



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

To the County Commission  
and  
Officeholders of Livingston County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Livingston 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. 2002-72  
August 30, 2002

LIVINGSTON COUNTY, MISSOURI

AUDIT REPORT

TWO YEARS ENDED DECEMBER 31, 2001 AND 2000

LIVINGSTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <b>FINANCIAL SECTION</b> <hr/>	
Independent Auditor's Reports:	
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	1
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:	
	<u>Exhibit</u>
Statement of Receipts, Disbursements, and Changes in Cash - Various Funds	
Year Ended December 31, 2001	A-1
Year Ended December 31, 2000	A-2
Comparative Statement of Receipts, Disbursements, And Change in Cash – Budget and Actual – Various Funds, Years Ended December 31, 2001 and 2000	B
Notes to the Financial Statements	14
Supplementary Schedule:	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2001 and 2000	16
Notes to the Supplementary Schedule	17
<hr/> <b>FEDERAL AWARDS - SINGLE AUDIT SECTION</b> <hr/>	
Independent Auditor's Report Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	19

LIVINGSTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
Schedule of Findings and Questioned Costs, Years Ended December 31, 2001 and 2000	
Section I - Summary of Auditor's Results	21
Section II – Financial Statement Findings	22
Section III – Federal Award Findings and Questioned Costs	22
Follow-up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <b><i>Government Auditing Standards</i></b>	23
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133	24

## FINANCIAL SECTION

## Independent Auditor's Reports

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  
Livingston County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Livingston 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 Livingston 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 Livingston 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 Livingston 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 April 11, 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

April 11, 2002

## McBRIDE, LOCK & 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  
Livingston County, Missouri

We have audited the special-purpose financial statements of various funds of Livingston County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 11, 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 Livingston 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*.

### Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Livingston 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 Livingston 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

April 11, 2002

## Financial Statements

LIVINGSTON 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	\$ 277,742	\$ 1,535,685	\$ 1,591,031	\$ 222,396
Special Road and Bridge	244,522	1,151,789	1,166,793	229,518
Assessment	47	149,535	142,845	6,737
Law Enforcement Training	2,209	8,230	9,023	1,416
Prosecuting Attorney Training	947	2,371	1,145	2,173
Recorder's User Fees	5,601	7,432	4,897	8,136
Prosecuting Attorney Bad Check	18	14,253	14,221	50
Child Abuse	1,379	741	0	2,120
Local Emergency Planning	16,651	4,960	234	21,377
911	33,507	183,853	171,399	45,961
Health Center	213,223	615,588	574,720	254,091
Senate Bill 40 Board	62,234	150,455	142,455	70,234
School Resource Officer (SRO)	2,554	21,901	24,091	364
Planning and Zoning	46	2	0	48
Law Library	315	4,620	4,523	412
Circuit Division Interest	13,297	1,723	1,236	13,784
	<u>\$ 874,292</u>	<u>\$ 3,853,138</u>	<u>\$ 3,848,613</u>	<u>878,817</u>

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

LIVINGSTON 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	\$ 132,813	\$ 1,645,849	\$ 1,500,920	\$ 277,742
Special Road and Bridge	98,198	1,210,347	1,064,023	244,522
Assessment	41	133,533	133,527	47
Law Enforcement Training	1,737	8,272	7,800	2,209
Prosecuting Attorney Training	19	2,937	2,009	947
Recorder's User Fees	5,115	5,706	5,220	5,601
Prosecuting Attorney Bad Check	125	13,565	13,672	18
Child Abuse	599	780	0	1,379
Local Emergency Planning	13,237	3,449	35	16,651
911	46,162	168,789	181,444	33,507
Health Center	291,829	498,971	577,577	213,223
Senate Bill 40 Board	60,208	143,740	141,714	62,234
School Resource Officer (SRO)	15,570	45,461	58,477	2,554
Planning and Zoning	42	1,514	1,510	46
Law Library	285	4,430	4,400	315
Circuit Division Interest	14,185	2,551	3,439	13,297
Soybean Processing Study	0	9,000	9,000	0
	<u>\$ 680,165</u>	<u>\$ 3,898,894</u>	<u>\$ 3,704,767</u>	<u>874,292</u>

