

TERM OF COMMISSION: August Session of the July Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center
Room 338

PRESENT WERE: Presiding Commissioner Edward H. Robb
District I Commissioner Karen M. Miller
District II Commissioner Skip Elkin
Director of Resource Management Stan Shawver
County Clerk Wendy Noren
County Collector Patricia Lensmeyer
County Auditor June Pitchford
Engagement Partner Jeff Winter
Engagement Manager Ted Williamson
Engagement In-Charges Christine Ommen
Kent Sapp
District Engineer Kirk Juranas
Deputy County Clerk Cameron Clarke

The meeting was called to order at 9:30 a.m.

Collector

1. Budget revision to cover cost of new chair mats, door release buttons, and 2 multimedia cabinets (first reading)

Boone County Collector Patricia Lensmeyer was present on behalf of this item. Ms. Lensmeyer stated she wished to move money from the contingency account in the tax maintenance fund to the appropriate accounts in the Collector's fund. Ms. Lensmeyer stated this is on the Commission agenda because these are furnishings and she thought the Commissioners should be aware of it. Ms. Lensmeyer stated one of the things she would like to purchase is chair mats. Ms. Lensmeyer stated due to their new office space, longer chair mats are needed. Ms. Lensmeyer stated these are custom chair mats which makes them more expensive, but stated they're heavy duty and should last a long time.

Ms. Lensmeyer stated the door release buttons she would like to purchase have to do with security.

Ms. Lensmeyer stated for many years the daily work was retained by the treasurer, and stored on the third floor. Ms. Lensmeyer stated when the third floor was cleared off; many of these documents were destroyed appropriately. Ms. Lensmeyer stated the Collector's office has obtained two cabinets which hold the right amount so it can be regularly rotated out and destroyed appropriately.

Commissioner Robb stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with an appropriate order for approval.

County Clerk

2. Budget revision to cover EAP costs through the end of 2011 (first and second reading)

Boone County Clerk Wendy Noren was present on behalf of this item. Ms. Noren stated there was originally \$2,000 budgeted for the EAP program. Ms. Noren stated she spoke with Boone about this and told them she would try to find money later in the year. Ms. Noren stated this is why she has prepared the budget revision. Ms. Noren stated she was able to find some extra money in the cafeteria plan. Ms. Noren stated she was requesting a first and second reading so she could go ahead and pay the original \$2,000, and then the full amount she discussed with them. Ms. Noren stated this is half of what their contracted amount had been with us for over ten years. Ms. Noren stated she believes this is a very important service to Boone County employees.

Commissioner Robb stated he agreed.

The Commissioners agreed they had no problem doing a second reading.

Commissioner Elkin moved on this day the County Commission of the County of Boone does hereby approve the following budget revision to cover EAP costs through the end of 2011:

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
1192	71104	Employee Benefits	Administrative Services	500.00	
1123	86800	Emergency and Contingency	Emergency	3,000.00	
1192	71101	Employee Benefits	Professional Services		3,500.00

Commissioner Miller seconded the motion.

The motion carried 3 to 0. **Order # 332-2011**

3. Budget revision to cover increased cost of publishing additional pages of financials for compliance (first reading)

Boone County Clerk Wendy Noren was present on behalf of this item. Ms. Noren stated this is a budget revision to cover the increased cost of the mandatory publication of our financial statement. Ms. Noren stated the state statutes are wishy-washy on what needs to be published. Ms. Noren stated there were an additional three pages that needed to be published.

Commissioner Robb stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with an appropriate order for approval.

4. Depository transition agreement with Landmark Bank (first and second reading)

Boone County Clerk Wendy Noren was present on behalf of this item. Ms. Noren stated the RFP for the depository was awarded to Boone County National Bank. Ms. Noren stated the contract with Landmark Bank is up on August 31, 2011. Ms. Noren stated the County cannot just close the accounts and walk away from everything because there will be outstanding checks and other problems. Ms. Noren stated this is a transition agreement that was drafted by the County Counselor and approved by Landmark Bank to cover the needed services while the accounts are open during the transition period. Ms. Noren stated she would like to reiterate the excellent cooperation the County has received from Landmark Bank and stated they have been a great provider of services to us.

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby approve the attached Depository Transition Agreement between the County of Boone and Landmark Bank. It is further ordered the Presiding Commissioner is hereby authorized to sign said agreement.

Commissioner Elkin seconded the motion.

The motion carried 3 to 0. **Order # 333-2011**

Resource Management

5. Public Hearing on revision to Boone County Building Codes

Director of Resource Management Stan Shawver was present on behalf of this item. Mr. Shawver stated this is the second of three public hearings required to revise the Boone County Building Code. Mr. Shawver stated the County is moving from the 2006 International Building Code series to the 2009 International Building Code series. Mr. Shawver stated the final public hearing will be on Tuesday night.

Commissioner Elkin asked Mr. Shawver if he had received any additional comments.

Mr. Shawver stated he had not received any comments other than the comment at the first public hearing by Mr. Shanker.

The Commissioners stated they had not heard anything.

Commissioner Miller stated she believes everyone had their say when they had their work sessions with the Building Code Commission.

Commissioner Robb opened the public hearing on this item.

There was no one present to comment on this item.

Commissioner Robb closed the public hearing on this item.

6. Budget revision to cover payroll and benefits for new employee position – Urban Hydrologist (second reading, first read 8/18/2011)

Director of Resource Management Stan Shawver was present on behalf of this item. Mr. Shawver stated this revision is just taking care of the paperwork to make sure the new employee gets paid.

