

PLATTE COUNTY, MISSOURI

**SINGLE AUDIT REPORT
(OMB Circular A-133)**

FOR THE YEAR ENDED DECEMBER 31, 2008

Platte County, Missouri
Single Audit Report
(OMB Circular A-133)
For the Year Ended December 31, 2008

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**Independent Auditor's Report on Schedule
of Expenditures of Federal Awards**

To the Board of County Commissioners
Platte County, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Platte County, Missouri (the County), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 28, 2009. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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, and the provisions of Office of Management and Budget 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 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 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 opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2009, 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the County that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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June 28, 2009

ADDITIONAL INFORMATION

Platte County, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Program	CFDA#	Federal Expenditures
U.S. Department of Housing and Urban Development:		
Passed Through the Missouri Department of Social Services Emergency Shelter Grant	14.231	\$ 17,692
<i>Total U.S. Department of Housing and Urban Development</i>		<u>17,692</u>
U.S. Department of Justice:		
Direct Funding Project Safe Neighborhood Grant	16.609	55,421
Passed Through the Missouri Department of Public Safety SSVF - Platte County Victim Services	16.575	13,753
NCAP	16.579	177,114
STOP - Domestic Violence Pros Unit	16.588	24,848
Passed Through the Missouri State Highway Patrol HIDTA Grant	16.728	<u>210,157</u>
<i>Total U.S. Department of Justice</i>		<u>481,293</u>
Environmental Protection Agency:		
Passed Through the Missouri Department of Natural Resources Missouri River Trail	20.219	<u>6,438</u>
<i>Total U.S. Department of Natural Resources</i>		<u>6,438</u>
U.S. Department of Transportation:		
Passed Through the Missouri Department of Transportation Full Time Traffic Officer Grant	20.600	19,260
Highway Safety - Seatbelt/Pickup Truck	20.600	5,467
Wolf Pack Grant	20.600	4,156
Hazardous Moving Violations	20.600	<u>14,572</u>
<i>Total U.S. Department of Transportation</i>		<u>43,455</u>
Federal Emergency Management Agency, Disaster Assistance:		
Passed Through the Missouri Emergency Response Commission LEPC Grant	83.516	939
Passed Through the Missouri Department of Public Safety Emergency Preparedness Grant	83.516	<u>12,951</u>
<i>Total Federal Emergency Management Agency</i>		<u>13,890</u>
U.S. Department of Health and Human Services:		
Passed Through the Missouri Department of Social Services Drug Abuse Intervention Grant	93.667	7,020
Once Chance...Many Choices Program Grant	93.667	16,147
PACT - Conflict Resolution Grant	93.667	<u>11,983</u>
<i>Total U.S. Department of Health and Human Services</i>		<u>35,150</u>
U.S. Department of Homeland Security		
Passed Through the Missouri Department of Public Safety SEMA Revenue Reimbursement Grant	97.004	<u>72,178</u>
<i>Total U.S. Department of Homeland Security</i>		<u>72,178</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 670,096</u>

See accompanying notes to the schedule.

Platte County, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Note 1. Organization

Platte County, Missouri (the County) is the recipient of several federal grants. The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County for the year ended December 31, 2008. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Circular A-102, Attachment F, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results which may result in disallowed costs to the County. However, management does not believe such audits would result in any disallowed costs that would be material to the County's financial position at December 31, 2008.

Platte County, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on Financial Statements of Auditee
Unqualified

Internal Control Over Financial Reporting
Significant deficiencies identified.

See findings 08-01 and 08-02

General Compliance

The audit did not disclose any instances of noncompliance which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs

No material weaknesses identified. No significant deficiencies reported.

Type Audit Report Issued on Compliance for Major Programs
Unqualified

Audit Findings

The audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.579	Narcotics Control Assistance Program
16.728	High Intensity Drug Trafficking Area

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

Auditee Qualified as a Low-risk Auditee
No

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

08-01 Financial Reporting

Condition

While performing our audit procedures, we identified certain adjustments related to accounting for the issuance of long-term debt, new lease agreements, and sales taxes receivable. Our audit procedures also revealed adjustments necessary to sales tax revenues and claims payable that resulted in adjustments to opening net assets and fund balance. As a result, the internal controls over the financial reporting process were not operating effectively. Accordingly, we consider these matters to be a significant deficiency in internal control over financial reporting. These necessary entries were primarily due to important financial closing procedures not being completed as of the time of our audit procedures.

