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**MISSOURI HUMANITIES COUNCIL**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2015 AND 2014**

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**MISSOURI HUMANITIES COUNCIL**

**OCTOBER 31, 2015 AND 2014**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors of  
**Missouri Humanities Council**

We have audited the accompanying financial statements of **Missouri Humanities Council** (a nonprofit organization), which comprise the statements of financial position as of October 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Missouri Humanities Council** as of October 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016 on our consideration of **Missouri Humanities Council's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Missouri Humanities Council's** internal control over financial reporting and compliance.

*Kiefer Bonfanti & Co. LLP*

St. Louis, Missouri  
March 16, 2016

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MISSOURI HUMANITIES COUNCIL

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STATEMENTS OF FINANCIAL POSITION  
OCTOBER 31, 2015 AND 2014

	Assets	
	October 31,	
	2015	2014
<b>Current Assets</b>		
Cash and cash equivalents	\$ 878,595	\$ 870,984
Grants receivable	1,543,280	1,084,690
Other current assets	35,187	2,132
<b>Total Current Assets</b>	<b>2,457,062</b>	<b>1,957,806</b>
<b>Property and Equipment, Net</b>	<b>-</b>	<b>4,066</b>
<b>Total Assets</b>	<b>\$ 2,457,062</b>	<b>\$ 1,961,872</b>

Liabilities and Net Assets

<b>Current Liabilities</b>		
Accounts payable	\$ 54,555	\$ 49,294
Grants payable	96,284	31,170
Accrued expenses	30,468	14,234
Due to related party	-	48,798
<b>Total Current Liabilities</b>	<b>181,307</b>	<b>143,496</b>
<b>Net Assets</b>		
Unrestricted		
Undesignated	1,586,564	569,344
Board designated - reserve fund	145,671	126,210
Temporarily restricted	543,520	1,122,822
<b>Total Net Assets</b>	<b>2,275,755</b>	<b>1,818,376</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,457,062</b>	<b>\$ 1,961,872</b>

**MISSOURI HUMANITIES COUNCIL**

**STATEMENT OF ACTIVITIES  
YEAR ENDED OCTOBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
<b>Support, Revenues, and Gains</b>			
Grants from federal agency	\$ -	\$ 778,590	\$ 778,590
Grants from state	525,000	525,000	1,050,000
Contributions	44,754	13,600	58,354
In-kind contributions	-	5,883	5,883
Other	19,279	-	19,279
<b>Subtotal Support, Revenues, and Gains</b>	<b>589,033</b>	<b>1,323,073</b>	<b>1,912,106</b>
Net Assets Released From Restriction			
Satisfaction of federal agency restrictions	468,337	(468,337)	-
Satisfaction of individual program restrictions	1,434,039	(1,434,039)	-
<b>Total Net Assets Released From Restriction</b>	<b>1,902,375</b>	<b>(1,902,375)</b>	<b>-</b>
<b>Total Support, Revenues, and Gains</b>	<b>2,491,408</b>	<b>(579,302)</b>	<b>1,912,106</b>
<b>Expenses</b>			
Program services	879,094	-	879,094
Support services			
Management and general	132,552	-	132,552
Development	443,081	-	443,081
<b>Total Expenses</b>	<b>1,454,727</b>	<b>-</b>	<b>1,454,727</b>
<b>Increase (Decrease) in Net Assets</b>	<b>1,036,681</b>	<b>(579,302)</b>	<b>457,379</b>
<b>Net Assets, Beginning of Year</b>	<b>695,554</b>	<b>1,122,822</b>	<b>1,818,376</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,732,235</b>	<b>\$ 543,520</b>	<b>\$ 2,275,755</b>

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**MISSOURI HUMANITIES COUNCIL**

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**STATEMENT OF ACTIVITIES  
YEAR ENDED OCTOBER 31, 2014**

	Unrestricted	Temporarily Restricted	Total
Support, Revenues, and Gains			
Grants from federal agency	\$ -	\$ 789,690	\$ 789,690
Grants from state	468,938	468,938	937,876
Contributions	31,840	21,953	53,793
In-kind contributions	-	33,206	33,206
Other	12,228	1,736	13,964
<b>Subtotal Support, Revenues, and Gains</b>	<b>513,006</b>	<b>1,315,523</b>	<b>1,828,529</b>
Net Assets Released From Restriction			
Satisfaction of federal agency restrictions	451,742	(451,742)	-
Satisfaction of individual program restrictions	563,122	(563,122)	-
<b>Total Net Assets Released From Restriction</b>	<b>1,014,864</b>	<b>(1,014,864)</b>	<b>-</b>
<b>Total Support, Revenues, and Gains</b>	<b>1,527,870</b>	<b>300,659</b>	<b>1,828,529</b>
Expenses			
Program services	1,150,305	-	1,150,305
Support services			
Management and general	293,709	-	293,709
Development	136,420	-	136,420
<b>Total Expenses</b>	<b>1,580,434</b>	<b>-</b>	<b>1,580,434</b>
Increase (Decrease) in Net Assets	(52,564)	300,659	248,095
Net Assets, Beginning of Year	748,118	822,163	1,570,281
<b>Net Assets, End of Year</b>	<b>\$ 695,554</b>	<b>\$ 1,122,822</b>	<b>\$ 1,818,376</b>

