



**BOONE COUNTY, MISSOURI**

OMB Circular A-133 Single Audit Report

December 31, 2007

(With Independent Auditors' Reports Thereon)

**BOONE COUNTY, MISSOURI**

**OMB Circular A-133 Single Audit Report**

December 31, 2007

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Boone County, Missouri's audited financial statements, as of and for the year ended December 31, 2007, are separately attached hereto.



KPMG LLP  
Suite 900  
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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***

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, 2007, which collectively comprise Boone County, Missouri's basic financial statements, and have issued our report thereon dated July 29, 2008. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. As discussed in note 1(q) to the basic financial statements, Boone County, Missouri retroactively reported infrastructure assets acquired prior to January 1, 2003 in accordance with the transition provisions of GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments*, as of January 1, 2007. 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*.

**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.

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.

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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## 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*.

This report is intended solely for the information and use of the County Commissioners of 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 29, 2008



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

**Independent Auditors' Report on Compliance With Requirements  
Applicable to its 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, 2007. 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 considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of 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, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2007-01.

**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 the 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.

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2007-01 to be a significant deficiency.

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. We consider the significant deficiency described in the accompanying schedule of findings and questioned costs as Finding 2007-01 to be a material weakness.

#### **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, 2007, and have issued our report thereon dated July 29, 2008. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. As discussed in note 1(q) to the basic financial statements, Boone County, Missouri retroactively reported infrastructure assets acquired prior to January 1, 2003 in accordance with the transition provisions of GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments*, as of January 1, 2007. 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.

Boone County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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; 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 29, 2008

**BOONE COUNTY, MISSOURI**  
 Schedule of Expenditures of Federal Awards  
 Year ended December 31, 2007

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass-Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY07 Federal Expenditures
<b>UNITED STATES DEPARTMENT OF AGRICULTURE:</b>					
Schools and Roads Cluster:					
Schools and Roads—Grants to Counties	-----	Forest Cropland PILT	1150	10.666	\$ 419
	-----	National Forest PILT	1190	10.666	16,975
	-----				17,394
Child Nutrition Cluster:					
School Breakfast Program	-----	USDA—National School Breakfast Program	1242	10.553	14,712
National School Lunch Program	-----	USDA—National School Lunch and Special Milk Program	1242	10.555	22,753
	-----				37,465
	-----				54,859
<i>Total United States Department of Agriculture</i>					
<b>UNITED STATES DEPARTMENT OF INTERIOR:</b>					
Payment in Lieu of Taxes (PILT)	-----	Fish & Wildlife PILT	1190	15.000	1,725
	-----	Bureau of Land Management PILT	1190	15.226	5,173
	-----				6,898
<i>Total United States Department of Interior</i>					
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
Child Support Enforcement	Missouri Department of Social Services—Family Support Division	Child Support Enforcement	1221	93.563	15,492
	Missouri Department of Social Services—Family Support Division	Family Court Service and Justice IV-D Reimbursement	1210	93.563	2,379
	Missouri Department of Social Services—Family Support Division	Child Support Enforcement	1263	93.563	549,224
					567,095
Voting Access for Individuals with Disabilities	Missouri Secretary of State	Polling Place Accessibility Grant	2312	93.617	2,611
Foster Care—Title IV-E	Missouri Department of Social Services—Children's Division	Title IV-E Reimbursement	1242	93.658	91,505
					661,211
<i>Total United States Department of Health and Human Services</i>					
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY:</b>					
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Missouri Department of Public Safety	FEMA 1673-DR-MO (Nov 30/Dec 1, 2006 Snow Storm)	2049	97.036	12,511
	Missouri Department of Public Safety	FEMA 1676-DR-MO (Jan 12-14, 2007 Ice Storm)	2049	97.036	205,693
	Missouri Department of Public Safety	FEMA 1736-DR-MO (Dec 6-15, 2007 Snow Storm)	2049	97.036	363,710
					581,844
Homeland Security Cluster:					
Homeland Security Grant Program	Missouri Department of Public Safety—State Emergency Management Agency	Interoperable Communications Grant Program	1251	97.067	64,206
State Domestic Preparedness Equipment Support Program	Missouri Department of Public Safety—State Emergency Management Agency	State Homeland Security Grant Program	1251	97.004	1,591
					65,797
Pre-Disaster Mitigation (PDM) Competitive Grants	Missouri Department of Public Safety—State Emergency Management Agency	Bank Stabilization Project	2049	97.017	24,099
					671,740
<i>Total United States Department of Homeland Security</i>					

**BOONE COUNTY, MISSOURI**

Schedule of Expenditures of Federal Awards, Continued

Year ended December 31, 2007

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY07 Federal Expenditures
<b>UNITED STATES DEPARTMENT OF JUSTICE:</b>					
Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1251	16-588	32,496
	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1261	16-588	67,725
					<u>100,221</u>
Federal Asset Sharing Program	-----	Sheriff Forfeiture Money	2500	16-000	11,293
Juvenile Accountability Block Grants	Missouri Department of Public Safety	Juvenile Accountability Block Grant (JABG)	1243	16-523	23,438
Crime Victim Assistance	Missouri Department of Public Safety	Victim Response Team	1262	16-575	51,986
Juvenile Justice & Delinquency Prevention - Allocation to States	Missouri Department of Public Safety	Substance Abuse Intervention Program	1243	16-540	9,198
					<u>196,136</u>
<i>Total United States Department of Justice</i>					
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION:</b>					
Highway Safety Cluster:					
State and Community Highway Safety	Missouri Department of Transportation—Highway Safety Division	Police Traffic Services Sobriety Checkpoint	1251	20-600	5,769
	Missouri Department of Transportation—Highway Safety Division	Police Traffic Services Hazardous Moving Violation Enforcement	1251	20-600	10,915
	Missouri Department of Transportation—Highway Safety Division	State and Community Highway Safety Full-Time Traffic Unit	1251	20-600	59,310
	Missouri Department of Transportation—Highway Safety Division	Selective Traffic Enforcement Program (STEP)	1251	20-604	2,733
	Missouri Department of Transportation—Highway Safety Division	Selective Traffic Enforcement Program (STEP)	2902	20-604	425
					<u>79,152</u>
	Missouri Secretary of State	Accessible and Second Chance Voting Systems	2310	90-401	9,820
					<u>9,820</u>
	Missouri Department of Natural Resources	Nonpoint Source Pollution Control	1750	66-460	93,355
					<u>93,355</u>
					<u>\$ 1,773,171</u>
<b>UNITED STATES ELECTION ASSISTANCE COMMISSION:</b>					
Help America Vote Act Requirements Payments					
<i>Total United States Election Assistance Commission</i>					
<b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:</b>					
Nonpoint Source Implementation Grants					
<i>Total United States Environmental Protection Agency</i>					
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					