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

LIVINGSTON 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>						
REVENUES	\$ 4,038,709	\$ 3,853,138	\$ (185,571)	\$ 4,373,531	\$ 3,898,894	\$ (474,637)
DISBURSEMENTS	4,551,536	3,848,613	702,923	4,698,257	3,704,767	993,490
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (512,827)	\$ 4,525	\$ 517,352	\$ (324,726)	\$ 194,127	\$ 518,853
CASH, JANUARY 1	855,534	874,292	18,758	675,608	680,165	4,557
CASH, DECEMBER 31	\$ 342,707	\$ 878,817	\$ 536,110	\$ 350,882	\$ 874,292	\$ 523,410
<b><u>GENERAL REVENUE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	\$ 6,000	\$ 16,003	\$ 10,003	\$ 5,600	\$ 6,569	\$ 969
Sales taxes	843,000	818,850	(24,150)	780,000	817,952	37,952
Intergovernmental	399,088	285,930	(113,158)	430,243	416,855	(13,388)
Charges for services	204,600	235,300	30,700	210,791	210,007	(784)
Interest	12,000	17,059	5,059	8,000	12,677	4,677
Other	134,770	162,543	27,773	134,800	155,541	20,741
Transfers in	0	0	0	7,500	26,248	18,748
Total Receipts	\$ 1,599,458	\$ 1,535,685	\$ (63,773)	\$ 1,576,934	\$ 1,645,849	\$ 68,915
<b>DISBURSEMENTS</b>						
County Commission	\$ 60,688	\$ 67,422	\$ (6,734)	\$ 55,088	\$ 54,440	\$ 648
County Clerk	73,794	74,307	(513)	73,702	70,666	3,036
Elections	29,186	31,062	(1,876)	69,305	71,879	(2,574)
Buildings and grounds	171,810	86,388	85,422	93,770	92,164	1,606
Employee fringe benefits	241,690	103,403	138,287	228,060	218,441	9,619
County Treasurer and Ex Officio County Collector	58,564	62,606	(4,042)	53,021	52,957	64
Ex Officio Recorder of Deeds	38,858	40,150	(1,292)	36,200	35,232	968
Circuit Clerk	16,000	22,115	(6,115)	17,325	15,283	2,042
Associate Circuit Court	15,549	10,414	5,135	12,939	11,799	1,140
Probate Court	4,749	3,027	1,722	6,300	4,878	1,422
Court administration	21,100	0	21,100	41,000	0	41,000
Public Administrator	40,600	48,423	(7,823)	30,600	28,660	1,940
Sheriff	269,253	281,652	(12,399)	288,906	282,106	6,800
Jail	399,205	379,770	19,435	392,654	350,710	41,944
Prosecuting Attorney	75,188	79,533	(4,345)	74,883	73,152	1,731
Juvenile Officer	69,967	40,728	29,239	71,778	38,079	33,699
County Coroner	20,642	21,714	(1,072)	12,038	16,236	(4,198)
Other	133,755	231,653	(97,898)	75,830	70,098	5,732
Court Reporter	0	824	(824)	0	183	(183)
Public health and welfare services	3,100	2,825	275	2,500	1,580	920
Transfers out	8,239	0	8,239	26,373	11,170	15,203
Emergency Fund	75,000	3,015	71,985	47,308	1,207	46,101
Total Disbursements	\$ 1,826,937	\$ 1,591,031	\$ 235,906	\$ 1,709,580	\$ 1,500,920	\$ 208,660
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (227,479)	\$ (55,346)	\$ 172,133	\$ (132,646)	\$ 144,929	\$ 277,575
CASH, JANUARY 1	277,742	277,742	0	132,813	132,813	0
CASH, DECEMBER 31	\$ 50,263	\$ 222,396	\$ 172,133	\$ 167	\$ 277,742	\$ 277,575

