



SUSAN MONTEE, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Barton County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2007, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, CPA
State Auditor

December 2008
Report No. 2008-78

BARTON COUNTY, MISSOURI

ANNUAL FINANCIAL REPORT

December 31, 2007 and 2006

BARTON COUNTY, MISSOURI
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INTRODUCTORY SECTION

BARTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mike Davis
Associate Commissioner – John Stockdale
Associate Commissioner – Dennis Wilson

Other Elected Officials

Assessor – Ivan Frieden
Circuit Clerk -- Janet Maupin
Recorder – Kathleen Dimond
Collector /Treasurer – Frances Cato
Coroner – C. Tucker Joustra
County Clerk – Kristina Crockett
Prosecuting Attorney – Steven Kaderly
Public Administrator – Teresa Achey- Moore
Sheriff – Shannon Higgins

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of Barton County, Missouri

We have audited the accompanying financial statements of Barton County, Missouri as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, Barton County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Barton County, Missouri, as of December 31, 2007 and 2006, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the governmental and agency funds of Barton County, Missouri, as of December 31, 2007 and 2006, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 29, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Barton County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for 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 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.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

FINANCIAL SECTION

BARTON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH -
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2006 AND 2007

Fund	Cash			Cash			Cash
	January 1 2006 (restated)	Receipts 2006	Disbursements 2006	December 31 2006	Receipts 2007	Disbursements 2007	December 31 2007
General Revenue	\$ 373,608	939,949	968,119	345,438	976,670	927,788	394,320
Special Road and Bridge	856,534	1,065,126	894,177	1,027,483	845,875	591,080	1,282,278
Assessment	2	179,523	179,513	12	146,146	146,152	6
Collector's Tax Maintenance	20,565	9,596	18,289	11,872	10,466	5,397	16,941
Recorders	56,699	9,884	10,359	56,224	9,428	9,083	56,569
Prosecuting Attorney Bad Check	26,488	11,407	9,595	28,300	13,272	7,573	33,999
Law Enforcement Sales Tax	68,707	757,854	786,707	39,854	823,344	863,353	(155)
Prosecuting Attorney Training	1,336	645	1,274	707	630	1,170	167
Law Enforcement Training	1,742	3,513	4,810	445	5,764	5,608	601
Petty Cash	200	926	926	200	1,015	1,015	200
Local Emergency Planning Committee	-	3,884	1,439	2,445	4,075	3,746	2,774
Election	22,205	166,021	185,035	3,191	6,075	3,914	5,352
911 Emergency Service	378,327	101,629	51,677	428,279	134,755	116,062	446,972
Local Use Sales Tax	68,468	2,676	12,375	58,769	2,584	2,456	58,897
Crisis Intervention	549	218	-	767	-	-	767
Noxious Weed	4,932	-	-	4,932	-	-	4,932
Sheriffs Discretionary	-	23,545	-	23,545	54,019	70,803	6,761
Total	\$ 1,880,362	3,276,396	3,124,295	2,032,463	3,034,118	2,755,200	2,311,381

The accompanying Notes to the Financial Statements are an integral part of this statement.