Commissioner Elkin moved on this day the County Commission of the County of Boone does hereby approve the following budget revision to cover payroll and benefits for new employee position Urban Hydrologist for the remainder of FY2011:

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
2140	10100	319 Urban Retrofit Gr	Salary & Wages		16,818.00
2140	10200	319 Urban Retrofit Gr	FICA		1,286.00
2140	10300	319 Urban Retrofit Gr	Health Ins		1,979.00
2140	10325	319 Urban Retrofit Gr	Disability Ins		62.00
2140	10350	319 Urban Retrofit Gr	Life Ins		22.00
2140	10375	319 Urban Retrofit Gr	Dental Ins		148.00
2140	10400	319 Urban Retrofit Gr	Workers Comp		109.00
2140	10500	319 Urban Retrofit Gr	401 A Match		150.00

2140	10110	319 Urban Retrofit Gr	Overtime		160.00
2140	71100	319 Urban Retrofit Gr	Outside Services	20,734.00	

Commissioner Miller seconded the motion.

The motion carried 3 to 0. **Order # 334-2011**

7. Road closure request September 1, 2011 – September 6, 2011 (second reading, first read 8/18/2011)

Director of Resource Management Stan Shawver was present on behalf of this item.

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby approve the road closures recommended by the County Highway Administrator in accordance with the attached memo from said County Highway Administrator dated August 16, 2011.

Commissioner Elkin seconded the motion.

The motion carried 3 to 0. **Order # 335-2011**

Purchasing

8. Cooperative Contract C208026003 – Data and Voice Wireless Devices and Services with Verizon (first reading)

Commissioner Elkin stated this is a cooperative contract with Verizon.
Commissioner Elkin stated some County employees use these services.
Commissioner Elkin stated he believes this is a continuation of a Verizon contract.

Commissioner Robb stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with an appropriate order for approval.

Auditor

9. Presentation and acceptance of the FY 2010 Comprehensive Annual Financial Report, Independent Auditor's Report, and the Single Audit Report (audit of federal expenditures) (first and second reading)

Boone County Auditor June Pitchford, Engagement Partner Jeff Winter, Engagement Manager Ted Williamson, and Engagement In-Charges Christine Ommen were present on behalf of this item. Ms. Pitchford stated this is a fairly routine event. Ms.

Pitchford stated an independent audit is not required by state law, but it is required by many of the County's granting agencies and our lenders. Ms. Pitchford stated the County selects an auditor through a competitive RFP process. Ms. Pitchford stated the audit is usually conducted in April and May.

Mr. Winter stated Boone County is an extremely important client for the firm. Mr. Winter stated they take a lot of pride in doing work for the County. Mr. Winter stated a significant amount of resources are devoted to this audit. Mr. Winter stated they could not do their audit without the cooperation of the County Auditor's office, as well as other elected officials. Mr. Winter stated compared to other counties, the Boone County audit is one of the most professional and competent they do. Mr. Winter stated because of the County's cooperation, there were no limitations on their ability to conduct their procedures. Mr. Winter stated he was also happy to say that he was able to work with the County Auditor and reduce the fee his firm charged. Mr. Winter stated the fees did not go up from the 2009 to the 2010 audit. Mr. Winter, Mr. Williamson, and Ms. Ommen presented a report which begins on the following page.



Audit Presentation On Results Of The Annual Audit
County of Boone, Missouri
For The Year Ended December 31, 2010



**Business
Performance
Analysis**



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Jeff Winter
Engagement Partner

Ted Williamson
Engagement Manager

Christine Ommen And Melissa Melendez
Engagement In-Charges



Auditor Communications

The County Commissioners
Boone County, Missouri

We have audited the financial statements of the Boone County, Missouri (the County) and the County's compliance with laws and regulations applicable to each of its major federal programs for the year ended December 31, 2010. Our audits were performed 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, and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*:

AICPA Statement on Auditing Standards No. 114 requires the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

RubinBrown LLP

June 27, 2011

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and OMB Circular A-133</p> <p>Our responsibility, as described by professional standards, is to express opinions about whether the financial statements, prepared by management with our assistance on certain technical matters, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the County complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements or compliance does not relieve you or management of responsibility for the accuracy of the financial statements or compliance with laws and regulations over grants.</p> <p>Professional standards also require that we obtain a significant understanding of the County's internal control to plan the audit. However such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We have issued the following:</p> <ul style="list-style-type: none"> ↔ An unqualified opinion on the County's financial statements for the year ended December 31, 2010. ↔ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. ↔ An unqualified opinion on compliance and on internal controls over federal financial assistance in accordance with OMB Circular A-133. ↔ Management letter and other information.



