



SUSAN MONTEE, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Atchison County, Missouri

The Office of the State Auditor, in cooperation with Atchison County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2007, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

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

Susan Montee, CPA
State Auditor

December 2008
Report No. 2008-82

ATCHISON COUNTY, MISSOURI

ANNUAL FINANCIAL REPORT

December 31, 2007 and 2006

ATCHISON COUNTY, MISSOURI

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INTRODUCTORY SECTION

ATCHISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Marlin Logan

Associate Commissioner – Southern District – Kent Fisher

Associate Commissioner – Northern District – Larry Hicks

Other Elected Officials

Assessor – Lori Jones

Circuit Clerk / Recorder – Lorie Hall

Collector – Diane Livengood

Coroner – Michael Minter Jr.

County Clerk – Susette Taylor

Prosecuting Attorney – Dan Smith

Public Administrator – Karen Lester

Sheriff – Dennis Martin

Treasurer – Debbie True

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McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of Atchison County, Missouri

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

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

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

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

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

In accordance with *Government Auditing Standards*, we also have issued our report dated July 29, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

FINANCIAL SECTION

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

Fund	Cash			Cash			Cash
	January 1 2006 (restated)	Receipts 2006	Disbursements 2006	December 31 2006	Receipts 2007	Disbursements 2007	December 31 2007
General Revenue	\$ 204,065	1,217,860	1,134,126	287,799	1,416,336	1,191,969	512,166
Special Road and Bridge	195,167	1,136,321	1,233,056	98,432	1,369,334	1,259,404	208,362
Assessment	16,362	155,623	139,536	32,449	147,167	160,151	19,465
LEST/Crime	993	25,381	416	25,958	320,260	312,998	33,220
Landfill	68,339	2,521	15,338	55,522	2,306	31,013	26,815
Special Allocation	-	-	-	-	16,468	16,465	3
Law Enforcement Training	11,276	7,964	7,447	11,793	5,896	8,500	9,189
Prosecuting Attorney Training	13,227	1,726	2,486	12,467	1,315	2,622	11,160
Emergency Preparedness	17,359	79,387	81,584	15,162	129,278	136,859	7,581
Local Emergency Planning Commission	12,891	3,127	1,935	14,083	4,976	7,373	11,686
Domestic Violence	315	235	-	550	3,397	551	3,396
Tax Maintenance	8,207	8,521	1,380	15,348	9,580	3,079	21,849
CART Rock	16,637	253,418	269,511	544	263,150	223,355	40,339
Economic Development	-	106,375	106,375	-	117,667	117,667	-
Recorder's User Fee	25,939	5,965	2,349	29,555	5,723	-	35,278
Senate Bill 40	11,819	82,147	79,234	14,732	84,885	85,000	14,617
Sheriff's Civil Fee	5,760	4,929	6,483	4,206	9,354	4,149	9,411
Prosecuting Bad Check	16,590	9,780	2,976	23,394	8,375	3,370	28,399
911	94,464	228,649	252,592	70,521	252,010	251,634	70,897
HAVA	15,378	111,974	97,767	29,585	935	7,957	22,563
Sheriff's Revolving	1,067	1,084	-	2,151	1,640	-	3,791
Off Highway Systems	-	371,315	371,584	(269)	7,127	5,688	1,170
Resthome Improvement	105,443	15,962	42,869	78,536	1,943	56,028	24,451
Election Service	4,195	1,805	399	5,601	769	1,306	5,064
Phelps City	13,562	35	13,597	-	-	-	-
Inmate Security	-	-	-	-	3,085	-	3,085
Law Enforcement Restitution	-	710	-	710	12,353	188	12,875
Total	\$ 859,055	3,832,814	3,863,040	828,829	4,195,329	3,887,326	1,136,832

