



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Audrain County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Audrain County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

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

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-115

INDEPENDENT AUDITORS' REPORT

AUDRAIN COUNTY, MISSOURI

**FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**

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**CASEY-BEARD-BOEHMER PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI**

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INDEPENDENT AUDITORS' REPORT

CASEY-BEARD-BOEHMER PC



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August 3, 2010

INDEPENDENT AUDITORS' REPORT

To the County Commission, County Hospital Board,
Emergency 911 Board, and Officeholders
of Audrain County, Missouri

We have audited the accompanying financial statements of Audrain County, Missouri, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Audrain County, Missouri's, management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the fifth paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Audrain County, Missouri, as of December 31, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, Audrain County, Missouri, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Audrain County, Missouri, has not included the Emergency 911 Fund in the county's financial statements because budgets and other financial information could not be located or made available for the audit. Accounting practices permitted by the Missouri State Auditor's Office

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require the Emergency 911 Fund to be presented within the financial statements of the county. The amount by which this departure would affect the total receipts, disbursements, and ending cash balances of the financial statements of the county is material but not readily determinable.

In addition, in our opinion, because of the omission of the Emergency 911 Fund, as discussed above in the fifth paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting as prescribed by the Missouri State Auditor's Office, the cash position of the Emergency 911 Fund of Audrain County, Missouri, as of December 31, 2009 and 2008, and the changes in its cash position thereof for the years then ended.

Audrain County, Missouri, has included a material adjustment to balance cash in the General Revenue Fund receipts in 2009. The amount by which this adjustment would affect the receipts, disbursements, and ending cash balances of the General Revenue Fund or other funds for the year ended December 31, 2009 and 2008, is material to the fund but not readily determinable.

Further, in our opinion, except for the effects on the financial statements of the material adjustment discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Audrain County, Missouri, as of December 31, 2009 and 2008, and comparisons of such information with the corresponding budgeted information for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2010 on our consideration of Audrain County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Audrain County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission and other applicable boards, others within the organization, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

FINANCIAL SECTION

AUDRAIN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

Fund	Cash			Cash			Cash
	January 1, 2008	Receipts	Disbursements	December 31, 2008	Receipts	Disbursements	December 31, 2009
General Revenue	\$ 1,044,344	3,141,878	3,361,326	824,896	3,380,247	2,863,402	1,341,741
Special Road and Bridge	1,100,852	2,038,240	2,193,983	945,109	2,119,578	2,121,451	943,236
Assessment	203,811	325,636	311,428	218,019	352,952	319,506	251,465
Bridge Trust	1,778,580	1,260,095	1,088,912	1,949,763	1,065,894	800,852	2,214,805
Law Enforcement Sales Tax	2,438	2,058,873	2,055,103	6,208	2,072,524	2,077,846	886
Sheriff's Civil Fees	5,151	65,146	62,456	7,841	71,912	62,245	17,508
Law Enforcement Bond	1,127,740	607,185	414,700	1,320,225	7,455	425,341	902,339
Law Enforcement Training	1,550	4,554	5,652	452	3,889	3,202	1,139
Prosecuting Attorney Training	152	785	685	252	997	-	1,249
Prosecuting Attorney Administrative	(140)	16,138	12,614	3,384	12,025	7,807	7,602
Election Services	9,682	11,893	5,366	16,209	7,338	6,572	16,975
Recorder User Fee	248	8,531	7,985	794	8,117	7,512	1,399
Recorder Technology	452	5,794	5,464	782	5,639	5,721	700
Collector's Tax Maintenance	7,812	22,849	20,000	10,661	24,495	26,109	9,047
Local Emergency Planning Commission	30,576	9,981	5,057	35,500	13,332	9,063	39,769
Victims of Domestic Violence	7,633	4,672	-	12,305	1,355	5,642	8,018
Sheriff's Revolving	4,668	5,440	7,581	2,527	9,160	6,748	4,939
Prosecuting Attorney Delinquent Tax	1,241	4,979	2,870	3,350	2,894	2,064	4,180
Inmate Security	990	3,060	-	4,050	3,776	5,056	2,770
Circuit Clerk Interest	18,239	4,729	171	22,797	1,148	1,679	22,266
Juvenile Assessment	2,672	1,689	-	4,361	969	-	5,330
Children's Emergency	2,394	745	1,085	2,054	273	1,492	835
Law Library	6,710	18,233	17,665	7,278	17,668	17,745	7,201
Circuit Clerk Passport	23,748	11,720	5,024	30,444	8,275	9,133	29,586
County Hospital Board Tax	145,465	536,363	600,000	81,828	600,897	600,000	82,725
County Hospital Board - Rothwell Trust	178,569	7,819	-	186,388	14,018	20,000	180,406
Cemeteries (all except Laddonia)	101,358	8,756	7,606	102,508	10,793	13,073	100,228
Federal forfeiture	13,644	7,976	2,405	19,215	26,269	5,750	39,734
Elections	2,507	112,445	113,611	1,341	35,623	37,241	(277)
Totals	\$ 5,823,086	10,306,204	10,308,749	5,820,541	9,879,512	9,462,252	6,237,801

