



Susan Montee, CPA
Missouri State Auditor

Holt County



May 2008

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Office of
Missouri State Auditor
Susan Montee, CPA

May 2008

IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every four years in counties, such as Holt, that do not have a county auditor. In addition to a financial audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by the Missouri Constitution.

The county did not solicit proposals or request qualifications for its engineering services on federally funded bridge projects. The county has used the same engineering firm the last several years; however, the reasons this firm was selected were not documented. Engineering costs incurred for the various bridge projects during 2006 and 2005 totaled \$158,564.

The county does not have written contracts with the various political subdivisions in the county to which they provide dispatching services and currently provides dispatching services, at no charge, for the Atchison Holt Ambulance District, Mound City Police Department, Oregon Police Department and four fire districts. The county maintains no data on the number of calls received and dispatched for each political subdivision or the total calls dispatched. The county needs to perform a cost analysis to determine if a fee should be charged for dispatching calls for the various political subdivisions.

Administrative transfers from the Special Road and Bridge Fund (SRBF) to the General Revenue Fund (GRF) were excessive and the county lacked support for how they were calculated. The cumulative excess transfers totaled approximately \$23,400 as of December 31, 2006. In addition, transfers were made from the 911 Fund to the GRF and SRBF without supporting documentation.

Improvements are needed in the tracking of vehicle and fuel usage in the Road and Bridge Department. During the two years ended December 31, 2006, the county spent approximately \$215,000 on fuel purchases for the Road and Bridge Department. Usage logs for road and bridge vehicles and equipment are not maintained, and fuel purchases and usage are not tracked or monitored.

County property records and physical inventory procedures for capital assets are not adequate. While a new Inventory Management Policy was adopted by the County Commission in 2005, the procedures required by this policy have not been followed.

Also included in the audit report are recommendations related to personnel policies and leave balances, apportionment of railroad and utility taxes, the Sheriff's accounting controls and procedures, and the Public Administrator's salary.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

HOLT COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



SUSAN MONTEE, CPA
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 Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Holt County, Missouri, as of and for the years ended December 31, 2006 and 2005. 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 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 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 audit provides a reasonable basis for our opinion.

As discussed more fully in Note 1, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, 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 Holt County, Missouri, as of December 31, 2006 and 2005, or the changes in its financial position for the years then ended.

In our opinion, the 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, 2006 and 2005, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated December 6, 2007, 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 grant agreements 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements, taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Holt County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Susan Montee, CPA
State Auditor

December 6, 2007

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: Tania Williams
Audit Staff: Eartha Taylor, CPA
Karla Swift



SUSAN MONTEE, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S 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 Holt County, Missouri

We have audited the financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated December 6, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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 county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with applicable accounting principles such that there is more than a remote likelihood that a misstatement of the county's financial statements that is more than inconsequential will not be prevented or detected by the county's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the county's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Susan Montee, CPA
State Auditor

December 6, 2007

Financial Statements

Exhibit A-1

HOLT COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2006

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 238,648	1,309,598	1,313,312	234,934
Special Road and Bridge	265,803	2,327,321	2,269,785	323,339
Assessment	10,166	118,423	116,503	12,086
Law Enforcement Training	11,165	7,560	10,720	8,005
Prosecuting Attorney Training	3,148	1,332	639	3,841
911	68,268	92,457	112,704	48,021
Recorder's Special	23,896	5,217	3,829	25,284
Sheriff's Civil Fee	8,380	6,232	8,036	6,576
Election Improvements	15,614	77,870	83,872	9,612
Debt Service	4,130	3,351	3,536	3,945
Clerk's Election Fee	5,816	0	20	5,796
Victims of Domestic Violence	75	170	0	245
Johnson Grass	51,560	25,833	29,666	47,727
Prosecuting Attorney Delinquent Tax	2,269	0	0	2,269
Prosecuting Attorney Bad Check	651	236	18	869
Prosecuting Attorney Dialog	3,985	0	3,985	0
Cemetery Trust	27,095	819	342	27,572
Collector's Tax Maintenance	315	9,076	6,675	2,716
Senior Services	2,522	42,934	37,247	8,209
Law Library	587	3,182	3,459	310
Total	\$ 744,093	4,031,611	4,004,348	771,356

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, 2005

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 316,797	1,157,527	1,235,676	238,648
Special Road and Bridge	297,559	1,829,067	1,860,823	265,803
Assessment	8,173	113,507	111,514	10,166
Law Enforcement Training	9,299	6,094	4,228	11,165
Prosecuting Attorney Training	3,061	1,069	982	3,148
911	68,816	85,107	85,655	68,268
Recorder's Special	31,287	5,577	12,968	23,896
Sheriff's Civil Fee	4,145	8,340	4,105	8,380
Election Improvements	15,000	614	0	15,614
Debt Service	4,620	3,172	3,662	4,130
Clerk's Election Fee	5,909	724	817	5,816
Victims of Domestic Violence	445	120	490	75
Johnson Grass	63,412	36,465	48,317	51,560
Prosecuting Attorney Delinquent Tax	2,269	0	0	2,269
Prosecuting Attorney Bad Check	501	161	11	651
Prosecuting Attorney Dialog	0	3,985	0	3,985
Cemetery Trust	26,682	867	454	27,095
Community Development Block Grant	0	1,000	1,000	0
Collector's Tax Maintenance	386	6,370	6,441	315
Environmental Protection Agency Grant	0	42,017	42,017	0
Senior Services	0	3,707	1,185	2,522
Law Library	919	2,114	2,446	587
Total	\$ 859,280	3,307,604	3,422,791	744,093

