
BOONE COUNTY, MISSOURI

*OMB CIRCULAR A-133
SINGLE AUDIT REPORT
DECEMBER 31, 2010*

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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***

County Commissioners
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 (the County) as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 27, 2011. 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*.

Internal Control Over Financial Reporting

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

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 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.

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 deficiencies, 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 the County's 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.

RubinBrown LLP

June 27, 2011

**Independent Auditors' Report On Compliance
With Requirements That Could Have A Direct And Material Effect
On Each Major Program And On Internal Control Over Compliance
In Accordance With OMB Circular A-133 And On
The Schedule Of Expenditures Of Federal Awards**

County Commissioners
Boone County, Missouri

Compliance

We have audited the compliance of Boone County, Missouri (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2010. The County's major federal programs are 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 each of its major federal programs is the responsibility of Boone County, Missouri's management. Our responsibility is to express an opinion on the County'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 the County'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 the County's compliance with those requirements.

As described in item 2010-1 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding equipment and real property management that are applicable to the Edward Byrne Justice Assistance Grant and the Energy Efficiency and Conservation Block Grant Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County'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 the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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, 2010, and have issued our report thereon dated June 27, 2011, which contained unqualified opinions on those financial statements. 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 the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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.

RubinBrown LLP

July 20, 2011
(Except for paragraph 9,
which is dated June 27, 2011)

BOONE COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor	Program Or Cluster Title	Dept	Federal CFDA Number	Federal Expenditures
United States Department of Agriculture:					
Schools and Roads Cluster:					
Schools and Roads-Grants to Counties	—	Forest Cropland PILT	1150	10.666	\$ 419
Schools and Roads-Grants to Counties	—	National Forest PILT	2049	10.666	<u>13,696</u>
					<u>14,115</u>
Child Nutrition Cluster:					
School Breakfast Program	—	National School Breakfast Program	1242	10.553	12,302
National School Lunch Program	—	National School Lunch Program	1242	10.555	19,136
National School Lunch Program	Missouri Department of Elementary and Secondary Education	School Food Services Equipment Assistance Grants	1243	10.579	<u>21,185</u>
					<u>52,623</u>
Total United States Department of Agriculture					<u>66,738</u>
United States Department of the Interior:					
Payments in Lieu of Taxes	—	Fish & Wildlife PILT	1190	15.226	1,216
Payments in Lieu of Taxes	—	Fish & Wildlife PILT	2049	15.226	39,083
Payments in Lieu of Taxes	—	Bureau of Land Management PILT	2049	15.226	<u>7,018</u>
Total United States Department of the Interior					<u>47,317</u>
United States Department of Health and Human Services:					
Child Support Enforcement	Missouri Department of Social Services - Family Support Division	Family Court Service and Justice IV-D Reimbursement	1210	93.563	2,473
	Missouri Department of Social Services - Family Support Division	Child Support Enforcement	1221	93.563	11,118
	Missouri Department of Social Services - Family Support Division	Child Support Enforcement	1263	93.563	<u>405,851</u>
					419,442
Substance Abuse Prevention and Treatment ASPT Block Grant	University of Missouri	Strategic Prevention Framework State Incentive Grant	1251	93.959	<u>474</u>
Total United States Department of Health and Human Services					<u>419,916</u>
United States Environmental Protection Agency					
Capitalization Grants for Clean Water State Revolving Funds	Missouri Department of Natural Resources	NID Direct Loan Program - Hill Creek NID	5220	66.458	19,024
ARRA - Capitalization Grants for Clean Water State Revolving Funds	Missouri Department of Natural Resources	Brown Station Sanity Sewer System NID	5240	66.458	107,462
ARRA - Capitalization Grants for Clean Water State Revolving Funds	Missouri Department of Natural Resources	Country Squire Sanity Sewer System NID	5250	66.458	<u>124,378</u>
					250,864
Nonpoint Source Implementation Grants	Missouri Department of Natural Resources	Hinkson Creek Watershed Restoration Project Phase II	1751	66.460	<u>32,898</u>
Total United States Environmental Protection Agency					<u>283,762</u>