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	General Revenue Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 644,500	696,845	52,345	\$ 602,500	608,794	6,294
Sales taxes	1,054,000	1,110,997	56,997	1,200,000	1,171,498	(28,502)
Intergovernmental	641,200	687,744	46,544	587,600	579,247	(8,353)
Charges for services	602,000	660,731	58,731	680,500	578,228	(102,272)
Interest	45,000	9,062	(35,938)	60,000	53,074	(6,926)
Other	35,700	104,868	69,168	31,000	41,037	10,037
Transfers in	110,000	110,000	-	110,000	110,000	-
Total Receipts	\$ 3,132,400	3,380,247	247,847	\$ 3,271,600	3,141,878	(129,722)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 104,435	102,465	(1,970)	\$ 103,085	104,306	1,221
County Clerk	126,250	125,295	(955)	125,750	123,136	(2,614)
Elections	22,600	10,516	(12,084)	91,100	61,524	(29,576)
Buildings and grounds	294,000	266,350	(27,650)	276,250	228,196	(48,054)
Employee fringe benefits	252,500	246,879	(5,621)	260,000	222,202	(37,798)
County Treasurer	53,350	50,064	(3,286)	52,850	51,744	(1,106)
County Collector	96,755	91,494	(5,261)	97,705	89,967	(7,738)
Recorder of Deeds	95,540	94,613	(927)	93,010	91,683	(1,327)
Circuit Clerk	22,500	13,110	(9,390)	21,500	14,139	(7,361)
Associate Circuit Court	3,000	1,223	(1,777)	2,900	719	(2,181)
Associate Circuit (Probate)	32,036	21,602	(10,434)	44,200	17,569	(26,631)
Court Administration	31,100	14,311	(16,789)	31,200	19,404	(11,796)
Public Administrator	47,650	46,989	(661)	47,650	47,219	(431)
Other	20,660	18,944	(1,716)	20,600	18,312	(2,288)
Other General County Government	298,550	236,808	(61,742)	256,550	219,556	(36,994)
Public safety-						
Prosecuting Attorney	419,060	384,465	(34,595)	405,395	382,962	(22,433)
Juvenile Officer	335,400	340,935	5,535	332,400	297,431	(34,969)
County Coroner	29,023	24,571	(4,452)	29,472	26,249	(3,223)
Health and welfare	78,000	74,768	(3,232)	73,500	72,258	(1,242)
Transfers out	825,000	698,000	(127,000)	1,297,000	1,272,750	(24,250)
Emergency fund	94,000	-	(94,000)	96,850	-	(96,850)
Total Disbursements	\$ 3,281,409	2,863,402	(418,007)	\$ 3,758,967	3,361,326	(397,641)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(149,009)	516,845	665,854	(487,367)	(219,448)	267,919
CASH, JANUARY 1	824,896	824,896	-	1,044,344	1,044,344	-
CASH, DECEMBER 31	\$ 675,887	1,341,741	665,854	\$ 556,977	824,896	267,919