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 FUND

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 4,261,991	4,028,429	(233,562)	3,403,925	3,301,783	(102,142)
DISBURSEMENTS	4,835,456	4,000,889	834,567	4,004,917	3,419,160	585,757
RECEIPTS OVER (UNDER) DISBURSEMENTS	(573,465)	27,540	601,005	(600,992)	(117,377)	483,615
CASH, JANUARY 1	743,506	743,506	0	858,360	858,361	1
CASH, DECEMBER 31	170,041	771,046	601,005	257,368	740,984	483,616
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	294,000	277,889	(16,111)	282,000	260,229	(21,771)
Sales taxes	415,000	461,077	46,077	433,500	420,694	(12,806)
Intergovernmental	171,454	205,303	33,849	180,930	173,418	(7,512)
Charges for services	196,500	183,157	(13,343)	199,400	188,599	(10,801)
Interest	15,000	17,699	2,699	6,000	13,435	7,435
Other	7,100	5,157	(1,943)	6,625	4,084	(2,541)
Transfer in	160,300	159,316	(984)	119,000	97,068	(21,932)
Total Receipts	1,259,354	1,309,598	50,244	1,227,455	1,157,527	(69,928)
DISBURSEMENTS						
County Commissioner	69,354	67,583	1,771	69,354	68,048	1,306
County Clerk	98,100	86,891	11,209	94,673	89,127	5,546
Elections	55,102	45,192	9,910	39,850	33,264	6,586
Buildings and grounds	50,034	33,232	16,802	50,534	35,654	14,880
Employee fringe benefit	262,000	208,520	53,480	257,000	214,308	42,692
County Treasurer	35,200	33,895	1,305	34,150	33,386	764
County Collector	62,297	60,719	1,578	61,288	60,322	966
Ex Officio Recorder of Deed	4,600	1,676	2,924	3,950	1,298	2,652
Associate Circuit Court	12,000	4,960	7,040	11,950	4,174	7,776
Court administration	11,900	2,187	9,713	12,100	1,259	10,841
Public Administrator	14,940	14,765	175	14,685	14,698	(13)
Sheriff	206,633	196,855	9,778	189,283	174,412	14,871
Jail	159,736	152,730	7,006	107,892	94,351	13,541
Prosecuting Attorney	68,537	65,951	2,586	72,523	67,577	4,946
Juvenile Offices	10,785	7,732	3,053	10,533	8,120	2,413
County Coroner	14,775	10,912	3,863	13,275	8,025	5,250
Health Department	136,486	141,507	(5,021)	129,206	127,166	2,040
Public health and welfare service	4,400	4,400	0	4,150	4,150	0
Other	166,750	164,605	2,145	241,670	186,613	55,057
Transfer out	12,500	9,000	3,500	12,000	9,724	2,276
Emergency	36,450	0	36,450	42,310	0	42,310
Total Disbursements	1,492,579	1,313,312	179,267	1,472,376	1,235,676	236,700
RECEIPTS OVER (UNDER) DISBURSEMENTS	(233,225)	(3,714)	229,511	(244,921)	(78,149)	166,772
CASH, JANUARY 1	238,648	238,648	0	316,797	316,797	0
CASH, DECEMBER 31	5,423	234,934	229,511	71,876	238,648	166,772

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	367,000	348,266	(18,734)	341,000	315,416	(25,584)
Sales taxes	332,300	342,230	9,930	326,700	330,362	3,662
Intergovernmental	1,903,210	1,604,719	(298,491)	1,099,397	1,103,311	3,914
Charges for services	3,000	163	(2,837)	0	5,302	5,302
Interest	18,250	19,332	1,082	5,300	14,705	9,405
Other	25,000	7,611	(17,389)	27,387	54,971	27,584
Transfer in	5,000	5,000	0	5,000	5,000	0
Total Receipts	2,653,760	2,327,321	(326,439)	1,804,784	1,829,067	24,283
DISBURSEMENTS						
Salaries	290,000	242,912	47,088	280,000	259,785	20,215
Employee fringe benefit	115,000	104,272	10,728	113,000	106,506	6,494
Supplies	180,000	156,770	23,230	160,000	147,113	12,887
Insurance	22,000	22,368	(368)	30,000	20,465	9,535
Road and bridge materials	139,500	56,710	82,790	191,000	134,083	56,917
Rentals	15,000	1,274	13,726	25,000	24,526	474
Equipment purchases	65,000	64,133	867	65,000	64,319	681
Construction, repair, and maintenance	1,750,000	1,434,104	315,896	937,295	925,274	12,021
Other	44,000	32,825	11,175	70,500	70,948	(448)
Equipment repairs	45,000	21,551	23,449	40,000	39,686	314
Transfer out	131,300	132,866	(1,566)	88,000	68,118	19,882
Total Disbursements	2,796,800	2,269,785	527,015	1,999,795	1,860,823	138,972
RECEIPTS OVER (UNDER) DISBURSEMENTS	(143,040)	57,536	200,576	(195,011)	(31,756)	163,255
CASH, JANUARY 1	265,803	265,803	0	297,559	297,559	0
CASH, DECEMBER 31	122,763	323,339	200,576	102,548	265,803	163,255
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	104,177	105,887	1,710	95,400	101,300	5,900
Charges for services	1,700	1,700	0	1,500	1,900	400
Interest	1,400	1,836	436	450	1,307	857
Other	0	0	0	200	0	(200)
Transfer in	9,000	9,000	0	9,000	9,000	0
Total Receipts	116,277	118,423	2,146	106,550	113,507	6,957
DISBURSEMENTS						
Assessor	119,491	116,503	2,988	113,762	111,514	2,248
Total Disbursements	119,491	116,503	2,988	113,762	111,514	2,248
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,214)	1,920	5,134	(7,212)	1,993	9,205
CASH, JANUARY 1	10,166	10,166	0	8,173	8,173	0
CASH, DECEMBER 31	6,952	12,086	5,134	961	10,166	9,205

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT TRAINING						
RECEIPTS						
Intergovernmental	1,500	2,283	783	0	1,884	1,884
Charges for service:	4,000	4,840	840	4,100	3,962	(138)
Interest	300	398	98	150	234	84
Other	0	39	39	100	14	(86)
Total Receipts	5,800	7,560	1,760	4,350	6,094	1,744
DISBURSEMENTS						
Training	16,950	10,720	6,230	13,648	4,228	9,420
Total Disbursements	16,950	10,720	6,230	13,648	4,228	9,420
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,150)	(3,160)	7,990	(9,298)	1,866	11,164
CASH, JANUARY 1	11,165	11,165	0	9,298	9,299	1
CASH, DECEMBER 31	15	8,005	7,990	0	11,165	11,165
PROSECUTING ATTORNEY TRAINING						
RECEIPTS						
Charges for service:	1,000	1,224	224	1,000	991	(9)
Interest	85	108	23	32	78	46
Total Receipts	1,085	1,332	247	1,032	1,069	37
DISBURSEMENTS						
Training	4,000	639	3,361	4,000	982	3,018
Total Disbursements	4,000	639	3,361	4,000	982	3,018
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,915)	693	3,608	(2,968)	87	3,055
CASH, JANUARY 1	3,148	3,148	0	3,061	3,061	0
CASH, DECEMBER 31	233	3,841	3,608	93	3,148	3,055
911						
RECEIPTS						
Sales taxes	83,000	85,561	2,561	82,500	82,596	96
Interest	2,200	2,526	326	775	1,881	1,106
Other	3,000	4,370	1,370	2,000	630	(1,370)
			0			0
Total Receipts	88,200	92,457	4,257	85,275	85,107	(168)
DISBURSEMENTS						
Office expenditures:	66,600	55,734	10,866	58,950	37,921	21,029
Equipment	18,300	16,848	1,452	12,250	7,436	4,814
Mileage and training	5,000	0	5,000	5,000	0	5,000
Other	18,500	9,122	9,378	30,000	6,798	23,202
Transfer out	33,500	31,000	2,500	33,500	33,500	0
Total Disbursements	141,900	112,704	29,196	139,700	85,655	54,045
RECEIPTS OVER (UNDER) DISBURSEMENTS	(53,700)	(20,247)	33,453	(54,425)	(548)	53,877
CASH, JANUARY 1	68,268	68,268	0	68,816	68,816	0
CASH, DECEMBER 31	14,568	48,021	33,453	14,391	68,268	53,877