LIVINGSTON 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	\$ 65,000	\$ 66,707	\$ 1,707	\$ 65,000	\$ 65,722	\$ 722
Intergovernmental	1,137,240	1,065,704	(71,536)	1,578,835	1,133,858	(444,977)
Interest	9,000	12,938	3,938	5,000	10,121	5,121
Other	500	6,440	5,940	950	646	(304)
<b>Total Receipts</b>	<b>\$ 1,211,740</b>	<b>\$ 1,151,789</b>	<b>\$ (59,951)</b>	<b>\$ 1,649,785</b>	<b>\$ 1,210,347</b>	<b>\$ (439,438)</b>
<b>DISBURSEMENTS</b>						
Salaries	\$ 85,744	\$ 85,743	\$ 1	\$ 81,561	\$ 81,561	\$ 0
Employee fringe benefits	19,500	17,449	2,051	18,567	17,694	873
Supplies	13,150	7,461	5,689	9,700	10,194	(494)
Insurance	7,000	3,447	3,553	6,000	5,325	675
Road and bridge materials	118,500	122,730	(4,230)	118,500	54,861	63,639
Equipment repairs	10,000	10,972	(972)	8,000	8,879	(879)
Rentals	21,000	12,128	8,872	21,000	7,884	13,116
Equipment purchases	10,000	1,217	8,783	31,000	41,170	(10,170)
Construction, repair, and maintenance	1,109,600	897,582	212,018	1,442,992	831,291	611,701
Other	27,400	8,064	19,336	10,400	5,164	5,236
<b>Total Disbursements</b>	<b>\$ 1,421,894</b>	<b>\$ 1,166,793</b>	<b>\$ 255,101</b>	<b>\$ 1,747,720</b>	<b>\$ 1,064,023</b>	<b>\$ 683,697</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (210,154)</b>	<b>\$ (15,004)</b>	<b>\$ 195,150</b>	<b>\$ (97,935)</b>	<b>\$ 146,324</b>	<b>\$ 244,259</b>
<b>CASH, JANUARY 1</b>	<b>244,522</b>	<b>244,522</b>	<b>0</b>	<b>98,198</b>	<b>98,198</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 34,368</b>	<b>\$ 229,518</b>	<b>\$ 195,150</b>	<b>\$ 263</b>	<b>\$ 244,522</b>	<b>\$ 244,259</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	\$ 134,000	\$ 148,580	\$ 14,580	\$ 112,414	\$ 125,812	\$ 13,398
Charges for services	1,000	0	(1,000)	500	0	(500)
Interest	500	955	455	1,000	551	(449)
Transfers in	8,239	0	(8,239)	26,373	7,170	(19,203)
<b>Total Receipts</b>	<b>\$ 143,739</b>	<b>\$ 149,535</b>	<b>\$ 5,796</b>	<b>\$ 140,287</b>	<b>\$ 133,533</b>	<b>\$ (6,754)</b>
<b>DISBURSEMENTS</b>						
Assessor	\$ 143,786	\$ 142,845	\$ 941	\$ 140,328	\$ 133,527	\$ 6,801
<b>Total Disbursements</b>	<b>\$ 143,786</b>	<b>\$ 142,845</b>	<b>\$ 941</b>	<b>\$ 140,328</b>	<b>\$ 133,527</b>	<b>\$ 6,801</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (47)</b>	<b>\$ 6,690</b>	<b>\$ 6,737</b>	<b>\$ (41)</b>	<b>\$ 6</b>	<b>\$ 47</b>
<b>CASH, JANUARY 1</b>	<b>47</b>	<b>47</b>	<b>0</b>	<b>41</b>	<b>41</b>	<b>0</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 0</b>	<b>\$ 6,737</b>	<b>\$ 6,737</b>	<b>\$ 0</b>	<b>\$ 47</b>	<b>\$ 47</b>