**MISSOURI HUMANITIES COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED OCTOBER 31, 2015**

	<u>Support Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	
Salaries	\$ 168,133	\$ 21,100	\$ 124,362	\$ 313,595
Payroll taxes and employee benefits	12,839	1,628	9,515	23,982
Benefits	20,835	4,951	21,007	46,793
Pension	7,100	1,625	5,364	14,089
<b>Total Salaries and Related</b>	<b>208,907</b>	<b>29,304</b>	<b>160,248</b>	<b>398,459</b>
Services	122,852	19,507	138,796	281,155
Grants	194,273	-	-	194,273
Supplies	48,044	1,559	6,183	55,786
Honoraria	55,795	-	-	55,795
Travel	23,191	23,496	11,741	58,428
Program fees	-	-	-	-
Rent	31,442	6,732	21,536	59,710
Printing and publications	20,542	1,361	36,174	58,077
Legal	8,147	364	4,920	13,431
Partnership program	99,100	-	3,000	102,100
Cost share - in-kind contributions	5,883	-	-	5,883
Board meetings	-	17,505	-	17,505
Professional fees	5,560	1,006	13,643	20,209
Staff development	12,079	1,373	5,717	19,169
Postage	13,996	367	7,434	21,797
Dues and subscriptions	6,975	2,329	10,109	19,413
Promotion	369	-	550	919
Accounting	5,000	18,500	-	23,500
Legislature	-	-	15,000	15,000
Equipment rental	2,351	551	1,915	4,817
Communications	7,453	1,050	3,709	12,212
Miscellaneous	-	5,387	228	5,615
Office expense	353	47	2,178	2,578
Insurance	2,889	691	-	3,580
Awards	1,250	-	-	1,250
Expenses before depreciation	876,451	131,129	443,081	1,450,661
Depreciation	2,643	1,423	-	4,066
<b>Total Expenses</b>	<b>\$ 879,094</b>	<b>\$ 132,552</b>	<b>\$ 443,081</b>	<b>\$ 1,454,727</b>
<b>% of Total Expenses</b>	<b>60.4%</b>	<b>9.1%</b>	<b>30.5%</b>	<b>100.0%</b>

**MISSOURI HUMANITIES COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED OCTOBER 31, 2014**

	Support Services			Total
	Program Services	Management and General	Fundraising and Development	
Salaries	\$ 221,403	\$ 122,023	\$ 5,687	\$ 349,113
Payroll taxes and employee benefits	16,950	10,199	429	27,578
Benefits	48,186	25,382	1,572	75,140
Pension	13,043	6,897	423	20,363
<b>Total Salaries and Related</b>	<b>299,582</b>	<b>164,501</b>	<b>8,111</b>	<b>472,194</b>
Services	167,014	47,344	88,060	302,418
Grants	172,347	-	-	172,347
Supplies	83,514	2,211	858	86,583
Honoraria	66,658	-	-	66,658
Travel	59,106	3,920	2,576	65,602
Program fees	50,125	-	-	50,125
Rent	30,213	16,142	965	47,320
Printing and publications	26,471	4,048	11,066	41,585
Legal	22,681	18,377	-	41,058
Partnership program	33,172	-	-	33,172
Cost share - in-kind contributions	28,206	-	-	28,206
Board meetings	19,381	6,616	38	26,035
Professional fees	12,409	3,428	9,599	25,436
Staff development	19,587	1,312	846	21,745
Postage	17,577	1,080	3,080	21,737
Dues and subscriptions	11,206	5,026	425	16,657
Promotion	10,946	-	-	10,946
Accounting	-	10,235	-	10,235
Legislature	-	-	10,000	10,000
Equipment rental	3,650	1,938	116	5,704
Communications	3,373	1,921	106	5,400
Miscellaneous	3,350	860	-	4,210
Office expense	1,636	1,107	574	3,317
Insurance	2,101	1,086	-	3,187
Awards	1,250	-	-	1,250
Expenses before depreciation	1,145,555	291,152	136,420	1,573,127
Depreciation	4,750	2,557	-	7,307
<b>Total Expenses</b>	<b>\$ 1,150,305</b>	<b>\$ 293,709</b>	<b>\$ 136,420</b>	<b>\$ 1,580,434</b>
<b>% of Total Expenses</b>	<b>72.8%</b>	<b>18.6%</b>	<b>8.6%</b>	<b>100.0%</b>

