



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Henry County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Henry County, Missouri, for the two years ended December 31, 2000. A copy of this audit which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2001-73
August 31, 2001

HENRY COUNTY, MISSOURI

AUDIT REPORT
For Each of the Two Years Ended
December 31, 2000 and 1999

HENRY COUNTY, MISSOURI
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report On The Financial Statements And Supplementary Schedule Of Expenditures Of Federal Awards		1
Independent Auditor's Report On Compliance And Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		3
Financial Statements:		
Statement of Receipts, Disbursements and Changes In Cash – Various Funds		
For the Year Ended December 31, 2000	A-1	5
For the Year Ended December 31, 1999	A-2	6
Comparative Statements of Receipts, Disbursements, And Changes in Cash – Budget and Actual-Variou Funds, For the Years Ended December 31, 2000 and 1999	B	7
Notes to the Financial Statements		16
Supplementary Schedule:		
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2000 and 1999		20
Notes to the Supplementary Schedule		22
<u>FEDERAL AWARDS – SINGLE AUDIT SECTION</u>		
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133		23
Schedule of Findings and Questioned Costs, Years Ended December 31, 2000 and 1999:		25
Section I – Summary of Auditor's Results		
Section II – Financial Statement Findings		
Section III – Federal Award Findings and Questioned Costs		

HENRY COUNTY, MISSOURI
TABLE OF CONTENTS
(Continued)

	<u>Page</u>
Follow-up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	27
Summary of Schedule of Prior Audit Findings In Accordance with OMB Circular A-133	28
<u>SECTION ON OTHER MATTERS</u>	
Letter on Other Matters	29

FINANCIAL SECTION

Independent Auditor's Reports

McBRIDE, LOCK & ASSOCIATES

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the State Auditor of Missouri,
and
The County Commission of
Henry County, Missouri

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

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

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

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Henry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County as of and for the years ended December 31, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with ***Government Auditing Standards***, we have also issued a report dated May 14, 2001 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, ***Audits of State, Local Governments, and Non-Profit Organizations***, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the special-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

McBride, Lock and Associates

May 14, 2001

McBRIDE, LOCK & ASSOCIATES

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

To the State Auditor of Missouri,
and the County Commission of
Henry County, Missouri

We have audited the special-purpose financial statements of various funds of Henry County, Missouri as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 14, 2001.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted immaterial instances of noncompliance which we have reported to the management of the County in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Henry County, Missouri, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the County in the accompanying Letter on Other Matters.

This report is intended solely for the information and use of the State Auditor of Missouri; management of Henry County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials, 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

May 14, 2001

Financial Statements

HENRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH
YEAR ENDED DECEMBER 31, 2000

Fund Title	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 434,601	\$ 2,153,952	\$ 2,185,620	\$ 402,933
Special Road and Bridge	1,082,582	1,006,442	1,187,336	901,688
Assessment	4,940	219,644	219,655	4,929
Central Emergency Communications	6,376	271,848	274,286	3,938
Law Enforcement Training	401	11,968	8,073	4,296
Prosecuting Attorney Training	351	2,027	1,739	639
Prosecuting Attorney's Bad Check	2,228	43,808	36,239	9,797
Prosecuting Attorney Delinquent Tax	3,754	924	0	4,678
Tri-County Child Support	364	89,725	84,820	5,269
Emergency 911	143,476	205,345	181,292	167,529
Victims of Domestic Violence	98	4,400	4,498	0
Local Use Tax	104,715	81,077	40,850	144,942
Federal Drug Forfeiture Program	23	0	0	23
Sheriff's Special Project Fund	6,225	75,962	77,145	5,042
Local Emergency Planning Comm.	2,046	5,762	3,679	4,129
Sheriff's Civil Fund	4,827	24,507	25,783	3,551
DARE	2,017	3,647	1,945	3,719
Corps of Engineers	7,503	46,661	39,677	14,487
Recorder's Records Storage Pres.	3,726	9,766	9,220	4,272
Federal Grant	4,109	12,293	15,846	556
Election Services	0	4,428	2,988	1,440
Health Center	67,202	476,051	432,846	110,407
Juvenile Officer DYS Grant Fund	11,773	21,281	28,030	5,024
Circuit Clerk Interest	4,286	1,493	762	5,017
Associate Circuit Division Interest	6,436	1,933	1,733	6,636
Law Library	3,850	12,323	14,063	2,110
Total	\$1,907,909	\$ 4,787,267	\$ 4,878,125	\$ 1,817,051

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

HENRY COUNTY, MISSOURI
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH
YEAR ENDED DECEMBER 31, 1999

Fund Title	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 343,931	\$ 2,018,346	\$ 1,927,676	\$ 434,601
Special Road and Bridge	1,009,947	1,316,703	1,244,068	1,082,582
Assessment	760	205,652	201,472	4,940
Central Emergency Communications	4,049	253,274	250,947	6,376
Law Enforcement Training	6	12,301	11,906	401
Prosecuting Attorney Training	421	2,023	2,093	351
Prosecuting Attorney's Bad Check	20,215	33,292	51,279	2,228
Prosecuting Attorney Delinquent Tax	1,052	2,702	0	3,754
Tri-County Child Support	2,585	74,561	76,782	364
Emergency 911	153,806	173,517	183,847	143,476
Victims of Domestic Violence	190	21,815	21,907	98
Local Use Tax	78,336	84,067	57,688	104,715
Federal Drug Forfeiture Program	23	0	0	23
Sheriff's Special Project Fund	4,205	31,911	29,891	6,225
Local Emergency Planning Comm.	1,446	4,190	3,590	2,046
Sheriff's Civil Fund	1,476	19,864	16,513	4,827
DARE	3,119	2,423	3,525	2,017
Corps of Engineers	8,540	42,983	44,020	7,503
Recorder's Records Storage Pres.	15,207	11,322	22,803	3,726
Federal Grant	1	55,937	51,829	4,109
Health Center	52,657	414,183	399,638	67,202
Juvenile Officer DYS Grant Fund	8,007	28,691	24,925	11,773
Circuit Clerk Interest	8,792	2,264	6,770	4,286
Associate Circuit Division Interest	5,277	1,856	697	6,436
Law Library	5,817	9,324	11,291	3,850
Total	<u>\$ 1,729,865</u>	<u>\$ 4,823,201</u>	<u>\$ 4,645,157</u>	<u>\$ 1,907,909</u>

