



**HOLT COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2000**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2001-99  
September 26, 2001  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

September 2001

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Holt, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

---

This audit of Holt County was a financial and compliance audit of various county operating funds. The following concerns were noted:

- The county has not developed a plan to repay approximately \$122,000 in excess administrative transfers due from the General Revenue Fund to the Special Road and Bridge Fund.
- The county has two 10-year Road and Bridge Capital Improvement Sales Taxes of one-half of one percent each. The sum of these two Capital Improvement Sales Taxes apparently exceeds the statutory maximum set by state law. During the years ended December 31, 2000 and 1999, the county received approximately \$290,000 and \$276,000, respectively, from these two sales taxes.

The audit also includes some matters related to budgets, computer controls, property records and procedures, the Law Enforcement Training Fund balance, closed meeting minutes, leave records, and federal awards, upon which the county should consider and take appropriate corrective action.

**All reports are available on our website: [www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

YELLOW SHEET

HOLT COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>	
<hr/> <u>FINANCIAL SECTION</u> <hr/>		
State Auditor's Reports: .....	2-6	
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4	
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	5-6	
Financial Statements: .....	7-15	
<u>Exhibit</u>	<u>Description</u>	
A-1	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 2000 .....	8
A-2	Year Ended December 31, 1999 .....	9
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds, Years Ended December 31, 2000 and 1999 .....	10-15
Notes to the Financial Statements .....	16-18	
Supplementary Schedule: .....	19-21	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2000 and 1999 .....	20-21	
Notes to the Supplementary Schedule .....	22-24	
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>		
State Auditor's Report: .....	26-28	
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	27-28	

HOLT COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>	
Schedule:.....	29-32
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 2000 and 1999.....	30-32
Section I - Summary of Auditor's Results.....	30
Section II - Financial Statement Findings.....	31-32
<u>Number</u>	<u>Description</u>
00-1.    Special Road and Bridge Administrative Service Fee .....	31-32
00-2.    Capital Improvement Sales Tax .....	32
Section III - Federal Award Findings and Questioned Costs .....	32
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	33-34
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133 .....	35-36
<hr/> <u>SECTION ON OTHER MATTERS</u> <hr/>	
Letter on Other Matters.....	38-39

FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Holt County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose 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 audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Holt County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Holt County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Holt County, Missouri, and comparisons of such information with the corresponding

budgeted information for various funds of the county as of and for the years ended December 31, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 4, 2001, 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. 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.

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 (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.



Claire McCaskill  
State Auditor

June 4, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tiffany Blew
Audit Staff:	George Atkinson
	Julie Vollmer
	Danielle E. Freeman



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Holt County, Missouri

We have audited the special-purpose financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 4, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Holt County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 00-1 and 00-2. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Holt County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

June 4, 2001 (fieldwork completion date)

## Financial Statements

Exhibit A-1

HOLT COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 115,237	943,255	917,527	140,965
Special Road and Bridge	194,495	1,132,878	1,122,286	205,087
Assessment	1,650	88,588	88,040	2,198
Law Enforcement Training	20,247	6,885	544	26,588
Prosecuting Attorney Training	3,889	987	897	3,979
Johnson Grass	22,383	37,656	15,947	44,092
9-1-1	89,503	78,264	59,164	108,603
Recorder's Special	18,336	3,636	1,306	20,666
Prosecuting Attorney Delinquent Tax	2,381	0	112	2,269
Sheriff's Civil Fees	3,144	5,294	4,516	3,922
Prosecuting Attorney Bad Check	418	30	0	448
Debt Service	32,143	5,209	4,942	32,410
Law Library	133	1,015	1,074	74
Clerk's Election Fee	0	1,753	0	1,753
Cemetery Trust	27,246	1,085	1,851	26,480
Victims of Domestic Violence	2,050	155	0	2,205
Community Development Block Grant	0	2,000	2,000	0
Total	\$ 533,255	2,308,690	2,220,206	621,739

