



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Bates County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Bates County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, appearing to read "Claire C. McCaskill".

Claire C. McCaskill  
State Auditor

Report No. 2002-62  
August 30, 2002

BATES COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2001 AND 2000

BATES COUNTY, MISSOURI

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## FINANCIAL SECTION

## Independent Auditor's Reports

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McBRIDE LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. 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 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Bates 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 Bates 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 Bates 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, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 9, 2002, 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.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

McBride, Lock & Associates

May 9, 2002

McBRIDE, LOOK & ASSOCIATES

INDEPENDENT AUDITOR'S 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  
and  
County Commission of  
Bates County, Missouri

We have audited the special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Bates County, Missouri, are free of material misstatement, we performed tests of the county's 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 a certain immaterial instance 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 Bates 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.

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

Original Signed by Auditor

McBride, Lock & Associates

May 9, 2002

## Financial Statements

BATES COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 428,617	\$ 715,749	\$ 746,609	\$ 397,757
Special Road and Bridge	408,762	1,552,843	1,509,698	451,907
Assessment	14,283	151,356	153,569	12,070
Law Enforcement Training	21,587	13,217	16,457	18,347
Prosecuting Attorney Training	5,176	1,776	1,888	5,064
Law Enforcement Sales Tax	133,514	688,565	684,576	137,503
Recorder's User Fees	2,894	9,009	7,307	4,596
Sheriff's Civil Fees	2,068	11,020	10,000	3,088
Families in Crisis	500	1,465	1,311	654
Drug Abuse Resistance and Education	700	2,315	2,000	1,015
Local Emergency Planning Commission	4,852	8,487	6,386	6,953
Health Center	332,048	422,291	284,967	469,372
Election Services Fund	3,040	2,851	419	5,472
Prosecuting Attorney Delinquent Sales Tax	1,263	1,610	2,750	123
Prosecuting Attorney Bad Check	7,884	12,272	14,637	5,519
Sheriff's Federal Forfeiture	1,277	0	0	1,277
Recorder Technology Fund	0	2,243	0	2,243
Prosecuting Attorney's Federal Forfeiture	3,319	9	0	3,328
Law Library	2,347	6,037	8,374	10
Associate Circuit Division Interest	16,640	671	0	17,311
Circuit Clerk Interest	3,627	312	1,165	2,774
Senate Bill 40	85,165	148,524	84,747	148,942
CDBG	3	188,630	188,623	10
Total	<u>\$ 1,479,566</u>	<u>\$ 3,941,252</u>	<u>\$ 3,725,483</u>	<u>\$ 1,695,335</u>

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

BATES COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 328,435	\$ 715,765	\$ 615,583	\$ 428,617
Special Road and Bridge	485,752	1,349,386	1,426,376	408,762
Assessment	9,527	166,518	161,762	14,283
Law Enforcement Training	16,508	12,321	7,242	21,587
Prosecuting Attorney Training	5,097	1,973	1,894	5,176
Law Enforcement Sales Tax	49,265	732,269	648,020	133,514
Recorder's User Fees	12,353	8,402	17,861	2,894
Sheriff's Civil Fees	4,647	8,921	11,500	2,068
Families in Crisis	90	1,255	845	500
Drug Abuse Resistance and Education	0	5,583	4,883	700
Local Emergency Planning Commission	8,065	0	3,213	4,852
Health Center	271,616	380,330	319,898	332,048
Election Services Fund	0	3,097	57	3,040
Prosecuting Attorney Delinquent Sales Tax	3,642	621	3,000	1,263
Prosecuting Attorney Bad Check	7,406	15,672	15,194	7,884
Sheriff's Federal Forfeiture	1,277	0	0	1,277
Prosecuting Attorney's Federal Forfeiture	3,302	17	0	3,319
Sheriff's Vest Donation	263	0	263	0
Law Library	2,931	6,281	6,865	2,347
Associate Circuit Division Interest	14,874	1,766	0	16,640
Circuit Clerk Interest	3,996	1,943	2,312	3,627
Senate Bill 40	26,122	114,446	55,403	85,165
CDBG	0	13,029	13,026	3
Total	<u>\$ 1,255,168</u>	<u>\$ 3,539,595</u>	<u>\$ 3,315,197</u>	<u>\$ 1,479,566</u>