Auditor Communications (Continued)

AREA	COMMENTS
<p>Other Information In Documents Containing Audited Financial Statements</p>	<p>Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules (supplementary information) and the statistical section, as listed in the table of contents in the Comprehensive Annual Financial Report (CAFR), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.</p> <p>The Management's Discussion and Analysis, Schedules of Funding Progress and the Budgetary Comparison Information as listed in the table of contents in the CAFR, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.</p>
<p>Planned Scope And Timing Of The Audit</p>	<p>We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated January 18, 2011, regarding the nature, timing and extent of our audit procedures.</p>

AREA	COMMENTS
<p>Qualitative Aspects Of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.</p>	<ul style="list-style-type: none"> ↔ Significant accounting policies are described in Note 1. ↔ No new accounting policies were adopted and the application of existing policies was not changed. ↔ We noted no transactions entered into during the year which there was a lack of authoritative guidance or consensus. ↔ No significant transactions have been recognized in a different period than when the transactions occurred.
<p>Management Judgments And Accounting Estimates The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>We evaluated the key factors and assumptions used to develop the estimates noted on the right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p>	<ul style="list-style-type: none"> ↔ Depreciation of capital assets. ↔ Estimated property taxes collectible. ↔ Period of availability for revenue recognition purposes. ↔ Actuarial assumptions utilized in the calculation of other post-employment benefit costs. ↔ Estimated liability for payment of incurred (both reported and unreported) but unpaid claims.
<p>Financial Statement Disclosures The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements users.</p>	<p>The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> ↔ Note 2 - Cash and investments ↔ Note 7 - Capital assets ↔ Note 8 - Long-term liabilities ↔ Note 11 - Other postemployment benefits ↔ Note 13 - Risk management



Auditor Communications (Continued)

AREA	COMMENTS
Difficulties Encountered In Performing The Audit	There were no difficulties encountered in dealing with management related to the performance of the audit.
Corrected And Uncorrected Misstatements	<p>There were no corrected misstatements for 2010.</p> <p>We accumulated uncorrected misstatements that management has determined are not material, both individually and in the aggregate, to the financial statements taken as a whole. In the aggregate, these proposed adjustments would have increased beginning of year government-wide net assets by \$925,916, and decreased current year change in net assets by \$925,916. The proposed adjustments relate to the date on which the County recorded donated roads within the financial statements. Accordingly, these proposed adjustments would have had no effect on the fund financial statements and no effect on ending net assets.</p>
Disagreements With Management	None
Management Representations	We have requested certain representations from management that are included in the management representation letter dated June 27, 2011. A copy of the signed representation letter is attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the County's auditors.



Management Letter Recommendations

To The County Commissioners, Elected Officials
And Management
Boone County, Missouri

In planning and performing our audit of the financial statements of Boone County, Missouri (the County) as of and for the year ended December 31, 2010, 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, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 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 was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.



Management Letter Recommendations (Continued)

We consider the following to be deficiencies in internal control:

Change Management Policies and Procedures:

During our audit, we noted there are no formal policies and procedures defining change management for new and existing systems. This can result in unauthorized changes to financially significant systems, which can adversely impact the completeness and accuracy of the County's financial information. Management should define change management policies and procedures. These may include: testing, user acceptance approvals, handling of emergency changes, and team member roles and responsibilities.

Management's Response:

Information Technology will continue working to formalize and enforce change management policies and procedures. Current plans will continue to be enhanced in an effort to give structure to the overall goal. Change management policies and procedures will be given more attention in the next 12 to 18 months. This process will be reviewed by the Information Technology Advisory Committee (ITAC).

Business Continuity:

A formal business continuity exercise for key departments has not been tested. Untested business recovery plans can result in unnecessary business interruption. ITAC should test the business recovery plan. This exercise will help determine how well departments recover and operate within a timeframe based on criticality.

Management's Response:

Information Technology will continue working to formalize a business continuity plan as it relates to hardware and software recovery. Information Technology will give more attention to building this plan in the next 12 to 18 months. This plan will be reviewed by ITAC.



Management Letter Recommendations (Continued)

This letter does not affect our report dated June 27, 2011 on the financial statements of the County. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. Management's written response contained in this letter has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study on this matter, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the County Commissioners, elected officials and management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of continued service to you, and will be pleased to discuss these suggestions and assist you in their implementation.

RubinBrown LLP

June 27, 2011



Other Opportunities

There is no comprehensive IT risk assessment for the County. The ITAC may wish to document conclusions on key risks and next steps for use in developing a comprehensive IT risk assessment.

- ❖ GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*
 - ❖ Effective December 31, 2011
 - ❖ The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