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS-VARIOUS FUNDS</u>						
RECEIPTS	\$ 5,260,427	\$ 4,787,267	\$ (473,160)	\$ 4,607,082	\$ 4,823,201	\$ 216,119
DISBURSEMENTS	6,789,785	4,878,125	1,911,660	5,329,246	4,645,157	684,089
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (1,529,358)	\$ (90,858)	\$ 1,438,500	\$ (722,164)	\$ 178,044	\$ 900,208
CASH, JANUARY 1	1,907,909	1,907,909	0	1,729,865	1,729,865	0
CASH, DECEMBER 31	<u>\$ 378,551</u>	<u>\$ 1,817,051</u>	<u>\$ 1,438,500</u>	<u>\$ 1,007,701</u>	<u>\$ 1,907,909</u>	<u>\$ 900,208</u>
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 39,500	\$ 48,381	\$ 8,881	\$ 66,000	\$ 80,096	\$ 14,096
Sales taxes	970,000	1,043,274	73,274	900,000	943,049	43,049
Intergovernmental	469,720	475,433	5,713	538,800	410,660	(128,140)
Charges for services	395,950	440,450	44,500	393,800	420,752	26,952
Interest	17,000	21,123	4,123	20,000	17,904	(2,096)
Other	64,510	76,126	11,616	26,850	52,563	25,713
Transfers in	49,165	49,165	0	100,422	93,322	(7,100)
Total Receipts	<u>\$ 2,005,845</u>	<u>\$ 2,153,952</u>	<u>\$ 148,107</u>	<u>\$ 2,045,872</u>	<u>\$ 2,018,346</u>	<u>\$ (27,526)</u>
DISBURSEMENTS						
County Commission	\$ 81,420	\$ 79,694	\$ 1,726	\$ 78,300	\$ 77,352	\$ 948
County Clerk	92,387	89,802	2,585	92,847	84,517	8,330
Elections	131,831	127,005	4,826	63,076	60,654	2,422
Buildings and grounds	114,110	116,563	(2,453)	110,600	82,057	28,543
Employee fringe benefits	170,950	158,521	12,429	142,000	135,163	6,837
County Treasurer	77,409	76,068	1,341	72,945	71,886	1,059
County Collector	4,000	5,012	(1,012)	4,000	2,980	1,020
Recorder of Deeds	82,071	81,810	261	100,000	90,534	9,466
Circuit Clerk	15,750	13,358	2,392	18,750	15,591	3,159
Associate Circuit Court	17,260	15,200	2,060	15,410	14,740	670
Court administration	54,957	44,038	10,919	43,859	36,660	7,199
Public Administrator	1,108	1,798	(690)	1,228	1,216	12
Sheriff	308,907	315,542	(6,635)	282,938	283,289	(351)
Jail	174,652	199,085	(24,433)	169,648	168,275	1,373
Prosecuting Attorney	146,617	138,257	8,360	136,497	131,677	4,820
Juvenile Officer	449,509	409,936	39,573	556,611	382,034	174,577
County Coroner	12,796	15,024	(2,228)	12,580	13,724	(1,144)
Public health and welfare services	5,600	3,500	2,100	5,600	4,210	1,390
Other	218,062	193,020	25,042	178,085	149,150	28,935
Transfers out	119,687	102,387	17,300	134,900	121,967	12,933
Emergency Fund	73,814	0	73,814	61,376	0	61,376
Total Disbursements	<u>\$ 2,352,897</u>	<u>\$ 2,185,620</u>	<u>\$ 167,277</u>	<u>\$ 2,281,250</u>	<u>\$ 1,927,676</u>	<u>\$ 353,574</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (347,052)	\$ (31,668)	\$ 315,384	\$ (235,378)	\$ 90,670	\$ 326,048
CASH, JANUARY 1	434,601	434,601	0	343,931	343,931	0
CASH, DECEMBER 31	<u>\$ 87,549</u>	<u>\$ 402,933</u>	<u>\$ 315,384</u>	<u>\$ 108,553</u>	<u>\$ 434,601</u>	<u>\$ 326,048</u>

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 76,881	\$ 76,975	\$ 94	\$ 70,000	\$ 72,119	\$ 2,119
Intergovernmental	1,573,500	770,795	(802,705)	989,500	1,097,076	107,576
Charges for services	20,000	9,372	(10,628)	30,000	15,816	(14,184)
Interest	30,000	45,937	15,937	40,000	41,238	1,238
Other	35,000	103,363	68,363	39,700	90,454	50,754
Total Receipts	\$ 1,735,381	\$ 1,006,442	\$ (728,939)	\$ 1,169,200	\$ 1,316,703	\$ 147,503
DISBURSEMENTS						
Salaries	\$ 146,000	\$ 140,191	\$ 5,809	\$ 130,000	\$ 128,591	\$ 1,409
Employee fringe benefits	40,590	32,359	8,231	24,850	21,539	3,311
Supplies	30,400	25,557	4,843	28,700	19,779	8,921
Insurance	5,500	5,427	73	4,700	4,979	(279)
Road and bridge materials	110,000	79,429	30,571	135,000	93,112	41,888
Equipment repairs	12,000	10,632	1,368	12,000	7,291	4,709
Equipment purchases	55,000	24,304	30,696	150,000	81,222	68,778
Construction, repair and maintenance	2,296,165	807,098	1,489,067	884,165	791,205	92,960
Other	30,000	21,454	8,546	78,000	52,928	25,072
Transfers out	40,885	40,885	0	43,422	43,422	0
Total Disbursements	\$ 2,766,540	\$ 1,187,336	\$ 1,579,204	\$ 1,490,837	\$ 1,244,068	\$ 246,769
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	\$ (1,031,159)	\$ (180,894)	\$ 850,265	\$ (321,637)	\$ 72,635	\$ 394,272
CASH, JANUARY 1						
	1,082,582	1,082,582	0	1,009,947	1,009,947	0
CASH, DECEMBER 31						
	\$ 51,423	\$ 901,688	\$ 850,265	\$ 688,310	\$ 1,082,582	\$ 394,272
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 206,250	\$ 211,013	\$ 4,763	\$ 186,022	\$ 196,303	\$ 10,281
Charges for services	0	1,103	1,103	0	1,128	1,128
Interest	800	1,645	845	0	920	920
Other	1,123	5,231	4,108	1,500	301	(1,199)
Transfers in	4,652	652	(4,000)	14,956	7,000	(7,956)
Total Receipts	\$ 212,825	\$ 219,644	\$ 6,819	\$ 202,478	\$ 205,652	\$ 3,174
DISBURSEMENTS						
Salaries	\$ 137,314	\$ 132,503	\$ 4,811	\$ 124,131	\$ 124,922	\$ (791)
Employee fringe benefits	13,211	12,274	937	11,226	10,117	1,109
Supplies	13,100	4,639	8,461	12,700	11,894	806
Insurance	14,300	15,274	(974)	6,500	11,420	(4,920)
Equipment purchases	5,500	12,008	(6,508)	4,500	3,982	518
Postage	7,300	6,019	1,281	7,300	5,734	1,566
Mileage/ Training	4,500	5,516	(1,016)	4,500	3,732	768
Equipment maint/ service	4,750	8,344	(3,594)	7,250	7,102	148
Aerial Photos	2,000	0	2,000	0	0	0
Other	0	0	0	1,761	1,416	345
Extra help	15,750	23,078	(7,328)	22,610	21,153	1,457
Total Disbursements	\$ 217,725	\$ 219,655	\$ (1,930)	\$ 202,478	\$ 201,472	\$ 1,006
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	\$ (4,900)	\$ (11)	\$ 4,889	\$ 0	\$ 4,180	\$ 4,180
CASH, JANUARY 1						
	4,940	4,940	0	760	760	0
CASH, DECEMBER 31						
	\$ 40	\$ 4,929	\$ 4,889	\$ 760	\$ 4,940	\$ 4,180

