount of \$73,525.

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

**Note 4 - Long-Term Debt (continued)**

Capital Leases (continued)

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
<u>\$ 430,480</u>	<u>\$ -</u>	<u>\$ (96,107)</u>	<u>\$ 334,373</u>	<u>\$ -</u>	<u>\$ (62,288)</u>	<u>\$ 272,085</u>

Interest expense for the years ended December 31, 2018 and 2017 was \$11,237 and \$10,322, respectively.

Future minimum payments due on the capital leases are as follows:

Year	Principal	Interest	Total
2019	\$ 64,502	\$ 9,023	\$ 73,525
2020	66,793	6,732	73,525
2021	69,166	4,359	73,525
2023	71,623	1,902	73,525
2022	1	-	1
	<u>\$ 272,085</u>	<u>\$ 22,016</u>	<u>\$ 294,101</u>

Principal payments made on the capital lease are made from the Special Road and Bridge Fund and the Road and Bridge Special Trust Fund.

Notes Payable

In 2012, the County borrowed \$75,557 from the Missouri Department of National Resources to finance the design, acquisition, installation, and implementation of energy conservation measures. Principal payments are due semi-annually on February 1 and August 1 with interest payable at 0%. The loan matures on August 1, 2020.

In 2013, the County borrowed \$68,815 from Exchange Bank of Missouri for the purchase of a Case tractor. Principal payments are due annually with interest payable at 3.75%. This loan matured on September 1, 2018.

In 2015, the County borrowed \$61,710 from Exchange Bank of Missouri for the purchase of a John Deere tractor. Principal payments are due annually with interest payable at 4%. This loan matures on August 17, 2020.

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
<u>\$ 114,257</u>	<u>\$ -</u>	<u>\$ (35,938)</u>	<u>\$ 78,319</u>	<u>\$ -</u>	<u>\$ (36,795)</u>	<u>\$ 41,524</u>

Interest expense for the years ended December 31, 2018 and 2017 was \$1,741 and \$2,598, respectively.

Future minimum payments due on the notes payable are as follows:

Year	Principal	Interest	Total
2019	\$ 22,821	\$ 1,061	\$ 23,882
2020	18,703	543	19,246
	<u>\$ 41,524</u>	<u>\$ 1,604</u>	<u>\$ 43,128</u>



**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 4 - Long-Term Debt (continued)**

Notes Payable (continued)

Principal payments made on the notes payable are made from the Keller Building Fund and the Road and Bridge Special Trust Fund.

**Note 5 - Local Government Employees Retirement System (LAGERS)**

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, RSMo. Sections 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at [www.molagers.org](http://www.molagers.org).

Benefits Provided

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

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 6.20% (General) and 7.50% (Police) of annual covered payroll for the year ended December 31, 2018, and 5.20% (General) and 8.10% (Police) of annual covered payroll for the year ended December 31, 2017. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed \$76,490 and \$67,446, respectively.

**Note 6 - County Employees' Retirement Fund (CERF)**

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties 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 RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 6 - County Employees' Retirement Fund (CERF) (continued)**

Plan Description (continued)

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.

Benefits Provided

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. 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, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at [www.mocerf.org](http://www.mocerf.org).

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. The County collected and remitted CERF employee contributions of \$8,954 and \$5,505 for the years ended December 31, 2018 and 2017, respectively.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$106,214 and \$86,197 for the years ended December 31, 2018 and 2017, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 7 - Prosecuting Attorney Retirement Fund**

In accordance with state statute Section 56.807 RSMo, Howard County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Howard County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2018 and 2017.

**Note 8 - Other Retirement Plan**

Howard County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 457 plan were \$26,011 and \$23,973, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 401(a) plan were \$228 and \$201, respectively.

**Note 9 - Post-Employment Benefits**

Howard 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 Howard County.

**Note 10 - Economic Development Loan Program**

The County has an economic development loan program whereby it issues small business loans to businesses located within the County for the purpose of capital assistance. Participants in the program owed the County \$38,173 and \$53,198 as of December 31, 2018 and 2017, respectively. Due to default of a program participant, the balance of the loans as of December 31, 2018 is due and payable in full, however, the County is unable to estimate when the balance will be collected.

**Note 11 - Leases in the Statements of Lessors**

The County leases out various office spaces to many outside organizations and receives lease payments every year per a written lease contract agreement. The building also houses the County's public health unit, the Prosecuting Attorney, and the 911 office. During the years ended December 31, 2018 and 2017, the County received total lease rental payments of \$153,744 and \$126,960, respectively.