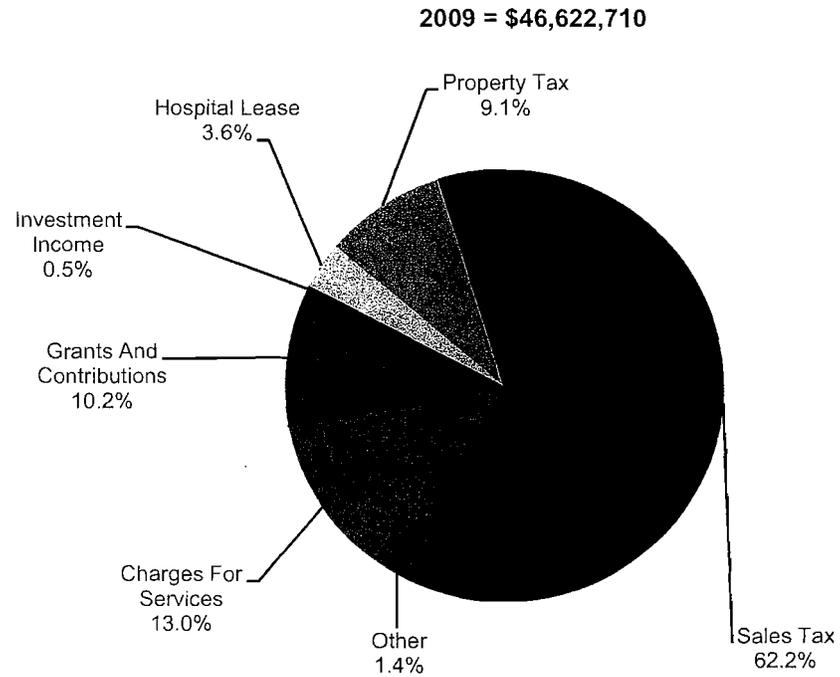
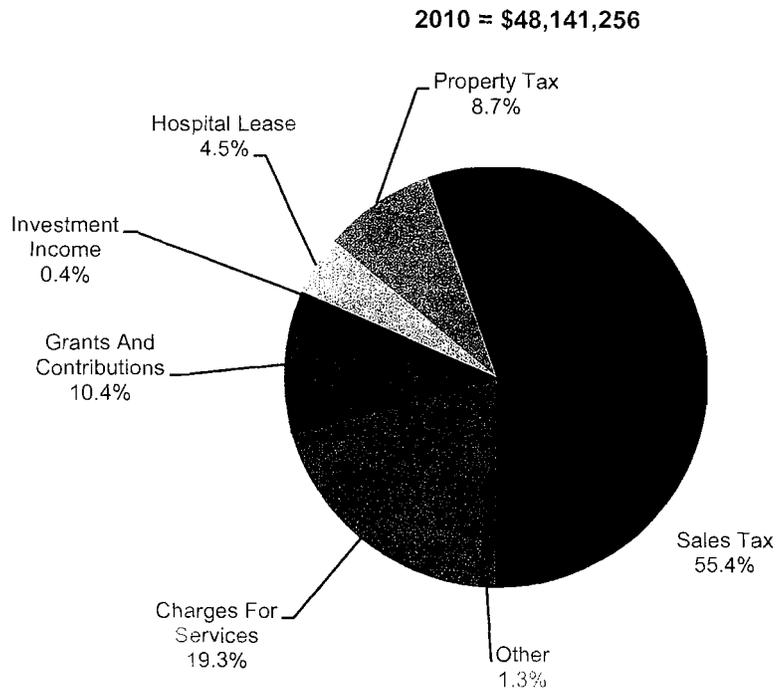
- ❖ GASB Statement No. 60, *Service Concession Arrangements*
 - ❖ Effective December 31, 2012
 - ❖ This Statement defines service concession arrangements, which are arrangements between a government and a third party where the third party operates an asset of the government, collects service fees from users, and remits a portion of the revenue collected to the government. The Statement also establishes the accounting treatment and disclosure requirements for governments with service concession arrangements.

- ❖ GASB Statement No. 61, *the Financial Reporting Entity - Omnibus*
 - ❖ Effective December 31, 2013
 - ❖ This Statement revises the standards for determining whether a legally separate entity is a component unit of the government. For entities included as component units because they are fiscally dependent on the primary government (such as the Board of Trustees of the Boone Hospital Center), the entity must also provide specific financial benefits to, or impose specific financial burdens on, the primary government.



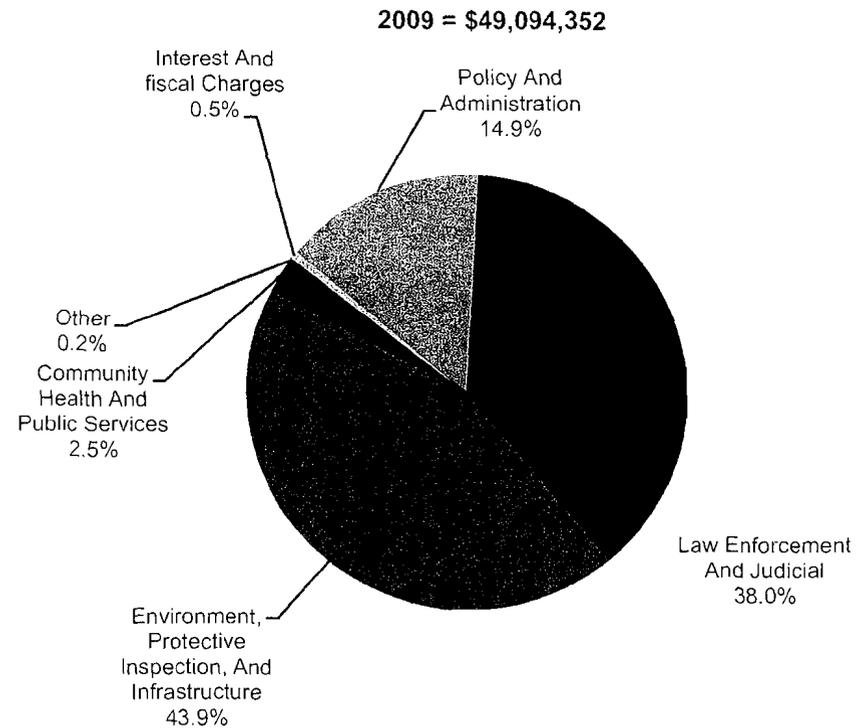
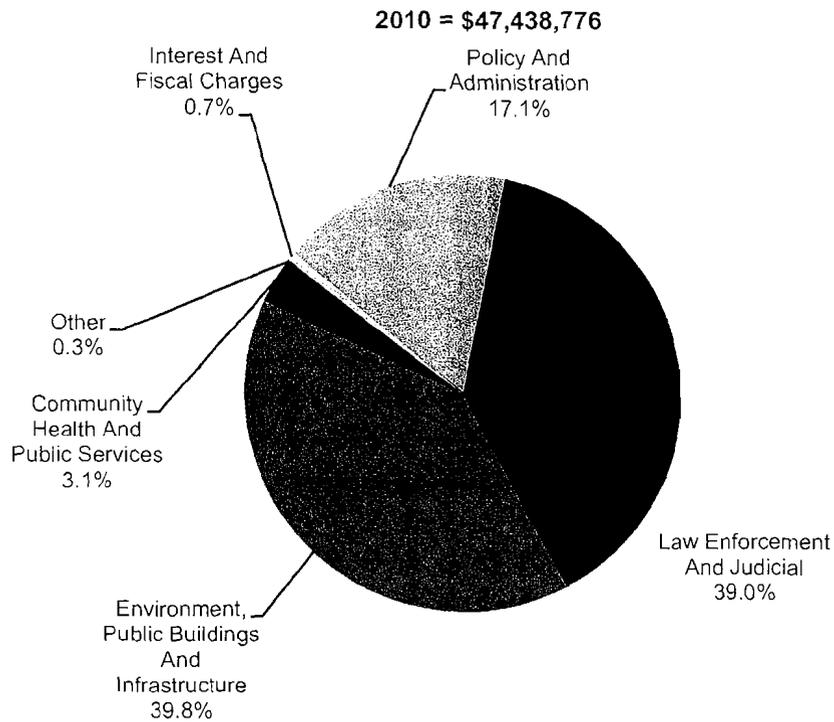
Government-Wide Revenues