LIVINGSTON 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						
Charges for services	\$ 5,600	\$ 4,654	\$ (946)	\$ 5,000	\$ 5,234	\$ 234
Interest	50	66	16	50	641	591
Other	2,000	3,510	1,510	3,000	2,397	(603)
Total Receipts	\$ 7,650	\$ 8,230	\$ 580	\$ 8,050	\$ 8,272	\$ 222
DISBURSEMENTS						
Sheriff	\$ 9,787	\$ 9,023	\$ 764	\$ 9,787	\$ 7,800	\$ 1,987
Total Disbursements	\$ 9,787	\$ 9,023	\$ 764	\$ 9,787	\$ 7,800	\$ 1,987
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,137)	\$ (793)	\$ 1,344	\$ (1,737)	\$ 472	\$ 2,209
CASH, JANUARY 1	2,209	2,209	0	1,737	1,737	0
CASH, DECEMBER 31	\$ 72	\$ 1,416	\$ 1,344	\$ 0	\$ 2,209	\$ 2,209
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 2,500	\$ 2,334	\$ (166)	\$ 2,500	\$ 2,628	\$ 128
Interest	20	37	17	10	309	299
Total Receipts	\$ 2,520	\$ 2,371	\$ (149)	\$ 2,510	\$ 2,937	\$ 427
DISBURSEMENTS						
Prosecuting Attorney	\$ 3,467	\$ 1,145	\$ 2,322	\$ 2,529	\$ 2,009	\$ 520
Total Disbursements	\$ 3,467	\$ 1,145	\$ 2,322	\$ 2,529	\$ 2,009	\$ 520
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (947)	\$ 1,226	\$ 2,173	\$ (19)	\$ 928	\$ 947
CASH, JANUARY 1	947	947	0	19	19	0
CASH, DECEMBER 31	\$ 0	\$ 2,173	\$ 2,173	\$ 0	\$ 947	\$ 947
<b><u>RECORDER'S USER FEES FUND</u></b>						
RECEIPTS						
Charges for services	\$ 5,500	\$ 7,232	\$ 1,732	\$ 6,000	\$ 5,465	\$ (535)
Interest	250	200	(50)	275	241	(34)
Total Receipts	\$ 5,750	\$ 7,432	\$ 1,682	\$ 6,275	\$ 5,706	\$ (569)
DISBURSEMENTS						
Ex Officio Recorder of Deeds	\$ 9,000	\$ 4,897	\$ 4,103	\$ 5,000	\$ 5,220	\$ (220)
Total Disbursements	\$ 9,000	\$ 4,897	\$ 4,103	\$ 5,000	\$ 5,220	\$ (220)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,250)	\$ 2,535	\$ 5,785	\$ 1,275	\$ 486	\$ (789)
CASH, JANUARY 1	5,601	5,601	0	5,115	5,115	0
CASH, DECEMBER 31	\$ 2,351	\$ 8,136	\$ 5,785	\$ 6,390	\$ 5,601	\$ (789)