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

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>TOTALS - VARIOUS FUNDS</u></b>						
RECEIPTS	\$ 3,532,292	\$ 3,730,451	\$ 198,159	\$ 3,196,105	\$ 3,382,723	\$ 186,618
DISBURSEMENTS	4,028,201	3,511,099	517,102	3,549,573	3,219,077	330,496
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (495,909)	\$ 219,352	\$ 715,261	\$ (353,468)	\$ 163,646	\$ 517,114
CASH, JANUARY 1	1,463,473	1,463,473	0	1,191,355	1,191,355	0
CASH, DECEMBER 31	\$ 967,564	\$ 1,682,825	\$ 715,261	\$ 837,887	\$ 1,355,001	\$ 517,114
<b><u>GENERAL REVENUE FUND</u></b>						
RECEIPTS						
Property taxes	\$ 371,700	\$ 400,669	\$ 28,969	\$ 368,000	\$ 369,439	\$ 1,439
Intergovernmental	24,350	14,962	(9,388)	25,700	23,499	(2,201)
Charges for services	212,200	214,168	1,968	201,100	215,259	14,159
Interest	30,150	28,457	(1,693)	14,200	30,358	16,158
Other	15,750	17,493	1,743	45,700	52,210	6,510
Transfers in	40,000	40,000	0	26,000	25,000	(1,000)
Total Receipts	\$ 694,150	\$ 715,749	\$ 21,599	\$ 680,700	\$ 715,765	\$ 35,065
DISBURSEMENTS						
County Commission	\$ 87,100	\$ 86,558	\$ 542	\$ 87,110	\$ 85,932	\$ 1,178
County Clerk	66,250	67,585	(1,335)	63,742	67,853	(4,111)
Elections	22,575	18,355	4,220	29,750	39,715	(9,965)
Buildings and grounds	327,250	255,909	71,341	299,275	77,694	221,581
Employee fringe benefits	70,800	55,115	15,685	61,300	61,072	228
Ex Officio Collector	70,312	64,725	5,587	64,331	61,808	2,523
Recorder of Deeds	70,359	70,565	(206)	67,154	64,366	2,788
Circuit Clerk	9,500	8,485	1,015	8,350	6,504	1,846
Associate Circuit Court	15,200	6,901	8,299	14,950	5,820	9,130
Court administration	18,000	13,755	4,245	16,902	7,097	9,805
Public Administrator	23,450	23,404	46	53,175	48,866	4,309
Public health and welfare services	2,000	2,000	0	1,750	1,750	0
Other	83,150	73,252	9,898	86,443	72,106	14,337
Transfers out	15,000	0	15,000	15,000	15,000	0
Emergency Fund	21,000	0	21,000	16,000	0	16,000
Total Disbursements	\$ 901,946	\$ 746,609	\$ 155,337	\$ 885,232	\$ 615,583	\$ 269,649
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (207,796)	\$ (30,860)	\$ 176,936	\$ (204,532)	\$ 100,182	\$ 304,714
CASH, JANUARY 1	428,617	428,617	0	328,435	328,435	0
CASH, DECEMBER 31	\$ 220,821	\$ 397,757	\$ 176,936	\$ 123,903	\$ 428,617	\$ 304,714