Management Response

The preparation of the 2008 financial statements was the second year that the statements were completely prepared by county staff. The county has implemented procedures to streamline this process and continues to work to improve efficiency.

The finance staff is very small and was coordinating the implementation of new accounting software at the same time that year end close procedures were being performed. This created a significant increase in workload that needed to be absorbed by existing staff. Also, the annual audit commenced before the year-end close was completed, resulting in incomplete and not yet reviewed information being included in the documents provided to the external auditor. In the future audit work will not commence until the year end close has been completed and reconciled. A year-end closing schedule will be added to the accounting manual.

08-02 Payroll Processing

Condition

During our testing of payroll for the current year and the prior year, we noted several instances where employee payroll files lacked essential tax or employee pay rate information. We believe that the lack of complete personnel files for all employees represents a significant deficiency in the County's payroll processing procedures.

We also noted that currently the Personnel Department does not enter detailed time information into the County's payroll system when processing payroll, such as vacation and sick hours. Detailed timesheets are not required for full-time employees, and employee leave information is maintained manually by each individual office. We believe controls over payroll would be strengthened by requiring that approved timesheets for each employee be filled out for each pay period detailing hours of paid leave, which could then be entered into the County's payroll system and tracked to ensure all paid time off is accounted for properly.

We continue to recommend that the County review the current procedures and make any changes deemed necessary to ensure that complete payroll files are maintained for each employee, and that payroll transactions are calculated accurately.

Management Response

The county will work to implement the suggestions of the independent auditor within the framework of our existing processes.

Section 2 – Financial Statement Findings (continued)

Summary Schedule of Prior Audit Findings

07-01 Financial Reporting – Repeated as comment 08-01

07-02 Payroll Processing – Repeated as comment 08-02

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

Summary Schedule of Prior Audit Findings

07-03 Narcotics Control Assistance Program, CFDA #16.579, Matching

Condition

For the 2007 Narcotics Control Assistance Program (NCAP) grant, the County's requests for reimbursement for costs charged to the grant used a local matching percentage that was lower than the percentage determined in the 2007 Application for Funding. The NCAP program has a minimum required local participation of 25%, however, the local matching percentage required for each grant period may vary based upon the amount of funds available in the program. For the 2007 grant period, the local matching requirement was increased, however, the County continued to request reimbursement using the lower 2006 percentage in error.

Criteria

The NCAP Application for funding requires a set local matching percentage.

Effect

The use of the incorrect matching percentage resulted in the County being over-reimbursed for amounts charged to the grant during the 2007 grant period.

Questioned Costs

\$14,299

Recommendation

The County has participated in the NCAP program for several years, and annually submits an application for additional funding. It is at this time that the required matching percentage for the next year will be set. These grant periods often overlap, which can cause difficulty in determining the correct matching percentage to use when requesting reimbursement. We recommended that procedures for requesting reimbursement of grant funds be reviewed, and that any necessary changes are made to ensure that the correct matching percentage is applied on each request.

Current Status

The recommendation was adopted in 2008.

COMPLIANCE REPORTS



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**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 Board of County Commissioners
Platte County, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Platte County, Missouri (the County), as of and for the year ended December 31, 2008 which collectively comprise the County's basic financial statements and have issued our report thereon dated June 28 2009. 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, 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 expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting identified as items 08-01 and 08-02.

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 entity'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.

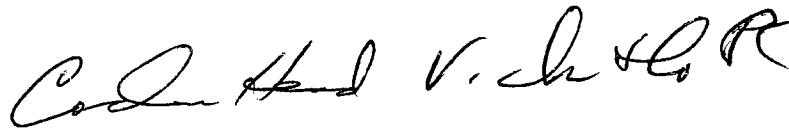
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the County in a separate letter dated June 28, 2009.

The County's response to the findings 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 solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

June 28, 2009

A handwritten signature in black ink, appearing to read "Colin H. V. Schmitt". The signature is written in a cursive style with a large, stylized "R" at the end.



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**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 Board of County Commissioners
Platte County, Missouri

Compliance

We have audited the compliance of Platte County, Missouri (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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 any noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 on the County's compliance with those requirements.

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In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to its federal program. 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

June 28, 2009

A handwritten signature in black ink, appearing to read "Colin Head V. J. H. PC". The signature is written in a cursive, flowing style.