For The Years Ended December 31, 2010 And 2009



Government-Wide Expenses

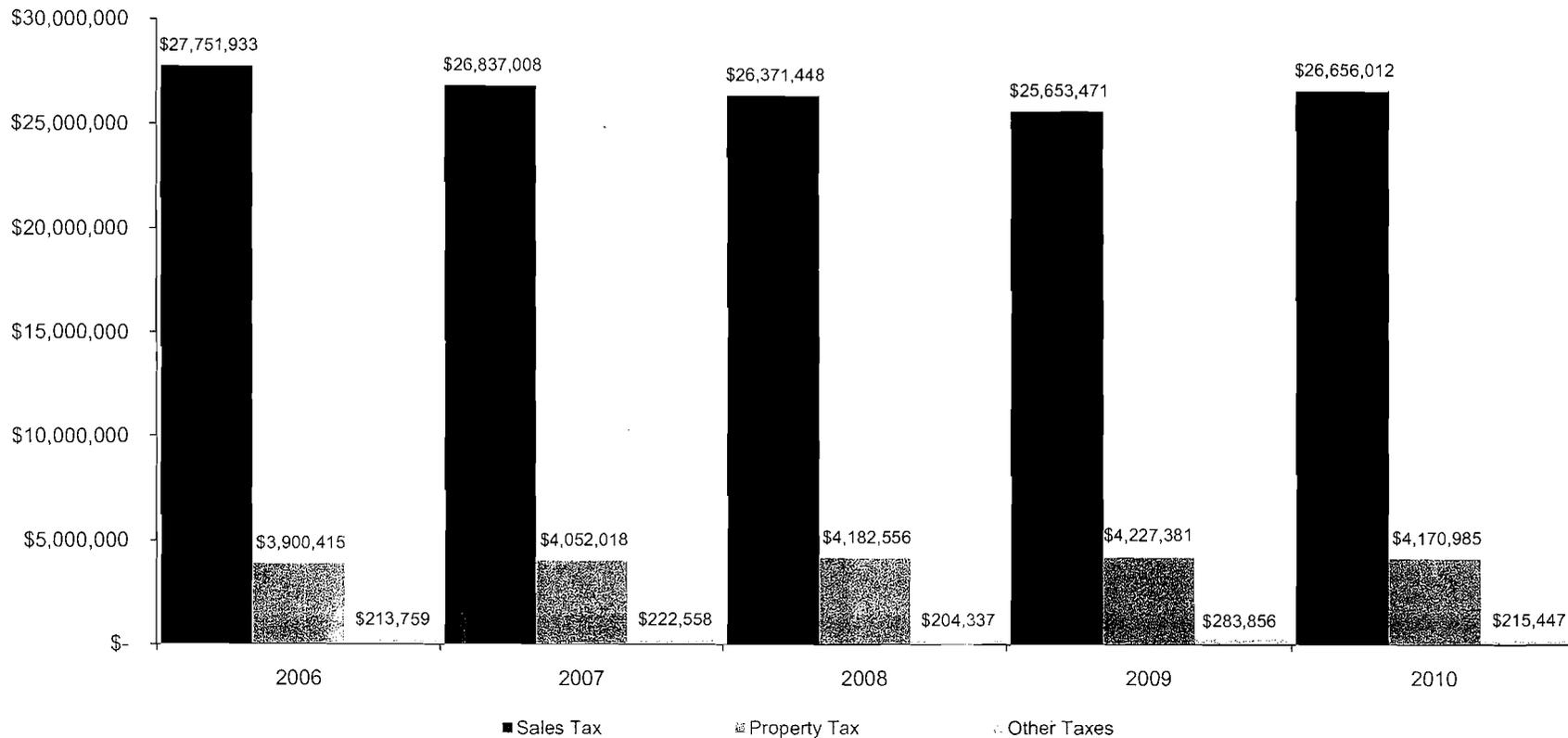
For The Years Ended December 31, 2010 And 2009