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

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	\$ 43,716	\$ 43,935	\$ 219	\$ 40,000	\$ 42,275	\$ 2,275
Intergovernmental	1,427,000	1,467,958	40,958	1,260,000	1,220,307	(39,693)
Charges for services	30,000	19,980	(10,020)	50,000	24,777	(25,223)
Interest	25,000	19,981	(5,019)	16,000	26,719	10,719
Other	3,000	989	(2,011)	1,000	35,308	34,308
<b>Total Receipts</b>	<b>\$ 1,528,716</b>	<b>\$ 1,552,843</b>	<b>\$ 24,127</b>	<b>\$ 1,367,000</b>	<b>\$ 1,349,386</b>	<b>\$ (17,614)</b>
<b>DISBURSEMENTS</b>						
Salaries	\$ 179,600	\$ 176,739	\$ 2,861	\$ 176,437	\$ 161,918	\$ 14,519
Employee fringe benefits	56,000	61,248	(5,248)	53,700	49,589	4,111
Supplies	8,600	5,973	2,627	10,100	4,418	5,682
Insurance	13,700	13,807	(107)	13,500	12,501	999
Equipment purchases and maintenance	241,300	235,510	5,790	161,500	150,473	11,027
Construction, repair, and maintenance	1,100,000	824,724	275,276	875,000	906,410	(31,410)
Distributions to road districts	150,000	150,000	0	150,000	114,150	35,850
Other	2,950	1,697	1,253	3,300	1,917	1,383
Transfers out	40,000	40,000	0	25,000	25,000	0
<b>Total Disbursements</b>	<b>\$ 1,792,150</b>	<b>\$ 1,509,698</b>	<b>\$ 282,452</b>	<b>\$ 1,468,537</b>	<b>\$ 1,426,376</b>	<b>\$ 42,161</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (263,434)</b>	<b>\$ 43,145</b>	<b>\$ 306,579</b>	<b>\$ (101,537)</b>	<b>\$ (76,990)</b>	<b>\$ 24,547</b>
<b>CASH, JANUARY 1</b>	<b>408,762</b>	<b>408,762</b>	<b>0</b>	<b>485,752</b>	<b>485,752</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 145,328</b>	<b>\$ 451,907</b>	<b>\$ 306,579</b>	<b>\$ 384,215</b>	<b>\$ 408,762</b>	<b>\$ 24,547</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	\$ 145,000	\$ 146,526	\$ 1,526	\$ 138,000	\$ 142,540	\$ 4,540
Charges for services	1,950	1,666	(284)	2,400	1,945	(455)
Interest	1,950	1,909	(41)	1,300	1,996	696
Other	1,575	1,255	(320)	1,600	5,037	3,437
Transfers in	15,000	0	(15,000)	15,000	15,000	0
<b>Total Receipts</b>	<b>\$ 165,475</b>	<b>\$ 151,356</b>	<b>\$ (14,119)</b>	<b>\$ 158,300</b>	<b>\$ 166,518</b>	<b>\$ 8,218</b>
<b>DISBURSEMENTS</b>						
Assessor	\$ 162,150	\$ 153,569	\$ 8,581	\$ 164,100	\$ 161,762	\$ 2,338
<b>Total Disbursements</b>	<b>\$ 162,150</b>	<b>\$ 153,569</b>	<b>\$ 8,581</b>	<b>\$ 164,100</b>	<b>\$ 161,762</b>	<b>\$ 2,338</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ 3,325</b>	<b>\$ (2,213)</b>	<b>\$ (5,538)</b>	<b>\$ (5,800)</b>	<b>\$ 4,756</b>	<b>\$ 10,556</b>
<b>CASH, JANUARY 1</b>	<b>14,283</b>	<b>14,283</b>	<b>0</b>	<b>9,527</b>	<b>9,527</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 17,608</b>	<b>\$ 12,070</b>	<b>\$ (5,538)</b>	<b>\$ 3,727</b>	<b>\$ 14,283</b>	<b>\$ 10,556</b>