BARTON COUNTY, Missouri
 COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

GENERAL FUND				
Year Ended December 31,				
	2006		2007	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 91,000	98,538	100,000	104,190
Sales taxes	530,500	509,358	516,000	531,494
Intergovernmental	55,430	43,181	41,775	37,556
Charges for services	230,780	207,897	343,800	227,143
Interest	10,000	20,054	20,000	21,912
Other	10,250	13,061	42,180	21,918
Transfers in	43,400	47,860	30,060	32,457
Total Receipts	<u>971,360</u>	<u>939,949</u>	<u>1,093,815</u>	<u>976,670</u>
DISBURSEMENTS				
County Commission	100,150	98,978	106,880	107,138
County Clerk	74,815	71,164	70,100	69,582
Elections	139,860	76,593	55,680	46,592
Buildings and grounds	285,000	95,445	393,500	89,526
Employee fringe benefits	91,700	84,885	99,000	87,875
Collector / Treasurer	92,860	92,366	120,425	106,397
Recorder of Deeds	68,490	64,942	69,400	66,324
Circuit Clerk	12,900	12,290	19,200	14,130
Court administration	21,305	13,042	21,290	14,441
Public Administrator	57,531	41,727	51,201	54,444
Jail	10,000	15,239	-	-
Prosecuting Attorney	101,275	96,866	105,255	99,006
Juvenile Officer	18,595	19,824	24,525	19,460
Other general revenue	148,550	151,099	162,075	130,673
Health and welfare	10,250	11,559	16,045	15,110
Transfers out	55,020	22,100	49,584	7,090
Emergency fund	33,380	-	33,000	-
Total Disbursements	<u>1,321,681</u>	<u>968,119</u>	<u>1,397,160</u>	<u>927,788</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(350,321)	(28,170)	(303,345)	48,882
CASH, JANUARY 1	373,608	373,608	345,438	345,438
CASH, DECEMBER 31	<u>\$ 23,287</u>	<u>345,438</u>	<u>42,093</u>	<u>394,320</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	978,000	1,024,842	1,159,900	793,230	134,500	156,401	143,150	137,749
Charges for services	-	-	-	-	-	-	-	-
Interest	23,000	37,981	40,000	50,486	450	853	900	1,239
Other	1,700	2,303	1,900	2,159	305	169	154	68
Transfers in	-	-	-	-	55,020	22,100	47,784	7,090
Total Receipts	<u>1,002,700</u>	<u>1,065,126</u>	<u>1,201,800</u>	<u>845,875</u>	<u>190,275</u>	<u>179,523</u>	<u>191,988</u>	<u>146,146</u>
DISBURSEMENTS								
Salaries	160,025	123,020	152,640	132,825	114,960	115,126	113,400	101,021
Employee fringe benefits	44,350	26,394	46,350	28,698	23,300	28,029	28,700	20,902
Materials and Supplies	507,800	231,911	522,300	198,130	24,000	12,878	22,900	10,986
Services and Other	520,300	472,839	563,800	171,702	28,000	23,480	27,000	13,243
Capital Outlay	77,500	1,516	78,500	25,511	-	-	-	-
Construction	370,000	12,097	371,000	7,154	-	-	-	-
Transfers out	126,400	26,400	327,060	27,060	-	-	-	-
Total Disbursements	<u>1,806,375</u>	<u>894,177</u>	<u>2,061,650</u>	<u>591,080</u>	<u>190,260</u>	<u>179,513</u>	<u>192,000</u>	<u>146,152</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(803,675)	170,949	(859,850)	254,795	15	10	(12)	(6)
CASH, JANUARY 1	856,534	856,534	1,027,483	1,027,483	2	2	12	12
CASH, DECEMBER 31	<u>\$ 52,859</u>	<u>1,027,483</u>	<u>167,633</u>	<u>1,282,278</u>	<u>17</u>	<u>12</u>	<u>-</u>	<u>6</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				RECORDER'S			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,000	7,412	8,000	6,878
Charges for services	-	-	-	-	-	-	-	-
Interest	250	682	500	744	1,350	2,472	2,000	2,550
Other	8,500	8,914	9,500	9,722	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>8,750</u>	<u>9,596</u>	<u>10,000</u>	<u>10,466</u>	<u>9,350</u>	<u>9,884</u>	<u>10,000</u>	<u>9,428</u>