BOONE COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor	Program Or Cluster Title	Dept	Federal CFDA Number	Federal Expenditures
United States Department of Justice:					
Federal Asset Sharing Program	—	Sheriff Forfeiture Money	2501	16.000	\$ 15,842
Juvenile Accountability Block Grants	Missouri Department of Public Safety	Juvenile Accountability Block Grants	1243	16.523	19,903
Juvenile Justice & Delinquency Prevention - Allocation to States	Missouri Department of Public Safety	Juvenile Detention Alternatives Initiative	1243	16.540	19,878
Crime Victim Assistance	Missouri Department of Public Safety	Victim Response Team	1262	16.575	46,083
Violence Against Women Formula Grants	Missouri Department of Public Safety	STOP Violence Against Women Act (VAWA)	1243	16.588	47,304
Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement	1251	16.588	24,244
Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement	1261	16.588	58,855
ARRA - Violence Against Women Formula Grants	Missouri Department of Public Safety	STOP Violence Against Women Act (VAWA)	1243	16.588	36,334
ARRA - Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement	2971	16.588	113,894
					<u>280,631</u>
Public Safety Partnership and Community Policing Grants	—	Community Oriented Policing Services (COPS) Technology Grant	1259	16.710	162,968
Edward Byrne Memorial Justice Assistance Grant Program	—	Justice Assistance Grant	2530	16.738	49,739
	—	Justice Assistance Grant	2537	16.738	3,459
	—	Justice Assistance Grant	2539	16.738	3,731
					<u>56,929</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States	—	Multi-Jurisdictional Cyber Crime Grant	2972	16.803	181,709
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants To Units Of Local Government	—	Justice Assistance Grant	2981	16.804	29,637
					<u>813,580</u>
Total United States Department of Justice					
United States Department of Transportation:					
Highway Planning and Construction Cluster: Federal-Aid Highway Program	Missouri Department of Transportation	McBaine Bridge Project	2049	20.205	64,581
Highway Safety Cluster: State and Community Highway Safety	Missouri Department of Transportation - Highway Safety Division	Police Traffic Services Sobriety Checkpoint	1251	20.600	23,973
	Missouri Department of Transportation - Highway Safety Division	Police Traffic Services Hazardous Moving Violation Enforcement	1251	20.600	11,945
	Missouri Department of Transportation - Highway Safety Division	State and Community Highway Safety Full-Time Traffic Unit	1251	20.600	53,505
National Highway Traffic Safety Administration	Office of State Court Administrator	DWI Court Pilot Project	1243	20.601	22,597
Child Safety and Child Booster Seat Incentive Grants	Missouri Department of Transportation - Highway Safety Division	Child Passenger Safety	1251	20.601	686
	Missouri Department of Transportation - Highway Safety Division	DWI Enforcement	1251	20.601	2,209
	Missouri Department of Transportation - Highway Safety Division	CIOT/CPS Enforcement	1251	20.601	1,387
	Missouri Department of Transportation - Highway Safety Division	Compliance Operation	1251	20.607	1,189
					<u>117,491</u>
					<u>182,072</u>
Total United States Department of Transportation					

BOONE COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor	Pass-Through Grantor	Program Or Cluster Title	Dept	Federal CFDA Number	Federal Expenditures
United States Election Assistance Commission:					
Help America Vote Act Requirements Payments	Missouri Secretary of State	2010 Poll Work Training	2310	90.401	\$ 16,029
Election Reform Payments	Missouri Secretary of State	Federal Voting Equipment Maintenance and Security	2311	39.011	<u>57,692</u>
Total United States Election Assistance Commission					<u>73,721</u>
United States Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant	Missouri Department of Natural Resources	Water and Wastewater Treatment Efficiency	2973	81.128	14,750
ARRA - Energy Efficiency and Conservation Block Grant	Missouri Department of Natural Resources	Public Buildings Energy Efficiency Retrofit	4050	81.128	<u>164,845</u>
Total United States Department of Energy					<u>179,595</u>
Total Federal Awards					<u><u>\$2,066,701</u></u>

BOONE COUNTY, MISSOURI

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2010**

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 (the County) for the year ended December 31, 2010 and is presented on the accrual basis of accounting. For the purpose of the Schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between the County and agencies and departments of the federal government or passed through other government agencies or other organizations.