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	GENERAL FUND			
	Year Ended December 31,			
	2006		2007	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 408,080	406,963	414,400	417,344
Sales taxes	309,150	372,877	372,810	426,087
Intergovernmental	8,300	6,015	6,000	1,221
Charges for services	225,350	249,159	242,900	233,175
Interest	8,000	15,739	12,090	17,478
Other	120,139	136,710	123,760	158,017
Transfers in	34,362	30,397	163,110	163,014
Total Receipts	<u>1,113,381</u>	<u>1,217,860</u>	<u>1,335,070</u>	<u>1,416,336</u>
DISBURSEMENTS				
County Commission	81,879	81,879	88,450	85,403
County Clerk	69,465	69,465	83,350	79,098
Elections	23,247	23,247	800	1,061
Buildings and grounds	101,413	101,413	241,100	172,361
Employee fringe benefits	202,586	202,586	206,500	193,454
County Treasurer	38,562	38,562	41,690	40,114
Collector	55,632	55,632	69,132	61,238
Recorder of Deeds	21,311	21,311	24,182	23,582
Circuit Clerk	2,547	2,547	3,700	2,280
Associate Circuit Court - Probate	-	-	11,740	986
Associate Circuit Court	5,298	5,298	11,870	8,508
Court administration	3,017	3,017	10,750	8,989
Public Administrator	21,811	21,811	24,521	23,810
Sheriff	310,017	310,017	300,700	278,713
Prosecuting Attorney	73,367	73,367	77,804	75,632
Juvenile Officer	7,551	7,551	9,088	8,008
Coroner	13,511	13,511	16,500	13,051
Other	70,512	70,512	92,920	82,231
Health and welfare	2,400	2,400	3,750	3,450
Transfers out	30,000	30,000	30,763	30,000
Emergency fund	-	-	40,480	-
Total Disbursements	<u>1,134,126</u>	<u>1,134,126</u>	<u>1,389,790</u>	<u>1,191,969</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(20,745)	83,734	(54,720)	224,367
CASH, JANUARY 1	<u>204,065</u>	<u>204,065</u>	<u>287,799</u>	<u>287,799</u>
CASH, DECEMBER 31	<u>\$ 183,320</u>	<u>287,799</u>	<u>233,079</u>	<u>512,166</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 458,900	461,024	458,900	478,466	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	605,000	604,016	829,334	828,905	100,900	121,992	110,200	107,997
Charges for services	26,350	26,826	35,400	35,898	-	-	-	-
Interest	7,565	12,413	10,065	8,292	350	928	900	953
Other	22,001	32,042	22,350	17,773	5,600	2,703	2,500	8,217
Transfers in	-	-	-	-	30,000	30,000	30,000	30,000
Total Receipts	<u>1,119,816</u>	<u>1,136,321</u>	<u>1,356,049</u>	<u>1,369,334</u>	<u>136,850</u>	<u>155,623</u>	<u>143,600</u>	<u>147,167</u>
DISBURSEMENTS								
Salaries	393,337	393,337	406,770	390,659	81,161	81,161	85,340	85,002
Employee fringe benefits	156,375	156,375	172,000	146,488	28,638	28,638	29,695	28,481
Materials and Supplies	119,926	119,926	36,220	216,278	27,593	27,593	44,535	43,982
Services and Other	357,725	357,725	457,275	254,632	2,144	2,144	2,765	2,686
Capital Outlay	38,250	38,250	40,000	39,563	-	-	-	-
Construction	167,443	167,443	214,500	211,784	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>1,233,056</u>	<u>1,233,056</u>	<u>1,326,765</u>	<u>1,259,404</u>	<u>139,536</u>	<u>139,536</u>	<u>162,335</u>	<u>160,151</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(113,240)	(96,735)	29,284	109,930	(2,686)	16,087	(18,735)	(12,984)
CASH, JANUARY 1	<u>195,167</u>	<u>195,167</u>	<u>98,432</u>	<u>98,432</u>	<u>16,362</u>	<u>16,362</u>	<u>32,449</u>	<u>32,449</u>
CASH, DECEMBER 31	<u>\$ 81,927</u>	<u>98,432</u>	<u>127,716</u>	<u>208,362</u>	<u>13,676</u>	<u>32,449</u>	<u>13,714</u>	<u>19,465</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	LEST/CRIME FUND				LANDFILL FUND			
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2006	2007	2006	2007	2006	2007	2006	2007
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	10,000	16,937	230,000	233,303	-	-	-	-
Intergovernmental	-	-	71,784	80,434	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	20	45	825	2,122	1,500	2,521	1,500	2,306
Other	200	8,399	10,550	4,401	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	10,220	25,381	313,159	320,260	1,500	2,521	1,500	2,306
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	49,600	113,157	-	-	-	-
Services and Other	416	416	180,851	104,827	1,741	1,741	7,410	1,013
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	95,110	95,014	-	13,597	30,000	30,000
Total Disbursements	416	416	325,561	312,998	1,741	15,338	37,410	31,013
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	9,804	24,965	(12,402)	7,262	(241)	(12,817)	(35,910)	(28,707)
CASH, JANUARY 1	993	993	25,958	25,958	68,339	68,339	55,522	55,522
CASH, DECEMBER 31	\$ <u>10,797</u>	<u>25,958</u>	<u>13,556</u>	<u>33,220</u>	<u>68,098</u>	<u>55,522</u>	<u>19,612</u>	<u>26,815</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	SPECIAL ALLOCATION FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,300	2,617	2,300	1,868
Charges for services	-	-	-	-	5,000	4,917	5,000	3,665
Interest	-	-	-	-	200	430	350	313
Other	-	-	16,514	16,468	-	-	-	50
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	-	-	16,514	16,468	7,500	7,964	7,650	5,896
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	16,514	16,465	7,447	7,447	8,500	8,500
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	16,514	16,465	7,447	7,447	8,500	8,500
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	3	53	517	(850)	(2,604)
CASH, JANUARY 1	-	-	-	-	11,276	11,276	11,793	11,793
CASH, DECEMBER 31	\$ -	-	-	3	11,329	11,793	10,943	9,189