**Note 12 - Claims, Commitments and Contingencies**

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**The County of Howard  
Fayette, Missouri  
Notes to the Financial Statements  
For the years ended December 31, 2018 & 2017**

---

**Note 12 - Claims, Commitments and Contingencies (continued)**

Compensated Absences

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

Federal and State Assisted Programs

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

**Note 13 - 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 of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$500,000 per occurrence and reinsured up to the statutory limit through excess insurance.

**Note 14 - Subsequent Events**

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 19, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that required recognition or additional disclosure in the financial statements.

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 Howard County, Missouri

We have audited, 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, the accompanying financial statements of Howard County, Missouri as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements, and have issued our report thereon dated August 19, 2019.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal control over financial reporting 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 financial reporting 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 over financial reporting 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 responses that we consider to be a significant deficiency as item 2018-001.

### ***Compliance and Other Matters***

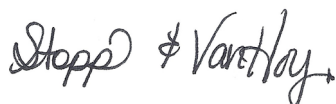
As part of obtaining reasonable assurance about whether Howard County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2018-002 and 2018-003.

### **Howard County, Missouri's Responses to Findings**

Howard County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Howard County, Missouri'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 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.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri  
August 19, 2019

**The County of Howard  
Fayette, Missouri  
Schedule of Findings and Responses  
For the years ended December 31, 2018 & 2017**

---

**Financial Statement Findings**

2018-001 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

**Effect:** Lack of an appropriate fraud 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 identifying risks and mitigating controls.

**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.

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

**Management's Response:** The County is looking into updating the accounting policies and procedures manual to include a fraud risk assessment.

2018-002 **Condition:** During our audit, it was noted that the County failed to keep appropriate minutes for closed session meetings.

**Effect:** Due to failure to keep appropriate minutes for closed sessions meetings, the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight

**Criteria:** RSMo. Section 51.120 requires the clerk of a county commission to keep an accurate record of the orders, rules, and proceedings of the county commission.

**Recommendation:** We recommend that the County keep appropriate minutes for closed session meetings.

**Management's Response:** The County is looking into better record-keeping procedures for closed meeting minutes.

**The County of Howard  
Fayette, Missouri  
Schedule of Findings and Responses  
For the years ended December 31, 2018 & 2017**

---

**Financial Statement Findings (continued)**

2018-003 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds did not have a budget prepared in 2018 or 2017: Local Emergency Planning Commission Fund.

**Effect:** Due to lack of prepared budget, the County is in violation of Missouri Revised Statutes.

**Cause:** Oversight

**Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

**Recommendation:** We recommend that the County prepare the required budgets for each fund.

**Management's Response:** The County Treasurer was unaware of this account (which was done prior to her coming into office and was under the direction of the prior County Commission) being under the Howard County employer identification number (EIN). It has now been detected, removed from the County's EIN, changed of status at the bank, and included under the EIN of the Local Emergency Planning Commission.



**The County of Howard  
Fayette, Missouri  
Summary Schedule of Prior Year Findings and Questioned Costs  
For the years ended December 31, 2018 & 2017**

---

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Howard County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2014 & 2013.

**Prior Year Financial Statement Finding**

**2014-01 Budgetary Noncompliance on Expenditure Use**

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

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

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

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

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

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

**Status:** Management has corrected this issue, therefore, this finding will not be repeated.

**Prior Year Federal Award Finding**

**2014-02 Schedule of Expenditures of Federal Awards**

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

**The County of Howard  
Fayette, Missouri  
Summary Schedule of Prior Year Findings and Questioned Costs  
For the years ended December 31, 2018 & 2017**

---

**Prior Year Federal Award Finding (continued)**

2014-02 **Condition:** The County's Schedule of Expenditures of Federal Awards (SEFA) contained some errors and omissions  
(cont.) of information required by the federal government. Purchases of state surplus property and federal disaster payments were not reported on the 2014 SEFA, and federal awards for the County's public health unit were not properly reported or some not reported on the SEFA for both 2014 and 2013. Also, federal bridge 20% credit or soft match funds distributed to the county totaling \$101,228 for 2014 and \$57,199 for 2013 were also excluded by the county. Total amendments to the County's SEFA for 2014 and 2013 were \$242,263 and \$50,535, respectively.

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

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

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

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

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

**Status:** This finding is no longer applicable.