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECORDER'S SPECIAL FUND						
RECEIPTS						
Charges for service:	4,800	4,384	(416)	5,200	4,796	(404)
Interest	800	833	33	275	781	506
Total Receipts	5,600	5,217	(383)	5,475	5,577	102
DISBURSEMENTS						
Office expenditures:	28,000	3,829	24,171	33,000	12,968	20,032
Total Disbursements	28,000	3,829	24,171	33,000	12,968	20,032
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,400)	1,388	23,788	(27,525)	(7,391)	20,134
CASH, JANUARY 1	23,896	23,896	0	31,287	31,287	0
CASH, DECEMBER 31	1,496	25,284	23,788	3,762	23,896	20,134
SHERIFF'S CIVIL FEE						
RECEIPTS						
Charges for service:	0	5,935	5,935	6,000	8,220	2,220
Interest	0	297	297	60	120	60
Total Receipts	0	6,232	6,232	6,060	8,340	2,280
DISBURSEMENTS						
Other	7,000	8,036	(1,036)	9,000	4,105	4,895
Total Disbursements	7,000	8,036	(1,036)	9,000	4,105	4,895
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,000)	(1,804)	5,196	(2,940)	4,235	7,175
CASH, JANUARY 1	8,380	8,380	0	4,145	4,145	0
CASH, DECEMBER 31	1,380	6,576	5,196	1,205	8,380	7,175
ELECTION IMPROVEMENTS FUND						
RECEIPTS						
Intergovernmental	78,040	77,037	(1,003)	70,000	614	(69,386)
Interest	0	833	833	0	0	0
Transfer in	2,000	0	(2,000)	0	0	0
Total Receipts	80,040	77,870	(2,170)	70,000	614	(69,386)
DISBURSEMENTS						
Election expenditures:	92,787	83,872	8,915	85,000	0	85,000
Total Disbursements	92,787	83,872	8,915	85,000	0	85,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,747)	(6,002)	6,745	(15,000)	614	15,614
CASH, JANUARY 1	15,614	15,614	0	15,000	15,000	0
CASH, DECEMBER 31	2,867	9,612	6,745	0	15,614	15,614

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DEBT SERVICE FUND</u>						
RECEIPTS						
Property taxes	2,900	3,351	451	3,062	2,878	(184)
Interest	350	0	(350)	225	294	69
Total Receipts	3,250	3,351	101	3,287	3,172	(115)
DISBURSEMENTS						
Other	7,200	3,536	3,664	7,900	3,662	4,238
Total Disbursements	7,200	3,536	3,664	7,900	3,662	4,238
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,950)	(185)	3,765	(4,613)	(490)	4,123
CASH, JANUARY 1	4,130	4,130	0	4,620	4,620	0
CASH, DECEMBER 31	180	3,945	3,765	7	4,130	4,123
<u>CLERK'S ELECTION FEE FUND</u>						
RECEIPTS						
Transfer in	2,000	0	(2,000)	500	724	224
Total Receipts	2,000	0	(2,000)	500	724	224
DISBURSEMENTS						
Other	7,800	20	7,780	6,400	817	5,583
Total Disbursements	7,800	20	7,780	6,400	817	5,583
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,800)	(20)	5,780	(5,900)	(93)	5,807
CASH, JANUARY 1	5,816	5,816	0	5,909	5,909	0
CASH, DECEMBER 31	16	5,796	5,780	9	5,816	5,807
<u>VICTIM'S OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for service:	175	170	(5)	200	120	(80)
Total Receipts	175	170	(5)	200	120	(80)
DISBURSEMENTS						
Other	250	0	250	600	490	110
Total Disbursements	250	0	250	600	490	110
RECEIPTS OVER (UNDER) DISBURSEMENTS	(75)	170	245	(400)	(370)	30
CASH, JANUARY 1	75	75	0	445	445	0
CASH, DECEMBER 31	0	245	245	45	75	30

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>JOHNSON GRASS FUND</u>						
RECEIPTS						
Property taxes	0	23,360	23,360	24,405	22,050	(2,355)
Intergovernmental	0	77	77	100	91	(9)
Charges for services	0	0	0	0	1,493	1,493
Interest	0	2,396	2,396	950	2,031	1,081
Other	0	0	0	10,600	10,800	200
Total Receipts	0	25,833	25,833	36,055	36,465	410
DISBURSEMENTS						
Salaries	22,000	20,036	1,964	18,500	16,649	1,851
Office expenditures:	2,000	2,000	0	1,750	1,750	0
Equipment	21,000	7,630	13,370	43,000	29,918	13,082
Total Disbursements	45,000	29,666	15,334	63,250	48,317	14,933
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,000)	(3,833)	41,167	(27,195)	(11,852)	15,343
CASH, JANUARY 1	51,560	51,560	0	63,412	63,412	0
CASH, DECEMBER 31	6,560	47,727	41,167	36,217	51,560	15,343
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Other	0	0	0	0	0	0
Total Receipts	0	0	0	0	0	0
DISBURSEMENTS						
Other	2,269	0	2,269	2,269	0	2,269
Total Disbursements	2,269	0	2,269	2,269	0	2,269
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,269)	0	2,269	(2,269)	0	2,269
CASH, JANUARY 1	2,269	2,269	0	2,269	2,269	0
CASH, DECEMBER 31	0	2,269	2,269	0	2,269	2,269
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services:	150	236	86	320	161	(159)
Total Receipts	150	236	86	320	161	(159)
DISBURSEMENTS						
Other	750	18	732	800	11	789
Total Disbursements	750	18	732	800	11	789
RECEIPTS OVER (UNDER) DISBURSEMENTS	(600)	218	818	(480)	150	630
CASH, JANUARY 1	651	651	0	501	501	0
CASH, DECEMBER 31	51	869	818	21	651	630