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**MISSOURI HUMANITIES COUNCIL**

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**STATEMENTS OF CASH FLOWS  
YEARS ENDED OCTOBER 31, 2015 AND 2014**

	<u>Years Ended October 31,</u>	
	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 457,379	\$ 248,095
Adjustments:		
Depreciation	4,066	7,307
Change in assets and liabilities		
(Increase) decrease in assets		
Grant receivables	(458,590)	28,490
Prepaid expenses	(31,755)	39,119
Other current assets	(1,300)	(300)
Increase (decrease) in liabilities		
Accounts payable	5,261	(20,376)
Grants payable	65,114	(1,115)
Accrued expenses	16,234	(150)
Due to related party	(48,798)	48,798
<b>Net Cash Provided by Operating Activities</b>	<b>7,611</b>	<b>349,868</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>7,611</b>	<b>349,868</b>
Cash and cash equivalents, beginning of year	870,984	521,116
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 878,595</b>	<b>\$ 870,984</b>

NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Business Description***

The Missouri Humanities Council (the Council) is a Missouri nonprofit organization funded by the National Endowment for the Humanities, state funding from the Professional Non-Resident Athletes and Entertainers Tax (A & E), and private contributions. Its objectives are to promote local economic development in rural and urban communities through heritage tourism initiatives, to conduct workshops benefitting Missouri veterans and their families, and to enhance local communities by funding humanities-based programs, projects, and events through an extensive community grants program. The Council encourages and supports humanities-related public outreach programming, including teacher education academies and workshops, lecture series, forums, and publications, festivals and living history venues, reading programs for disadvantaged families, and commemorative exhibits highlighting the rich heritage of Missouri. To accomplish these activities, the Council regularly partners with numerous statewide, regional, and local civic and community organizations, educational institutions, and governmental agencies.

The Council's leading programs include:

**Family Programs** – such as *Read from the Start* – to enrich and strengthen families by helping parents understand the importance and joy of reading to their children. These family programs promote and improve the educational development of our children and ensure a more nourishing growth and development for both parent and child.

**Veterans Programs** – such as writing workshops and the veterans' anthology *Proud to Be* – to provide an outlet for soldiers' readjustment from the battlefields to the home-front.

**Heritage Programs** – such as the *German Heritage Corridor* – to spur local and regional economic development and to highlight Missouri's rich heritage, unlimited cultural assets, beautiful and abundant natural and scenic resources, captivating stories, and innovative and influential citizens.

**Education Programs** – such as a *Speakers Bureau* which allows local libraries and other civic and community-based organizations to bring in Missouri scholars and experts to speak on a variety of subjects covering the state's heritage, culture, geography, and influential people; *commemorative exhibits*, which travel the state and provide Missourians a wealth of knowledge highlighting various facets of our state's wonderful heritage and culture; and, teacher education workshops to bolster the ability of our teachers to offer new approaches and new subjects in order to enhance the classroom experience and thus expand the education of our children.

Notes to Financial Statements (Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Accounting***

The financial statements of the Council are presented on the accrual basis in accordance with U.S. generally accepted accounting principles.

***Financial Statement Presentation***

The Council reports its information regarding financial position and activities according to three classes of net assets depending upon the existence or nature of any donor-imposed restrictions on use of contributions. The following is a description of these classes of net assets:

***Unrestricted Net Assets***

Those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose. Unrestricted net assets are available for operations including program services and management expenses.

***Temporarily Restricted Net Assets***

Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Council or the passage of time.

***Permanently Restricted Net Assets***

Those resources subject to donor-imposed restrictions that will be maintained permanently. The donors of these resources often permit the Board to use all or part of the income earned, including capital appreciation, on related investments for unrestricted or temporarily restricted purposes. At October 31, 2015 and 2014, the Council had no permanently restricted net assets.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires the Council to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Contributions***

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Gifts are reported as temporarily or permanently restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor-imposed restriction is satisfied, temporarily restricted net assets are released and reported as an increase in unrestricted net assets. However, if the restriction is fulfilled in the same period in which the contribution is received, the Council reports the support as unrestricted.

