



BOONE COUNTY, MISSOURI

OMB Circular A-133 Single Audit Report

December 31, 2006

(With Independent Auditors' Reports Thereon)

BOONE COUNTY, MISSOURI

OMB Circular A-133 Single Audit Report

December 31, 2006

Table of Contents

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1 – 2
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	3 – 4
Schedule of Expenditures of Federal Awards.....	5 – 6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs.....	8 – 9



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

To the County Commissioners of
Boone County, Missouri:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boone County, Missouri as of and for the year ended December 31, 2006, which collectively comprise Boone County, Missouri's basic financial statements, and have issued our report thereon dated June 26, 2007. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to the discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Boone County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boone County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boone County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, as described as Finding 2006-01 within the Schedule of Findings and Questioned Costs.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boone County, Missouri's basic financial statements are free of 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*.

We noted certain matters that we reported to the management of Boone County, Missouri in a separate letter, dated June 26, 2007.

Boone County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Boone County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commissioners of Boone County, Missouri; Boone County, Missouri management; federal awarding agencies; and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

St. Louis, Missouri
June 26, 2007



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

The County Commissioners of
Boone County, Missouri:

Compliance

We have audited the compliance of Boone County, Missouri with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. Boone County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Boone County, Missouri's management. Our responsibility is to express an opinion on Boone County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boone County, Missouri's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Boone County, Missouri's compliance with those requirements.

In our opinion, Boone County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Boone County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Boone County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boone County, Missouri's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boone County, Missouri as of and for the year ended December 31, 2006, and have issued our report thereon dated June 26, 2007. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Boone County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Commissioners of Boone County, Missouri; Boone County, Missouri management; federal awarding agencies; and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

St. Louis, Missouri
July 16, 2007,
except as to paragraph 8,
which is as of June 26, 2007

BOONE COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards
 Year ended December 31, 2006

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass-Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY06 Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE:					
Schools and Roads—Grants to Counties	.....	Forest Cropland PILT	1150	10.666	\$ 419
	.....	National Forest PILT	1190	10.666	9,877
	.....				<u>10,296</u>
Child Nutrition Cluster:					
School Breakfast Program	.....	USDA—National School Breakfast Program	1242	10.553	14,415
National School Lunch Program	.....	USDA—National School Lunch and Special Milk Program	1242	10.555	20,109
					<u>34,524</u>
					<u>44,820</u>
<i>Total United States Department of Agriculture</i>					
UNITED STATES DEPARTMENT OF INTERIOR:					
Payment in Lien of Taxes (PILT)	.....	Fish & Wildlife PILT	1190	15.000	1,864
Payment in Lien of Taxes (PILT)	.....	Bureau of Land Management PILT	1190	15.226	4,819
<i>Total United States Department of Interior</i>					<u>6,683</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Child Support Enforcement	Missouri Department of Social Services—Family Support Division	Child Support Enforcement	1221	93.563	20,005
	Missouri Department of Social Services—Family Support Division	Family Court Service and Justice IV-D Reimbursement	1210	93.563	2,732
	Missouri Department of Social Services—Family Support Division	Child Support Enforcement	1263	93.563	534,643
					<u>557,380</u>
Voting Access for Individuals with Disabilities	Missouri Secretary of State	Poling Place Accessibility Grant	2312	93.617	4,918
Foster Care—Title IV-E	Missouri Department of Social Services—Children's Division	Title IV-E Reimbursement	1242	93.658	65,243
					<u>627,541</u>
<i>Total United States Department of Health and Human Services</i>					
UNITED STATES DEPARTMENT OF HOMELAND SECURITY:					
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Missouri Department of Public Safety	FEMA 1631-DR-MO (March, 2006 Hail Storm)	1195	97.036	23,400
	Missouri Department of Public Safety	FEMA 1631-DR-MO (March, 2006 Hail Storm)	2048	97.036	780
	Missouri Department of Public Safety	FEMA 1631-DR-MO (March, 2006 Hail Storm)	6200	97.036	3,900
	Missouri Department of Public Safety	FEMA 1673-DR-MO (Nov 30/Dec 1, 2006 Snow Storm)	1251	97.036	938
	Missouri Department of Public Safety	FEMA 1673-DR-MO (Nov 30/Dec 1, 2006 Snow Storm)	2049	97.036	126,920
	Missouri Department of Public Safety	FEMA 1673-DR-MO (Nov 30/Dec 1, 2006 Snow Storm)	2901	97.036	855
					<u>156,723</u>
Homeland Security Grant Program	Missouri Department of Public Safety—State Emergency Management Agency	Homeland Security Response Team Grant	1251	97.067	3,570
Homeland Security Grant Program	Missouri Department of Public Safety—State Emergency Management Agency	Homeland Security Response Team Grant	1288	97.067	5,355
					<u>8,925</u>
<i>Total United States Department of Homeland Security</i>					<u>165,718</u>

(Continued)

BOONE COUNTY, MISSOURI
 Schedule of Expenditures of Federal Awards, Continued
 Year ended December 31, 2006