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DIALOG FUND</u>						
RECEIPTS						
Intergovernmental	0	0	0	0	3,985	3,985
Total Receipts	0	0	0	0	3,985	3,985
DISBURSEMENTS						
Equipment	3,985	3,985	0	0	0	0
Total Disbursements	3,985	3,985	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,985)	(3,985)	0	0	3,985	3,985
CASH, JANUARY 1	3,985	3,985	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	3,985	3,985
<u>CEMETERY TRUSTS FUND</u>						
RECEIPTS						
Interest	1,000	819	(181)	800	867	67
Total Receipts	1,000	819	(181)	800	867	67
DISBURSEMENTS						
Other	27,400	342	27,058	2,900	454	2,446
Total Disbursements	27,400	342	27,058	2,900	454	2,446
RECEIPTS OVER (UNDER) DISBURSEMENTS	(26,400)	477	26,877	(2,100)	413	2,513
CASH, JANUARY 1	27,095	27,095	0	26,682	26,682	0
CASH, DECEMBER 31	695	27,572	26,877	24,582	27,095	2,513
<u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental				1,000	1,000	0
Total Receipts				1,000	1,000	0
DISBURSEMENTS						
Other				1,000	1,000	0
Total Disbursements				1,000	1,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	0	0
CASH, JANUARY 1				0	0	0
CASH, DECEMBER 31				0	0	0
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for service:	6,500	9,076	2,576	8,765	6,370	(2,395)
Total Receipts	6,500	9,076	2,576	8,765	6,370	(2,395)
DISBURSEMENTS						
Other	6,267	6,225	42	7,050	5,991	1,059
Transfer out	450	450	0	450	450	0
Total Disbursements	6,717	6,675	42	7,500	6,441	1,059
RECEIPTS OVER (UNDER) DISBURSEMENTS	(217)	2,401	2,618	1,265	(71)	(1,336)
CASH, JANUARY 1	315	315	0	386	386	0
CASH, DECEMBER 31	98	2,716	2,618	1,651	315	(1,336)

Exhibit B

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

	Year Ended December 31,					
	2006			2005		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ENVIRONMENTAL PROTECTION AGENCY GRANT FUND</u>						
RECEIPTS						
Intergovernmental				42,017	42,017	0
Total Receipts				42,017	42,017	0
DISBURSEMENTS						
Other				42,017	42,017	0
Total Disbursements				42,017	42,017	0
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	0	0
CASH, JANUARY 1				0	0	0
CASH, DECEMBER 31				0	0	0
<u>SENIOR CITIZEN'S SERVICE FUND</u>						
RECEIPTS						
Property taxes	38,700	40,040	1,340			
Intergovernmental	100	1,731	1,631			
Interest	0	1,163	1,163			
Total Receipts	38,800	42,934	4,134			
DISBURSEMENTS						
Other	34,578	37,247	(2,669)			
Total Disbursements	34,578	37,247	(2,669)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,222	5,687	1,465			
CASH, JANUARY 1	2,522	2,522	0			
CASH, DECEMBER 31	6,744	8,209	1,465			

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

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 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 or an elected county official. 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. 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.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, 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 a formal budget for the Law Library Fund for the years ended December 31, 2006 and 2005 or the Senior Services Fund for the year ended December 31, 2005.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff Civil Fee Fund	2006
Senior Services Fund	2006

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, 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 did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	2006 and 2005
Prosecuting Attorney Dialog Fund	2006 and 2005
Prosecuting Attorney Bad Check Fund	2005
Community Development Block Grant Fund	2005

2. Cash

Disclosures are provided below to comply with Statement No. 40 of the Governmental Accounting Standards Board, *Deposit and Investment Risk Disclosures*. 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. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Holt County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The county's deposits at December 31, 2006 and 2005, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the county's correspondent banks in the county's name.

Investments

Section 110.270, RSMo, 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. At December 31, 2006 and 2005, the county had no such investments. In addition, Section 30.950, RSMo, 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.

3. Prior Period Adjustments

The Debt Service Fund's cash balance at January 1, 2005, as previously stated has been decreased by \$30,000 to reflect the actual beginning cash balance.

Supplementary Schedule

HOLT COUNTY
 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,	
			2006	2005
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERSC45-5143	\$ 3,809	11,249
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state				
Department of Economic Development -				
14.219	Golden Triangle Energy	99-ED-17	0	1,000
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state				
20.205	Highway Planning and Constructior	BRO - 15	0	895
		BRO - 16	0	895
		BRO - 24	0	20,286
		BRO - 25	0	225,701
		BRO - 26	0	293,583
		BRO - 27	1,046,952	40,862
		BRO - 28	19,083	0
	Program Total		<u>1,066,035</u>	<u>582,222</u>
GENERAL SERVICES ADMINISTRATION				
Passed through state				
Office of Secretary of State				
39.011	Election Reform Payment	47060101808	0	7,355
ELECTIONS ASSISTANCE COMMISSION				
Passed through state Office of Secretary of State				
90.401	Help America Vote Act Requirements Payment	HAVA2002FED	78,472	1,211
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Office of Secretary of State				
93.617	Help America Vote Act Requirements Payments - HH	HAVAHHSFED	5,400	0
Department of Health and Senior Services -				
93.197	Childhood Lead Poisoning Prevention Projects - Stat and Local Childhood Lead Poisoning Preventio and Surveillance of Blood Lead Levels in Childre	CCU722882-02	1,284	1,000
93.268	Immunization Grants	PGA064-5143	0	868
		N/A	20,476	10,817
	Program Total		<u>20,476</u>	<u>11,685</u>

HOLT COUNTY
 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,	
			2006	2005
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistanc Bioterrorism Grant Program Total	650/CCU7237760 CCU716971-5A	4,587 3,500 <u>8,087</u>	0 3,500 <u>3,500</u>
93.575	Child Care and Development Block Gran	PGA067-5226C	0	1,450
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-5143M	8,596	16,543
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state Department of Public Safety				
97.042	Emergency Management Performance Grant	EMPG2005	0	3,400
97.051	State and Local All Hazards Emergency Operation Planning	N/A	0	13,970
97.067	Homeland Security Grant Program	SHSP-ODP2005	11,936	0
	Total Expenditures of Federal Award:		\$ <u>1,204,095</u>	<u>654,585</u>

N/A - Not applicable

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

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 Immunization Grants (CFDA number 93.268) include acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



SUSAN MONTEE, CPA
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, 2006 and 2005. 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, 2006 and 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with

OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 06-1.

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 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 the county's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

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

A control deficiency in 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 county'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 county's internal control. We consider the deficiency described as finding number 06-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over compliance.

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 county's internal control. We do not consider the significant deficiency referred to above to be a material weakness.

The response of Holt County, Missouri, to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the county's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

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

Susan Montee, CPA
State Auditor

December 6, 2007

Schedule

HOLT COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2006 AND 2005

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to the financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses 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 program(s): Unqualified

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

Identification of major programs:

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 no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

06-1. Professional Services

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity Identifying Number:	BRO(15), 16), (24), (25), (26), (27) and (28)
Award Years:	2006 and 2005
Questioned Costs:	\$158,564

The county contracts with the State Highway and Transportation Commission for bridge replacement and rehabilitation under the Highway Planning and Construction Program. These projects are 80 percent federally funded.