DISBURSEMENTS								
Salaries	2,000	1,198	2,000	-	-	599	-	-
Employee fringe benefits	-	91	-	-	-	46	-	-
Materials and Supplies	-	-	-	-	44,358	665	44,308	294
Services and Other	-	-	5,000	-	11,642	9,049	11,692	8,789
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	17,000	17,000	3,000	5,397	-	-	-	-
Total Disbursements	<u>19,000</u>	<u>18,289</u>	<u>10,000</u>	<u>5,397</u>	<u>56,000</u>	<u>10,359</u>	<u>56,000</u>	<u>9,083</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(10,250)	(8,693)	-	5,069	(46,650)	(475)	(46,000)	345
CASH, JANUARY 1	<u>20,565</u>	<u>20,565</u>	<u>11,872</u>	<u>11,872</u>	<u>56,699</u>	<u>56,699</u>	<u>56,224</u>	<u>56,224</u>
CASH, DECEMBER 31	<u>\$ 10,315</u>	<u>11,872</u>	<u>11,872</u>	<u>16,941</u>	<u>10,049</u>	<u>56,224</u>	<u>10,224</u>	<u>56,569</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>				<u>LAW ENFORCEMENT SALES TAX</u>			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	535,000	508,662	517,864	530,053
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000	10,133	9,500	10,282	204,400	214,474	226,261	255,174
Interest	600	1,274	1,250	1,303	3,500	5,368	5,368	4,580
Other	-	-	-	1,687	29,350	29,350	26,526	17,337
Transfers in	-	-	-	-	-	-	8,000	16,200
Total Receipts	<u>1,600</u>	<u>11,407</u>	<u>10,750</u>	<u>13,272</u>	<u>772,250</u>	<u>757,854</u>	<u>784,019</u>	<u>823,344</u>
DISBURSEMENTS								
Salaries	-	-	-	-	387,127	381,456	394,137	400,661
Employee fringe benefits	-	-	-	-	110,300	121,609	131,275	129,372
Materials and Supplies	13,500	9,595	13,500	7,573	84,800	101,949	88,200	125,870
Services and Other	3,000	-	3,000	-	198,905	180,675	205,260	206,814
Capital Outlay	-	-	-	-	55,000	1,018	5,000	636
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>16,500</u>	<u>9,595</u>	<u>16,500</u>	<u>7,573</u>	<u>836,132</u>	<u>786,707</u>	<u>823,872</u>	<u>863,353</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(14,900)	1,812	(5,750)	5,699	(63,882)	(28,853)	(39,853)	(40,009)
CASH, JANUARY 1	26,488	26,488	28,300	28,300	68,707	68,707	39,854	39,854
CASH, DECEMBER 31	<u>\$ 11,588</u>	<u>28,300</u>	<u>22,550</u>	<u>33,999</u>	<u>4,825</u>	<u>39,854</u>	<u>1</u>	<u>(155)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	475	601	725	608	2,500	2,389	2,900	2,416
Interest	40	44	50	22	80	45	50	18
Other	-	-	-	-	1,000	1,079	1,000	1,505
Transfers in	-	-	-	-	-	-	-	1,825
Total Receipts	<u>515</u>	<u>645</u>	<u>775</u>	<u>630</u>	<u>3,580</u>	<u>3,513</u>	<u>3,950</u>	<u>5,764</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	100	50	100	50	500	-	1,000	1,000
Services and Other	1,700	1,224	1,375	1,120	4,800	4,810	3,300	4,608
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>1,800</u>	<u>1,274</u>	<u>1,475</u>	<u>1,170</u>	<u>5,300</u>	<u>4,810</u>	<u>4,300</u>	<u>5,608</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(1,285)	(629)	(700)	(540)	(1,720)	(1,297)	(350)	156
CASH, JANUARY 1	1,336	1,336	707	707	1,742	1,742	445	445
CASH, DECEMBER 31	<u>\$ 51</u>	<u>707</u>	<u>7</u>	<u>167</u>	<u>22</u>	<u>445</u>	<u>95</u>	<u>601</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	PETTY CASH FUND				LEPC GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	650	926	1,200	1,015	5,540	3,884	3,854	4,075
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>650</u>	<u>926</u>	<u>1,200</u>	<u>1,015</u>	<u>5,540</u>	<u>3,884</u>	<u>3,854</u>	<u>4,075</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	650	926	1,200	1,015	1,300	450	1,650	1,992