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

Exhibit B
(continued)

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	19,000	15,570	63,000	61,626
Charges for services	-	1,248	1,250	921	62,000	62,000	65,000	65,000
Interest	200	478	500	394	500	1,592	1,600	1,291
Other	1,250	-	-	-	-	225	-	1,361
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>1,450</u>	<u>1,726</u>	<u>1,750</u>	<u>1,315</u>	<u>81,500</u>	<u>79,387</u>	<u>129,600</u>	<u>129,278</u>
DISBURSEMENTS								
Salaries	-	-	-	-	34,473	34,473	46,000	45,647
Employee fringe benefits	-	-	-	-	10,047	10,047	10,920	10,481
Materials and Supplies	-	-	-	-	16,048	16,048	20,312	14,891
Services and Other	2,486	2,486	9,000	2,622	21,016	21,016	66,657	65,840
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>2,486</u>	<u>2,486</u>	<u>9,000</u>	<u>2,622</u>	<u>81,584</u>	<u>81,584</u>	<u>143,889</u>	<u>136,859</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(1,036)	(760)	(7,250)	(1,307)	(84)	(2,197)	(14,289)	(7,581)
CASH, JANUARY 1	<u>13,227</u>	<u>13,227</u>	<u>12,467</u>	<u>12,467</u>	<u>17,359</u>	<u>17,359</u>	<u>15,162</u>	<u>15,162</u>
CASH, DECEMBER 31	<u>\$ 12,191</u>	<u>12,467</u>	<u>5,217</u>	<u>11,160</u>	<u>17,275</u>	<u>15,162</u>	<u>873</u>	<u>7,581</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	LEPC FUND				DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	5,300	2,670	4,669	4,583	-	-	-	-
Charges for services	-	-	-	-	-	220	400	3,350
Interest	250	457	421	393	10	15	7	47
Other	-	-	-	-	300	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	5,550	3,127	5,090	4,976	310	235	407	3,397
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	210	210	2,000	31	-	-	-	-
Services and Other	1,725	1,725	9,100	7,342	-	-	551	551
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	1,935	1,935	11,100	7,373	-	-	551	551
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	3,615	1,192	(6,010)	(2,397)	310	235	(144)	2,846
CASH, JANUARY 1	12,891	12,891	14,083	14,083	315	315	550	550
CASH, DECEMBER 31	\$ 16,506	14,083	8,073	11,686	625	550	406	3,396