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CENTRAL EMERGENCY COMMUNICATION FUND</u>						
RECEIPTS						
Charges for services	\$ 143,960	\$ 143,210	\$ (750)	\$ 102,460	\$ 121,460	\$ 19,000
Interest	375	387	12	340	314	(26)
Other	41,500	38,251	(3,249)	41,650	41,500	(150)
Transfers in	90,000	90,000	0	90,000	90,000	0
Total Receipts	\$ 275,835	\$ 271,848	\$ (3,987)	\$ 234,450	\$ 253,274	\$ 18,824
DISBURSEMENTS						
Salaries	\$ 203,247	\$ 204,733	\$ (1,486)	\$ 178,365	\$ 183,107	\$ (4,742)
Employee fringe benefits	17,150	15,853	1,297	14,245	15,049	(804)
Supplies	21,867	24,094	(2,227)	19,200	22,281	(3,081)
Insurance	15,000	10,493	4,507	9,000	12,043	(3,043)
Equipment	16,565	12,727	3,838	12,262	13,758	(1,496)
Mileage and training	5,000	6,386	(1,386)	3,700	4,709	(1,009)
Total Disbursements	\$ 278,829	\$ 274,286	\$ 4,543	\$ 236,772	\$ 250,947	\$ (14,175)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (2,994)	\$ (2,438)	\$ 556	\$ (2,322)	\$ 2,327	\$ 4,649
CASH, JANUARY 1	6,376	6,376	0	4,049	4,049	0
CASH, DECEMBER 31	\$ 3,382	\$ 3,938	\$ 556	\$ 1,727	\$ 6,376	\$ 4,649
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 13,600	\$ 11,968	\$ (1,632)	\$ 9,000	\$ 12,301	\$ 3,301
Total Receipts	\$ 13,600	\$ 11,968	\$ (1,632)	\$ 9,000	\$ 12,301	\$ 3,301
DISBURSEMENTS						
Tuition	\$ 8,000	\$ 6,238	\$ 1,762	\$ 6,000	\$ 9,164	\$ (3,164)
Mileage	1,000	1,020	(20)	1,000	912	88
Other	5,000	815	4,185	2,000	1,830	170
Total Disbursements	\$ 14,000	\$ 8,073	\$ 5,927	\$ 9,000	\$ 11,906	\$ (2,906)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (400)	\$ 3,895	\$ 4,295	\$ 0	\$ 395	\$ 395
CASH, JANUARY 1	401	401	0	6	6	0
CASH, DECEMBER 31	\$ 1	\$ 4,296	\$ 4,295	\$ 6	\$ 401	\$ 395
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 2,000	\$ 2,027	\$ 27	\$ 1,900	\$ 2,023	\$ 123
Total Receipts	\$ 2,000	\$ 2,027	\$ 27	\$ 1,900	\$ 2,023	\$ 123
DISBURSEMENTS						
Tuition	\$ 0	\$ 240	\$ (240)	\$ 0	\$ 550	\$ (550)
Mileage/ Training	1,000	499	501	400	50	350
Other	1,000	1,000	0	1,500	1,493	7
Total Disbursements	\$ 2,000	\$ 1,739	\$ 261	\$ 1,900	\$ 2,093	\$ (193)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 0	\$ 288	\$ 288	\$ 0	\$ (70)	\$ (70)
CASH, JANUARY 1	351	351	0	421	421	0
CASH, DECEMBER 31	\$ 351	\$ 639	\$ 288	\$ 421	\$ 351	\$ (70)

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 25,000	\$ 43,808	\$ 18,808	\$ 33,584	\$ 33,292	\$ (292)
Total Receipts	\$ 25,000	\$ 43,808	\$ 18,808	\$ 33,584	\$ 33,292	\$ (292)
DISBURSEMENTS						
Supplies/ Equipment	\$ 6,000	\$ 2,424	\$ 3,576	\$ 20,000	\$ 18,277	\$ 1,723
Meetings	5,000	3,842	1,158	5,000	2,658	2,342
Other	9,000	28,973	(19,973)	10,000	14,639	(4,639)
Transfers	5,000	1,000	4,000	16,383	15,705	678
Total Disbursements	\$ 25,000	\$ 36,239	\$ (11,239)	\$ 51,383	\$ 51,279	\$ 104
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 7,569	\$ 7,569	\$ (17,799)	\$ (17,987)	\$ (188)
CASH, JANUARY 1	2,228	2,228	0	20,215	20,215	0
CASH, DECEMBER 31	\$ 2,228	\$ 9,797	\$ 7,569	\$ 2,416	\$ 2,228	\$ (188)
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Charges for services	\$ 2,000	\$ 924	\$ (1,076)	\$ 1,300	\$ 2,702	\$ 1,402
Total Receipts	\$ 2,000	\$ 924	\$ (1,076)	\$ 1,300	\$ 2,702	\$ 1,402
DISBURSEMENTS						
Tuition	\$ 0	\$ 0	\$ 0	\$ 1,750	\$ 0	\$ 1,750
Mileage	0	0	0	600	0	600
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 2,350	\$ 0	\$ 2,350
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,000	\$ 924	\$ (1,076)	\$ (1,050)	\$ 2,702	\$ 3,752
CASH, JANUARY 1	3,754	3,754	0	1,052	1,052	0
CASH, DECEMBER 31	\$ 5,754	\$ 4,678	\$ (1,076)	\$ 2	\$ 3,754	\$ 3,752
<u>TRI-COUNTY CHILD SUPPORT FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 77,174	\$ 89,725	\$ 12,551	\$ 76,842	\$ 74,561	\$ (2,281)
Total Receipts	\$ 77,174	\$ 89,725	\$ 12,551	\$ 76,842	\$ 74,561	\$ (2,281)
DISBURSEMENTS						
Salaries	\$ 54,160	\$ 54,160	\$ 0	\$ 52,200	\$ 52,200	\$ 0
Employee fringe benefits	4,143	3,839	304	3,992	3,779	213
Insurance	3,084	3,198	(114)	2,200	2,240	(40)
Office expenditures	14,600	23,613	(9,013)	11,750	14,506	(2,756)
Meeting expense	1,000	0	1,000	0	0	0
Other	500	10	490	700	57	643
Transfer out	0	0	0	8,584	4,000	4,584
Total Disbursements	\$ 77,487	\$ 84,820	\$ (7,333)	\$ 79,426	\$ 76,782	\$ 2,644
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (313)	\$ 4,905	\$ 5,218	\$ (2,584)	\$ (2,221)	\$ 363
CASH, JANUARY 1	364	364	0	2,585	2,585	0
CASH, DECEMBER 31	\$ 51	\$ 5,269	\$ 5,218	\$ 1	\$ 364	\$ 363