Services and Other	-	-	-	-	1,340	989	1,900	1,754
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>650</u>	<u>926</u>	<u>1,200</u>	<u>1,015</u>	<u>2,640</u>	<u>1,439</u>	<u>3,550</u>	<u>3,746</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	2,900	2,445	304	329
CASH, JANUARY 1	200	200	200	200	-	-	2,445	2,445
CASH, DECEMBER 31	<u>\$ 200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>2,900</u>	<u>2,445</u>	<u>2,749</u>	<u>2,774</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	ELECTION FUND				911 EMERGENCY SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	164,500	165,621	2,500	1,692	100,850	84,533	80,800	115,202
Interest	200	321	200	261	10,000	17,096	15,000	19,553
Other	1,000	79	-	4,122	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>165,700</u>	<u>166,021</u>	<u>2,700</u>	<u>6,075</u>	<u>110,850</u>	<u>101,629</u>	<u>95,800</u>	<u>134,755</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	162,100	177,550	3,500	2,692	259,510	6,210	294,513	72,955
Services and Other	500	3,025	500	1,222	190,490	45,467	183,350	43,107
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	1,000	4,460	1,500	-	10,000	-	-	-
Total Disbursements	<u>163,600</u>	<u>185,035</u>	<u>5,500</u>	<u>3,914</u>	<u>460,000</u>	<u>51,677</u>	<u>477,863</u>	<u>116,062</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	2,100	(19,014)	(2,800)	2,161	(349,150)	49,952	(382,063)	18,693
CASH, JANUARY 1	<u>22,205</u>	<u>22,205</u>	<u>3,191</u>	<u>3,191</u>	<u>378,327</u>	<u>378,327</u>	<u>428,279</u>	<u>428,279</u>
CASH, DECEMBER 31	<u>\$ 24,305</u>	<u>3,191</u>	<u>391</u>	<u>5,352</u>	<u>29,177</u>	<u>428,279</u>	<u>46,216</u>	<u>446,972</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	LOCAL USE SALES TAX FUND				CRISIS INTERVENTION FUND			
	Year Ended December 31,							
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,000	218	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,500	2,676	3,000	2,584	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>1,500</u>	<u>2,676</u>	<u>3,000</u>	<u>2,584</u>	<u>1,000</u>	<u>218</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	15,000	-	11,000	2,456	-	-	-	-
Services and Other	50,000	12,375	50,000	-	1,500	-	700	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	3,000	-	-	-	-	-	-	-
Total Disbursements	<u>68,000</u>	<u>12,375</u>	<u>61,000</u>	<u>2,456</u>	<u>1,500</u>	<u>-</u>	<u>700</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(66,500)	(9,699)	(58,000)	128	(500)	218	(700)	-
CASH, JANUARY 1	68,468	68,468	58,769	58,769	549	549	767	767
CASH, DECEMBER 31	<u>\$ 1,968</u>	<u>58,769</u>	<u>769</u>	<u>58,897</u>	<u>49</u>	<u>767</u>	<u>67</u>	<u>767</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	NOXIOUS WEED FUND				SHERIFFS DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	23,545	23,000	26,420
Interest	-	-	-	-	-	-	-	27,599
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	23,545	23,000	54,019
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	6,894
Services and Other	4,925	-	4,930	-	-	-	9,000	45,884
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	8,000	18,025
Total Disbursements	4,925	-	4,930	-	-	-	17,000	70,803
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,925)	-	(4,930)	-	-	23,545	6,000	(16,784)
CASH, JANUARY 1	4,932	4,932	4,932	4,932	-	-	23,545	23,545
CASH, DECEMBER 31	\$ 7	4,932	2	4,932	-	23,545	29,545	6,761