The county did not solicit proposals or request qualifications for its engineering services during the years ended December 31, 2006 and 2005. The county used one engineering firm for the various BRO projects and the County Commission indicated the engineering firm was chosen because of the county's prior experience with the firm on other county bridge projects; however, these reasons were not formally documented. The county incurred engineering costs of \$158,564 for the various projects during 2006 and 2005. The county provides their 20 percent to the projects through off-system bridge credits (soft match), thus the federal share of these engineering costs was 100 percent.

The Federal OMB Circular A-102, Common Rule, requires local governments to follow applicable procurement laws. Sections 8.289 and 8.291, RSMo, provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the

work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located.

WE RECOMMEND the County Commission obtain information as required by law when contracting for professional services and resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We have already solicited proposals for engineering on 2008 bridge projects. We will contact the Missouri Department of Transportation (MoDOT) to resolve these questioned costs.

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 the prior audit report issued for the two years ended December 31, 2004.

04-1. Budgetary Practices

- A. The County did not adopt a budget for the Law Library Fund for years ended December 31, 2004 and 2003.
- B. Warrants were issued in excess of approved budgets for the Law Library Fund for two years ended December 31, 2004 and Collector's Tax Maintenance Fund for year ended December 31, 2004.

Recommendation:

- A. The County adopt budgets for all funds.
- B. Warrants not be issued in excess of budgeted amounts.

Status:

- A. Not implemented. Formal budgets were not prepared for the Law Library Fund for the years ended December 31, 2006 and 2005. Although not repeated in the current report, the recommendation remains as stated above.
- B. Not implemented. Warrants were issued in excess of approved budgets for the Sheriff Civil Fees Fund and Senior Services Fund for the year ended December 31, 2006. Although not repeated in the current report, the recommendation remains as stated above.

04-2 Published Financial Statements:

The County's published financial statements did not include the Law Library Fund for the years ended December 31, 2004 and 2003.

Recommendation:

Ensure that financial information for all county funds be properly reported in the annual published financial statements.

Status:

Not implemented. The Law Library Fund and Prosecuting Attorney Dialog Fund were not presented in the published financial statements for 2006 or 2005 and the Prosecuting Attorney Bad Check Fund and Community Development Block Grant (CDBG) Fund were not in the published financial statements for 2005. Although not repeated in the current report, the recommendation remains as stated above.

04-3 Capital Improvement Sales Tax

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

Recommendation:

Review the overall capital improvement sales taxes being levied and ensure they are in accordance with applicable state statutes.

Status:

Not implemented. No action has been taken by the County Commission regarding the combined rates for both of the capital improvement sales taxes. Although not repeated in the current report, the recommendation remains as stated above.

04-4 Fixed Assets

The fixed asset listings had not been updated nor had a physical inventory been completed since 2000. In addition, the county had not developed a policy to define who was responsible for inventory records, the procedures to be followed, and the content of the records.

Recommendation:

Establish a written policy related to the handling and accounting for fixed assets. In addition, all fixed asset purchases and dispositions should be recorded as they occur, purchases should be reconciled to additions on the inventory records, and purchased items should be tagged or identified as county-owned property upon receipt.

Status:

Partially implemented. While a policy related to capital assets has been developed, this policy has not been followed. See Management Advisory Report finding number 3.

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.

The prior audit report issued for the two years ended December 31, 2004, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

HOLT COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated December 6, 2007. 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, 2006 and 2005, and have issued our report thereon dated December 6, 2007.

In addition, to comply with the State Auditor's responsibility under Section 29.230, RSMo, to audit county officials at least once every 4 years, we have audited the operations of elected officials with funds other than those presented in the financial statements. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. 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.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Holt County or 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 other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in

accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Holt County's responses to the findings also are presented in this MAR. We did not audit the county's responses and, accordingly, we express no opinion on them.

1. 911 Revenue Maximization

The county does not have written contracts with the various political subdivisions in the county to which they provide dispatching services. Holt County's 911 center, operated by the Sheriff's Department, currently provides dispatching services, at no charge, for the Atchison Holt Ambulance District, Mound City Police Department, Oregon Police Department, and four fire districts. The county has not performed a cost analysis of providing dispatching services to these various entities, and currently these services are provided at no charge.

In November 1994, Holt County voters approved a ¼ cent sales tax to be used for the purpose of implementing and operating an enhanced 911 system. Previously, Atchison County dispatched ambulance calls for the county; however, in January 2006 the County Commission voted to take over dispatching the Holt county ambulance calls through the Holt County Sheriff's Department. This 911 center provides dispatching services to all political subdivisions in the county and receives and expends approximately \$90,000 per year, which is apparently sufficient at this time to provide 911 services. The county does not track the number of calls received and dispatched for each political subdivision or the total calls dispatched, which is necessary to determine the costs associated with dispatching services. The county should perform a cost analysis of providing these services and, if in the future, the costs associated with providing dispatching services exceed available revenues, the county may need to consider charging a fee for dispatching. At a minimum, the county should enter into written contracts with these entities for dispatching services.

Contracts for services provided to other entities should cover the costs of providing such services and should be maintained on a current basis. While revenues are currently sufficient to cover the costs of these services, the county should monitor these costs and begin charging for these services if necessary in the future.

WE RECOMMEND the County Commission ensure contracts are entered into for dispatching services and perform and document a cost analysis of providing dispatching services to other entities on an annual basis to determine if a charge is necessary.

AUDITEE'S RESPONSE

We will enter into contracts for dispatching services by January 2009 and will analyze the cost of providing these services annually in conjunction with the preparation of our annual budget. Any fees that need to be charged to these entities will be determined at a later date.

2.

Personnel Policies and Leave Balances

The county has not adopted adequate time keeping policies and procedures to account for and monitor payroll costs of approximately \$1 million annually. Additionally, accumulated leave liabilities cannot be estimated at this time because of the lack of records maintained by the county. Standardized time sheets are not required to be submitted to the County Clerk by all employees and the County Clerk only maintains centralized leave records for road and bridge employees. Other employees' leave balances are to be tracked by the department heads, but it appears that some officials are not doing this. For example, the Sheriff indicated his employees track their own leave and the Prosecuting Attorney does not track the leave balances for his employee. Some record of time worked is submitted to the County Clerk for all employees except Sheriff's deputies, but each office holder has adopted a different style time sheet for their office. The task of monitoring payroll costs and maintaining centralized leave records is more difficult when hours worked and leave usage is reported differently by the various employees.

Without standardized time sheets and centralized and complete leave records, the County Commission cannot adequately monitor payroll costs, ensure that employee's vacation leave, sick leave, and overtime records are accurate, that all employees are treated equitably, and that leave time used does not exceed leave time earned and accumulated. Additionally, the county cannot reasonably estimate their leave liability from the records currently maintained. Centralized leave records aid in determining final pay for employees leaving county employment or in the event disputes arise and to demonstrate compliance with the federal Fair Labor Standards Act (FLSA). Standardizing time sheets and requiring timesheets be submitted for all county employees would allow centralized leave records to be maintained more easily.