LIVINGSTON 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>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	\$ 13,000	\$ 14,243	\$ 1,243	\$ 12,500	\$ 13,286	\$ 786
Interest	25	10	(15)	20	29	9
Transfers in	1,235	0	(1,235)	1,120	250	(870)
Total Receipts	\$ 14,260	\$ 14,253	\$ (7)	\$ 13,640	\$ 13,565	\$ (75)
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	\$ 14,278	\$ 14,221	\$ 57	\$ 13,757	\$ 13,672	\$ 85
Total Disbursements	\$ 14,278	\$ 14,221	\$ 57	\$ 13,757	\$ 13,672	\$ 85
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18)	\$ 32	\$ 50	\$ (117)	\$ (107)	\$ 10
CASH, JANUARY 1	18	18	0	125	125	0
CASH, DECEMBER 31	\$ 0	\$ 50	\$ 50	\$ 8	\$ 18	\$ 10
<b><u>CHILD ABUSE FUND</u></b>						
<b>RECEIPTS</b>						
Charges for services	\$ 1,000	\$ 695	\$ (305)	\$ 675	\$ 745	\$ 70
Interest	40	46	6	20	35	15
Total Receipts	\$ 1,040	\$ 741	\$ (299)	\$ 695	\$ 780	\$ 85
<b>DISBURSEMENTS</b>						
Green Hills Women's Shelter	\$ 2,419	\$ 0	\$ 2,419	\$ 1,294	\$ 0	\$ 1,294
Total Disbursements	\$ 2,419	\$ 0	\$ 2,419	\$ 1,294	\$ 0	\$ 1,294
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,379)	\$ 741	\$ 2,120	\$ (599)	\$ 780	\$ 1,379
CASH, JANUARY 1	1,379	1,379	0	599	599	0
CASH, DECEMBER 31	\$ 0	\$ 2,120	\$ 2,120	\$ 0	\$ 1,379	\$ 1,379
<b><u>LOCAL EMERGENCY PLANNING FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental (Other)	\$ 0	\$ 4,418	\$ 4,418	\$ 0	\$ 2,984	\$ 2,984
Interest	400	542	142	400	465	65
Total Receipts	\$ 400	\$ 4,960	\$ 4,560	\$ 400	\$ 3,449	\$ 3,049
<b>DISBURSEMENTS</b>						
Emergency planning	\$ 17,051	\$ 234	\$ 16,817	\$ 13,000	\$ 35	\$ 12,965
Total Disbursements	\$ 17,051	\$ 234	\$ 16,817	\$ 13,000	\$ 35	\$ 12,965
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,651)	\$ 4,726	\$ 21,377	\$ (12,600)	\$ 3,414	\$ 16,014
CASH, JANUARY 1	16,651	16,651	0	13,237	13,237	0
CASH, DECEMBER 31	\$ 0	\$ 21,377	\$ 21,377	\$ 637	\$ 16,651	\$ 16,014

LIVINGSTON 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>911 FUND</b>						
<b>RECEIPTS</b>						
Charges for services	\$ 165,721	\$ 182,859	\$ 17,138	\$ 163,910	\$ 167,754	\$ 3,844
Interest	1,000	994	(6)	2,000	1,035	(965)
Total Receipts	\$ 166,721	\$ 183,853	\$ 17,132	\$ 165,910	\$ 168,789	\$ 2,879
<b>DISBURSEMENTS</b>						
Salaries	\$ 94,060	\$ 69,337	\$ 24,723	\$ 94,456	\$ 76,042	\$ 18,414
Employee fringe benefits	15,508	12,357	3,151	11,958	12,520	(562)
Office expenditures	500	7,738	(7,238)	2,500	4,205	(1,705)
Equipment purchases	0	0	0	7,200	8,660	(1,460)
Equipment repairs	5,100	6,598	(1,498)	4,500	8,019	(3,519)
Contracted services	0	17,053	(17,053)	4,000	0	4,000
Mileage and training	4,900	0	4,900	2,000	669	1,331
Telephone network charge	76,640	58,316	18,324	77,520	71,329	6,191
Total Disbursements	\$ 196,708	\$ 171,399	\$ 25,309	\$ 204,134	\$ 181,444	\$ 22,690
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (29,987)	\$ 12,454	\$ 42,441	\$ (38,224)	\$ (12,655)	\$ 25,569
CASH, JANUARY 1	33,507	33,507	0	46,162	46,162	0
CASH, DECEMBER 31	\$ 3,520	\$ 45,961	\$ 42,441	\$ 7,938	\$ 33,507	\$ 25,569
<b>HEALTH CENTER FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 309,651	\$ 311,320	\$ 1,669	\$ 292,948	\$ 290,927	\$ (2,021)
Intergovernmental	199,883	213,592	13,709	226,844	168,901	(57,943)
Charges for services	59,942	68,180	8,238	46,000	20,550	(25,450)
Interest	15,000	16,695	1,695	15,000	15,952	952
Other	0	5,801	5,801	0	2,641	2,641
Total Receipts	\$ 584,476	\$ 615,588	\$ 31,112	\$ 580,792	\$ 498,971	\$ (81,821)
<b>DISBURSEMENTS</b>						
Salaries	\$ 465,610	\$ 450,598	\$ 15,012	\$ 462,374	\$ 449,490	\$ 12,884
Office expenditures	46,840	40,590	6,250	46,040	45,975	65
Equipment	6,000	3,117	2,883	8,000	6,476	1,524
Mileage and training	7,500	9,379	(1,879)	9,000	7,132	1,868
Insurance	36,750	37,715	(965)	35,950	33,751	2,199
Community health	31,981	29,321	2,660	27,800	25,640	2,160
Other	15,000	4,000	11,000	10,000	9,113	887
Total Disbursements	\$ 609,681	\$ 574,720	\$ 34,961	\$ 599,164	\$ 577,577	\$ 21,587
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (25,205)	\$ 40,868	\$ 66,073	\$ (18,372)	\$ (78,606)	\$ (60,234)
CASH, JANUARY 1	213,223	213,223	0	286,172	291,829	5,657
CASH, DECEMBER 31	\$ 188,018	\$ 254,091	\$ 66,073	\$ 267,800	\$ 213,223	\$ (54,577)
<b>SENATE BILL 40 BOARD FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 122,000	\$ 125,272	\$ 3,272	\$ 115,000	\$ 121,018	\$ 6,018
Intergovernmental	18,100	19,382	1,282	17,600	18,210	610
Interest	3,000	4,997	1,997	3,000	3,681	681
Other	1,000	804	(196)	1,000	831	(169)
Total Receipts	\$ 144,100	\$ 150,455	\$ 6,355	\$ 136,600	\$ 143,740	\$ 7,140
<b>DISBURSEMENTS</b>						
Salaries	\$ 35,631	\$ 35,631	\$ 0	\$ 35,631	\$ 35,631	\$ 0
Employee fringe benefits	2,900	4,146	(1,246)	2,900	2,835	65
Office expenditures	12,928	12,776	152	10,760	12,050	(1,290)
Purchase of services	101,732	89,692	12,040	105,071	91,198	13,873
Capital outlay	0	210	(210)	0	0	0
Total Disbursements	\$ 153,191	\$ 142,455	\$ 10,736	\$ 154,362	\$ 141,714	\$ 12,648
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,091)	\$ 8,000	\$ 17,091	\$ (17,762)	\$ 2,026	\$ 19,788
CASH, JANUARY 1	43,225	62,234	19,009	60,987	60,208	(779)
CASH, DECEMBER 31	\$ 34,134	\$ 70,234	\$ 36,100	\$ 43,225	\$ 62,234	\$ 19,009