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

Exhibit A-2

HOLT COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 85,411	881,045	851,219	115,237
Special Road and Bridge	111,597	1,296,433	1,213,535	194,495
Assessment	3,800	86,029	88,179	1,650
Law Enforcement Training	14,395	8,265	2,413	20,247
Prosecuting Attorney Training	3,282	1,269	662	3,889
Johnson Grass	9,354	32,160	19,131	22,383
9-1-1	86,961	75,939	73,397	89,503
Recorder's Special	15,396	3,257	317	18,336
Prosecuting Attorney Delinquent Tax	2,381	0	0	2,381
DARE Donation	236	0	236	0
Sheriff's Civil Fees	2,637	4,275	3,768	3,144
Prosecuting Attorney Bad Check	188	230	0	418
Debt Service	32,047	5,067	4,971	32,143
Law Library	222	900	989	133
Cemetery Trust	22,818	8,223	3,795	27,246
Victims of Domestic Violence	1,875	175	0	2,050
Community Development Block Grant	0	3,500	3,500	0
Total	\$ 392,600	2,406,767	2,266,112	533,255

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

Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 2,152,416	2,305,450	153,034	2,468,750	2,393,969	(74,781)
DISBURSEMENTS	2,402,996	2,216,355	186,641	2,486,638	2,257,828	228,810
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250,580)	89,095	339,675	(17,888)	136,141	154,029
CASH, JANUARY 1	503,959	503,959	0	367,685	367,685	0
CASH, DECEMBER 31	253,379	593,054	339,675	349,797	503,826	154,029
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	227,100	242,541	15,441	205,100	205,587	487
Sales taxes	272,000	289,117	17,117	265,000	266,963	1,963
Intergovernmental	134,596	161,495	26,899	160,507	159,748	(759)
Charges for services	178,150	172,815	(5,335)	188,050	186,525	(1,525)
Interest	14,000	19,380	5,380	12,000	11,146	(854)
Other	6,100	7,907	1,807	10,950	11,518	568
Transfers in	48,000	50,000	2,000	53,578	39,558	(14,020)
Total Receipts	879,946	943,255	63,309	895,185	881,045	(14,140)
DISBURSEMENTS						
County Commission	65,645	64,100	1,545	57,512	58,216	(704)
County Clerk	74,325	71,441	2,884	72,185	69,287	2,898
Elections	29,530	40,018	(10,488)	13,620	10,980	2,640
Buildings and grounds	42,750	38,857	3,893	41,700	27,058	14,642
Employee fringe benefits	144,200	133,891	10,309	139,000	118,016	20,984
Treasurer	23,206	22,809	397	22,118	22,068	50
Collector	54,820	54,419	401	51,551	51,246	305
Recorder of Deeds	4,000	2,261	1,739	3,720	3,806	(86)
Associate Circuit Court	12,900	4,526	8,374	14,750	7,286	7,464
Court administration	11,900	1,737	10,163	13,400	2,481	10,919
Public Administrator	10,375	10,250	125	10,273	10,259	14
Sheriff	146,397	141,609	4,788	139,539	138,491	1,048
Jail	79,858	75,755	4,103	74,403	73,710	693
Prosecuting Attorney	62,116	59,179	2,937	56,311	59,004	(2,693)
Juvenile Officer	9,885	12,137	(2,252)	50,461	31,548	18,913
County Coroner	8,000	7,646	354	7,750	7,519	231
Other	87,249	83,674	3,575	90,517	71,507	19,010
Health Department	86,971	84,629	2,342	77,097	78,956	(1,859)
Public health and welfare services	4,076	3,089	987	3,956	2,581	1,375
Transfers out	10,500	5,500	5,000	13,956	7,200	6,756
Emergency Fund	26,355	0	26,355	26,600	0	26,600
Total Disbursements	995,058	917,527	77,531	980,419	851,219	129,200
RECEIPTS OVER (UNDER) DISBURSEMENTS	(115,112)	25,728	140,840	(85,234)	29,826	115,060
CASH, JANUARY 1	115,237	115,237	0	85,411	85,411	0
CASH, DECEMBER 31	125	140,965	140,840	177	115,237	115,060

Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	290,600	299,838	9,238	242,000	268,796	26,796
Sales taxes	276,000	289,515	13,515	274,000	276,348	2,348
Intergovernmental	460,700	515,056	54,356	822,300	728,822	(93,478)
Interest	14,800	24,849	10,049	9,600	12,905	3,305
Other	5,100	3,620	(1,480)	10,000	9,562	(438)
<b>Total Receipts</b>	<b>1,047,200</b>	<b>1,132,878</b>	<b>85,678</b>	<b>1,357,900</b>	<b>1,296,433</b>	<b>(61,467)</b>
<b>DISBURSEMENTS</b>						
Salaries	252,000	232,636	19,364	244,200	225,777	18,423
Employee fringe benefits	79,160	58,834	20,326	71,900	62,006	9,894
Supplies	70,000	77,244	(7,244)	65,000	59,968	5,032
Insurance	18,000	9,521	8,479	15,000	15,676	(676)
Road and bridge materials	119,000	99,249	19,751	92,200	94,972	(2,772)
Equipment repairs	30,000	42,379	(12,379)	25,000	30,032	(5,032)
Rentals	12,000	5,135	6,865	12,000	5,301	6,699
Equipment purchases	136,000	133,838	2,162	107,000	144,229	(37,229)
Construction, repair, and maintenance	376,297	409,343	(33,046)	571,000	536,096	34,904
Other	40,800	24,107	16,693	30,800	13,478	17,322
Transfers out	30,000	30,000	0	40,020	26,000	14,020
<b>Total Disbursements</b>	<b>1,163,257</b>	<b>1,122,286</b>	<b>40,971</b>	<b>1,274,120</b>	<b>1,213,535</b>	<b>60,585</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(116,057)</b>	<b>10,592</b>	<b>126,649</b>	<b>83,780</b>	<b>82,898</b>	<b>(882)</b>
<b>CASH, JANUARY 1</b>	<b>194,495</b>	<b>194,495</b>	<b>0</b>	<b>111,597</b>	<b>111,597</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>78,438</b>	<b>205,087</b>	<b>126,649</b>	<b>195,377</b>	<b>194,495</b>	<b>(882)</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	81,290	81,227	(63)	76,218	77,878	1,660
Interest	800	1,721	921	0	796	796
Other	0	140	140	0	155	155
Transfers in	6,200	5,500	(700)	9,500	7,200	(2,300)
<b>Total Receipts</b>	<b>88,290</b>	<b>88,588</b>	<b>298</b>	<b>85,718</b>	<b>86,029</b>	<b>311</b>
<b>DISBURSEMENTS</b>						
Assessor	89,939	88,040	1,899	89,516	88,179	1,337
<b>Total Disbursements</b>	<b>89,939</b>	<b>88,040</b>	<b>1,899</b>	<b>89,516</b>	<b>88,179</b>	<b>1,337</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(1,649)</b>	<b>548</b>	<b>2,197</b>	<b>(3,798)</b>	<b>(2,150)</b>	<b>1,648</b>
<b>CASH, JANUARY 1</b>	<b>1,650</b>	<b>1,650</b>	<b>0</b>	<b>3,800</b>	<b>3,800</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>1</b>	<b>2,198</b>	<b>2,197</b>	<b>2</b>	<b>1,650</b>	<b>1,648</b>

Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	2,600	1,904	(696)	500	2,652	2,152
Charges for services	5,000	3,972	(1,028)	4,850	5,078	228
Interest	475	949	474	300	461	161
Other	0	60	60	0	74	74
Total Receipts	8,075	6,885	(1,190)	5,650	8,265	2,615
<b>DISBURSEMENTS</b>						
Sheriff	3,800	544	3,256	3,500	2,413	1,087
Total Disbursements	3,800	544	3,256	3,500	2,413	1,087
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,275	6,341	2,066	2,150	5,852	3,702
CASH, JANUARY 1	20,247	20,247	0	14,395	14,395	0
CASH, DECEMBER 31	24,522	26,588	2,066	16,545	20,247	3,702
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	2,400	987	(1,413)	2,400	1,269	(1,131)
Total Receipts	2,400	987	(1,413)	2,400	1,269	(1,131)
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	3,000	897	2,103	2,500	662	1,838
Total Disbursements	3,000	897	2,103	2,500	662	1,838
RECEIPTS OVER (UNDER) DISBURSEMENTS	(600)	90	690	(100)	607	707
CASH, JANUARY 1	3,889	3,889	0	3,282	3,282	0
CASH, DECEMBER 31	3,289	3,979	690	3,182	3,889	707
<b><u>JOHNSON GRASS FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	33,900	35,117	1,217	26,500	30,621	4,121
Intergovernmental	350	181	(169)	400	323	(77)
Charges for services	0	0	0	0	105	105
Interest	1,100	2,336	1,236	500	1,089	589
Other	0	22	22	0	22	22
Total Receipts	35,350	37,656	2,306	27,400	32,160	4,760
<b>DISBURSEMENTS</b>						
Salaries	9,809	9,209	600	9,809	13,691	(3,882)
Office expenditures	1,500	1,500	0	1,500	1,500	0
Equipment	9,050	5,120	3,930	9,050	3,940	5,110
Mileage and training	150	118	32	150	0	150
Total Disbursements	20,509	15,947	4,562	20,509	19,131	1,378
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,841	21,709	6,868	6,891	13,029	6,138
CASH, JANUARY 1	22,383	22,383	0	9,354	9,354	0
CASH, DECEMBER 31	37,224	44,092	6,868	16,245	22,383	6,138

Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>9-1-1 FUND</u></b>						
<b>RECEIPTS</b>						
Sales taxes	71,500	72,378	878	72,000	71,393	(607)
Interest	3,400	4,641	1,241	2,400	3,160	760
Other	1,200	1,245	45	1,500	1,386	(114)
Total Receipts	76,100	78,264	2,164	75,900	75,939	39
<b>DISBURSEMENTS</b>						
Salaries	3,000	0	3,000	3,000	0	3,000
Office expenditures	27,700	17,499	10,201	25,900	20,420	5,480
Equipment	36,000	20,069	15,931	33,500	35,135	(1,635)
Mileage and Training	5,000	0	5,000	5,000	0	5,000
Other	7,500	1,596	5,904	7,500	4,284	3,216
Transfers out	20,000	20,000	0	13,558	13,558	0
Total Disbursements	99,200	59,164	40,036	88,458	73,397	15,061
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,100)	19,100	42,200	(12,558)	2,542	15,100
CASH, JANUARY 1	89,503	89,503	0	86,961	86,961	0
CASH, DECEMBER 31	66,403	108,603	42,200	74,403	89,503	15,100
<b><u>RECORDER'S SPECIAL FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	2,700	2,760	60	2,500	2,754	254
Interest	515	876	361	400	503	103
Total Receipts	3,215	3,636	421	2,900	3,257	357
<b>DISBURSEMENTS</b>						
Recorder of Deeds	11,700	1,306	10,394	12,580	317	12,263
Total Disbursements	11,700	1,306	10,394	12,580	317	12,263
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,485)	2,330	10,815	(9,680)	2,940	12,620
CASH, JANUARY 1	18,336	18,336	0	15,396	15,396	0
CASH, DECEMBER 31	9,851	20,666	10,815	5,716	18,336	12,620
<b><u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	0	0	0	0	0	0
Total Receipts	0	0	0	0	0	0
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	2,000	112	1,888	2,300	0	2,300
Total Disbursements	2,000	112	1,888	2,300	0	2,300
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000)	(112)	1,888	(2,300)	0	2,300
CASH, JANUARY 1	2,381	2,381	0	2,381	2,381	0
CASH, DECEMBER 31	381	2,269	1,888	81	2,381	2,300

Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DARE DONATION FUND</u></b>						
RECEIPTS						
Other				200	0	(200)
Total Receipts				200	0	(200)
DISBURSEMENTS						
Other				436	236	200
Total Disbursements				436	236	200
RECEIPTS OVER (UNDER) DISBURSEMENTS				(236)	(236)	0
CASH, JANUARY 1				236	236	0
CASH, DECEMBER 31				0	0	0
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
RECEIPTS						
Charges for services	4,500	5,294	794	5,000	4,275	(725)
Total Receipts	4,500	5,294	794	5,000	4,275	(725)
DISBURSEMENTS						
Sheriff	6,000	4,516	1,484	6,000	3,768	2,232
Total Disbursements	6,000	4,516	1,484	6,000	3,768	2,232
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,500)	778	2,278	(1,000)	507	1,507
CASH, JANUARY 1	3,144	3,144	0	2,637	2,637	0
CASH, DECEMBER 31	1,644	3,922	2,278	1,637	3,144	1,507
<b><u>PROSECUTING ATTORNEY'S BAD CHECK FUND</u></b>						
RECEIPTS						
Charges for services	200	30	(170)	150	230	80
Total Receipts	200	30	(170)	150	230	80
DISBURSEMENTS						
Prosecuting Attorney	600	0	600	300	0	300
Total Disbursements	600	0	600	300	0	300
RECEIPTS OVER (UNDER) DISBURSEMENTS	(400)	30	430	(150)	230	380
CASH, JANUARY 1	418	418	0	188	188	0
CASH, DECEMBER 31	18	448	430	38	418	380
<b><u>DEBT SERVICE FUND</u></b>						
RECEIPTS						
Property taxes	3,310	3,388	78	3,047	3,266	219
Interest	2,000	1,821	(179)	7,300	1,801	(5,499)
Total Receipts	5,310	5,209	(101)	10,347	5,067	(5,280)
DISBURSEMENTS						
Payment on bond issue	2,000	2,000	0	2,000	2,000	0
Interest and fees	4,000	2,942	1,058	4,000	2,971	1,029
Total Disbursements	6,000	4,942	1,058	6,000	4,971	1,029
RECEIPTS OVER (UNDER) DISBURSEMENTS	(690)	267	957	4,347	96	(4,251)
CASH, JANUARY 1	32,143	32,143	0	32,047	32,047	0
CASH, DECEMBER 31	31,453	32,410	957	36,394	32,143	(4,251)

Exhibit B

HOLT COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for services	600	1,010	410			
Interest	0	5	5			
Total Receipts	<u>600</u>	<u>1,015</u>	<u>415</u>			
DISBURSEMENTS						
Law Library	733	1,074	(341)			
Total Disbursements	<u>733</u>	<u>1,074</u>	<u>(341)</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(133)	(59)	74			
CASH, JANUARY 1	133	133	0			
CASH, DECEMBER 31	<u>0</u>	<u>74</u>	<u>74</u>			
<b><u>CLERK'S ELECTION FEE FUND</u></b>						
RECEIPTS						
Intergovernmental	730	1,753	1,023			
Charges for services	500	0	(500)			
Total Receipts	<u>1,230</u>	<u>1,753</u>	<u>523</u>			
DISBURSEMENTS						
County Clerk	1,200	0	1,200			
Total Disbursements	<u>1,200</u>	<u>0</u>	<u>1,200</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	30	1,753	1,723			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	<u>30</u>	<u>1,753</u>	<u>1,723</u>			

Notes to the Financial Statements

HOLT COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Holt County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Johnson Grass Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. 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, which 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.

C. Budgets and Budgetary Practices

The County Commission and the other applicable board are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1999
Community Development Block Grant Fund	2000 and 1999
Victims of Domestic Violence Fund	2000 and 1999
Cemetery Trust Fund	2000 and 1999

Warrants issued were in excess of budgeted amounts for the Law Library Fund in 2000. Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 2000 and 1999, did not include the Law Library Fund, Community Development Block Grant Fund, Victims of Domestic Violence Fund, and Cemetery Trust Fund.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

Supplementary Schedule

Schedule

HOLT COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state Department of Health				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS0451143W ERO045-0143	\$ 12,593 0	0 11,102
	Program Total		<u>12,593</u>	<u>11,102</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state Department of Economic Development				
14.228	Community Development Block Grants/State's Program	99-ED-017 94-PF-848	2,000 0	0 3,500
	Program Total		<u>2,000</u>	<u>3,500</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety -				
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	ERO172024	5,337	27,574
16.579	Byrne Formula Grant Program	98-NCD1-008	0	8,605
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-044 (14) BRO-044 (16 & 19) BRO-044 (18) BRO-044 (20 & 21)	26,931 15,686 27,967 53,358	246,910 0 0 0
	Program Total		<u>123,942</u>	<u>246,910</u>
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	1,482	0
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	871	44