A similar condition was noted in our prior report.

WE RECOMMEND the County Commission require all employees to submit a standardized timesheet and require the County Clerk to maintain centralized records of all leave earned, used, and accumulated for all county employees.

AUDITEE'S RESPONSE

This has been implemented.

3.

Transfers

Administrative transfers from the Special Road and Bridge Fund (SRBF) to the General Revenue Fund (GRF) were excessive and the county lacked support for how they were calculated. In addition, transfers were made from the 911 Fund to the GRF and SRBF without supporting documentation.

- A. The administrative transfer from the SRBF to the GRF during 2006 was excessive and the county lacked support for how the transfers were calculated the last several years. At December 31, 2002, the GRF owed the SRBF approximately \$88,500. Administrative transfers for 2003 through 2005 were approximately \$90,800 less than allowable, although no documentation exists to support how the amounts actually transferred for 2003 and 2005 were determined. The December 27, 2004 commission minutes do address this issue though and document the county is taking less than the allowable transfer as part of their repayment plan. The transfer made for 2006 exceeded the allowable amount by approximately \$25,700 and no documentation exists to support how the actual transfer was determined. The amount of cumulative excessive transfers totaled approximately \$23,400 as of December 31, 2006.

Section 50.515, RSMo, allows the county to impose an administrative service fee on the SRBF. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the GRF for related administrative services to the SRBF, and shall not exceed five percent (three percent prior to August 28, 2004) of the SRBF budget.

- B. The county made transfers from the 911 Fund to the GRF and SRBF to cover various administrative costs (including salaries) incurred by those funds. During the two years ended December 31, 2006, transfers to the GRF and SRBF totaled \$54,500 and \$10,000, respectively. The County Clerk indicated the transfers to the GRF were made to cover a portion of dispatching salaries paid from the GRF, as well as administrative costs incurred to process payroll and other administrative functions provided by the County Clerk's office to the 911 Fund. The transfers to the SRBF were apparently to cover maintenance of street signs that were originally paid for by the 911 Fund. The county maintained no formal documentation to support these transfers, although the County Clerk indicated the salary amounts for 911 are much higher than the actual amount transferred.

Without documentation to support the amounts transferred from the 911 Fund to the GRF and SRBF, it is unclear whether these funds were spent for their restricted purpose. The county should maintain documentation to support amounts transferred from the 911 Fund, which is a restricted fund.

WE RECOMMEND the County Commission:

- A. Retain documentation of the administrative transfer calculations. In addition, consider transferring \$23,400 from the General Revenue Fund to the Special Road and Bridge Fund for repayment of prior excessive transfers.
- B. Ensure documentation is maintained to support all amounts transferred between funds.

AUDITEE'S RESPONSE

The County Clerk responded:

- A. *The administrative transfers will be calculated according to state law in the future and the excess transfers will be repaid over the next 2 to 3 years.*
- B. *I will keep better documentation of these transfers in the future.*

4. Apportionment of Railroad and Utility Taxes

The County Clerk made errors in calculating railroad and utility taxes distributed to the various school districts in Holt County during the years ended December 31, 2006 and 2005. The County Clerk distributed the taxes based on an incorrect formula she had used in calculations. State law and guidelines set by the Department of Elementary and Secondary Education (DESE) require specific calculations based on various factors. The current County Clerk indicated the same incorrect formula was used by the former County Clerk in past year's calculations. She also indicated the error was corrected before the apportionments for 2007 were calculated and this problem has been resolved.

WE RECOMMEND the County Clerk consult with the various school districts and the DESE for guidance on how to correct these errors. The County Clerk should also review prior year calculations to ensure their accuracy, and future apportionments should be computed in accordance with applicable laws and regulations.

AUDITEE'S RESPONSE

I have already contacted the affected school districts, as well as DESE, and believe this issue has been resolved. I have corrected the formula error and the 2007 distribution was calculated properly. I will ensure they are correct in the future.

5. Fuel and Vehicle Records

The Road and Bridge Department does not maintain usage logs for county vehicles and equipment. In addition, fuel purchases and usage are not tracked or monitored. The department maintains 9 vehicles and various pieces of heavy equipment which are housed at three different locations, each having both gasoline and diesel fuel bulk tanks. Rock truck drivers also have credit cards for purchasing fuel for those trucks, if necessary. During the two years ended December 31, 2006, the county spent approximately \$215,000 on fuel purchases for the Road and Bridge Department.

Vehicles and equipment are fueled at the location they are housed at, but because the bulk tanks do not have flow meters, there is no way to track the fuel usage for each vehicle or piece of equipment. In addition, because an inventory record is not maintained for the bulk tanks and no procedure is performed to periodically test the amount of fuel on hand, the county has no basis to determine if fuel purchases for the bulk tanks are reasonable. Also, gas tickets turned in by the rock truck drivers are not compared to the fuel bill from the local vendor prior to approval for payment.

Vehicle logs are necessary to document appropriate use of the vehicles and to support fuel charges. The logs should include the purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by a supervisor to ensure vehicles are used only for county business and help identify vehicles which should be replaced. Information on the logs should be reconciled to fuel purchases and other maintenance charges. The failure to compare fuel usage records and gas tickets to vendor billings and analyze vehicle mileage as compared to fuel usage, increases the possibility the county may pay improper billing amounts and theft or misuse of fuel could occur and go undetected.

WE RECOMMEND the County Commission should ensure usage logs are maintained for road and bridge vehicles and equipment and fuel usage and purchase records are reviewed for completeness and reasonableness of usage, and used to verify vendor billings. In addition, the County Commission should ensure inventory records of bulk fuel tanks are maintained.

AUDITEE'S RESPONSE

We are currently installing flow meters for our bulk tanks and are in the process of developing usage logs for all vehicles and equipment which will allow us to account for fuel usage.

6. County Property Records

The county's property records and physical inventory procedures are not adequate. The County Commission implemented a written Inventory Management Policy in November 2005. This policy requires the County Clerk to submit a blank inventory worksheet to all county departments in October, requesting they perform inspections and physical inventories of capital assets and submit the worksheets to the County Clerk by December 1st each year. While it appears the County Clerk distributed the worksheets in 2005 and all departments returned them, no worksheets were submitted to the County Clerk for 2006 because they were not distributed. While the Health Department did perform an annual inventory in early 2007, documentation of this was not submitted to the county. Prior to November 2005 physical inventories were not conducted. We identified several issues during our review of the capital asset worksheets submitted in 2005:

- The County Clerk did not establish an overall county property record from the inventory worksheets submitted in November 2005 by the various county officials.

An overall capital asset record, summarizing the information reported on the inventory worksheets, would help provide accountability for capital assets as well as information needed to ensure adequate insurance coverage. This overall record should be updated annually after departments perform their annual inventories.