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2006 and 2007

	December 31, 2007		December 31, 2006	
	Cash and Cash Equivalents	Due to Others	Cash and Cash Equivalents	Due to Others
<u>AGENCY FUNDS</u>				
County Employees' Retirement Fund	\$ 3,196	3,196	2,420	2,420
Collector	6,338,472	6,338,472	1,076,190	1,076,190
Common School	85,244	85,244	92,172	92,172
Criminal Cost	7,376	7,376	-	-
Overplus Tax	51	51	2,188	2,188
Surtax	8,540	8,540	10,109	10,109
State Tax	-	-	5,546	5,546
Unclaimed Fees	462	462	436	436
Total	\$ <u>6,443,341</u>	<u>6,443,341</u>	<u>1,189,061</u>	<u>1,189,061</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Barton County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector/Treasurer, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Barton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The following fund types are used by the County:

Governmental Fund Type – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Fund Type – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting

differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. However, the following funds have exceeded the budgeted amounts approved by the Commission:

<u>Fund</u>	Year Ended December 31,	
	<u>2007</u>	<u>2006</u>
Petty Cash	\$ N/A	276
Local Emergency Planning Committee	196	N/A
Election	N/A	21,435
Law Enforcement Sales Tax	39,481	N/A
Law Enforcement Training	1,308	N/A
Sheriff's Discretionary	53,803	N/A

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year. The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2007 and 2006, for purposes of taxation was:

	<u>2007</u>	<u>2006</u>
Real Estate	\$ 100,233,050	92,684,510
Personal Property	59,346,380	57,130,816
Railroad and Utilities	14,644,742	14,605,657

During 2007 and 2006 the County Commission approved a \$0.0500 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2007 and 2006, for purposes of County taxation, as follows:

	<u>2007</u>	<u>2006</u>
General Revenue Fund	<u>\$0.0500</u>	<u>\$0.0500</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by substantially all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2007 and 2006, the carrying amount of the County’s deposits was \$8,754,722 and \$3,221,524, respectively, and the bank balance was \$6,386,119 and \$2,886,560, respectively. Of the bank balances, \$208,582, and \$224,266 at December 31, 2007 and December 31, 2006, respectively were covered by federal depository insurance and \$6,177,537 and \$2,662,294, respectively, were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent, in the County’s name.

3. COUNTY EMPLOYEES’ RETIREMENT FUND – CERF

The County Employees’ Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer of employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan’s formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age sixty (for sheriff’s department personnel); all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees’ Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 4% to 6% of gross compensation, depending on LAGERS participation, is required for all participants hired on or after February 2002. A contribution of 0% to 4% of compensation, depending on LAGERS participation, is required of employees hired before February 2002. A lesser contribution requirement applies to employees who participate in LAGERS. The source of funding of these contributions is determined by each county. During 2007 and 2006, the County collected and remitted to CERF employee contributions of approximately for \$69,988 and \$59,454, respectively, for the years then ended, equal to the required contributions.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 30 days of sick time – to accrue at one day per complete calendar month of employment up to 30 days. Upon termination, the employee will not be compensated for accumulated sick leave. Vacation time is accrued for every full time employee, and accrues at the rate of one day per month up to one and one-fourth days depending on length of employment. Employees may accrue up to fifteen days worth of vacation credits, the number of which depends on the length of service. The personnel manual does specify, upon termination, the amount of vacation time to be compensated to the employee.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years. The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and

employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2006, to include certain fiduciary agency funds in the basic financial statements and to exclude certain funds pertaining to the Circuit Court. The effect of this change is to report a statement of assets and liabilities arising from cash transactions for all agency funds, including agency funds not previously reported. These agency funds consist of assets held by County officeholders as an agent of individuals, private organizations and other governmental units. Because agency funds do not report results of operations, the aforementioned change in reporting entity does not affect changes in cash balances of governmental funds as previously reported.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and Officeholders of Barton County, Missouri

We have audited the accompanying financial statements of Barton County, Missouri as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 29, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Barton 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Barton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barton County, Missouri's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Barton County, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Barton County, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the Barton County, Missouri's internal control. We consider the deficiencies described in the Findings and Recommendations section as items 1 through 5 to be significant deficiencies in internal control over financial reporting.