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

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 3,500	\$ 3,540	\$ 40	\$ 3,000	\$ 3,389	\$ 389
Charges for services	8,000	6,938	(1,062)	6,000	7,878	1,878
Interest	1,100	659	(441)	650	1,054	404
Other	150	2,080	1,930	150	0	(150)
Total Receipts	\$ 12,750	\$ 13,217	\$ 467	\$ 9,800	\$ 12,321	\$ 2,521
DISBURSEMENTS						
Sheriff	\$ 9,750	\$ 16,457	\$ (6,707)	\$ 12,750	\$ 7,242	\$ 5,508
Total Disbursements	\$ 9,750	\$ 16,457	\$ (6,707)	\$ 12,750	\$ 7,242	\$ 5,508
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,000	\$ (3,240)	\$ (6,240)	\$ (2,950)	\$ 5,079	\$ 8,029
CASH, JANUARY 1	21,587	21,587	0	16,508	16,508	0
CASH, DECEMBER 31	\$ 24,587	\$ 18,347	\$ (6,240)	\$ 13,558	\$ 21,587	\$ 8,029
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 2,000	\$ 1,776	\$ (224)	\$ 1,500	\$ 1,973	\$ 473
Total Receipts	\$ 2,000	\$ 1,776	\$ (224)	\$ 1,500	\$ 1,973	\$ 473
DISBURSEMENTS						
Prosecuting Attorney	\$ 2,750	\$ 1,888	\$ 862	\$ 6,400	\$ 1,894	\$ 4,506
Total Disbursements	\$ 2,750	\$ 1,888	\$ 862	\$ 6,400	\$ 1,894	\$ 4,506
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (750)	\$ (112)	\$ 638	\$ (4,900)	\$ 79	\$ 4,979
CASH, JANUARY 1	5,176	5,176	0	5,097	5,097	0
CASH, DECEMBER 31	\$ 4,426	\$ 5,064	\$ 638	\$ 197	\$ 5,176	\$ 4,979
<b><u>LAW ENFORCEMENT SALES TAX FUND</u></b>						
RECEIPTS						
Sales taxes	\$ 520,000	\$ 514,930	\$ (5,070)	\$ 482,000	\$ 520,885	\$ 38,885
Intergovernmental	119,500	116,399	(3,101)	94,559	143,327	48,768
Charges for services	31,500	35,073	3,573	35,900	31,169	(4,731)
Interest	7,500	5,586	(1,914)	1,200	6,900	5,700
Other	7,000	11,827	4,827	7,400	22,105	14,705
Transfers in	7,000	4,750	(2,250)	11,500	7,883	(3,617)
Total Receipts	\$ 692,500	\$ 688,565	\$ (3,935)	\$ 632,559	\$ 732,269	\$ 99,710
DISBURSEMENTS						
Sheriff	\$ 308,150	\$ 291,395	\$ 16,755	\$ 277,757	\$ 272,576	\$ 5,181
Jail	134,950	133,553	1,397	127,130	119,707	7,423
Prosecuting Attorney	123,400	110,742	12,658	110,400	106,595	3,805
Juvenile Officer	68,885	46,247	22,638	70,576	45,757	24,819
County Coroner	17,115	14,304	2,811	10,475	9,045	1,430
Fringe Benefits	85,400	84,025	1,375	78,200	80,086	(1,886)
Other	6,000	4,310	1,690	6,000	14,254	(8,254)
Total Disbursements	\$ 743,900	\$ 684,576	\$ 59,324	\$ 680,538	\$ 648,020	\$ 32,518
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (51,400)	\$ 3,989	\$ 55,389	\$ (47,979)	\$ 84,249	\$ 132,228
CASH, JANUARY 1	133,514	133,514	0	49,265	49,265	0
CASH, DECEMBER 31	\$ 82,114	\$ 137,503	\$ 55,389	\$ 1,286	\$ 133,514	\$ 132,228

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

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>RECORDER'S USER FEES FUND</u></b>						
RECEIPTS						
Charges for services	\$ 7,725	\$ 8,963	\$ 1,238	\$ 8,700	\$ 8,021	\$ (679)
Interest	385	46	(339)	350	381	31
Total Receipts	\$ 8,110	\$ 9,009	\$ 899	\$ 9,050	\$ 8,402	\$ (648)
DISBURSEMENTS						
Recorder	\$ 9,700	\$ 7,307	\$ 2,393	\$ 19,320	\$ 17,861	\$ 1,459
Total Disbursements	\$ 9,700	\$ 7,307	\$ 2,393	\$ 19,320	\$ 17,861	\$ 1,459
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,590)	\$ 1,702	\$ 3,292	\$ (10,270)	\$ (9,459)	\$ 811
CASH, JANUARY 1	2,894	2,894	0	12,353	12,353	0
CASH, DECEMBER 31	\$ 1,304	\$ 4,596	\$ 3,292	\$ 2,083	\$ 2,894	\$ 811
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 8,600	\$ 11,020	\$ 2,420	\$ 7,500	\$ 8,597	\$ 1,097
Interest	0	0	0	500	324	(176)
Total Receipts	\$ 8,600	\$ 11,020	\$ 2,420	\$ 8,000	\$ 8,921	\$ 921
DISBURSEMENTS						
Sheriff	\$ 10,000	\$ 10,000	\$ 0	\$ 11,500	\$ 11,500	\$ 0
Total Disbursements	\$ 10,000	\$ 10,000	\$ 0	\$ 11,500	\$ 11,500	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,400)	\$ 1,020	\$ 2,420	\$ (3,500)	\$ (2,579)	\$ 921
CASH, JANUARY 1	2,068	2,068	0	4,647	4,647	0
CASH, DECEMBER 31	\$ 668	\$ 3,088	\$ 2,420	\$ 1,147	\$ 2,068	\$ 921
<b><u>FAMILIES IN CRISIS FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 1,250	\$ 1,465	\$ 215	\$ 1,300	\$ 1,255	\$ (45)
Total Receipts	\$ 1,250	\$ 1,465	\$ 215	\$ 1,300	\$ 1,255	\$ (45)
DISBURSEMENTS						
Other	\$ 1,750	\$ 1,311	\$ 439	\$ 1,300	\$ 845	\$ 455
Total Disbursements	\$ 1,750	\$ 1,311	\$ 439	\$ 1,300	\$ 845	\$ 455
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ 154	\$ 654	\$ 0	\$ 410	\$ 410
CASH, JANUARY 1	500	500	0	90	90	0
CASH, DECEMBER 31	\$ 0	\$ 654	\$ 654	\$ 90	\$ 500	\$ 410