- Some inventory worksheets submitted to the County Clerk in 2005 were not complete and signed by the official. Worksheets submitted in 2005 by some departments did not contain detail related to the assets, such as the tag number, serial number, acquisition date, or original purchase price.

Based on the recordkeeping and reporting problems noted above, it is clear that some departments have not complied with statutory provisions and the county's inventory management policy, and an overall county property record has not been established. These problems increase the possibility of undetected theft and inadequate insurance coverage. Section 49.093, RSMo requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the inventory records.

Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Physical inventories and proper tagging of county property items are necessary to evaluate the accuracy of the records, and deter and detect theft.

WE RECOMMEND the County Clerk develop an overall county property record and work with other county departments to ensure physical inventories are conducted and reports submitted, and follow up on discrepancies identified during the annual physical inventory process is performed.

AUDITEE'S RESPONSE

I will develop an overall property record as part of our 2008 physical inventory process.

7.

Sheriff's Accounting Controls and Procedures

Duties are not adequately segregated and oversight of the accounting functions is not performed and documented. Open items listings are not prepared and reconciled to the cash balance and a check has been improperly shown as outstanding on bank reconciliations for the past several years. In addition, receipts are not deposited timely.

The Sheriff's Department processed monies totaling approximately \$59,200 and \$60,800 during the years ended December 31, 2006 and 2005, respectively, in civil and criminal case fees and reimbursements, board bills, bonds, inmate and commissary monies, gun permits, and miscellaneous receipts.

- A. Cash custody and accounting duties were not adequately segregated. The Sheriff's administrative assistant is responsible receipting, recording, and depositing monies received; preparing and signing checks; and preparing month-end reports and reconciliations. The Sheriff indicated he reviews the accounting records and reconciliations, but does not document his review.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are properly safeguarded. If proper segregation cannot be achieved due to the limited staff available, the Sheriff should at least compare bank deposits with recorded receipts and review bank reconciliations. Proper supervision by the Sheriff and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

- B. While formal bank reconciliations are prepared and reconciled to the book balance, listings of open items (liabilities) are not prepared and reconciled to the cash balance. The reconciled balance of the Sheriff's account at December 31, 2006 was approximately \$2,918.

Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement, to detect and correct errors timely, and to allow old outstanding checks to be resolved timely. In addition, reconciling the balances to an open items listing is necessary to ensure underlying records are in balance and that sufficient cash is available to pay all liabilities.

- C. Receipts are not always deposited in a timely manner. Monies are usually collected each business day and, according to the Sheriff, deposits are normally made three times a week. However, a cash count conducted on October 2, 2007 showed monies on hand totaling \$2,120, comprised of receipts collected from September 14 to September 28, 2007, including over \$1,500 in cash held for 5 days. Furthermore, receipts received December 12, 2006 through January 3, 2007, totaling approximately \$2,645 and including \$670 in cash, were not deposited until January 4, 2007. To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made on a timely basis. Deposits should be more frequently if significant amounts of cash are collected.

A condition similar to part B was noted in our prior report.

WE RECOMMEND the Sheriff:

- A. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- B. Prepare open items listings monthly and reconciled to the cash balance. Any unidentified balance that exists should be identified and distributed in accordance with state law.

C. Deposit all monies intact on a timely basis.

AUDITEE'S RESPONSE

- A. *I have been reviewing the accounting records since assuming the position of Sheriff, but I will ensure that my reviews are documented in the future.*
- B. *I will ensure open items listings are prepared monthly and compared to the reconciled balance. Any difference identified will be distributed in accordance with state law.*
- C. *This has been addressed.*

8. Public Administrator's Salary

It appears the Public Administrator's salary has not been set according to state law. The Public Administrator has received both a salary and fees as compensation since 2001, which was based on Section 473.739, RSMo, which allowed public administrators to receive annual compensation in addition to fees. This law was revised and a new law, Section 473.742, RSMo, enacted in 2000, allowed public administrators to make a determination within thirty days after taking office whether the public administrator elected to receive either a salary or fees. Following the Holt County Public Administrator taking office for a new term in January 2001 and January 2005, he continued to receive both a salary, ranging from \$12,000 to \$13,300 annually since 2001, and fees, ranging from approximately \$3,400 to over \$14,000 annually. It appears based on the number of cases handled by the Public Administrator during this period that the annual salary should have been \$20,000 per year.

In addition, there was no documentation from legal counsel supporting whether the Public Administrator should receive the minimum salary provided by state law or a percentage of the minimum. The salary amount paid to the Public Administrator, established by the old law, was set at 95 percent of that amount, to correspond with the percentage of the maximum salaries provided by state law paid to other officials for their respective offices.

This entire situation should be discussed with the Prosecuting Attorney and appropriate actions should be taken. Without a documented legal opinion, it is not clear whether the amount paid to the Public Administrator is in accordance with state law.

WE RECOMMEND the County Commission consult with legal counsel and determine whether the Public Administrator's salary is in accordance with state law.

AUDITEE'S RESPONSE

The County Commission responded:

We will review this situation and we will ensure the salary is set in accordance with state law when the Public Administrator's new term starts in 2009.

The Public Administrator responded:

I will discuss this situation with the County Commission and if elected to a new term, I will ensure my salary is set in accordance with state law.

Follow-Up on Prior Audit Findings

HOLT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Holt County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2002.

Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Officials' Salary

The County Treasurer's salary was increased \$10,855 annually with the start of a new term of office; however, actions of the salary commission in approving a raise for the County Treasurer were not supported by a written legal opinion.

Recommendation:

Consult with legal counsel and review the situation to ensure the actions taken were in accordance with state law.

Status:

Not implemented. The County Commission requested a legal written opinion from their legal counsel on December 15, 2003; however, they indicated no response was received and no further action was taken. Although not repeated in the current MAR, our recommendation remains as stated above.

2. Personnel Policies and Procedures

A. Employees and their supervisors were not signing time sheets submitted and the Sheriff's department did not submit time sheets to the County Clerk.

B. The County Clerk did not maintain records of vacation leave, sick leave or compensatory time earned, taken, or accumulated.

Recommendations:

A. Require timesheets be submitted for all employees and ensure that all time sheets are appropriately signed by employees, approved by the applicable supervisor, and filed with the County Clerk.

B. Ensure a balance of leave accumulated and taken for each employee is maintained by the County Clerk.

Status:

A&B. Not implemented. See MAR finding number 2.

3. Computer Controls

- A. Access to programs and data files were not adequately restricted and formal contingency plans were not developed. The following internal control weaknesses were noted:
 - 1. Passwords were not changed on a periodic basis to ensure confidentiality.
 - 2. Security codes which allow different types of editing (i.e., read, write, delete, add, etc.) were not in place that limit access to the various data files and programs utilized by the County Assessor, County Collector and County Clerk.
- B. The county did not have a formal emergency contingency plan for the computer system and had not formally negotiated arrangements for backup facilities in the event of disaster.