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Special Road and Bridge Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 1,151,000	1,256,734	105,734	\$ 1,113,600	1,099,449	(14,151)
Intergovernmental	805,050	771,445	(33,605)	830,050	802,597	(27,453)
Interest	40,000	8,561	(31,439)	60,000	48,149	(11,851)
Other	31,000	82,838	51,838	21,000	88,045	67,045
Total Receipts	\$ 2,027,050	2,119,578	92,528	\$ 2,024,650	2,038,240	13,590
DISBURSEMENTS						
Salaries	\$ 375,000	302,498	(72,502)	\$ 375,000	344,595	(30,405)
Employee fringe benefits	158,000	123,591	(34,409)	163,000	129,817	(33,183)
Supplies	185,000	143,239	(41,761)	185,000	208,404	23,404
Insurance	38,000	34,403	(3,597)	38,000	33,920	(4,080)
Road & bridge materials	130,000	68,737	(61,263)	130,000	90,758	(39,242)
Equipment repairs	75,000	60,179	(14,821)	70,000	82,765	12,765
Rentals	1,000	-	(1,000)	1,000	347	(653)
Equipment purchases	230,000	144,758	(85,242)	204,000	176,746	(27,254)
Road maintenance	360,000	395,780	35,780	360,000	330,843	(29,157)
Other	898,870	778,266	(120,604)	904,715	725,788	(178,927)
Transfers out	70,000	70,000	-	70,000	70,000	-
Total Disbursements	\$ 2,520,870	2,121,451	(399,419)	\$ 2,500,715	2,193,983	(306,732)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(493,820)	(1,873)	491,947	(476,065)	(155,743)	320,322
CASH, JANUARY 1	945,109	945,109	-	1,100,852	1,100,852	-
CASH, DECEMBER 31	\$ 451,289	943,236	491,947	\$ 624,787	945,109	320,322

Assessment

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 321,948	332,879	10,931	\$ 283,171	304,739	21,568
Charges for services	3,000	2,687	(313)	8,000	3,462	(4,538)
Interest	10,000	2,884	(7,116)	10,000	9,314	(686)
Other	21,000	14,502	(6,498)	77,100	8,121	(68,979)
Total Receipts	\$ 355,948	352,952	(2,996)	\$ 378,271	325,636	(52,635)
DISBURSEMENTS						
Salaries	\$ 198,930	179,299	(19,631)	\$ 193,510	177,038	(16,472)
Fringe benefits	73,152	63,503	(9,649)	73,764	57,278	(16,486)
Office expense	14,200	4,801	(9,399)	14,100	10,308	(3,792)
Equipment purchases	2,000	615	(1,385)	-	41	41
Mileage	5,550	3,875	(1,675)	6,850	2,797	(4,053)
Other	40,000	39,566	(434)	40,000	39,532	(468)
Computer/Hardware/Software	44,000	26,976	(17,024)	44,100	23,646	(20,454)
Equipment maintenance	200	118	(82)	200	112	(88)
Appraisal contracts	7,000	753	(6,247)	5,000	676	(4,324)
Total Disbursements	\$ 385,032	319,506	(65,526)	\$ 377,524	311,428	(66,096)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,084)	33,446	62,530	747	14,208	13,461
CASH, JANUARY 1	218,019	218,019	-	203,811	203,811	-
CASH, DECEMBER 31	\$ 188,935	251,465	62,530	\$ 204,558	218,019	13,461

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Bridge Trust Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 792,010	1,032,358	240,348	\$ 1,200,000	1,171,140	(28,860)
Intergovernmental	750,000	19,991	(730,009)	751,000	23,916	(727,084)
Interest	10,000	13,545	3,545	50,000	65,039	15,039
Total Receipts	\$ 1,552,010	1,065,894	(486,116)	\$ 2,001,000	1,260,095	(740,905)
DISBURSEMENTS						
Salaries	\$ 124,500	120,500	(4,000)	\$ 121,500	124,665	3,165
Fringe benefits	57,500	41,663	(15,837)	59,500	46,716	(12,784)
Office expense	10,500	2,164	(8,336)	10,500	5,758	(4,742)
Equipment purchases	30,000	-	(30,000)	5,000	-	(5,000)
Mileage	2,000	177	(1,823)	2,000	-	(2,000)
Supplies	10,000	8,122	(1,878)	5,000	7,606	2,606
Bridge construction	2,150,000	470,066	(1,679,934)	2,000,000	749,806	(1,250,194)
Engineering	175,000	118,160	(56,840)	145,000	114,361	(30,639)
Transfers out	40,000	40,000	-	40,000	40,000	-
Total Disbursements	\$ 2,599,500	800,852	(1,798,648)	\$ 2,388,500	1,088,912	(1,299,588)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,047,490)	265,042	1,312,532	(387,500)	171,183	558,683
CASH, JANUARY 1	1,949,763	1,949,763	-	1,778,580	1,778,580	-
CASH, DECEMBER 31	\$ 902,273	2,214,805	1,312,532	\$ 1,391,080	1,949,763	558,683