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>E-911 FUND</u>						
RECEIPTS						
Charges for services	\$ 165,000	\$ 198,696	\$ 33,696	\$ 155,000	\$ 167,157	\$ 12,157
Interest	5,000	6,649	1,649	4,000	6,360	2,360
Total Receipts	\$ 170,000	\$ 205,345	\$ 35,345	\$ 159,000	\$ 173,517	\$ 14,517
DISBURSEMENTS						
Monthly Service Charges	\$ 90,000	\$ 67,882	\$ 22,118	\$ 95,000	\$ 84,234	\$ 10,766
Equipment	75,000	75,282	(282)	70,000	54,789	15,211
Other	50,000	38,128	11,872	40,000	40,475	(475)
Training/ Building expense	3,500	0	3,500	3,500	4,349	(849)
Total Disbursements	\$ 218,500	\$ 181,292	\$ 37,208	\$ 208,500	\$ 183,847	\$ 24,653
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (48,500)	\$ 24,053	\$ 72,553	\$ (49,500)	\$ (10,330)	\$ 39,170
CASH, JANUARY 1	143,476	143,476	0	153,806	153,806	0
CASH, DECEMBER 31	\$ 94,976	\$ 167,529	\$ 72,553	\$ 104,306	\$ 143,476	\$ 39,170
<u>VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 21,400	\$ 4,400	\$ (17,000)	\$ 17,400	\$ 21,815	\$ 4,415
Total Receipts	\$ 21,400	\$ 4,400	\$ (17,000)	\$ 17,400	\$ 21,815	\$ 4,415
DISBURSEMENTS						
Distribution as per RSMo 595.105	\$ 2,400	\$ 1,699	\$ 701	\$ 2,200	\$ 2,682	\$ (482)
Grant expenses	19,000	2,799	16,201	15,200	19,225	(4,025)
Total Disbursements	\$ 21,400	\$ 4,498	\$ 16,902	\$ 17,400	\$ 21,907	\$ (4,507)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ (98)	\$ (98)	\$ 0	\$ (92)	\$ (92)
CASH, JANUARY 1	98	98	0	190	190	0
CASH, DECEMBER 31	\$ 98	\$ 0	\$ (98)	\$ 190	\$ 98	\$ (92)
<u>LOCAL USE TAX FUND</u>						
RECEIPTS						
Sales tax	\$ 0	\$ 0	\$ 0	\$ 55,000	\$ 71,089	\$ 16,089
Interest	1,000	4,531	3,531	800	2,494	1,694
Other	70,000	76,546	6,546	0	10,484	10,484
Total Receipts	\$ 71,000	\$ 81,077	\$ 10,077	\$ 55,800	\$ 84,067	\$ 28,267
DISBURSEMENTS						
Capital Expenditures	\$ 140,000	\$ 40,850	\$ 99,150	\$ 70,000	\$ 10,260	\$ 59,740
Other Expenses	35,000	0	35,000	34,000	17,428	16,572
Transfer to G.R.	0	0	0	30,000	30,000	0
Total Disbursements	\$ 175,000	\$ 40,850	\$ 134,150	\$ 134,000	\$ 57,688	\$ 76,312
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (104,000)	\$ 40,227	\$ 144,227	\$ (78,200)	\$ 26,379	\$ 104,579
CASH, JANUARY 1	104,715	104,715	0	78,336	78,336	0
CASH, DECEMBER 31	\$ 715	\$ 144,942	\$ 144,227	\$ 136	\$ 104,715	\$ 104,579

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>FEDERAL DRUG FOREITURE PROGRAM FUND</u>						
RECEIPTS						
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISBURSEMENTS						
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	23	23	0	23	23	0
CASH, DECEMBER 31	\$ 23	\$ 23	\$ 0	\$ 23	\$ 23	\$ 0
<u>SHERIFF'S SPECIAL PROJECT FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 63,588	\$ 75,947	\$ 12,359	\$ 51,034	\$ 31,911	\$ (19,123)
Other	2,500	15	(2,485)	1,000	0	(1,000)
Total Receipts	\$ 66,088	\$ 75,962	\$ 9,874	\$ 52,034	\$ 31,911	\$ (20,123)
DISBURSEMENTS						
Deputy Salary	\$ 20,328	\$ 22,873	\$ (2,545)	\$ 20,020	\$ 3,338	\$ 16,682
STOP Salary	20,328	16,454	3,874	19,207	19,973	(766)
Benefits	8,258	6,497	1,761	5,952	5,005	947
Uniform	1,320	0	1,320	1,320	0	1,320
Other	15,751	31,321	(15,570)	5,982	1,575	4,407
Total Disbursements	\$ 65,985	\$ 77,145	\$ (11,160)	\$ 52,481	\$ 29,891	\$ 22,590
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 103	\$ (1,183)	\$ (1,286)	\$ (447)	\$ 2,020	\$ 2,467
CASH, JANUARY 1	6,225	6,225	0	4,205	4,205	0
CASH, DECEMBER 31	\$ 6,328	\$ 5,042	\$ (1,286)	\$ 3,758	\$ 6,225	\$ 2,467
<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 4,500	\$ 5,762	\$ 1,262	\$ 4,500	\$ 4,190	\$ (310)
Total Receipts	\$ 4,500	\$ 5,762	\$ 1,262	\$ 4,500	\$ 4,190	\$ (310)
DISBURSEMENTS						
Salaries	\$ 1,615	\$ 2,127	\$ (512)	\$ 1,615	\$ 1,615	\$ 0
Office Expenditures	150	0	150	250	120	130
Equipment	100	773	(673)	50	0	50
Mileage and Training	500	297	203	800	397	403
Other	4,180	482	3,698	3,230	1,458	1,772
Total Disbursements	\$ 6,545	\$ 3,679	\$ 2,866	\$ 5,945	\$ 3,590	\$ 2,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,045)	\$ 2,083	\$ 4,128	\$ (1,445)	\$ 600	\$ 2,045
CASH, JANUARY 1	2,046	2,046	0	1,446	1,446	0
CASH, DECEMBER 31	\$ 1	\$ 4,129	\$ 4,128	\$ 1	\$ 2,046	\$ 2,045
<u>SHERIFF'S CIVIL FUND</u>						
RECEIPTS						
Charge for services	\$ 20,000	\$ 24,507	\$ 4,507	\$ 23,000	\$ 19,864	\$ (3,136)
Total Receipts	\$ 20,000	\$ 24,507	\$ 4,507	\$ 23,000	\$ 19,864	\$ (3,136)
DISBURSEMENTS						
Mileage and Training	\$ 19,004	\$ 25,783	\$ (6,779)	\$ 22,492	\$ 16,513	\$ 5,979
Total Disbursements	\$ 19,004	\$ 25,783	\$ (6,779)	\$ 22,492	\$ 16,513	\$ 5,979
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 996	\$ (1,276)	\$ (2,272)	\$ 508	\$ 3,351	\$ 2,843
CASH, JANUARY 1	4,827	4,827	0	1,476	1,476	0
CASH, DECEMBER 31	\$ 5,823	\$ 3,551	\$ (2,272)	\$ 1,984	\$ 4,827	\$ 2,843