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	TAX MAINTENANCE FUND				CART ROCK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	212,747	212,747	212,000	235,333
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	8,032	8,000	8,851	-	39,287	50,000	26,737
Interest	150	489	600	729	1,000	1,384	1,300	1,080
Other	7,400	-	-	-	34,288	-	-	-
Transfers in	-	-	-	-	6,000	-	-	-
Total Receipts	<u>7,550</u>	<u>8,521</u>	<u>8,600</u>	<u>9,580</u>	<u>254,035</u>	<u>253,418</u>	<u>263,300</u>	<u>263,150</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	951	951	4,700	895	-	-	-	-
Services and Other	429	429	10,300	684	269,511	269,511	263,000	223,355
Capital Outlay	-	-	-	1,500	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	1,500	-	-	-	-	-
Total Disbursements	<u>1,380</u>	<u>1,380</u>	<u>16,500</u>	<u>3,079</u>	<u>269,511</u>	<u>269,511</u>	<u>263,000</u>	<u>223,355</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	6,170	7,141	(7,900)	6,501	(15,476)	(16,093)	300	39,795
CASH, JANUARY 1	8,207	8,207	15,348	15,348	16,637	16,637	544	544
CASH, DECEMBER 31	<u>\$ 14,377</u>	<u>15,348</u>	<u>7,448</u>	<u>21,849</u>	<u>1,161</u>	<u>544</u>	<u>844</u>	<u>40,339</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	ECONOMIC DEVELOPMENT FUND				RECORDER'S USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	106,375	115,000	117,667	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	5,709	5,700	5,723
Interest	-	-	-	-	-	-	-	-
Other	115,000	-	-	-	5,000	256	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>115,000</u>	<u>106,375</u>	<u>115,000</u>	<u>117,667</u>	<u>5,000</u>	<u>5,965</u>	<u>5,700</u>	<u>5,723</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	106,375	106,375	115,000	117,667	2,349	2,349	29,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	#	-	-	-	-	-
Total Disbursements	<u>106,375</u>	<u>106,375</u>	<u>115,000</u>	<u>117,667</u>	<u>2,349</u>	<u>2,349</u>	<u>29,000</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	8,625	-	-	-	2,651	3,616	(23,300)	5,723
CASH, JANUARY 1	-	-	-	-	25,939	25,939	29,555	29,555
CASH, DECEMBER 31	<u>\$ 8,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,590</u>	<u>29,555</u>	<u>6,255</u>	<u>35,278</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	SENATE BILL 40 FUND				SHERIFF'S CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 78,840	81,172	81,150	83,264	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	197	150	219	-	-	-	-
Charges for services	-	-	-	-	775	4,727	4,250	9,123
Interest	400	778	700	1,402	150	201	150	231
Other	-	-	-	-	5,000	1	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>79,240</u>	<u>82,147</u>	<u>82,000</u>	<u>84,885</u>	<u>5,925</u>	<u>4,929</u>	<u>4,400</u>	<u>9,354</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	6,483	6,483	4,600	3,821
Services and Other	79,234	79,234	85,000	85,000	-	-	-	328
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>79,234</u>	<u>79,234</u>	<u>85,000</u>	<u>85,000</u>	<u>6,483</u>	<u>6,483</u>	<u>4,600</u>	<u>4,149</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	6	2,913	(3,000)	(115)	(558)	(1,554)	(200)	5,205
CASH, JANUARY 1	<u>11,819</u>	<u>11,819</u>	<u>14,732</u>	<u>14,732</u>	<u>5,760</u>	<u>5,760</u>	<u>4,206</u>	<u>4,206</u>
CASH, DECEMBER 31	<u>\$ 11,825</u>	<u>14,732</u>	<u>11,732</u>	<u>14,617</u>	<u>5,202</u>	<u>4,206</u>	<u>4,006</u>	<u>9,411</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	PROSECUTING BAD CHECK FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	227,000	212,712	215,000	235,369
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	9,047	8,300	7,476	9,300	6,671	3,360	3,360
Interest	300	731	850	899	1,750	2,663	2,400	2,265
Other	3,300	2	-	-	1,050	6,603	1,050	1,016
Transfers in	-	-	-	-	18,000	-	48,000	10,000