Tax Revenues

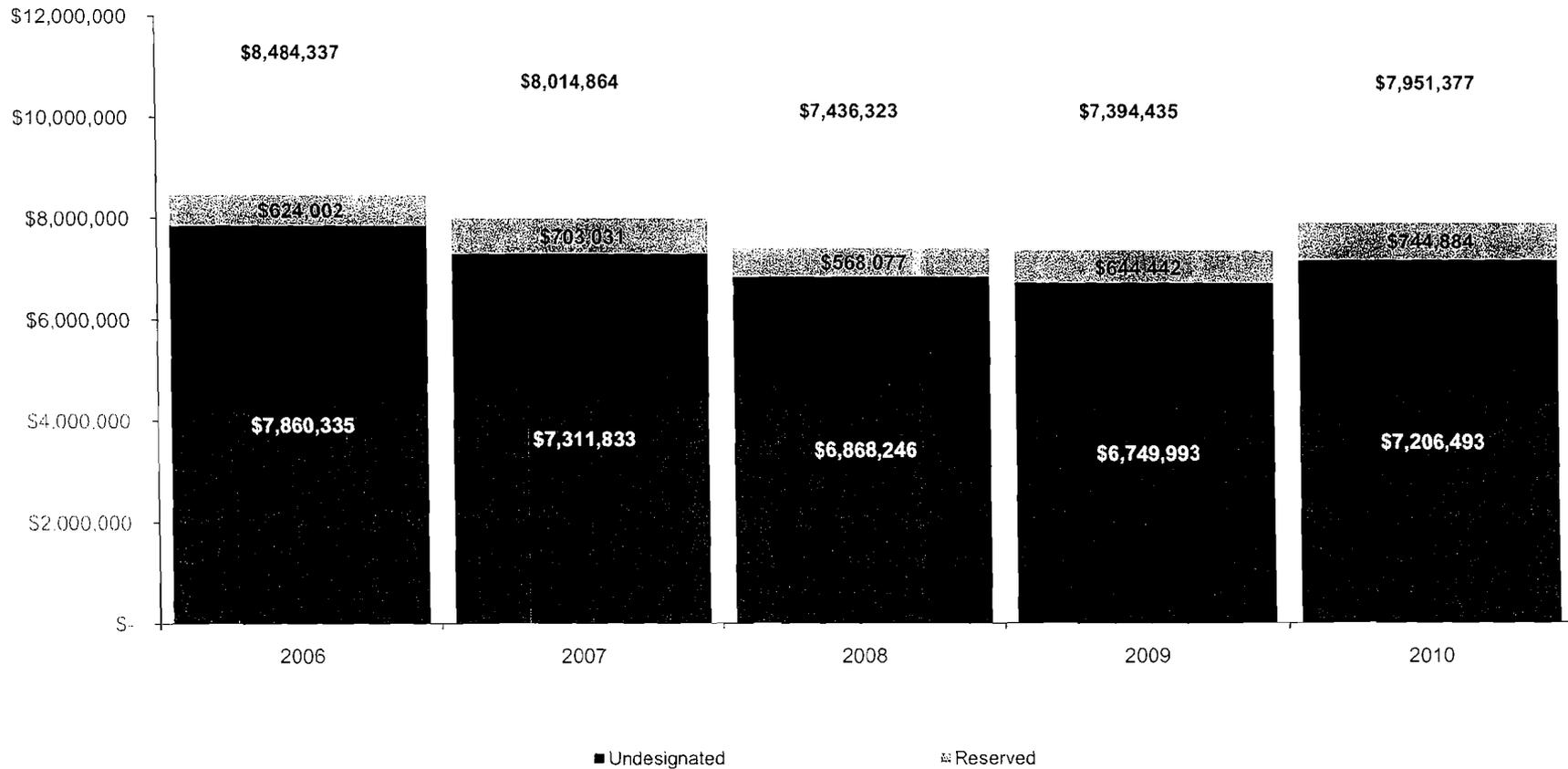
For The Years Ended December 31, 2006 Through 2010



NOTE: This graph excludes the impact of the 1/5th-cent capital improvement sales tax, which was first collected in 2007. Sales tax revenues generated by the capital improvement tax were \$4,626,163 in 2007, \$4,577,324 in 2008, \$3,313,986 in 2009, and \$5,000 in 2010.

General Fund Balance

For The Years Ended December 31, 2006 Through 2010



For County Commissioners, Elected Officials And Management Use Only



Independent Auditors' Report On Additional Information

The County Commissioners
Boone County, Missouri

Our report, dated June 27, 2011, on our audit of the financial statements of Boone County, Missouri for December 31, 2010 appears in the financial statements of the County. That audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The additional information presented on the preceding pages is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

RubinBrown LLP

June 27, 2011



BOONE COUNTY AUDITOR

JUNE E. PITCHFORD

BOONE COUNTY GOVERNMENT CENTER

801 East Walnut, Room 205 • Columbia, MO 65201-7729 • (573) 886-4275 OFFICE • (573) 886-4280 FAX

June 27, 2011

RubinBrown LLP
One North Brentwood Boulevard
Saint Louis, Missouri 63105

We are providing this letter in connection with your audit of the financial statements of Boone County, Missouri (the County) as of December 31, 2010 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Boone County, Missouri and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 27, 2011, the following representations made to you during your audit.