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DRUG ABUSE RESISTANCE EDUCATION FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 2,500	\$ 3,647	\$ 1,147	\$ 2,500	\$ 2,423	\$ (77)
Total Receipts	\$ 2,500	\$ 3,647	\$ 1,147	\$ 2,500	\$ 2,423	\$ (77)
DISBURSEMENTS						
Office Expenditures	\$ 3,500	\$ 1,945	\$ 1,555	\$ 4,500	\$ 3,525	\$ 975
Total Disbursements	\$ 3,500	\$ 1,945	\$ 1,555	\$ 4,500	\$ 3,525	\$ 975
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	\$ 1,702	\$ 2,702	\$ (2,000)	\$ (1,102)	\$ 898
CASH, JANUARY 1	2,017	2,017	0	3,119	3,119	0
CASH, DECEMBER 31	\$ 1,017	\$ 3,719	\$ 2,702	\$ 1,119	\$ 2,017	\$ 898
<u>CORP OF ENGINEERS FUND</u>						
RECEIPTS						
Intergovernmental revenues	\$ 43,000	\$ 46,661	\$ 3,661	\$ 41,000	\$ 42,983	\$ 1,983
Total Receipts	\$ 43,000	\$ 46,661	\$ 3,661	\$ 41,000	\$ 42,983	\$ 1,983
DISBURSEMENTS						
Salaries	\$ 20,000	\$ 17,616	\$ 2,384	\$ 18,000	\$ 20,134	\$ (2,134)
Benefits	1,821	1,348	473	1,877	1,435	442
Office expenditures	250	2,469	(2,219)	250	511	(261)
Equipment	20,000	17,035	2,965	22,000	20,860	1,140
Uniform	1,100	1,209	(109)	1,100	1,080	20
Total Disbursements	\$ 43,171	\$ 39,677	\$ 3,494	\$ 43,227	\$ 44,020	\$ (793)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (171)	\$ 6,984	\$ 7,155	\$ (2,227)	\$ (1,037)	\$ 1,190
CASH, JANUARY 1	7,503	7,503	0	8,540	8,540	0
CASH, DECEMBER 31	\$ 7,332	\$ 14,487	\$ 7,155	\$ 6,313	\$ 7,503	\$ 1,190
<u>RECORDERS RECORDS STORAGE PRESERVATION FUNDS</u>						
RECEIPTS						
Charges for services	\$ 10,100	\$ 9,565	\$ (535)	\$ 10,500	\$ 10,830	\$ 330
Interest income	0	201	201	0	492	492
Total Receipts	\$ 10,100	\$ 9,766	\$ (334)	\$ 10,500	\$ 11,322	\$ 822
DISBURSEMENTS						
Salary	\$ 8,280	\$ 8,280	\$ 0	\$ 12,000	\$ 4,900	\$ 7,100
Supplies	3,000	940	2,060	12,500	17,903	(5,403)
Total Disbursements	\$ 11,280	\$ 9,220	\$ 2,060	\$ 24,500	\$ 22,803	\$ 1,697
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,180)	\$ 546	\$ 1,726	\$ (14,000)	\$ (11,481)	\$ 2,519
CASH, JANUARY 1	3,726	3,726	0	15,207	15,207	0
CASH, DECEMBER 31	\$ 2,546	\$ 4,272	\$ 1,726	\$ 1,207	\$ 3,726	\$ 2,519

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FEDERAL GRANT FUND						
RECEIPTS						
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	\$ 8,676	\$ 25,411	\$ 16,735
Other	0	2,592	2,592	0	0	0
Transfers in	9,701	9,701	0	55,012	30,526	(24,486)
Total Receipts	\$ 9,701	\$ 12,293	\$ 2,592	\$ 63,688	\$ 55,937	\$ (7,751)
DISBURSEMENTS						
CAD Hardware/ Software	\$ 13,282	\$ 15,846	\$ (2,564)	\$ 40,900	\$ 28,274	\$ 12,626
Salaries	0	0	0	19,368	20,028	(660)
Benefits	0	0	0	2,732	3,527	(795)
Other Expenses	0	0	0	660	0	660
Total Disbursements	\$ 13,282	\$ 15,846	\$ (2,564)	\$ 63,660	\$ 51,829	\$ 11,831
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,581)	\$ (3,553)	\$ 28	\$ 28	\$ 4,108	\$ 4,080
CASH, JANUARY 1	4,109	4,109	0	1	1	0
CASH, DECEMBER 31	\$ 528	\$ 556	\$ 28	\$ 29	\$ 4,109	\$ 4,080
ELECTION SERVICES FUND						
RECEIPTS						
Other	\$ 4,895	\$ 4,428	\$ (467)	\$ 0	\$ 0	\$ 0
Transfers in	1,500	0	(1,500)	0	0	0
Total Receipts	\$ 6,395	\$ 4,428	\$ (1,967)	\$ 0	\$ 0	\$ 0
DISBURSEMENTS						
Other Expenses	\$ 4,500	\$ 2,988	\$ 1,512	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 4,500	\$ 2,988	\$ 1,512	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,895	\$ 1,440	\$ (455)	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$ 1,895	\$ 1,440	\$ (455)	\$ 0	\$ 0	\$ 0
HEALTH CENTER						
RECEIPTS						
Property taxes	\$ 213,378	\$ 210,715	\$ (2,663)	\$ 200,000	\$ 201,525	\$ 1,525
Intergovernmental	182,735	201,761	19,026	130,284	145,996	15,712
Charges for services	54,000	56,066	2,066	59,350	56,790	(2,560)
Interest	3,500	3,718	218	2,000	3,685	1,685
Other	0	3,791	3,791	2,000	6,187	4,187
Total Receipts	\$ 453,613	\$ 476,051	\$ 22,438	\$ 393,634	\$ 414,183	\$ 20,549
DISBURSEMENTS						
Salaries	\$ 323,910	\$ 312,861	\$ 11,049	\$ 294,841	\$ 290,162	\$ 4,679
Office expenditures	11,365	17,837	(6,472)	12,300	13,341	(1,041)
Equipment	15,400	6,068	9,332	7,211	8,237	(1,026)
Mileage and training	14,275	17,942	(3,667)	11,000	13,134	(2,134)
Other	69,051	78,138	(9,087)	64,293	74,764	(10,471)
Total Disbursements	\$ 434,001	\$ 432,846	\$ 1,155	\$ 389,645	\$ 399,638	\$ (9,993)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 19,612	\$ 43,205	\$ 23,593	\$ 3,989	\$ 14,545	\$ 10,556
CASH, JANUARY 1	67,202	67,202	0	52,657	52,657	0
CASH, DECEMBER 31	\$ 86,814	\$ 110,407	\$ 23,593	\$ 56,646	\$ 67,202	\$ 10,556