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 Barton County, Missouri's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barton County, Missouri'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.

We noted one matter that we reported to management of Barton County, Missouri, in the findings and recommendations section as item 6.

Barton County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Barton 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 Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

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McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission of Barton County, Missouri

Compliance

We have audited the compliance of Barton 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 each of its major federal programs for the years ended December 31, 2007 and 2006. Barton County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal 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 Barton County, Missouri's management. Our responsibility is to express an opinion on Barton County, Missouri's compliance based on our audits.

We conducted our audits 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 Barton County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of Barton County, Missouri's compliance with those requirements.

In our opinion, Barton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2006. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of Barton County, Missouri, 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 audits, we considered Barton 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 Barton County, Missouri's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

BARTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2006 and 2007

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2007	2006
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through State of Missouri				
Department of Economic Development -				
14.228	Community Development Block Grants/State's Program	2004-PF-14	\$ -	59,523
Total for U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	59,523
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants		16,832	-
Passed through:				
State of Missouri Department of Public Safety -				
16.579	Edward Byrne Memorial Formula Grant Program		9,998	-
Total for U.S. DEPARTMENT OF JUSTICE			26,830	-
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through State of Missouri				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO - 006-14	44,704	312,982
		BRO - 006-15	22,902	-
		BRO - 006-16	23,587	-
Department of Public Safety -				
20.601	DWI Enforcements		2,940	-
20.703	Hazardous Moving Violations		5,800	-
Total for U.S. DEPARTMENT OF TRANSPORTATION			99,933	312,982
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Missouri Secretary of State -				
90.401	Help America Vote Act Requirements Payments		4,377	161,600
Total for ELECTION ASSISTANCE COMMISSION			4,377	161,600
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State of Missouri Department of Public Safety:				
97.042	Emergency Management Performance Grants		3,995	-
97.051	State and Local All Hazards Emergency Operations Planning	CEPF/HMEP	-	3,854
97.067	Homeland Security Grant Program		1,672	316
97.026	SEMA Communications Grant		13,467	-
97.053	Citizens Corp Grant		60	-
Total for U.S. DEPARTMENT OF HOMELAND SECURITY			19,194	4,170
Total Expenditures of Federal Awards			\$ 150,334	538,275

See accompanying notes to Schedule of Expenditures of Federal Awards.

BARTON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FISCAL YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2007 and 2006.

BARTON COUNTY, MISSOURI
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2007 AND 2006

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that required to be Reported in accordance with section 510(A) of Circular A-133? Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway and Transportation – Highway Planning and Construction.

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: Yes No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Findings 1 through 5.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP PRIOR YEARS FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs related to Federal Awards for the two years ended December 31, 2005.

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

1. Lack of Controls Over Adjustments to Property Tax Bills

Condition: State Statutes provide that the duties of property assessment, property tax billing and property tax collection be handled by separate offices within the counties. This separation is designed to eliminate the ability of any one official to initiate and conceal an irregularity with respect to property taxes.

The property tax system at Barton County is not in accordance with the statutes and does not provide for separation of incompatible functions. While the Assessor determines and documents the original assessed values, subsequent changes to those values can be made by the Collector. Because the Collector can access the property tax system and adjust tax bills, any cash collection that was not recorded or deposited could be concealed by simply abating the tax bill.

Recommendation: We recommend that access to the property tax rolls be immediately restricted to only personnel in the Assessor's Office. All changes to the tax bills should require an authorized addition or abatement, approved by the Assessor and the Presiding Commissioner, with a copy to the Clerk. The Clerk should maintain an independent record of the additions and abatements and reconcile these amounts to the Collector's monthly statement.