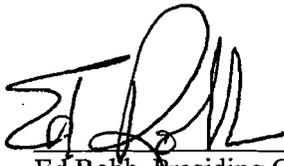
1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all-
 - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of the meetings of County Commission or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

9. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
10. We have a process to track the status of audit findings and recommendations.
11. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
12. The County has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
13. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the county commission is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no-
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
 - d. Reservations or designations of fund equity that were not properly authorized and approved.
16. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
17. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
19. The County has followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
21. The financial statements properly classify all funds and activities.

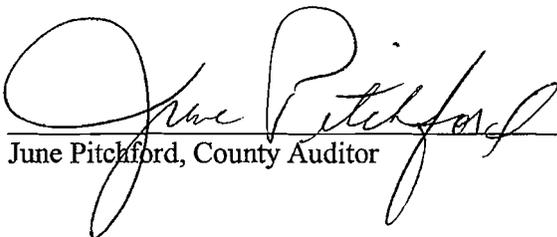
22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
23. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
24. Provisions for uncollectible receivables have been properly identified and recorded.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
29. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
30. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
31. With respect to federal award programs:
 - a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
 - b. We have, in accordance with OMB Circular A-133, prepared the schedule of expenditures of federal awards, and have included in the schedule expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
 - c. We are responsible for complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
 - d. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
 - e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to major federal programs.
 - f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the OMB Circular A-133 Compliance Supplement,

relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including those resulting from other audits or program reviews.

- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements.
 - i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - l. We have charged costs to federal awards in accordance with applicable cost principles.
 - m. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - n. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - o. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a corrective action plan for each audit finding.
 - p. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
32. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or additional disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



Ed Robb, Presiding Commissioner



June Pitchford, County Auditor

Mr. Williamson stated the Single Audit report is for compliance. Mr. Williamson stated four grant programs were reviewed, two of which were funded by the American Recovery and Reinvestment Act. Mr. Williamson stated there was only one finding in his audit, and work has been ongoing to correct it. Mr. Williamson stated federal regulations state that if the county uses federal funds to purchase equipment, it must be designated and inventoried.

Ms. Pitchford stated she is surprised at the grant requirements for federal funds. Ms. Pitchford stated she relies on offices to monitor their inventory and how it is funded. Ms. Pitchford stated grant recipients need to be aware of requirements and be able to comply. Ms. Pitchford stated there is a requirement that if a piece of equipment has been funded by a federal grant, the grantor must give permission before an item can be disposed of. Ms. Pitchford stated most are unaware of the requirement because the majority of grants are used for programs and personnel, not equipment.

Mr. Winter stated the reason for this requirement is because many grantors want their money back if an item is sold.

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby accept the independent audit reports issued for the County's Financial Statements and for the Single Audit for FY2010.

Commissioner Elkin seconded the motion.

The motion carried 3 to 0. **Order # 336-2011**

Commission

10. Public Comment

Kent Sapp was present to discuss the fairgrounds. Mr. Sapp stated he understood the County would be taking over the day to day operations at the fairground. Mr. Sapp stated he would like a statement on the record, or a written guarantee that the Commissioners would uphold all the contracts that had been made by the Boone County Fair Board. Mr. Sapp stated he would be out thousands of dollars if his event is canceled because of deposits he has already paid.

Commissioner Miller asked if Mr. Sapp had put down deposits at the fairgrounds.

Mr. Sapp stated he brought the contracts with him.

Commissioner Miller asked Mr. Sapp if he had a deposit down.

Mr. Sapp stated he has a deposit for an October 21st and 22nd show, with a balance

due of \$1,700, and has paid the full \$4,000 for his show from February 16th through the 18th.

Commissioner Miller asked what the deposit was for the October show.

Mr. Sapp stated it was \$250.

Commissioner Robb confirmed this money now lies with the Boone County Fair Board.

Mr. Sapp stated there are several others who have paid deposits.

Commissioner Robb stated he doesn't know any of them.

Commissioner Miller stated they are working on getting the contracts.

Commissioner Elkin stated George is giving the contracts to him. Commissioner Elkin stated he already had the contracts for this year, and is working on getting the 2012 contracts.

Mr. Sapp stated he was also curious what the criteria was to be a manager.

Commissioner Miller stated they will post a job description and that they are also putting out a request for proposals for management companies that might be interested in managing the grounds. Commissioner Miller stated this will be done simultaneously, and the Commissioners will decide what the best option is.

Commissioner Elkin stated something has to be done by October 1st.

Mr. Sapp asked what would be done with the equipment owned by the fair board.

Commissioner Elkin stated the County owns some of the equipment. Commissioner Elkin stated the fair board owns the skid loader.

Mr. Sapp asked who the upcoming contracts would be with.

Commissioner Elkin stated they don't know. Commissioner Elkin stated it has to be negotiated. Commissioner Elkin stated the financial stability of the fairgrounds could be in jeopardy because the contracts were not at the rate or amounts they need to be at.

Mr. Sapp confirmed that if a County employee runs the fairgrounds, it will be maintained by the County but if a private organization takes it over, they are responsible for the maintenance.

Commissioner Elkin stated this is correct.

Mr. Sapp asked about the food concessions.

Commissioner Elkin stated this will be negotiated along with everything else.

Mr. Sapp stated his sister/ business partner wants him to bid for management. Mr. Sapp asked when and how he could do this.

Commissioner Elkin stated there will be a job posting soon. Commissioner Elkin stated he appreciated Mr. Sapp bringing up the deposit issue.

Mr. Sapp stated most people only pay deposits. Mr. Sapp stated he pays for his February show a year in advance to avoid any issues. Mr. Sapp stated it's not the end of the world if he loses \$500, and truthfully it's not the end of the world if he loses \$4,000.