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, 2007**

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**(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, 2007. 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, 2007

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**(1) Summary of Auditors' Results:**

- (a) The type of report issued on the basic financial statements: **Unqualified Opinions on the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boone County, Missouri**
- (b) Significant deficiencies in internal control were disclosed by the audit of the basic financial statements: **None reported**  
Material weaknesses: **No**
- (c) Noncompliance which is material to the basic financial statements: **No**
- (d) Significant deficiencies in internal control over the major program: **Yes**  
Material weaknesses: **Yes**
- (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: **Yes**
- (g) Major program:
  - CFDA #97.036—United States Department of Homeland Security passed through the Missouri Department of Public Safety—Disaster Grants—Public Assistance (Presidentially Declared Disasters)
- (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: No**

**BOONE COUNTY, MISSOURI**

Schedule of Findings and Questioned Costs, Continued

Year ended December 31, 2007

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**(3) Findings and Questioned Costs Relating to Federal Awards:**

**FINDING 2007-01**

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**Federal Agencies** –United States Department of Homeland Security passed through the Missouri Department of Public Safety

**Federal Program Title** – Disaster Grants—Public Assistance (Presidentially Declared Disasters)

**CFDA No.** – 97.036

**Grant Identification Numbers** – FEMA 1673-DR-MO, FEMA 1676-DR-MO, and FEMA 1736-DR-MO

**Grant Award Periods** – Various

**Compliance Requirement** – Procurement and Suspension and Debarment

**Criteria** – 2 Code of Federal Regulations (CFR) Part 180 states that non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts and subcontracts that are expected to equal or exceed \$25,000 or meet certain other specified criteria, as defined within 2 CFR Part 180. Specifically, when entering into a covered transaction, Boone County, Missouri (the County) must verify that the other party is not excluded or disqualified by (a) checking the Excluded Party List System (EPLS), (b) collecting a certification from the other party, if allowed by the Federal agency responsible for the transaction, or (c) by adding a clause or condition to the covered transaction with that person or entity.

**Condition Found** – The County did not have an effective system of internal control in place to ensure compliance with the procurement and suspension and debarment compliance requirement. The County's mechanism for complying with the procurement and suspension and debarment compliance requirement for covered transactions normally includes collecting a certification from the other party at the time in which the County enters into the respective covered transaction. Due to the nature of the Disaster Grants—Public Assistance (Presidentially Declared Disasters) program, the County was reimbursed for certain goods purchased off of contracts that were entered into prior to the occurrence of the Presidentialy Declared Disaster, and which therefore had not been originally identified as covered transactions to be funded with Federal funds. Because these contracts were not considered covered transactions at the time when the contracts were initiated, the County did not collect a certification from the other party certifying the other party was not excluded or disqualified. In such situations, the County did not have an alternate process to verify the other party was not an excluded or disqualified party after identifying that expenditures would be reimbursed with Federal funds.

**Questioned Costs** – There are no questioned costs because the covered transactions for which the County did not have a process in place to verify the other party was not an excluded or disqualified party were not suspended or debarred per subsequent review of the EPLS website.

## BOONE COUNTY, MISSOURI

### Schedule of Findings and Questioned Costs, Continued

Year ended December 31, 2007

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**Context** – The condition found impacts all covered transactions reimbursed for goods purchased off of contracts that were entered into prior to the occurrence of the related Presidentially Declared Disasters, or \$114,252 for the year ended December 31, 2007. We subsequently tested all covered transactions for which the County did not have a process in place to verify the other party was not an excluded or disqualified party during the year ended December 31, 2007 by verifying whether or not any of these entities were suspended or debarred. None of the covered transactions were with parties that were suspended or debarred upon subsequent review of the EPLS.

**Cause and Effect** – The County did not have an effective system of internal control in place to ensure compliance with the procurement and suspension and debarment compliance requirement in situations when the County was reimbursed for certain goods purchased off of contracts that were entered into prior to the occurrence of the Presidentially Declared Disaster, and which therefore had not been originally identified as being funded with Federal funds. As a result, the County not did verify the other party was not an excluded or disqualified party by (a) checking the Excluded Party List System (EPLS), (b) collecting a certification from the other party, if allowed by the Federal agency responsible for the transaction, or (c) by adding a clause or condition to the covered transaction with that person or entity.

**Recommendations** – We recommend the County strengthen its existing processes and controls relative to ensuring covered transactions are not entered into with suspended or debarred parties in accordance with 2 CFR Part 180.

**Views of Responsible Officials and Corrective Actions** – The County acknowledges the recommendation and will design and implement additional procedures to ensure compliance in the situations noted above. The implementation date will be no later than December 31, 2008.

**Contact Name:** June E. Pitchford, Boone County Auditor

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