Recommendations:

- A. Access to specified computer programs/data files is restricted to authorized individuals through a system of passwords and security codes. Passwords should be unique by individual and changed periodically.
- B. A formal contingency plan for the county's computer system is developed.

Status:

- A. Partially implemented. Although passwords are assigned to each individual employee, these passwords are not changed periodically. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Partially implemented. While the county does not have a written contingency plan, office holders have established procedures to backup on a regular basis and store backup files either offsite or within fire proof vaults. Although not repeated in the current MAR, our recommendation remains as stated above.

4. Fixed Assets

While the County Clerk maintained an inventory listing of fixed assets held by county officials; the fixed asset listings had not been updated, nor had a physical inventory been completed since 2000. The county had not developed a policy to define who was responsible for inventory records, the procedures to be followed, and the content of the records.

Recommendation:

Establish a written policy related to the handling and accounting for fixed assets. In addition, all fixed asset purchases and dispositions should be recorded as they occur, purchases should be reconciled to additions on the inventory records, and purchased items should be tagged or identified as county-owned property upon receipt.

Status:

Partially implemented. The county has developed an inventory management policy as of November 2005; however, inventory records have not been updated, nor has a physical inventory been conducted since December 2005. See MAR finding number 6.

5. Sheriff

Monthly listings of open items were not prepared and, consequently, open items were not reconciled with cash balances.

Recommendation:

Prepare monthly listings of open items and reconcile the listings to the cash balances and attempt to identify the unidentified balances.

Status:

Not Implemented. See MAR finding number 7.

STATISTICAL SECTION

History, Organization, and
Statistical Information

HOLT COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1841, the county of Holt was named after David R. Holt, a member of the state legislature. Holt County is a county-organized, third-class county and is part of the Fourth Judicial Circuit. The county seat is Oregon.

Holt County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 510 miles of county roads and 84 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 6,882 in 1980 and 5,351 in 2000. The following chart shows the county's change in assessed valuation since 1980:

	2006	2005	2004	2003	1985*	1980**
	(in millions)					
Real estate	\$ 47.9	47.2	44.5	44.2	35.0	23.3
Personal property	20.0	19.2	17.2	17.2	8.9	9.0
Railroad and utilities	13.6	13.3	14.1	14.5	8.6	7.9
Total	\$ 81.5	79.7	75.8	75.9	52.5	40.2

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Holt County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,			
	2006	2005	2004	2003
General Revenue Fund	\$.3265	.3162	.3319	.3274
Special Road and Bridge Fund *	.4357	.4357	.4357	.4309
Johnson Grass	.0200	.0300	.0300	.0300
Senior Services	.0500	.0500		

* The county retains all tax proceeds from areas not within road districts. The county has four road districts that receive all tax collections from property within these districts. Even though the county is allowed to retain one-fifth in the Special Road and Bridge Fund, this was not done during the audit period, but is now, effective in 2007. Two of the road districts also have an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2007	2006	2005	2004
State of Missouri	\$ 24,290	23,824	22,769	24,907
General Revenue Fund	281,101	265,321	258,590	290,896
Special Road and Bridge Fund	348,262	341,551	326,320	354,016
Assessment Fund	62,008	59,789	56,565	48,563
Johnson Grass Fund	16,370	23,532	22,589	25,964
Debt Service Fund	3,090	3,234	3,145	3,230
School Districts Fund	3,446,121	3,308,650	3,158,704	3,316,858
Special Road Districts Fund	15,884	15,337	15,265	14,701
Ambulance District Fund	241,414	236,810	226,418	248,139
Fire Protection District Fund	186,287	168,693	161,632	175,385
Senior Citizens Fund	39,407	37,474	0	0
Levee District Fund	77,671	59,521	58,714	59,161
Circuit Court Drainage Fund	170,972	186,520	186,225	199,938
Surtax	129,824	126,796	135,133	195,313
Cities	230,765	229,843	222,059	217,724
County Clerk	753	771	790	789
Tax Sale Surplus Fund	1,483	361	453	304
Tax Maintenance Fund	9,911	9,125	6,405	8,558
County Employees' Retirement	28,153	27,875	20,888	27,797
Commissions and fees:				
General Revenue Fund	80,465	77,256	70,687	79,322
County Collector	7,144	7,108	6,975	7,270
Total	\$ 5,401,375	5,209,391	4,960,326	5,298,835

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2007	2006	2005	2004	
Real estate	94.9	94.4	95.2	95.7	%
Personal property	92.5	90.4	93.2	91.3	%
Railroad and utilities	100.0	99.4	100.0	100.0	%

Holt County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	
General Revenue	\$.005	None	50	%
Capital Improvement	.005	2015	None	
Road and Bridge	.005	2014	None	
Capital Improvements	.005	2008	None	
Enhanced 911	.0025	None	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2007	2006	2005	2004	2003
County-Paid Officials:	\$				
Wayne Voltmer, Presiding Commissioner		23,218	23,218	23,218	23,218
Donald Holstine, Associate Commissioner		21,318	21,318	18,904	18,904
Bill Gordon, Associate Commissioner		21,318	21,318	0	0
Laverne Wayne Hall, Associate Commissioner		0	0	18,904	18,904
Sue Kneale, County Clerk		32,300	32,300	32,300	32,300
Robert Shepherd, Prosecuting Attorney		38,950	38,950	38,950	38,950
Kirby Felumb, Sheriff		37,650	3,138	0	0
Terry Edward, Sheriff		0	29,806	34,530	34,530
Anna Lou Doebbeling, County Treasurer (1)		32,300	32,663	32,539	32,525
Terry Anderson, County Coroner		9,025	7,704	0	0
Greg Book, County Coroner		0	0	7,352	0
Charles McComb, County Coroner		0	0	0	7,242
Edward Meng, Public Administrator (2)		17,202	22,753	16,769	22,853
Billy Sharp, County Collector (3), year ended February 28 (29),	40,860	39,408	39,275	39,570	
Carla Markt, County Assessor (4), year ended August 31,		33,166	33,046	31,848	31,848

(1) Includes \$0, \$363, \$239, and \$225, respectively, of commissions earned for handling court order levee districts funds. (Treasurer waived fees in 2006)

(2) Includes fees received from probate cases.

(3) Includes \$7,144, \$7,108, \$6,975, and \$7,270, respectively, of commissions earned for collecting city, levee, and drainage district taxes.

(4) Includes \$688, \$688, \$746 and \$866 respectively, annual compensation received from the state.

State-Paid Officials:

Janice Radley, Circuit Clerk and Ex Officio Recorder of Deeds	49,470	48,500	47,850	47,300
William Richards, Associate Circuit Judge	96,000	96,000	96,000	96,000