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

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

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DRUG ABUSE RESISTANCE AND EDUCATION FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 5,000	\$ 2,315	\$ (2,685)	\$ 8,500	\$ 5,583	\$ (2,917)
Total Receipts	\$ 5,000	\$ 2,315	\$ (2,685)	\$ 8,500	\$ 5,583	\$ (2,917)
DISBURSEMENTS						
Transfers out	\$ 5,000	\$ 2,000	\$ 3,000	\$ 8,500	\$ 4,883	\$ 3,617
Total Disbursements	\$ 5,000	\$ 2,000	\$ 3,000	\$ 8,500	\$ 4,883	\$ 3,617
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 315	\$ 315	\$ 0	\$ 700	\$ 700
CASH, JANUARY 1	700	700	0	0	0	0
CASH, DECEMBER 31	\$ 700	\$ 1,015	\$ 315	\$ 0	\$ 700	\$ 700
<b><u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 2,000	\$ 8,487	\$ 6,487	\$ 3,000	\$ 0	\$ (3,000)
Total Receipts	\$ 2,000	\$ 8,487	\$ 6,487	\$ 3,000	\$ 0	\$ (3,000)
DISBURSEMENTS						
Other	\$ 3,000	\$ 6,386	\$ (3,386)	\$ 8,000	\$ 3,213	\$ 4,787
Total Disbursements	\$ 3,000	\$ 6,386	\$ (3,386)	\$ 8,000	\$ 3,213	\$ 4,787
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	\$ 2,101	\$ 3,101	\$ (5,000)	\$ (3,213)	\$ 1,787
CASH, JANUARY 1	4,852	4,852	0	8,065	8,065	0
CASH, DECEMBER 31	\$ 3,852	\$ 6,953	\$ 3,101	\$ 3,065	\$ 4,852	\$ 1,787
<b><u>HEALTH CENTER FUND</u></b>						
RECEIPTS						
Property taxes	\$ 110,000	\$ 118,813	\$ 8,813	\$ 114,000	\$ 115,558	\$ 1,558
Intergovernmental	174,820	171,610	(3,210)	168,896	223,035	54,139
Charges for services	15,270	6,234	(9,036)	13,000	1,909	(11,091)
Interest	15,000	17,969	2,969	12,000	11,484	(516)
Other	6,700	107,665	100,965	8,500	28,344	19,844
Total Receipts	\$ 321,790	\$ 422,291	\$ 100,501	\$ 316,396	\$ 380,330	\$ 63,934
DISBURSEMENTS						
Salaries and benefits	\$ 214,902	\$ 204,202	\$ 10,700	\$ 222,491	\$ 240,463	\$ (17,972)
Supplies and equipment	20,950	33,564	(12,614)	16,135	16,922	(787)
Miles and training	3,750	5,191	(1,441)	4,000	2,929	1,071
Contract personnel	11,000	11,245	(245)	10,400	10,050	350
Rent and utilities	13,080	5,903	7,177	13,940	6,929	7,011
Repairs and maintenance	13,608	14,273	(665)	3,500	12,850	(9,350)
Other	11,500	10,589	911	12,930	29,755	(16,825)
Total Disbursements	\$ 288,790	\$ 284,967	\$ 3,823	\$ 283,396	\$ 319,898	\$ (36,502)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 33,000	\$ 137,324	\$ 104,324	\$ 33,000	\$ 60,432	\$ 27,432
CASH, JANUARY 1	332,048	332,048	0	271,616	271,616	0
CASH, DECEMBER 31	\$ 365,048	\$ 469,372	\$ 104,324	\$ 304,616	\$ 332,048	\$ 27,432