LIVINGSTON 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>SRO FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 61,855	\$ 21,901	\$ (39,954)	\$ 67,353	\$ 45,461	\$ (21,892)
Charges for services	0	0	0	0	0	0
Total Receipts	\$ 61,855	\$ 21,901	\$ (39,954)	\$ 67,353	\$ 45,461	\$ (21,892)
DISBURSEMENTS						
Salaries	\$ 28,417	\$ 20,942	\$ 7,475	\$ 27,167	\$ 26,912	\$ 255
Employee fringe benefits	6,920	3,149	3,771	6,950	6,565	385
Transfers out	0	0	0	25,000	25,000	0
Total Disbursements	\$ 35,337	\$ 24,091	\$ 11,246	\$ 59,117	\$ 58,477	\$ 640
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 26,518	\$ (2,190)	\$ (28,708)	\$ 8,236	\$ (13,016)	\$ (21,252)
CASH, JANUARY 1	2,554	2,554	0	15,570	15,570	0
CASH, DECEMBER 31	\$ 29,072	\$ 364	\$ (28,708)	\$ 23,806	\$ 2,554	\$ (21,252)
<b><u>PLANNING AND ZONING FUND</u></b>						
RECEIPTS						
Interest	\$ 0	\$ 2	\$ 2	\$ 0	\$ 7	\$ 7
Processing Fees	11,000	0	(11,000)	11,000	1,507	(9,493)
Total Receipts	\$ 11,000	\$ 2	\$ (10,998)	\$ 11,000	\$ 1,514	\$ (9,486)
DISBURSEMENTS						
Conditional use permit refunds and cost	\$ 10,000	\$ 0	\$ 10,000	\$ 10,000	\$ 1,510	\$ 8,490
Re-zoning costs	1,000	0	1,000	1,000	0	1,000
Total Disbursements	\$ 11,000	\$ 0	\$ 11,000	\$ 11,000	\$ 1,510	\$ 9,490
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 2	\$ 2	\$ 0	\$ 4	\$ 4
CASH, JANUARY 1	46	46	0	42	42	0
CASH, DECEMBER 31	\$ 46	\$ 48	\$ 2	\$ 42	\$ 46	\$ 4
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 2,000	\$ 4,620	\$ 2,620	\$ 2,000	\$ 4,430	\$ 2,430
Total Receipts	\$ 2,000	\$ 4,620	\$ 2,620	\$ 2,000	\$ 4,430	\$ 2,430
DISBURSEMENTS						
Office expenditures	\$ 2,000	\$ 4,523	\$ (2,523)	\$ 2,000	\$ 4,400	\$ (2,400)
Total Disbursements	\$ 2,000	\$ 4,523	\$ (2,523)	\$ 2,000	\$ 4,400	\$ (2,400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 97	\$ 97	\$ 0	\$ 30	\$ 30
CASH, JANUARY 1	566	315	(251)	606	285	(321)
CASH, DECEMBER 31	\$ 566	\$ 412	\$ (154)	\$ 606	\$ 315	\$ (291)