This system will provide assurance that only authorized changes to the assessed valuations and property tax bills are processed.

County's Response: In the past all abatements were approved by the County Commission and the County Clerk has always had copies and they were reconciled to court orders. However, the ability to change tax bills has now been restricted to the Assessor's personnel only as of June 2008

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2. Collector's Account Bank Reconciliation

Condition: Checks are listed as outstanding on the month-end bank statement that are not actually written until the following month. The Collector records these checks as though they were written in the month prior to their actual date and reduces the recorded cash balance accordingly. This practice results in inaccurate accounting records and a misstatement of the month-end cash balance for the Collector. We understand the importance of reconciling cash to the Collector's Monthly Settlement, however, a reconciliation between cash in the bank and cash per the accounting records at month-end should also be prepared.

Recommendation: We recommend the Collector record checks in the accounting system only when written and prepare a bank reconciliation properly noting outstanding checks and book balances.

County's Response: Collector shall make an attempt to comply.

3. Law Library Account Bank Reconciliation

Condition: The Circuit Clerk maintains a Law Library account which is used for maintaining and

purchasing new items for the law library. During the audit for the 2006 and 2007 years, we found that this bank account had not been reconciled.

Recommendation: We suggest that the bank account be reconciled monthly and that all activity of the account be reviewed by the Circuit Clerk. Such review should be documented to ensure that the review is completed and performed on a timely basis.

County Response: Beginning January 2007, the current Circuit Clerk reconciles the Law Library account monthly upon receipt of the bank statement.

4. Expenditure Approval

Condition: Goods and services are procured by individual department heads and invoices are forwarded to the County Clerk. The County Clerk then enters all invoices into the computer system. Next, all checks for that period are printed and signed by the County Clerk and Treasurer. The invoices, a summary of all invoices for that period, and signed checks are taken to the Commission for review and approval, and for the Presiding Commissioner to sign. The invoices are not initialed, cancelled or stamped "Paid" when they are approved.

Recommendation: We recommend that at least one commissioner initial each individual invoice as paid, in order to decrease the likelihood that an invoice could be presented for payment more than once.

County Response: We will adopt the practice of initialing invoices.

5. Fuel Card Contract

Condition: The Sheriff's office seeks and retains bid information regarding fuel for the Sheriff's Department. The bid for fuel has generally been awarded to the only gas station in the town that allows for twenty-four hour access to gas. A component of the service provided is the issuance to each Sheriff's Department officer of a fuel charge card to purchase gas at this station. However, a review of the contract between the County and the gas station revealed that the contract does not limit use of the charge card to fuel and other patrol car necessities.

Recommendation: We recommend that the next contract concerning fuel charge cards limit the use of each card to the purchase of fuel and other patrol car necessities only. This will reduce the risk of employees making unauthorized purchases with their charge cards and provide protection to the County from fraudulent transactions.

County's Response: We will comply.

ITEMS OF NONCOMPLIANCE

None.

OTHER MATTERS

In planning and performing our audit of the financial statements of Barton County, Missouri (the County) as of and for the years ended December 31, 2007 and 2006, in accordance with generally accepted government auditing standards, 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 opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated July 29, 2008. (A separate report dated July 29, 2008 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated July 29, 2008.

6. Written Job Descriptions

Condition: The County Clerk's office does not prepare or retain written job descriptions for all employees. We were informed by the County Clerk that the County had no written job descriptions. Such documentation provides guidance for employees as to their job requirements and the County's expectations. Job descriptions also can be useful as a training tool, for performance evaluations, for purposes of setting and reviewing compensation, and as documentation of agreed-upon employee duties in the event of a dispute.

Recommendation: We recommend that written job descriptions be prepared for all County employees.

County's Response: We will request elected officials to submit written job descriptions pertaining to employees in their office. These job descriptions will be kept by the County Clerk.

BARTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Barton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2005 and 2004.

There were no findings presented in the prior audit report.