Schedule

HOLT COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	1,346	269
83.544	Public Assistance Grants	N/A	1,297	1,076
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.268	Immunization Grants	N/A	6,989	13,958
		PGO064-1143I	354	0
		PGO064-0143IMM	0	540
	Program Total		7,343	14,498
Department of Social Services -				
93.563	Child Support Enforcement	N/A	0	2,197
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-1143S	490	610
Department of Health -				
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERO161-90085	0	85
93.991	Preventive Health and Health Services Block Grant	N/A	79	166
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-1143M	16,217	0
		ERS146-0143M	0	11,863
		N/A	395	831
	Program Total		16,612	12,694
	Total Expenditures of Federal Awards		\$ 173,392	329,330

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

HOLT COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Holt County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Of the amounts for Immunization Grants (CFDA number 93.268), \$6,989 and \$13,958 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. The Preventive Health and Health Services Block Grant (CFDA number 93.991) represents the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$395 and \$831 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2000 and 1999. The remaining amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2000 and 1999.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S 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  
and  
Officeholders of Holt County, Missouri

Compliance

We have audited the compliance of Holt County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2000 and 1999. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Holt County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2000 and 1999.

## Internal Control Over Compliance

The management of Holt 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 audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

June 4, 2001 (fieldwork completion date)

Schedule

HOLT COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2000 AND 1999

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?        yes   x   no

Reportable condition identified that is not considered to be a material weakness?        yes   x   none reported

Noncompliance material to the financial statements noted?   x   yes        no

Federal Awards

Internal control over major program:

Material weakness identified?        yes   x   no

Reportable condition identified that is not considered to be a material weakness?        yes   x   none reported

Type of auditor's report issued on compliance for major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?        yes   x   no

Identification of major program:

CFDA or Other Identifying <u>Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

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

\$300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes        x   no

## Section II - Financial Statement Findings

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

**00-1**

### **Special Road and Bridge Administrative Service Fee**

The county has not developed a plan to repay approximately \$122,000 in excess administrative transfers due from the General Revenue Fund to the Special Road and Bridge Fund.

As of December 31, 1998, the General Revenue Fund owed the Special Road and Bridge Fund approximately \$134,000 for excess administrative service fee transfers, the payment of County Commissioners' salaries and fringe benefits, a portion of the salary and fringe benefits of a County Clerk's employee, and a one time loan from the Road and Bridge Fund to the General Fund. During 1999 and 2000, the amounts transferred were based on actual revenues of the Special Road and Bridge Fund, rather than budgeted expenditures, although the amount actually transferred was for less than the amount calculated.

The amounts actually transferred from the Special Road and Bridge Fund to the General Revenue Fund during 1999 and 2000 were approximately \$12,000 less than allowed, which reduced the amount owed. The County Commission indicated their intentions for transferring a reduced amount was to reduce the amount owed by the General Revenue Fund, but these intentions were not documented in the minutes of their meetings or in the county budget document. No transfers were made from the General Revenue Fund to the Special Road and Bridge Fund to reduce the debt.

Section 50.515, RSMo 2000, allows the county to impose an administrative service fee on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services to the fund, and shall not exceed three percent of the Special Road and Bridge Fund's budgeted expenditures.

As a result of the above conditions, approximately \$122,000 is due from the General Revenue Fund to the Special Road and Bridge Fund at December 31, 2000.

**WE AGAIN RECOMMEND** the County Commission develop a repayment plan for the money which is due from the General Revenue Fund to the Special Road and Bridge Fund and clearly document their intentions for repaying these monies. In addition, the administrative transfers should be calculated in accordance with state law.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*We agree and will establish a repayment plan for these monies by February 1, 2002. We will ensure our intentions for repaying these monies each year are documented and the administrative transfer will be calculated in accordance with state law in the future.*

**00-2**

**Capital Improvement Sales Tax**

On April 5, 1994, the county passed a 10-year Road and Bridge Capital Improvement Sales Tax of one-half of one percent for the purpose of improving roads and bridges. On April 7, 1998, the county passed another 10-year Road and Bridge Capital Improvement Sales Tax of one-half of one percent for the purpose of purchasing gravel to make capital improvements to county roads. The sum of these two Capital Improvement Sales Taxes appears to exceed the statutory maximum set by Section 67.700 RSMo. In addition, Attorney General's Opinion number 97-99, 1999, to Neel states that total Capital Improvement Sales Tax rates cannot exceed one-half of one percent. During the years ended December 31, 2000 and 1999, the county received approximately \$290,000 and \$276,000, respectively from these two sales taxes.