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

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

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
JUVENILE OFFICER DYS GRANT FUND						
RECEIPTS						
Interest	\$ 120	\$ 133	\$ 13	\$ 0	\$ 154	\$ 154
Other	19,870	21,148	1,278	0	28,537	28,537
Total Receipts	\$ 19,990	\$ 21,281	\$ 1,291	\$ 0	\$ 28,691	\$ 28,691
DISBURSEMENTS						
Other Expenses	\$ 26,399	\$ 28,030	\$ (1,631)	\$ 0	\$ 24,925	\$ (24,925)
Total Disbursements	\$ 26,399	\$ 28,030	\$ (1,631)	\$ 0	\$ 24,925	\$ (24,925)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,409)	\$ (6,749)	\$ (340)	\$ 0	\$ 3,766	\$ 3,766
CASH, JANUARY 1	11,773	11,773	0	8,007	8,007	0
CASH, DECEMBER 31	\$ 5,364	\$ 5,024	\$ (340)	\$ 8,007	\$ 11,773	\$ 3,766
CIRCUIT CLERK INTEREST						
RECEIPTS						
Interest	\$ 1,020	\$ 1,493	\$ 473	\$ 0	\$ 2,264	\$ 2,264
Total Receipts	\$ 1,020	\$ 1,493	\$ 473	\$ 0	\$ 2,264	\$ 2,264
DISBURSEMENTS						
Other Expenses	\$ 0	\$ 762	\$ (762)	\$ 0	\$ 6,770	\$ (6,770)
Total Disbursements	\$ 0	\$ 762	\$ (762)	\$ 0	\$ 6,770	\$ (6,770)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,020	\$ 731	\$ (289)	\$ 0	\$ (4,506)	\$ (4,506)
CASH, JANUARY 1	4,286	4,286	0	8,792	8,792	0
CASH, DECEMBER 31	\$ 5,306	\$ 5,017	\$ (289)	\$ 8,792	\$ 4,286	\$ (4,506)
ASSOCIATE CIRCUIT CLERK INTEREST						
RECEIPTS						
Other	\$ 1,500	\$ 1,933	\$ 433	\$ 0	\$ 1,856	\$ 1,856
Total Receipts	\$ 1,500	\$ 1,933	\$ 433	\$ 0	\$ 1,856	\$ 1,856
DISBURSEMENTS						
Other	\$ 1,625	\$ 1,733	\$ (108)	\$ 0	\$ 697	\$ (697)
Total Disbursements	\$ 1,625	\$ 1,733	\$ (108)	\$ 0	\$ 697	\$ (697)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (125)	\$ 200	\$ 325	\$ 0	\$ 1,159	\$ 1,159
CASH, JANUARY 1	6,436	6,436	0	5,277	5,277	0
CASH, DECEMBER 31	\$ 6,311	\$ 6,636	\$ 325	\$ 5,277	\$ 6,436	\$ 1,159
LAW LIBRARY						
RECEIPTS						
Charges	\$ 9,000	\$ 9,243	\$ 243	\$ 9,400	\$ 9,166	\$ (234)
Interest	120	82	(38)	0	137	137
Other	840	2,998	2,158	0	21	21
Total Receipts	\$ 9,960	\$ 12,323	\$ 2,363	\$ 9,400	\$ 9,324	\$ (76)
DISBURSEMENTS						
Other Expenses	\$ 11,115	\$ 14,063	\$ (2,948)	\$ 7,500	\$ 11,291	\$ (3,791)
Total Disbursements	\$ 11,115	\$ 14,063	\$ (2,948)	\$ 7,500	\$ 11,291	\$ (3,791)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,155)	\$ (1,740)	\$ (585)	\$ 1,900	\$ (1,967)	\$ (3,867)
CASH, JANUARY 1	3,850	3,850	0	5,817	5,817	0
CASH, DECEMBER 31	\$ 2,695	\$ 2,110	\$ (585)	\$ 7,717	\$ 3,850	\$ (3,867)

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

Notes to the Financial Statements

HENRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

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

Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the following funds for the year ended December 31, 1999:

Juvenile Officer DYS Grant
 Circuit Clerk Interest
 Associate Circuit Clerk Interest

Warrants issued were in excess of budgeted amounts for the following funds:

Fund	Years Ended December 31
Assessment Fund	2000
Central Emergency Communication Fund	1999
Law Enforcement Training Fund	1999
Prosecuting Attorney Training Fund	1999
Prosecuting Attorney Bad Check Fund	2000
Tri-County Child Support Fund	2000
Victims of Domestic Violence Fund	1999
Sheriff's Special Project Fund	2000
Sheriff's Civil Fund	2000
Corp of Engineers Fund	1999
Federal Grant Fund	2000
Health Center	1999
Juvenile Officer DYS Grant Fund	2000
Circuit Clerk Interest	2000
Associate Circuit Clerk Interest	2000
Law Library	2000 and 1999

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

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

However, the County's published financial statements did not include the following funds:

Fund	Years Ended December 31
Juvenile Officer DYS Grant Fund	2000 and 1999
Circuit Clerk Interest Fund	2000 and 1999
Associate Circuit Clerk Interest Fund	2000 and 1999
Law Library Fund	2000 and 1999
Health Center	2000

2. Cash

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

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

The financial statements do not include the cash balances of the Ex Officio County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the Ex Officio County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

To protect the safety of County deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

The health center Board of Trustees' deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collaterals held by the safekeeping department of an affiliate of the same bank holding company.

Of the County's bank balance at December 31, 2000, \$2,462,795 was covered by federal depository insurance or by collateral securities held by the County's custodial bank in the County's name, \$100,000 was covered by collateral pledged by one bank and held in the County's name by an affiliate of the same bank holding company.

Of the County's bank balance at December 31, 1999, \$3,152,553 was covered by federal depository insurance or by collateral securities held by the County's custodial bank in the County's name, \$100,000 was covered by collateral pledged by one bank and held in the County's name by an affiliate of the same bank holding company.

Supplementary Schedule

HENRY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
U.S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
10.557	Department of Health- Special Supplemental Nutrition Program for Women, Infants and Children	ER0045-0141	\$ 37,354	\$ 45,758
U.S. DEPARTMENT OF DEFENSE				
Passed through state:				
12.112	Office of Administration- Payments to States in Lieu of Real Estate Taxes	N/A	29,426	40,599
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
14.231	Department of Social Services- Emergency Shelter Grants Program	ERO1640337	2,799	11,801
14.231	Emergency Shelter Grants Program	ERO1640299	0	5,347
			<u>\$ 2,799</u>	<u>\$ 17,148</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Program:				
16.710	Public Safety Partnership and Community Policing Grants	MO04200	\$ 5,466	\$ 31,136
Passed through state:				
16.554	Department of Public Safety- Criminal History	N/A	3,258	0
16.588	Violence Against Women Formula Grants	99-VAWA-0022	13,063	0
		99-VAWA-0030	0	17,904
16.592	Local Law Enforcement Block Grants Program	99-LBG-046	2,592	0
16.Unknown	Missouri Sheriff's Association- Domestic Cannabis Eradication/Suppression	N/A	1,100	700
U.S DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission- Highway Planning and Construction	BRO-042	7,484	342,522
20.600	State and Community Highway Safety	01-UDL-03-4	1,384	0
20.703	Emergency Management Agency- Hazardous Material Emergency Preparedness	N/A	2,058	0
GENERAL SERVICES ADMINISTRATION				
Passed through state:				
39.003	Office of Administration- Donation of Federal Surplus Personal Property	N/A	0	550

HENRY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2000	1999
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state:				
83.534	Department of Public Safety- Emergency Management-State and Local Assistance	SLA-PL81-920/L	4,844	4,521
CORP OF ENGINEERS				
Direct Program:				
Unknown	Unknown	DACW41-97-H-0003	17,571	19,275
U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
93.268	Department of Health - Immunization Grant - Vaccines	N/A	37,047	29,633
Passed through state:				
Department of Health-				
93.197	Childhood Lead Poisoning Prevention Projects	ERS146-1141	2,639	0
93.268	Immunization Grant	N/A	0	722
93.575	Childcare Development Block Grant	PGA067-0141	3,190	1,898
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS046-0141	111	0
93.991	Preventive Health and Health Services Block Grant Vaccines	N/A	441	353
93.994	Maternal and Child Health Services Block Grant Family Planning	ERS146-0141	17,619	7,208
	Dental Sealant	N/A	15,331	3,245
	Vaccines	ERS046-0141	60	210
		N/A	2,205	1,764
			<u>\$ 35,215</u>	<u>\$ 12,427</u>
93.563	Department of Social Services- Child Support Enforcement	N/A	\$ 81,365	\$ 74,060
93.667	Social Services Block Grant	ERO172059	10,767	25,219
		ERO172060	13,516	34,480
		ERO172061	8,235	14,575
		ERO172122	40,033	95,498
			<u>\$ 72,551</u>	<u>\$ 169,772</u>
Total Expenditures of Federal Awards			<u>\$ 360,958</u>	<u>\$ 808,978</u>

N/A - Not Applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

HENRY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

Summary of Significant Accounting Policies

A. Purpose of Schedule of Reporting Entity

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

The Schedule includes all federal financial awards administered by Henry County, Missouri.