Total Receipts	<u>3,600</u>	<u>9,780</u>	<u>9,150</u>	<u>8,375</u>	<u>257,100</u>	<u>228,649</u>	<u>269,810</u>	<u>252,010</u>
DISBURSEMENTS								
Salaries	-	-	-	-	120,686	120,686	126,000	129,237
Employee fringe benefits	1,124	1,124	1,800	1,002	37,181	37,181	40,590	40,093
Materials and Supplies	1,852	1,852	7,900	2,357	39,615	39,615	47,050	41,832
Services and Other	-	-	7,500	11	55,110	55,110	76,563	40,472
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>2,976</u>	<u>2,976</u>	<u>17,200</u>	<u>3,370</u>	<u>252,592</u>	<u>252,592</u>	<u>290,203</u>	<u>251,634</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	624	6,804	(8,050)	5,005	4,508	(23,943)	(20,393)	376
CASH, JANUARY 1	<u>16,590</u>	<u>16,590</u>	<u>23,394</u>	<u>23,394</u>	<u>94,464</u>	<u>94,464</u>	<u>70,521</u>	<u>70,521</u>
CASH, DECEMBER 31	<u>\$ 17,214</u>	<u>23,394</u>	<u>15,344</u>	<u>28,399</u>	<u>98,972</u>	<u>70,521</u>	<u>50,128</u>	<u>70,897</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	HAVA FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	125,336	111,146	-	-	-	-	-	-
Charges for services	-	-	-	-	800	1,025	750	1,550
Interest	380	828	500	935	280	59	75	90
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>125,716</u>	<u>111,974</u>	<u>500</u>	<u>935</u>	<u>1,080</u>	<u>1,084</u>	<u>825</u>	<u>1,640</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	2,000	-
Services and Other	97,767	97,767	29,586	7,957	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>97,767</u>	<u>97,767</u>	<u>29,586</u>	<u>7,957</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	27,949	14,207	(29,086)	(7,022)	1,080	1,084	(1,175)	1,640
CASH, JANUARY 1	15,378	15,378	29,585	29,585	1,067	1,067	2,151	2,151
CASH, DECEMBER 31	<u>\$ 43,327</u>	<u>29,585</u>	<u>499</u>	<u>22,563</u>	<u>2,147</u>	<u>2,151</u>	<u>976</u>	<u>3,791</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	OFF HIGHWAY SYSTEMS FUND				RESTHOME IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	375,590	371,315	15,270	7,127	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	2,500	3,140	1,500	1,943
Other	-	-	-	-	-	12,822	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>375,590</u>	<u>371,315</u>	<u>15,270</u>	<u>7,127</u>	<u>2,500</u>	<u>15,962</u>	<u>1,500</u>	<u>1,943</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	371,584	371,584	15,000	5,688	-	-	5,200	1,815
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	26,069	26,069	18,250	6,213
Transfers out	-	-	-	-	16,800	16,800	48,000	48,000
Total Disbursements	<u>371,584</u>	<u>371,584</u>	<u>15,000</u>	<u>5,688</u>	<u>42,869</u>	<u>42,869</u>	<u>71,450</u>	<u>56,028</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	4,006	(269)	270	1,439	(40,369)	(26,907)	(69,950)	(54,085)
CASH, JANUARY 1	-	-	(269)	(269)	105,443	105,443	78,536	78,536
CASH, DECEMBER 31	<u>\$ 4,006</u>	<u>(269)</u>	<u>1</u>	<u>1,170</u>	<u>65,074</u>	<u>78,536</u>	<u>8,586</u>	<u>24,451</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	ELECTION SERVICE FUND				PHELPS CITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,100	1,642	600	585	-	-	-	-
Interest	150	163	150	184	-	35	-	-
Other	-	-	-	-	36	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>2,250</u>	<u>1,805</u>	<u>750</u>	<u>769</u>	<u>36</u>	<u>35</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	3,500	332	-	-	-	-
Services and Other	399	399	2,000	974	-	13,597	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>399</u>	<u>399</u>	<u>5,500</u>	<u>1,306</u>	<u>-</u>	<u>13,597</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	1,851	1,406	(4,750)	(537)	36	(13,562)	-	-
CASH, JANUARY 1	<u>4,195</u>	<u>4,195</u>	<u>5,601</u>	<u>5,601</u>	<u>13,562</u>	<u>13,562</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 6,046</u>	<u>5,601</u>	<u>851</u>	<u>5,064</u>	<u>13,598</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

ATCHISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS

	INMATE SECURITY FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2006		2007		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	3,085	-	700	500	12,151
Interest	-	-	-	-	-	10	15	202
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	3,085	-	710	515	12,353
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	700	188
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	-	-	700	188
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	3,085	-	710	(185)	12,165
CASH, JANUARY 1	-	-	-	-	-	-	710	710
CASH, DECEMBER 31	\$ -	-	-	3,085	-	710	525	12,875

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

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

AGENCY FUND	December 31, 2007		December 31, 2006	
	Cash and Cash Equivalents	Due to Others	Cash and Cash Equivalents	Due to Others
Donation	\$ -	-	958	958
Unclaimed Fees	1,359	1,359	1,135	1,135
Cafeteria Plan Employee Benefits	86	86	962	962
Workshop Learning Center	14,617	14,617	14,732	14,732
Surplus Land Sales	142	142	142	142
Cities	-	-	142	142
Collector	4,797,441	4,797,441	4,597,306	4,597,306
CERF	740	740	682	682
Center Grove Cemetery	2,000	2,000	2,000	2,000
Elmwood Cemetery	7,000	7,000	7,000	7,000
Smith Cemetery	2,000	2,000	2,000	2,000
Total	\$ 4,825,385	4,825,385	4,627,059	4,627,059

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

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

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

8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following fund:
 - a. Inmate Security
 10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures did not exceed budgeted amounts for any funds.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2007 and 2006, for purposes of taxation was:

	<u>2007</u>	<u>2006</u>
Real Estate	\$ 53,724,971	49,615,799
Personal Property	23,439,971	23,570,020
Railroad and Utilities	9,325,723	8,980,228

During 2007 and 2006 the County Commission approved a \$0.4974 and \$0.50 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2007 and 2006, for purposes of County taxation, as follows:

	<u>2007</u>	<u>2006</u>
General Revenue Fund	<u>\$ 0.4974</u>	<u>\$ 0.5000</u>
Special Road and Bridge	<u>0.4974</u>	<u>0.5000</u>

F. Cash Deposits and Investments

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

G. Interfund Transactions

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the financial statements.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund activity has been eliminated for governmental activities in the government-wide financial statements.

2. CASH AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2007 and 2006, the carrying amount of the County's deposits was \$5,962,217 and \$5,455,888 the bank balance was \$4,762,369 and \$4,130,851, respectively. Of the bank balance \$253,734 and \$265,629 for December 31, 2007 and December 31, 2006, respectively, were covered by federal depository insurance and \$4,460,635 and \$3,865,222, respectively, was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent, in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT FUND - CERF

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

A. Plan Description

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

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio

formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

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

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

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo. 70.600 — 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 4% to 6% of gross compensation, depending on LAGERS participation, is required for all participants hired on or after February 2002. A contribution of 0% to 4% of compensation, depending on LAGERS participation, is required of employees hired before February 2002. A lesser contribution requirement applies to employees who participate in LAGERS. The source of funding of these contributions is determined by each county. During 2007 and 2006, the County collected and remitted to CERF employee contributions of approximately for \$72,069 and \$63,065, respectively, for the years then ended, equal to the required contributions.

Because certain employees are also participants in LAGERS, a contribution is also required by the County to LAGERS, based on an actuarially determined rate. The rates were 2.4% and 3% for 2007 and 2006, respectively, for non-law enforcement personnel, and, for the corresponding years, 0.3% and 0.6%, respectively, for law enforcement personnel. During 2007 and 2006, the County contributed to LAGERS \$19,414 and \$23,632, respectively.

4. POST EMPLOYMENT BENEFITS

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

5. CLAIMS COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 180 days of sick time -- to accrue at one day per complete calendar month of employment up to 180 days. Upon termination, the employee is compensated for one-half accrued sick time. Vacation time is accrued for every full time employee, and accrues at the rate of one-half day per month up to two and one-fourth days depending on length of employment. Employees may accrue up to two years worth of vacation credits, the number of which depends on the length of service. Upon termination, the employee may receive up to thirty days of vacation time to be taken either as compensation or as early separation.

B. Federal and State Assisted Programs

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

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool. The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

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

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and Officeholders of Atchison County, Missouri

We have audited the accompanying financial statements of Atchison County, Missouri as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 29, 2008. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audits, we considered County of Atchison, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Atchison, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Atchison, Missouri'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 of Atchison, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles in the United States of America such that there is more than a remote likelihood that a misstatement of the County of Atchison, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the County of Atchison, Missouri'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 of Atchison, Missouri'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 County of Atchison, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

- The County lacks a written investment policy as required by RSMo. 30.950.

We noted certain matters that we reported to management of County of Atchison, Missouri, in a separate letter dated July 29, 2008.