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

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

	Year Ended December 31,		
	2001		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>ELECTION SERVICES FUND</u></b>			
RECEIPTS			
Intergovernmental	\$ 1,500	\$ 2,851	\$ 1,351
Total Receipts	\$ 1,500	\$ 2,851	\$ 1,351
DISBURSEMENTS			
Other	\$ 2,000	\$ 419	\$ 1,581
Total Disbursements	\$ 2,000	\$ 419	\$ 1,581
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ 2,432	\$ 2,932
CASH, JANUARY 1	3,040	3,040	0
CASH, DECEMBER 31	\$ 2,540	\$ 5,472	\$ 2,932
<b><u>SENATE BILL 40</u></b>			
RECEIPTS			
Property Tax	\$ 88,451	\$ 148,524	\$ 60,073
Total Receipts	\$ 88,451	\$ 148,524	\$ 60,073
DISBURSEMENTS			
Building and Operations	\$ 85,000	\$ 84,747	\$ 253
Total Disbursements	\$ 85,000	\$ 84,747	\$ 253
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,451	\$ 63,777	\$ 60,326
CASH, JANUARY 1	85,165	85,165	0
CASH, DECEMBER 31	\$ 88,616	\$ 148,942	\$ 60,326
<b><u>ASSOCIATE CIRCUIT DIVISION INTEREST</u></b>			
RECEIPTS			
Interest Income	\$ 0	\$ 671	\$ 671
Total Receipts	\$ 0	\$ 671	\$ 671
DISBURSEMENTS			
Equipment	\$ 8,372	\$ 0	\$ 8,372
Total Disbursements	\$ 8,372	\$ 0	\$ 8,372
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,372)	\$ 671	\$ 9,043
CASH, JANUARY 1	16,640	16,640	0
CASH, DECEMBER 31	\$ 8,268	\$ 17,311	\$ 9,043

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

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

	Year Ended December 31,		
	2001		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>CIRCUIT CLERK INTEREST</u></b>			
RECEIPTS			
Interest Income	\$ 0	\$ 312	\$ 312
Total Receipts	<u>\$ 0</u>	<u>\$ 312</u>	<u>\$ 312</u>
DISBURSEMENTS			
Equipment and supplies	\$ 1,943	\$ 1,165	\$ 778
Total Disbursements	<u>\$ 1,943</u>	<u>\$ 1,165</u>	<u>\$ 778</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,943)	\$ (853)	\$ 1,090
CASH, JANUARY 1	<u>3,627</u>	<u>3,627</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 1,684</u></u>	<u><u>\$ 2,774</u></u>	<u><u>\$ 1,090</u></u>

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

## Notes to the Financial Statements

BATES 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 Bates 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 county official, the Health Center Board of Trustees or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, 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 Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 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:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Delinquent Sales Tax	2001, 2000
Prosecuting Attorney Bad Check	2001, 2000
Sheriff's Federal Forfeiture	2001, 2000
Recorder Technology	2001
Law Library	2001, 2000
Associate Circuit Interest	2000
Circuit Clerk Interest	2000
Senate Bill 40 Board	2000
Prosecuting Attorney's Federal Forfeiture	2001, 2000
CDBG	2001, 2000
Election Services	2000
Sheriff's Vest Donation	2000

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training	2001
Local Emergency Planning Commission	2001
Health Center	2000

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:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check	2001, 2000
Prosecuting Attorney Federal Forfeiture	2001, 2000
Sheriff's Vest Donation	2000
Law Library	2001, 2000
Associate Circuit Interest	2001, 2000
Circuit Clerk Interest	2001, 2000
Senate Bill 40 Board	2001, 2000
CDBG	2001, 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.