LIVINGSTON 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>CIRCUIT CLERK INTEREST FUND</u></b>						
RECEIPTS						
Interest	\$ 2,000	\$ 1,723	\$ (277)	\$ 2,300	\$ 2,551	\$ 251
Total Receipts	\$ 2,000	\$ 1,723	\$ (277)	\$ 2,300	\$ 2,551	\$ 251
DISBURSEMENTS						
Office expenditures	\$ 15,000	\$ 1,236	\$ 13,764	\$ 16,485	\$ 3,439	\$ 13,046
Total Disbursements	\$ 15,000	\$ 1,236	\$ 13,764	\$ 16,485	\$ 3,439	\$ 13,046
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (13,000)	\$ 487	\$ 13,487	\$ (14,185)	\$ (888)	\$ 13,297
CASH, JANUARY 1	13,297	13,297	0	14,185	14,185	0
CASH, DECEMBER 31	\$ 297	\$ 13,784	\$ 13,487	\$ 0	\$ 13,297	\$ 13,297
<b><u>SOYBEAN PROCESSING STUDY GRANT</u></b>						
RECEIPTS						
Grant	\$ 80,000	\$ 0	\$ (80,000)	\$ 9,000	\$ 9,000	\$ 0
Total Receipts	\$ 80,000	\$ 0	\$ (80,000)	\$ 9,000	\$ 9,000	\$ 0
DISBURSEMENTS						
Other	\$ 80,000	\$ 0	\$ 80,000	\$ 9,000	\$ 9,000	\$ 0
Total Disbursements	\$ 80,000	\$ 0	\$ 80,000	\$ 9,000	\$ 9,000	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

## Notes to the Financial Statements

LIVINGSTON 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 Livingston 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, 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 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorder's User Fees Fund	2000
Law Library Fund	2001, 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.

The county's published financial statements for the years ended December 31, 2001 and 2000, included all funds presented in the accompanying financial statements.

#### 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 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 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.

#### Deposits

The county's, Health Center Board and Senate Bill 40's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the County's, Health Center Board, or Senate Bill 40's respective custodial bank in the county's, Health Center Board or Senate Bill 40 Board's name, respectively.