This report is intended solely for the information and use of management, County Commission, others within the entity, and 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.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

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

To the County Commission and Officeholders of Atchison County, Missouri

We have audited the compliance of Atchison County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2006. Atchison County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Atchison County, Missouri's management. Our responsibility is to express an opinion on Atchison County, Missouri's compliance based on our audits.

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

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

Internal Control Over Compliance

The management of Atchison County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Atchison County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atchison County, Missouri's internal control over compliance.

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

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

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

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

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

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2007	2006
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
16.592	Missouri Department of Public Safety - Local Law Enforcement Block Grants Program		\$ 8,650	0.00
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state of Missouri:				
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO - (22) BRO - (20)	- 4,550	371,584 -
20.600	State and Community Highway Safety			
20.703	Department of Public Safety - Interagency Hazardous Materials Public Sector Training and Planning Grants	HMEP CEPF	1,647 2,488	- -
		CEMP	448	-
GENERAL SERVICES ADMINISTRATION				
ELECTION ASSISTANCE COMMISSION				
90.401	Passed through the Missouri Office of Secretary of State - Help America Vote Act		-	111,974
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Missouri Secretary of State Elections Division:				
93.617	Missouri Secretary of State Elections Division Voting Access for individuals with Disabilities	HAVAHHSFED	-	5,335
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Missouri Department of Public Safety:				
97.036	Public Assistance Grants	Sheriff Road & Bridge	1,456 225,334	- -
97.042	Emergency Management Performance Grants		18,672	15,570
97.051	State and Local All Hazards Emergency Operations Planning		-	2,670
97.067	Homeland Security Grant Program Buffer Zone Protection		42,954 70,328	- -
Total Expenditures of Federal Awards; Passed through State of Missouri			<u>\$ 376,527</u>	<u>507,133</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

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

NOTE C – SUBRECIPIENTS

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

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

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

Federal Awards:

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

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

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

Auditee Qualified as low-risk: Yes No

SECTION II – FINANCIAL STATEMENTS FINDINGS

See Finding No. 1 – Lack of Investment Policy.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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

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

FINDINGS AND RECOMMENDATIONS

ATCHISON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

ITEM OF NONCOMPLIANCE

1. Lack of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, 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.

Recommendation: We recommend the County Commission adopt an investment policy and review compliance with this policy at least annually. Guidelines for developing an investment policy may be found at organizations such as the Government Finance Officer's Association, which offers a publication entitled GFOA's New Model Investment Policy, and examples of investment policies for many counties may be found on the internet.

County Response: The County Commission was not aware that an investment policy needed to be adopted. Since it has been brought to our attention the commission will work with our legal advisors to review policies and find one that meets the counties needs for adoption.

OTHER MATTERS

In planning and performing our audit of the financial statements of Atchison County, Missouri (the County) as of and for the years ended December 31, 2007 and 2006, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

2. **Access to the Treasurer's Vault**

Condition: Because of the Treasurer's absence during portions of the audit fieldwork, we learned that only the Treasurer has access to the vault code. Bank statements, checks and other records of fiscal significance to the County are stored in the vault. In the event of the Treasurer's long-term absence or sudden departure from the County, the inability to access the Treasurer's records and the County financial banking records could be detrimental to County operations.

Recommendation: We recommend that someone in addition to the Treasurer, such as the Presiding Commissioner or another Commissioner, be responsible for retaining the Treasurer's vault combination in the event that access is required.

County Response: The County does not make it a practice to open another elected officials vault for information during a vacation or absence from work. The vault combination was secure in a location where it could have been found in the event of an emergency. The combination has been recorded in additional locations and will be kept in the Clerk's vault where the Clerk and the Presiding Commissioner will have knowledge of the combination.

3. **Documentation in Collector's Bank Reconciliation (Atchison)**

Condition: The Collector records checks in the month prior to when they were actually written. Checks are considered to be outstanding checks at month-end for purposes of the bank reconciliation. This practice understates the Collector's cash balance by a material amount, particularly at year-end. We understand the importance of reconciling cash to the Collector's monthly settlement, however, a reconciliation between cash in the bank and cash per the accounting records at month-end should also be prepared.

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

County Response: The Collector's office will review this recommendation with the Missouri State Auditor's office and will make any necessary changes that are required.

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

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

Finding: The County did not have a written contract with all political subdivisions to provide dispatching services.

Status: Contracts have been entered into with all subdivisions participating in the dispatching services.