B. Basis of Presentation

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

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

“Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.” Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

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

Amounts for the Donation of Federal Surplus Property Program (CFDA Number 39.003) represents the estimated fair market value of property at the time of receipt. Additionally, amounts for the Immunization Grant (CFDA Number 93.268) of \$722 represent the estimated value of vaccines.

FEDERAL AWARDS – SINGLE AUDIT SECTION

Independent Auditor's Report

McBRIDE, LOCK & ASSOCIATES

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

To the State Auditor of Missouri,
and the County Commission of
Henry County, Missouri

Compliance

We have audited the compliance of Henry 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 each of the years ended December 31, 2000 and 1999. The County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Henry County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for each of the years ended December 31, 2000 and 1999.

Internal Control Over Compliance

The management of Henry County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the State Auditor of Missouri; management of Henry County, Missouri; Federal awarding agencies and pass-through entities; and other applicable government officials, 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

May 14, 2001

Schedule

HENRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2000 AND 1999

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditors' report issued: Unqualified
2. Internal control over financial reporting:
- Material weakness(es) identified: Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes None reported
3. Noncompliance material to financial statements noted? Yes No

Federal Awards

4. Internal control over major programs:
- Material weakness(es) identified: Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes None reported
5. Type of auditors' report issued on Compliance for major programs? Unqualified
6. Any findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes No
7. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning & Construction
93.667	Social Services Block Grant

HENRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2000 AND 1999

8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings:

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

Section III – Federal Award Findings and Questioned Costs:

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

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

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

The prior report issued for the two years ended December 31, 1998 included no audit findings that ***Government Auditing Standards*** requires to be reported for an audit of financial statements.

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

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

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

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

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

SECTION ON OTHER MATTERS

HENRY COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Henry County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 14, 2001. We also have audited the compliance of Henry 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, 2000 and 1999, and have issued our report thereon dated May 14, 2001.

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

This Letter on Other Matters represents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Henry County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the County should consider these matters and take appropriate corrective action.

This Letter on Other Matters is intended for the information of the State Auditor of Missouri, management of Henry County, Missouri, and other applicable government officials, and is not intended to be and should not be used by anyone other than these specified parties.

1. County Sales Tax

The County has not sufficiently reduced its property tax revenues by 50 percent of the sales tax revenues as provided in the ballot issue passed by the Henry County voters under provisions of Section 67.505, RSMo 2000.

Following are calculations used in determining excess property tax revenues collected for the two years ended December 31, 2000:

	Year Ended December 31,	
	2000	1999
Actual sales tax revenues	\$ 1,043,274	\$ 943,049
Required percentage of revenue reduction	x 50%	x 50%
Required property tax revenue reduction	\$ 521,637	\$ 471,525
Assessed valuation	\$ 218,002,022	\$ 212,377,884
General Revenue Fund tax levy reduction (per \$100 of assessed valuation)	x 0.2318%	x 0.23%
Actual property tax revenue reduction	\$ 505,239	\$ 488,469
Excess property tax revenues collected	\$ 16,308	\$ (16,944)
Excess property tax revenue collections from prior years	92,788	109,732
Excess at December 31,	\$ 109,096	\$ 92,788

Although the County Commission rolled the General Revenue Fund tax levy back to \$.00 for the 1993, 1994, 1995, 1996, and 1997 tax years, the amount of property tax revenue reduction was less than the required 50 percent of the actual sales tax revenues. As of December 31, 1999, the County was still required to reduce property taxes by \$92,788. However, the County did not consider this cumulative liability when establishing the 2000 General Revenue Fund levy. The County Clerk indicated he considered only the 1999 required and actual property tax reductions when determining the General Revenue Fund levy allowed for 2000. As a result, the County Commission set the 2000 General Revenue Fund tax levy at \$.02. The County Commission should have left the General Revenue Fund tax levy at \$.00 until property taxes had been reduced as required by statute.

The County Commission needs to continue reducing its tax levies to offset the \$100,000 accumulation of excess property taxes over a reasonable period of time.

Recommendation:

The County Commission should reduce the County property tax levy adequately to meet the sales tax reduction requirements, including reductions for excess property taxes collected in prior years.

Auditee's Response:

Henry County questions the audit findings that excess property tax revenue collections from years 1982, 1983, 1984, 1985 and 1986 should still be required to be paid back. We also question the auditor's definition of a reasonable period of time. These excessive

tax revenues were levied over 19 years ago and since that time the county has made an effort to pay back these monies by levying a zero levy for 1987, 1988, 1989, 1990, 1991, 1993, 1994, 1995, 1996, 1997. The tax monies in question were levied within the first three years after the passage of the county sales tax. As stated in the previous audit, we consider the past 16 years to be more than a reasonable amount of time.

Auditor’s Comment:

Although the County Commission significantly reduced the property tax levy for several years, as of December 31, 2000, the county was still required to reduce property tax revenue by \$109,096. The County Commission should levy a \$.00 property tax levy for 2001. This should significantly reduce the amount of required property tax reduction.

2. Budgetary Practices and Published Financial Statements

Our review of the County Budgets and published financial statements revealed the following concerns:

- A. Disbursements were made in excess of approved budgeted amounts for the following funds during the two years ended December 31, 2000 as follows:

Fund	Year Ended December 31,	
	2000	1999
Assessment	\$ 1,930	\$ N/A
Central Emergency Communication	N/A	14,175
Law Enforcement Training	N/A	2,906
Prosecuting Attorney Training	N/A	193
Prosecuting Attorney Bad Check	11,239	N/A
Tri-County Child Support	7,333	N/A
Victims of Domestic Violence	N/A	4,507
Sheriff’s Special Project	11,160	N/A
Sheriff’s Civil	6,779	N/A
Corps of Engineers	N/A	793
Federal Grant	2,564	N/A
Health Center	N/A	9,993
Juvenile Officer DYS Grant	1,631	N/A
Circuit Clerk Interest	762	N/A
Associate Circuit Clerk Interest	108	N/A
Law Library	2,948	3,791

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954) that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget

amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor’s office. In addition, Section 50.622, RSMo Cum. Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- B. Formal budgets were not prepared and filed with the State Auditor’s office for some County funds for the years ended December 31, 2000 and 1999. These funds are used for specific purposes and are held by various County officials outside the County Treasurer’s control. No documentation was available to indicate the County Commission obtained financial information regarding these funds prior to preparing the County’s consolidated budget.

Chapter 50, RSMo 2000, requires preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing and obtaining budgets for all County funds and activities, the County Commission is able to more efficiently evaluate all County financial resources.

- C. The annual published financial statements of the County did not include the financial activity of some County funds as required. Sections 50.800 and 50.810, RSMo 2000, provide that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county’s financial activities, all monies received and disbursed by the county should be included.
- D. The County has been significantly overestimating the amounts budgeted for Road and Bridge Fund expenditures for several years as follows:

Year Ended December 31,	Expenditures		Difference
	Actual	Budget	
2000	\$ 1,187,336	\$ 2,766,540	\$ 1,579,204
1999	1,244,068	1,490,837	246,769
1998	950,290	1,435,717	485,427
1997	740,155	1,376,080	635,925
1996	1,240,604	1,696,150	455,546
1995	695,115	1,400,027	704,912

As the chart indicates, during the last six years, actual expenditures have been only 43 to 83 percent of budgeted expenditures, so it is apparent the County could have prepared a more reasonable estimate of Road and Bridge Fund expenditures, or amended the budget in consideration of changing circumstances.