County officials believe they are justified in collecting both sales taxes based on the court case *Davis-v-St. Charles County, Circuit Court of St. Charles County, CV191-7703CC, December 27, 1991*, where the court found that more than one sales tax may be imposed. The fact that a similar matter was litigated in that case was addressed in the cited Attorney General's opinion. The Attorney General's opinion disagreed with the referenced circuit court case.

**WE AGAIN RECOMMEND** the County Commission review the overall Capital Improvement Sales Taxes being levied and ensure they are in accordance with applicable state statutes.

**AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION**

*We will discuss this issue with our legal counsel and will take this recommendation under advisement. The voters of Holt County overwhelmingly approved both of these sales taxes.*

**Section III - Federal Award Findings and Questioned Costs**

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

HOLT 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 auditor's follow-up on action taken by Holt County, Missouri, on the applicable findings in our prior audit report issued for the two years ended December 31, 1998.

98-1. Special Road and Bridge Administrative Service Fee

Approximately \$134,000 was due from the General Revenue Fund to the Special Road and Bridge Fund at December 31, 1998.

Recommendation:

The County Commission develop a repayment plan for the money which is due from the General Revenue Fund to the Special Road and Bridge Fund. The County Commission should ensure future administrative transfers do not exceed three percent of actual expenditures.

Status:

Partially implemented. Administrative transfers made during the audit period did not exceed the amount allowable by statute; however, a repayment plan has not been developed. See finding number 00-1.

98-2. Capital Improvement Sales Tax

Through the combined rates for both of the capital improvement sales taxes, the county levied one percent which is apparently above the statutory maximum.

Recommendation:

The County Commission review the overall capital improvement sales taxes being levied and ensure they are in accordance with applicable state statutes.

Status:

Not implemented. See finding number 00-2.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

HOLT COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1998, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION ON OTHER MATTERS

HOLT COUNTY, MISSOURI  
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 4, 2001. We also have audited the compliance of Holt County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 4, 2001.

We did not audit the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be audited and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Holt County and of its compliance with the types of compliance requirements applicable to its major federal program, but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for an audit performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Budgets and Financial Statements

Budgets were not prepared for some county funds for the years ended December 31, 2000 and 1999. The county's annual published financial statements did not include the financial activity of some county funds.

2. Federal Financial Assistance

The Schedule of Federal Awards prepared by the County Clerk for the years ended December 31, 2000 and 1999, contained various errors and omissions. In addition, we noted one reimbursement to the county in the amount of \$16,861 that was held by the county for 15 days before payment was made to the contractor.

3. Law Enforcement Training Fund

The Law Enforcement Training Fund balance as of December 31, 2000 exceeded the amount allowed by state law by approximately \$13,000. Excess funds are to be transferred to the General Revenue Fund. The Law Enforcement Training Fund cash balance includes Peace Officers Standard and Training (POST) monies, which are not separately identified. The county needs to identify the POST monies before transferring excess balances from the Law Enforcement Training Fund to the General Revenue Fund.

4. Computer Controls

Passwords are used by county employees, but are not changed on a periodic basis to ensure confidentiality. In addition, the Assessor, County Collector, and County Clerk are able to access and modify all property tax system records.

5. Property Records and Procedures

The county does not maintain adequate general fixed asset records or perform annual physical inventories in accordance with state law.

6. Commission Meetings

The county did not maintain minutes for closed meetings and the regular meeting minutes did not always disclose the reason for entering into closed session.

7. Leave Records

The County Clerk does not maintain leave records for county employees. .

This Letter on Other Matters is intended for the information of the management of Holt County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.