Law Enforcement Sales Tax Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 1,054,000	1,110,627	56,627	\$ 600,000	585,561	(14,439)
Intergovernmental	300,000	254,300	(45,700)	300,000	199,494	(100,506)
Interest	1,000	2	(998)	10,000	648	(9,352)
Other revenues	3,000	9,595	6,595	3,000	3,170	170
Transfers in	825,000	698,000	(127,000)	1,297,000	1,270,000	(27,000)
Total Receipts	\$ 2,183,000	2,072,524	(110,476)	\$ 2,210,000	2,058,873	(151,127)
DISBURSEMENTS						
Sheriff	\$ 911,995	822,823	(89,172)	\$ 898,995	835,067	(63,928)
Jail	959,981	940,061	(19,920)	964,281	919,308	(44,973)
Fringe benefits	309,100	314,962	5,862	343,600	300,728	(42,872)
Total Disbursements	\$ 2,181,076	2,077,846	(103,230)	\$ 2,206,876	2,055,103	(151,773)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,924	(5,322)	(7,246)	3,124	3,770	646
CASH, JANUARY 1	6,208	6,208	-	2,438	2,438	-
CASH, DECEMBER 31	\$ 8,132	886	(7,246)	\$ 5,562	6,208	646

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Sheriff's Civil Fees Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 8,000	11,444	3,444	\$ 20,000	8,424	(11,576)
Charges for services	50,000	60,366	10,366	65,000	56,348	(8,652)
Interest revenue	150	102	(48)	500	216	(284)
Other	-	-	-	-	158	158
Total Receipts	\$ 58,150	71,912	13,762	\$ 85,500	65,146	(20,354)
DISBURSEMENTS						
Equipment and services	\$ 65,900	62,245	(3,655)	\$ 88,500	62,456	(26,044)
Total Disbursements	\$ 65,900	62,245	(3,655)	\$ 88,500	62,456	(26,044)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,750)	9,667	17,417	(3,000)	2,690	5,690
CASH, JANUARY 1	7,841	7,841	-	5,151	5,151	-
CASH, DECEMBER 31	\$ 91	17,508	17,417	\$ 2,151	7,841	5,690

Law Enforcement Bond Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales tax revenues	\$ -	-	-	\$ 600,000	585,561	(14,439)
Sales of securities	-	2,350	2,350	-	-	-
Interest	10,000	5,105	(4,895)	35,000	21,624	(13,376)
Total Receipts	\$ 10,000	7,455	(2,545)	\$ 635,000	607,185	(27,815)
DISBURSEMENTS						
Bond payment	\$ 430,000	420,821	(9,179)	\$ 430,000	400,587	(29,413)
Purchase of securities	-	-	-	-	11,613	11,613
Administration fees	5,000	4,520	(480)	5,000	2,500	(2,500)
Total Disbursements	\$ 435,000	425,341	(9,659)	\$ 435,000	414,700	(20,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(425,000)	(417,886)	7,114	200,000	192,485	(7,515)
CASH, JANUARY 1	882,648	1,320,225	437,577	678,550	1,127,740	449,190
CASH, DECEMBER 31	\$ 457,648	902,339	444,691	\$ 878,550	1,320,225	441,675

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Enforcement Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,500	3,889	(611)	\$ 6,000	4,554	(1,446)
Total Receipts	<u>\$ 4,500</u>	<u>3,889</u>	<u>(611)</u>	<u>\$ 6,000</u>	<u>4,554</u>	<u>(1,446)</u>
DISBURSEMENTS						
Training expense	\$ 4,900	3,202	(1,698)	\$ 7,500	5,652	(1,848)
Total Disbursements	<u>\$ 4,900</u>	<u>3,202</u>	<u>(1,698)</u>	<u>\$ 7,500</u>	<u>5,652</u>	<u>(1,848)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(400)	687	1,087	(1,500)	(1,098)	402
CASH, JANUARY 1	452	452	-	1,550	1,550	-
CASH, DECEMBER 31	<u>\$ 52</u>	<u>1,139</u>	<u>1,087</u>	<u>\$ 50</u>	<u>452</u>	<u>402</u>

Prosecuting Attorney Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 750	997	247	\$ 1,500	785	(715)
Total Receipts	<u>\$ 750</u>	<u>997</u>	<u>247</u>	<u>\$ 1,500</u>	<u>785</u>	<u>(715)</u>
DISBURSEMENTS						
Training expense	\$ 1,000	-	(1,000)	\$ 1,650	685	(965)
Total Disbursements	<u>\$ 1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>\$ 1,650</u>	<u>685</u>	<u>(965)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)	997	1,247	(150)	100	250
CASH, JANUARY 1	252	252	-	152	152	-
CASH, DECEMBER 31	<u>\$ 2</u>	<u>1,249</u>	<u>1,247</u>	<u>\$ 2</u>	<u>252</u>	<u>250</u>

