

**PLATTE COUNTY, MISSOURI**

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**Platte County, Missouri**  
**Single Audit Report**  
**(OMB Circular A-133)**  
**For the Year Ended December 31, 2007**

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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, 2007, and have issued our report thereon dated July 28, 2008. 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 July 28, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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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July 28, 2008

*Cochran Head Vick & Co., P.C.*

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ADDITIONAL INFORMATION

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**Platte County, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2007**

Program	CFDA#	Federal Expenditures
<b>U.S. Department of Housing and Urban Development:</b>		
Passed Through the Missouri Department of Social Services Emergency Shelter Grant	14.231	\$ 16,294
<i>Total U.S. Department of Housing and Urban Development</i>		<u>16,294</u>
<b>U.S. Department of Justice:</b>		
Direct Funding		
Bulletproof Vest (Ballistic) Grant	16.607	2,000
Prisone Re-Entry Coordinator Grant	16.202	16,794
Project Safe Neighborhood Grant	16.609	67,084
Passed Through the Missouri Department of Public Safety		
SSVF - Platte County Victim Services	16.575	13,918
NCAP	16.579	192,774
STOP - Domestic Violence Pros Unit	16.588	28,050
Passed Through the Missouri State Highway Patrol		
HIDTA Grant	16.728	<u>190,395</u>
<i>Total U.S. Department of Justice</i>		<u>511,015</u>
<b>U.S. Department of Transportation:</b>		
Passed Through the Missouri Department of Transportation		
Full Time Traffic Officer Grant	20.600	17,684
Highway Safety - Seatbelt/Pickup Truck	20.600	14,129
Wolf Pack Grant	20.600	3,364
Hazardous Moving Violations	20.600	16,148
MHTC STIP - On Call Work Zone Enforcement	20.600	9,741
Thomas Street Bridge	20.205	<u>157,804</u>
<i>Total U.S. Department of Transportation</i>		<u>218,870</u>
<b>Federal Emergency Management Agency, Disaster Assistance:</b>		
Passed Through the Missouri Emergency Response Commission		
LEPC Grant	83.516	1,536
Passed Through the Missouri Department of Public Safety		
Emergency Prepardness Grant	83.516	<u>6,124</u>
<i>Total Federal Emergency Management Agency</i>		<u>7,660</u>
<b>U.S. Department of Health and Human Services:</b>		
Passed Through the Missouri Department of Social Services		
Drug Abuse Intervention Grant	93.667	7,950
Once Chance...Many Choices Program Grant	93.667	18,509
PACT - Conflict Resolution Grant	93.667	<u>11,164</u>
<i>Total U.S. Department of Health and Human Services</i>		<u>37,623</u>
<b>U.S. Department of Homeland Security</b>		
Passed Through the Missouri Department of Public Safety\		
SEMA Revenue Reimbursement Grant	97.004	45,000
FEMA 1708 DR	97.036	<u>230,486</u>
<i>Total U.S. Department of Homeland Security</i>		<u>275,486</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 1,066,948</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, 2007**

**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, 2007. 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, 2007.

**Platte County, Missouri**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2007**

**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. One considered to be a material weakness.

See findings 07-01 and 07-02

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

Significant deficiency identified, considered to be a material weakness.

Type Audit Report Issued on Compliance for Major Programs

Qualified

Audit Findings

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

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

Yes

## Section 2 – Financial Statement Findings

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

#### 07-01 Financial Reporting

##### Condition

While performing our audit procedures, we determined that certain adjustments related to property taxes receivable, special assessments receivable, compensated absences, and long-term insurance claims payable were required that were material to the financial statements. As a result, the County determined that certain adjustments to opening fund balances and net assets was required for these items, along with certain amounts related to the accounting for road sales tax revenues. As a result, the internal controls over the recording and financial statement reporting of these items were not operating effectively. Accordingly, we consider this matter to be a material weakness in internal control over financial reporting.

##### Management Response

There were a number of adjustments required to beginning balances and net assets. This was discussed with the auditors prior to the commencement of the annual audit. The preparation of the 2007 financial statements was the first time the statements were completely prepared by county staff. Procedures have been implemented to streamline this process and future preparation of the financial statements by county staff should be a much improved process.

#### 07-02 Payroll Processing

##### Condition

During our testing of payroll for the current year, we noted several instances where employee payroll files lacked essential tax or employee pay rate information. We noted one instance where no payroll file was available for an individual selected for testing. While we were able to verify the payroll information used to pay the wages and benefits for these employees, we believe that the lack of complete personnel files for all employees represents a significant deficiency in the County's payroll processing procedures. We were also informed that during a test of payroll transactions the County Auditor's Office identified several instances where payroll transactions were calculated incorrectly. Although these issues were resolved as of the time of our testing, we believe that maintaining complete payroll records as well as reviewing the current procedures for processing payroll will significantly improve the controls over payroll related expenditures for the County.

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 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. We also recommend that the County consider requiring timesheets for all employees, and that detailed time information be tracked in the County's payroll system.

Management Response

County management is currently evaluating the payroll process and will make changes where possible.

Summary Schedule of Prior Audit Findings

None

**Section 3 – Federal Award Findings and Questioned Costs**

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

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 recommend 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.

Management Response

The Sheriff's Department agrees that the incorrect percentage was used which was caused by not adjusting the match percentage on July 1<sup>st</sup>, the beginning of the new NCAP Grant year. However, the department was claiming all of the available grant funds from the grant and the amount the county would have received would not have been any different because of the grant reimbursement ceiling. The department did adjust the match rate and withheld the adjusted amount from the next monthly filing with the agreement from DPS.

Corrective action: The monthly reimbursement computation has been moved to a department finance clerk with the administrative supervisor verifying the computations before submission to DPS. This change provides for a second person verification which was not previously in place.

Summary Schedule of Prior Audit Findings

None

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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, 2007 which collectively comprise the County's basic financial statements and have issued our report thereon dated July 28 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our 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.

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 07-01 and 07-02.

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.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described in the accompanying schedule of findings and questioned costs as item 07-01 to be a material weakness in internal control over financial reporting.

#### 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 July 28, 2008.

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.

July 28, 2008

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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, 2007. 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.

As described in item 07-03 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Matching that are applicable to its Narcotics Control Assistance Program (CFDA 16.579). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2007.

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### 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.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. 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 the County'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 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 in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-03 to be a significant deficiency.

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 consider the significant deficiency described above to be a material weakness.

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.

July 28, 2008

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