In addition, as noted in the prior report, \$105,000 was due from the General Revenue Fund to the Special Road and Bridge Fund at December 31, 1996 for excess administrative transfers. This amount was not repaid and at December 31, 2000, a balance of \$136,000 is due from the General Revenue Fund to the Special Road and Bridge Fund.

Conditions similar to A-D were noted in the prior report.

Recommendation:

The County Commission:

- A. And the Health Center Board of Trustees should not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office.
- B. Ensure that budgets are prepared or obtained for all County funds in accordance with state law.
- C. And the Health Center Board of Trustees ensure financial information for all County funds is properly reported in the annual published financial statements.
- D. Base administrative transfers on actual or reasonable budgeted expenditures of the Special Road and Bridge Fund. In addition, a transfer of \$136,000 should be made from the General Revenue Fund to the Special Road and Bridge Fund.

Auditee's Response:

County Commission:

- A. Every effort will be made to authorize only those expenses budgeted within each department and in the case of extenuating circumstances the procedure required for amending the budget will be followed.
- B. This has been implemented as of the 2001 budget.
- C. N/A from the County Commission.
- D. This audit finding was taken into consideration when the 2001 budget was prepared.

Health Center:

- A. The Health Center will more closely watch the expenditures by continuing the practices put in place in 2000 that resulted in no excess expenditures.
- C. The new Administrator was unaware of the need to public in 2000. However, it will be done in future years and the requirement will be passed to any new staff.

Auditor's Comment:

The above actions should alleviate future concerns.

3. General Fixed Assets

Our review of the County's general fixed asset records and procedures indicated the following areas in which improvements are needed:

- A. General fixed asset items are not numbered, tagged or otherwise identified as County property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the County.
- B. An annual inventory of all general fixed assets is not conducted. During the audit period, each officeholder was asked to prepare a listing of general fixed assets. However, there was no documentation that personnel in the County Clerk's Office reviewed or verified the listings prepared by the officeholders. The listings prepared appeared to be primarily for insurance purposes and included computer equipment, vehicles, and road and bridge equipment. The County Clerk does not reconcile general fixed asset purchases to additions to the general fixed asset inventory, and thus there is no assurance the listings are complete.

Adequate general fixed asset records and procedures are necessary to meet statutory requirements, secure better internal controls over County property, and provide a basis for determining proper insurance coverage of County property. Annual inventories of County property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

Similar conditions were noted in the prior report. However, it should be noted that the County has obtained software to assist in maintenance of the fixed asset inventory.

Recommendation:

The County Clerk:

- A. Ensure all fixed asset items are properly numbered, tagged, or otherwise identified as County property.
- B. Perform and document annual inventories of County-owned property and update the fixed asset records for unrecorded property additions and dispositions.

Auditee's Response:

A&B: This inventory problem has been addressed in Henry County with the acquisition of a new computer inventory program. As of last Friday, all departments of Henry County have been issued worksheets and inventory numbers and shall report their offices property within the month.

Auditor's Comment:

We expect the use of the inventory program will alleviate this concern in future audits.

4. Health Center Financial Controls

- A. Review of the cash disbursement cycle revealed that the authorized check signers compare checks to a listing of disbursements rather than the actual invoices. Also, once authorized, the disbursement checks are returned to the preparer for mailing.
- B. Tests of reconciliation controls revealed the savings account reconciliation did not agree with the general ledger at December 31, 2000. The circumstance was partly caused by the account being reconciled to the general ledger balance as of the day the bank statement was received rather than at month end. However, incorrect and untimely postings to the general ledger also contributed.

Recommendation:

- A. To strengthen controls, we recommend the authorized check signers review the actual invoices supporting the disbursement to ensure they are proper expenses. We also recommend the authorized disbursement checks not be returned to the preparer after signature. They should be mailed by an employee who does not have access to the general ledger.
- B. We recommend the savings account be reconciled to the general ledger end of month balance to ensure a clean month-end accounting as well as the timely correction of incorrect general ledger postings.

Auditee's Response:

- A. The Health Center Board of Trustees is now reviewing invoices prior to signing via voucher/invoice envelopes. After signing the checks are given to the Administrator and Office Manager for stamping and mailing.
- B. The Administrator has requested the bank send the statement at the end of the month for reconciliation. This practice is now in place.

Auditor's Comment:

The Health Center's actions are expected to alleviate these concerns on future audits.

HENRY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Henry County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit issued for the three years ended December 31, 1998. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the County should consider implementing these recommendations:

1. County Sales Tax

The County has not sufficiently reduced its property tax revenues by 50% as provided in the ballot issue passed by the Henry County voters under the provisions of Section 67.505, RSMo 1994.

Recommendation:

The County Commission reduce the County property tax levy adequately to meet the sales tax reduction requirements, including reductions for excess property taxes collected in prior years.

Status:

No change. See Letter on Other Matters No. 1.

2. Budgetary Practices and Published Financial Statements

- A. Warrants were issued in excess of approved budgeted expenditures.
- B. Formal budgets were not prepared for various County funds for the years ended December 31, 1998 and 1997.
- C. The annual published financial statements of the County did not include the financial activity of some County funds as required.
- D. At December 31, 1998, \$136,000 in excess administrative transfers was due from the General Revenue Fund to the Special Road and Bridge Fund.

Recommendation:

The County Commission:

- A. And the Health Center not authorize warrants in excess of budgeted expenditures.
- B. Ensure budgets are prepared or obtained for all County funds.
- C. Ensure financial information for all County funds is properly reported in the annual published financial statements.
- D. Base administrative transfers on actual or reasonable budgeted expenditures of the Special Road and Bridge Fund. In addition, a transfer of \$136,000 should be made from the General Revenue Fund to the Special Road and Bridge Fund.

Status:

A, B, C & D. Not implemented. See Letter on Other Matters No. 2.

3. County Expenditures

- A. Bids were not always solicited and bid documentation was not always retained.
- B. The County's policy for meal reimbursements was not being followed.
- C. IRS Forms 1099-MISC were not issued for services rendered by two special prosecutors.

Recommendation:

- A. The County solicit bids and retain appropriate supporting documentation.
- B. The County ensure the policy is followed and supporting documentation is retained.
- C. IRS Forms 1099-MISC be issued as appropriate.

Status:

A, B and C. Implemented.

4. Collateral Securities

The amount of collateral securities pledged by the County's depository banks in December 1998 and 1997 were insufficient by approximately \$228,000 and \$24,000, respectively.

Recommendation:

The County Treasurer and Ex Officio Collector should ensure collateral securities pledged by the depository banks are sufficient at all times.

Status:

Implemented.

5. General Fixed Assets

- A. Some fixed asset items were not numbered, tagged, or otherwise identified and the source of acquisition by fund was not recorded in the fixed asset records for any of the fixed assets.
- B. No documentation existed that an annual inventory of general fixed assets had been performed and the general fixed asset records had not been updated to reflect additions and dispositions of assets which occurred during 1997 and 1998.

Recommendation:

The County Clerk:

- A. Ensure all fixed asset items are properly numbered, tagged, or otherwise identified and ensure the source of acquisition by fund is recorded in the fixed asset records.
- B. Perform and document inventories of County-owned property and update the fixed asset records for unrecorded property additions and dispositions.

Status:

A & B. Not implemented. See Letter on Other Matters No. 3.