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY06 Federal Expenditures
UNITED STATES DEPARTMENT OF JUSTICE:					
Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1251	16.388	30,000
	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1261	16.388	67,725
					97,725
Local Law Enforcement Block Grant Program					
		Local Law Enforcement Block Grant	2534	16.592	2,376
		Local Law Enforcement Block Grant	2535	16.592	11,311
		Local Law Enforcement Block Grant	2534	16.592	13,398
					27,085
Federal Asset Sharing Program					
		Sheriff Forfeiture Money	2500	16.000	5,437
Juvenile Accountability Incentive Block Grants					
	Missouri Department of Public Safety	Juvenile Accountability Incentive Block Grant (JABG)	1243	16.523	31,774
Crime Victim Assistance					
	Missouri Department of Public Safety	Victim Response Team	1262	16.575	52,595
Byrne State & Local Law Enforcement Assistance Grants					
		Mental Health Court Grant	1243	16.580	45,978
Bulleproof Vest Partnership Program					
		Bulleproof Vest Grant	1251	16.607	452
		Bulleproof Vest Grant	2820	16.607	1,138
					1,590
					262,204
<i>Total United States Department of Justice</i>					
UNITED STATES DEPARTMENT OF TRANSPORTATION:					
<i>Highway Safety Cluster:</i>					
State and Community Highway Safety	Missouri Department of Transportation—Highway Safety Division	Police Traffic Services Sobriety Checkpoint	1251	20.600	11,478
	Missouri Department of Transportation—Highway Safety Division	Police Traffic Services Hazardous Moving Violation Enforcement	1251	20.600	12,778
	Missouri Department of Transportation—Highway Safety Division	State and Community Highway Safety Full-Time Traffic Unit	1251	20.600	138,468
	Missouri Department of Transportation—Highway Safety Division	Selective Traffic Enforcement Program (STEP)	1251	20.604	1,971
					184,695
<i>Total United States Department of Transportation</i>					
UNITED STATES ELECTION ASSISTANCE COMMISSION:					
Help America Vote Act Requirements Payments	Missouri Secretary of State	Accessible and Second Chance Voting Systems	2310	90.401	888,700
					888,700
<i>Total United States Election Assistance Commission</i>					
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:					
Nonpoint Source Implementation Grants	Missouri Department of Natural Resources	Nonpoint Source Pollution Control	1750	66.460	71,172
					71,172
<i>Total United States Environmental Protection Agency</i>					
UNITED STATES GENERAL SERVICES ADMINISTRATION:					
Election Reform Payments	Missouri Secretary of State	Help America Vote Act (HAVA)	2311	39.011	9,551
					9,551
<i>Total United States General Services Administration</i>					
TOTAL EXPENDITURES OF FEDERAL AWARDS					
					\$ 2,261,084

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards.

BOONE COUNTY, MISSOURI

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2006

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal awards programs of Boone County, Missouri for the year ended December 31, 2006. For the purposes of the schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between Boone County, Missouri and agencies and departments of the federal government or passed through other government agencies or other organizations.

(2) Basis of Accounting

Amounts reported in the accompanying schedule are presented using the accrual basis of accounting, which is described in note 1 to Boone County, Missouri's basic financial statements.

(3) Grants to Subrecipients

The accompanying schedule includes no federal expenditures that have been passed through to subrecipients.

BOONE COUNTY, MISSOURI

Schedule of Findings and Questioned Costs

Year ended December 31, 2006

(1) Summary of Auditors' Results:

- (a) The type of report issued on the basic financial statements: **Unqualified Opinion**
- (b) Significant deficiencies in internal control were disclosed by the audit of the basic financial statements: **Yes**
Material weaknesses: **None reported**
- (c) Noncompliance which is material to the basic financial statements: **No**
- (d) Significant deficiencies in internal control over the major program: **None reported**
Material weaknesses: **None reported**
- (e) The type of report issued on compliance for the major program: **Unqualified Opinion**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **None reported**
- (g) Major program:
 - CFDA #90.401 – United States Election Assistance Commission passed through the Missouri Secretary of State—Help America Vote Act Requirements Payments
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **Yes**

(2) Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

(3) Findings and Questioned Costs Relating to Federal Awards: None

BOONE COUNTY, MISSOURI

Schedule of Findings and Questioned Costs, Continued

Year ended December 31, 2006

FINDING 2006-01 – IDENTIFICATION AND RECORDING OF BANK ACCOUNTS HELD IN A FIDUCIARY CAPACITY

U.S. Generally Accepted Accounting Principles requires assets held in a trustee or agency capacity for others, and which therefore cannot be used to support the government's own programs, to be recorded within a fiduciary fund. We identified one bank account containing assets being held in an agent capacity, which was not originally identified and recorded within a fiduciary fund in the County's basic financial statements. While total assets within this specific bank account were immaterial to the basic financial statements as of December 31, 2006, the absence of a process to identify and record such bank accounts creates the risk that material assets for which the County is responsible will not be identified and recorded within its financial records.

Custodial credit risk represents the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. Boone County, Missouri policy requires that all deposits be covered by adequate pledge collateral to mitigate custodial credit risk. To facilitate compliance with this policy, the County maintains processes to ensure that all deposits are properly collateralized. If bank accounts for which the County is responsible are not identified and recorded within its financial records, the effectiveness of such processes is limited.

We recommend the County establish processes to ensure that all bank accounts are identified and recorded within its financial records.

View of Responsible Official:

The County concurs with the above finding, and will review and establish procedures as necessary.