2. Basis Of Accounting And Relationship To Federal Financial Reports

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

3. Grants To Subrecipients

Of the federal expenditures presented in the Schedule, the County provided \$58,883 in expenditures to subrecipients as follows:

<u>CFDA Number</u>	<u>Program</u>	<u>Amounts Provided To Subrecipients</u>
16.738	Edward Byrne Memorial Justice Assistance Grant	\$44,132
81.128	Energy Efficiency and Conservation Block Grant	\$14,751

BOONE COUNTY, MISSOURI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2010**

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? yes None noted
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? yes no

Type of auditors' report issued on compliance for major programs:

Qualified opinion for equipment and real property management relative to the Edward Byrne Justice Assistance Grant and Energy Efficiency and Conservation Block Grant Program; Unqualified opinion for all other compliance requirements and programs

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

yes no

Identification of Major Programs:

- CFDA #16.588 - U.S. Department of Justice - Violence Against Women Formula Grants
- CFDA #16.803 - U.S. Department of Justice - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)
- CFDA #81.128 - U.S. Department of Energy- Recovery Act - Energy Efficiency and Conservation Block Grant Program (EECBG)
- CFDA #93.563- U.S. Department of Health and Human Services- Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes no

Section II - Financial Statement Findings

None

BOONE COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

December 31, 2010

Section III - Federal Award Findings And Questioned Costs

Finding No. 2010-1

**Federal Award
Information:**

ARRA - Edward Byrne Justice Assistance Grant (JAG) – Grants to States and ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

CFDA No: 16.803 and 81.128

Criteria: The U.S. Department of Justice Office of Justice Programs (OJP) Financial Guide (October 2009) and OMB Circular A-110 require a physical inventory of property purchased with federal funds be taken and the results reconciled with the property records at least once every two years.

Condition: We determined that physical inventories were not being performed on a bi-annual basis for all federally funded capital assets. This is because, as of December 31, 2010, the County is still in the process of identifying federally funded fixed assets within its Fixed Asset Program. Once this project is completed, the County will be able to generate the listing of federally funded fixed assets necessary to complete the inventory.

Questioned Costs: Not applicable.

Cause: The County has added a field to its Fixed Asset Program to identify federally funded fixed assets. Additionally, all federally funded fixed assets purchased in 2010 have been indicated as such within the Fixed Asset Program. However, the County is still in the process of identifying which fixed assets purchased prior to 2010 were purchased with federal funds. The County anticipates completion of this project in 2011.

Effect: The County is not properly performing physical inventories and reconciling with property records timely in accordance with the OJP Financial Guide, OMB Circular A-110 or internal policies.

Recommendation: We recommend the County complete the process of indentifying federally funded fixed assets within the Fixed Asset Program and develop a physical inventory schedule to ensure physical inventories of federally funded fixed assets are performed at least once every two years, as required, by the individual departments responsible for administering the federally funded programs.

**Corrective Action
Plan:**

The County will complete the process of identifying federally funded fixed assets within the County's Fixed Asset Program and each office responsible for such assets will conduct a physical inventory on or before December 31, 2011. A process will be established to ensure that such inventories are conducted at least every two years going forward.

Completion Date: December 31, 2011

**Contact Person
And Title:**

June Pitchford, Boone County Auditor

BOONE COUNTY, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2010

Finding No. 2009-1 Physical inventories of federally funded fixed assets were not being performed on a bi-annual basis as required by federal regulations.

Comment: The finding is in the process of being corrected. The County has added a field to its Fixed Asset Program to identify federally funded fixed assets. Additionally, all federally funded fixed assets purchased in 2010 have been indicated as such within the Fixed Asset Program. However, the County is still in the process of identifying which fixed assets purchased prior to 2010 were purchased with federal funds. The County anticipates completion of this project in 2011. This finding has been repeated as Finding No. 2010-1.

Finding No. 2009-2 For three of the 40 contractor and subcontractor laborers and mechanics selected for testwork, no member of County management had reviewed the certified payroll report to verify compliance with prevailing wage rates.

Comment: The finding was corrected in fiscal year 2010. The Assistant Treasurer is responsible for reviewing all certified payroll reports. These are kept in a master file and a review checklist is completed each pay period. This review was completed throughout 2010.