The Commissioners stated it is a substantial amount of money to lose.

Mr. Sapp stated he makes a lot more than that on the show.

Commissioner Elkin asked what Mr. Sapp sells at the car shows.

Mr. Sapp stated both cars and parts, and that he has vendors from 31 states, with foot traffic from 11 states. Mr. Sapp stated 5% or less come from within 60 miles of Boone County.

Mr. Sapp stated there are things that need to be fixed. Mr. Sapp stated there needs to be a business model that outlines the fixed costs and the variable costs. Mr. Sapp stated his sister wants to do this, and he will help her out. Mr. Sapp stated he just hates to see the fairgrounds go away. Mr. Sapp asked what will happen to the seven Hispanics that work there, and who will do all the maintenance.

Commissioner Miller stated it will all be negotiated, and they can't tell Mr. Sapp what will happen yet. Commissioner Miller stated it all depends on the responses they receive.

Commissioner Elkin asked Mr. Sapp if he gives his vendors Department of Revenue sales tax stuff.

Mr. Sapp stated he only sells used things, and is not required to collect sales tax. Mr. Sapp stated if it's used you can't charge sales tax twice. Mr. Sapp stated some of the surrounding states require vendors to collect sales tax on used items, but Missouri does not. Mr. Sapp stated the main tax revenue source at the fairgrounds is food. Mr.

Sapp stated his brother-in-law delivers the bread, and during his show last year he delivered 30,000 hot dog and hamburger bunds.

Commissioner Elkin asked Mr. Sapp to estimate how many people come to his car shows.

Mr. Sapp stated it is difficult to track but his conservative estimate is 5,000-6,000 on Friday and 12,000-14,000 on Saturday.

Commissioner Miller asked Mr. Sapp if he charges admittance.

Mr. Sapp stated he does, which is how he makes his money.

Commissioner Robb stated admission is taxable.

Commissioner Elkin stated Mr. Sapp makes some very excellent points.

Mr. Sapp stated he has no problems helping where he can because the fairgrounds are too big an asset to let go.

11. Commissioner Reports

Commissioner Miller stated she asked our Area Engineer Mike Schupp to bring District Engineer Kirk Juranas to meet the Commissioners. Mr. Juranas stated ground has been broken at the airport. Mr. Juranas stated he had some project updates. Mr. Juranas stated some resurfacing work has been completed on Highway 63 from 764 N to Route 124. Mr. Juranas stated the Route H work near the airport is underway. Mr. Juranas stated they have awarded the Route B at Brown Station contract to Emery Sapp.

Commissioner Elkin asked when this project would commence.

Mr. Juranas said the preconstruction work is coming soon. Mr. Juranas said he will supply more information once they have the pre job. Mr. Juranas stated they just had the public hearing for the bike trail work on Route K. Mr. Juranas stated this went very well, and they will begin taking bids January 2012.

Commissioner Miller stated this is needed, and will be an asset to every driver out there.

Mr. Juranas stated they have been working with the City of Columbia on the diverging diamond on Stadium. Mr. Juranas stated they are trying to combine the contracts rather than interfere with traffic for a three year period. Mr. Juranas stated so far, this effort is successful. Mr. Juranas stated they will take bids in the fall of

2012. Mr. Juranas stated Missouri was the first in the nation to build these traffic diamonds and they move traffic really well. Mr. Juranas stated the construction will last through 2014. Mr. Juranas stated Mike will be more of a team leader than a supervisor, and will be more available to attend public meetings.

Commissioner Elkin asked what citizens could expect with the budget problems.

Mr. Juranas stated they want to keep their level of service where it is now. Mr. Juranas stated there are going to be consolidations, but the Columbia maintenance building will remain open, as well as Hallsville. Mr. Juranas stated the biggest change is that they're going from 13 to 18 counties in the district. Mr. Juranas stated this is an effort to control costs. Mr. Juranas stated internal costs are rising faster than income coming in.

Commissioner Elkin asked if there was still a pot of money out there for small communities to partner with MoDot if they have an emergency.

Mr. Juranas stated there are internal monies. Mr. Juranas stated they will work with it with district funds. Mr. Juranas stated that sometimes completing smaller jobs make people happier because you can do more of them.

Commissioner Miller asked if they had put the Ashland building on the market.

Mr. Schupp stated they have not done it yet, but there is a lot of interest in the building.

Mr. Juranas stated I-70 continues to be one of their main concerns with the growing traffic. Mr. Juranas stated the public has not been receptive to a new I-70 parallel to the old one, or the idea of having tolls. Mr. Juranas stated this winter they want to take a look at how they deal with emergency response. Mr. Juranas stated the responsibility needs to be spread out. Mr. Juranas stated cooperative efforts are becoming more important with budget trouble. Mr. Juranas stated almost every position is up in the air, and that all positions are being reapplied for.

Commissioner Elkin asked when this was completed, if they could get a copy of the names and numbers for people to contact.

Mr. Juranas stated they will be doing a news release because they believe people will be interested to know it. Mr. Juranas stated they would like to have buildings consolidated by mid-October, and have everyone know what their future snow routes will be.

The meeting adjourned at 11:01 a.m.

Attest:

Wendy S. Noren
Clerk of the County Commission

Edward H. Robb
Presiding Commissioner

Karen M. Miller
District I Commissioner

Skip Elkin
District II Commissioner