## Supplementary Schedule

LIVINGSTON 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 Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-9159	\$ 43,115	\$ 36,436
U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION				
Direct program -				
11.303	Economic Development - Technical Assistance	N/A	0	9,000
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	97-UM-WX-0010	21,901	27,828
16.575	Crime Victim Assistance	ER13001046	36,621	3,006
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,535	1,186
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-059(10)	21,078	0
		BRO-059(12)	33	249,412
		BRO-059(13)	402,305	19,950
		BRO-059(14)	52,066	208,821
Program Total			475,482	478,183
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.268	Immunization Grants	Vaccines	47,835	28,862
Department of Social Services -				
93.563	Child Support Enforcement	N/A	1,574	2,377
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-01596	1,817	1,735
		PGA067-01595	2,075	1,875
Program Total			3,892	3,610
93.994	Maternal and Child Health Services	ER0146-0159	16,426	19,394
		ERS46-1159M	3,922	0
		Vaccines	5,382	1,718
Program Total			25,730	21,112
93.991	Preventative Health and Health Services Block Grant	Vaccines	0	344
Total Expenditures of Federal Awards			\$ 657,685	\$ 611,944

N/A - Not applicable

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

## Notes to the Supplementary Schedule

LIVINGSTON 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 Livingston County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions when government 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.

The program amounts for Immunization Grants (CFDA number 93.268), \$47,835 and \$28,862 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 years ended December 31, 2001 and 2000. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$5,382 and \$1,718 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2001 and 2000. The Preventive Health and Health Services Block Grant (CFDA number 93.991) also represent the original acquisition cost of \$ 344 during the year ended December 31, 2000. The remaining amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2001 and 2000.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

## Independent Auditor's Report

McBRIDE, LOOK & 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  
Livingston County, Missouri

Compliance

We have audited the compliance of Livingston 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 its major federal program for the years ended December 31, 2001 and 2000. The county's major federal program is 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 its major federal program 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, Livingston County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2001 and 2000.

## Internal Control Over Compliance

The management of Livingston 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.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the county's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Livingston 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

April 11, 2002

## Schedule

LIVINGSTON COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 INCLUDING MANagements 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 program:

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

Reportable condition identified that is not considered to be a material weakness?  X  yes    \_\_\_\_\_ none reported

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

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

Identification of major program:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
20.205	Highway Planning & 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 the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

### 01-1 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-through Entity	
Identifying Numbers:	BRO-059
Award Years:	2000 and 2001
Questioned Costs:	Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

The county prepared a SEFA for each of the two years ended December 31, 2001. However, the information presented by the County Clerk for some of the programs did not agree with the counties expenditure records. In addition, one program reported did not represent federal assistance monies and in another instance two federal programs were not reported on the county's SEFA. As a result, the county overreported expenditures on their SEFA Schedule by approximately \$27,000 for 2000, but underreported expenditures by \$41,000 in 2001.

Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

WE RECOMMEND the county clerk prepare a complete and accurate schedule of expenditures of federal awards.

### AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

A continued effort will be made to obtain the appropriate federal grant information from other county departments. I will also attempt to verify the figures submitted by other county departments with the appropriate state agencies in order to prepare an accurate schedule of expenditures of federal awards to be included with the county's 2003 budget.

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

LIVINGSTON 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

LIVINGSTON 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, 1999 included one audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of Federal awards.

Finding 99-1 – Schedule of Expenditure of Federal Awards

Federal Grantor:	U.S. Department of Agriculture
Pass-through Grantor:	Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants, and Children
Pass-through Entity	
Identifying Numbers:	ER0045-9159
Award Years:	1999 and 1998
Questioned Costs:	Not Applicable
Federal Grantor:	Federal Emergency Management Agency
Pass-through Grantor:	Department of Public Safety
Federal CFDA Number:	83.544
Program Title:	Emergency Management-Public Assistance Grants
Pass-through Entity	
Identifying Numbers:	FEMA-1253-DR-MO
Award Years:	1999 and 1998
Questioned Costs:	Not Applicable

The County prepared a SEFA for each of the two years ended December 31, 1999. However, the information presented by the County Clerk for most of the programs did not agree with the county's expenditure records. In addition, one program reported did not represent federal assistance monies. As a result, the county over reported expenditures on their SEFA schedule by approximately \$97,000 for 1999 and \$28,000 for 1998.

Status:

Not fully implemented. The 2000 year SEFA differs from actual federal assistance expenditures by \$27,000. The 2001 SEFA differs from actual federal assistance expenditures by \$ 41,000.