Cash includes both deposits and investments. 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 deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the County's custodial banks in the county's name.

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.

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial banks in the county's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed for the Senate Bill 40 Board at those times although not at year-end.

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.

## Supplementary Schedule

BATES 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, 2001	2000
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
	Department of Social Services -			
10.550	Food Distribution	N/A	\$ 20	\$ 0
	Department of Health -			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERO045-0106	0	65,345
		ERO045-1106	44,124	0
		ERO045-2106	7,830	0
	Program Total		<u>51,954</u>	<u>65,345</u>
10.559	Summer Food Service Program for Children	ERS-146	0	57
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
	Department of Economic Development-			
14.228	Community Development Block Grant	99-PF-23	188,623	13,019
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	98-UM-WK-2133	4,104	8,207
Passed through:				
	Missouri State Highway Patrol -			
16.554	Criminal History	95-RU-RX-K011	0	5,511
	State Department of Public Safety -			
16.592	Local Law Enforcement Block Grants Program	N/A	0	8,990
	Missouri Sheriffs' Association -			
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	574	1,165
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-007(9)	704	0
		BRO-007(10)	0	220,384
		BRO-007(11)	289,118	18,139
		BRO-007(12)	288,289	27,361
	Program Total		<u>578,111</u>	<u>265,884</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	20,760	16,126

BATES 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,	
			2001	2000
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
	Department of Health -			
93.268	Immunization Grants	N/A	35,976	38,681
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	1,055	953
	Department of Health -	PG0067-01065	0	3,450
93.575	Child Care and Development Block Grant	PGA0067-11065	3,854	0
	Department of Health -			
93.994	Maternal and Child Health Services	ERS146-0106M	0	20,541
	Block Grant to the States	ERS146-1106M	15,872	0
		C100015004	97	33
	Program Total		15,969	20,574
	Total Expenditures of Federal Awards		\$ 901,000	\$ 447,962

N/A - Not applicable

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

## Notes to the Supplementary Schedule

BATES COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

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

The schedule includes all federal awards administered by Bates County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions which govern the contents of this 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 Food Distribution Program (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services.

The direct program amount for Immunization Grants (CFDA number 93.268), \$5,148 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the year ended December 31, 2000. The remaining amounts for Immunization Grants to the States represent cash disbursements.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

## Independent Auditor's Report

SUITE 406  
1224 BALTIMORE AVE.  
KANSAS CITY, MO 64105  
TELEPHONE: (816) 221-4559  
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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

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

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

Compliance

We have audited the compliance of Bates 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, 2001 and 2000. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Bates 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, 2001 and 2000.

## Internal Control Over Compliance

The management of Bates County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with 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 the 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 relatively low level the risk that noncompliance with the 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 for the information of the management of Bates County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

May 9, 2002

## Schedule

BATES COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2001 AND 2000

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes  X  no

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes  X  no

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
14.228	Community Development Block Grant
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes        X   no

**Section II - Financial Statement Findings**

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

**Section III - Federal Award Findings and Questioned Costs**

This section includes 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*

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

The prior audit report issued for the two years ended December 31, 1999, 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

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

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

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

The prior audit report issued for the two years ended December 31, 1999, 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

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CERTIFIED PUBLIC ACCOUNTANTS

## MCBRIDE, LOCK & ASSOCIATES

### BATES COUNTY, MISSOURI LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 9, 2002. We also have audited the compliance of Bates 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, 2001 and 2000, and have issued our report thereon dated May 9, 2002.

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 scheduled audit of the county.

This Letter on Other Matters presents a matter other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. This matter resulted from our audit of the special-purpose financial statements of Bates County but does 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 this matter and take appropriate corrective action.

#### Bids Not Obtained

The Health Center did not obtain bids for the purchase of a copier that cost in excess of \$4,500 as required by RSMo Section 50.660.

#### Auditee Response:

The copier was purchased from a company with whom we have had good success and prompt repairs.

This Letter on Other Matters is intended for the information of the management of Bates County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

May 9, 2002