Notes to Financial Statements (Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Concentration of Credit Risk***

The Council received 96% and 94% of its revenue from the National Endowment for the Humanities (NEH) and Missouri Cultural Trust during the years ended October 31, 2015 and 2014 respectively. A significant reduction in the level of this support, if this were to occur, could have a significant effect on the Council's programs and activities.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Council considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Council maintains cash deposits in bank accounts which at times may exceed the federally insured limits of \$250,000 for each bank. The Council has not experienced any losses in such bank accounts.

***Financial Instruments***

The carrying amounts of cash and cash equivalents, grants receivable, accounts payable, and other accrued expenses and grants payable reported in the Statement of Financial Position approximate fair values due to the short-term maturities of those instruments.

***Grants Receivable***

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with grantors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial; accordingly an allowance for doubtful accounts is not required.

***Property & Equipment***

Property and equipment are stated at cost, or fair value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the respected assets. The Council's capitalization policy is to capitalize all property and equipment purchases over \$5,000.

***Donated Services, Materials, and Facilities***

Contributed services and materials are recorded at the estimated fair value if they enhance the Organization's non-financial assets, or are specialized skills that the Organization would normally purchase if not provided by donation.

Donated materials and facilities were \$5,883 and \$33,206 for the years ended October 31, 2015 and 2014 respectively, and are identified as cost share – in-kind contributions on the Statement of Activities. Certain services are not recorded as revenues because they were not provided by skilled labor. These services are tracked for the purpose of matching the operating grant as noted in the following paragraph.

Notes to Financial Statements (Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Donated Services, Materials, and Facilities (Continued)***

The terms of the operating grant from the NEH permits certain in-kind contributions to be used to match the operating grant that do not meet the requirements for generally accepted accounting principles regarding such contributions and therefore are not recorded in the financial statements.

***Grants Payable***

Grants are recognized as an expense and as a liability at the time the grants are awarded by the Council. The Council makes payments to grantees only to the extent that grantees have incurred allowable expenses.

***Functional Expenses***

The costs of the Council's programs and supporting services have been reported on a functional basis. Expenses that can be identified with a specific program and supporting services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on estimates made by management. This requires allocation of certain costs among the various programs and supporting services based on estimates made by management.

***Income Tax Status***

**Missouri Humanities Council** is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. As such, the Council can only be taxed on the income from any business activities unrelated to its charitable purposes. The Council does not have any unrelated business income, excise taxes, or activities that would threaten the Council's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided. The Council files an information return, IRS Form 990.

The Council's tax returns for tax years 2012 and later remain subject to examination by taxing authorities.

***Subsequent Events***

The Council has evaluated subsequent events through March 16, 2016, the date which the financial statements were available to be issued, for possible additional recognition or disclosure.

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**MISSOURI HUMANITIES COUNCIL**

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Notes to Financial Statements (Continued)

**2. PROPERTY AND EQUIPMENT**

Property and equipment are comprised of the following:

	<u>October 31,</u>	
	<u>2015</u>	<u>2014</u>
Property and equipment, at cost	\$ 76,635	\$ 83,776
Less accumulated depreciation	(76,635)	(79,710)
<b>Property and Equipment, Net</b>	<b>\$ -</b>	<b>\$ 4,066</b>

Depreciation expense was \$4,066 and \$7,307 for the years ended October 31, 2015 and 2014 respectively.

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available as follows:

	<u>October 31,</u>	
	<u>2015</u>	<u>2014</u>
Time restrictions	\$ 543,520	\$ 1,122,822
<b>Total Temporarily Restricted Net Assets</b>	<b>\$ 543,520</b>	<b>\$ 1,122,822</b>

**4. LEASES**

**Missouri Humanities Council** leases office space under an operating lease which provides for monthly payments of \$4,400 and expires in June 2016. Rent expense was \$50,320 and \$40,120 for the years ended October 31, 2015 and 2014 respectively. The Council also leases certain office equipment under operating leases. Leasing expense for the office equipment was \$4,356 and \$4,944 for the years ended October 31, 2015 and 2014 respectively.

**5. TAX DEFERRED ANNUITY PLAN**

The Council has a tax deferred 403(b) annuity plan. The Board of Directors has authorized the Council to contribute an amount equal to 7% of eligible wages for the years ended October 31, 2015 and 2014. Contributions to the plans were \$14,089 and \$20,636 for the years ended October 31, 2015 and 2014 respectively.



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

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To the Board of Directors of  
**Missouri Humanities Council**  
St. Louis, 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 **Missouri Humanities Council** (the Council) (a nonprofit organization), which comprise the statements of financial position as of October 31, 2015 and 2014, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and have issued our report thereon dated March 16, 2016.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kiefer Bonfanti & Co. LLP*

St. Louis, Missouri  
March 16, 2016