Prosecuting Attorney Administrative Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	2,750	2,750
Charges for services	15,000	11,977	(3,023)	20,000	13,233	(6,767)
Interest	100	48	(52)	400	124	(276)
Other	-	-	-	-	31	31
Total Receipts	<u>\$ 15,100</u>	<u>12,025</u>	<u>(3,075)</u>	<u>\$ 20,400</u>	<u>16,138</u>	<u>(4,262)</u>
DISBURSEMENTS						
Office operations	\$ 18,400	7,807	(10,593)	\$ 20,450	12,614	(7,836)
Total Disbursements	<u>\$ 18,400</u>	<u>7,807</u>	<u>(10,593)</u>	<u>\$ 20,450</u>	<u>12,614</u>	<u>(7,836)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	4,218	7,518	(50)	3,524	3,574
CASH, JANUARY 1	3,384	3,384	-	(140)	(140)	-
CASH, DECEMBER 31	<u>\$ 84</u>	<u>7,602</u>	<u>7,518</u>	<u>\$ (190)</u>	<u>3,384</u>	<u>3,574</u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Election Services Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,000	5,444	3,444	\$ 35,000	6,268	(28,732)
Charges for services	1,400	1,586	186	6,050	4,850	(1,200)
Interest	300	229	(71)	2,500	757	(1,743)
Other	-	79	79	-	18	18
Total Receipts	\$ 3,700	7,338	3,638	\$ 43,550	11,893	(31,657)
DISBURSEMENTS						
Equipment and supplies	\$ 17,200	6,242	(10,958)	\$ 49,000	1,902	(47,098)
Training expense	2,500	330	(2,170)	4,000	3,464	(536)
Total Disbursements	\$ 19,700	6,572	(13,128)	\$ 53,000	5,366	(47,634)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,000)	766	16,766	(9,450)	6,527	15,977
CASH, JANUARY 1	16,209	16,209	-	9,682	9,682	-
CASH, DECEMBER 31	\$ 209	16,975	16,766	\$ 232	16,209	15,977

	Recorder User Fee Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,000	8,100	(900)	\$ 12,000	8,444	(3,556)
Interest	50	17	(33)	500	87	(413)
Total Receipts	\$ 9,050	8,117	(933)	\$ 12,500	8,531	(3,969)
DISBURSEMENTS						
Records preservation	\$ 9,000	7,512	(1,488)	\$ 12,800	7,985	(4,815)
Total Disbursements	\$ 9,000	7,512	(1,488)	\$ 12,800	7,985	(4,815)
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	605	555	(300)	546	846
CASH, JANUARY 1	794	794	-	248	248	-
CASH, DECEMBER 31	\$ 844	1,399	555	\$ (52)	794	846

	Recorder Technology Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	5,628	(372)	\$ 10,000	5,719	(4,281)
Interest	50	1	(49)	500	75	(425)
Other	-	10	10	-	-	-
Total Receipts	\$ 6,050	5,639	(411)	\$ 10,500	5,794	(4,706)
DISBURSEMENTS						
Equipment and supplies	\$ 6,000	5,721	(279)	\$ 11,000	5,464	(5,536)
Total Disbursements	\$ 6,000	5,721	(279)	\$ 11,000	5,464	(5,536)
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	(82)	(132)	(500)	330	830
CASH, JANUARY 1	782	782	-	452	452	-
CASH, DECEMBER 31	\$ 832	700	(132)	\$ (48)	782	830

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Collector's Tax Maintenance Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 24,000	24,290	290	\$ 25,000	22,115	(2,885)
Interest	250	205	(45)	1,500	734	(766)
Total Receipts	<u>\$ 24,250</u>	<u>24,495</u>	<u>245</u>	<u>\$ 26,500</u>	<u>22,849</u>	<u>(3,651)</u>
DISBURSEMENTS						
Training Expense	\$ 34,500	26,109	(8,391)	\$ 34,300	20,000	(14,300)
Total Disbursements	<u>\$ 34,500</u>	<u>26,109</u>	<u>(8,391)</u>	<u>\$ 34,300</u>	<u>20,000</u>	<u>(14,300)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,250)	(1,614)	8,636	(7,800)	2,849	10,649
CASH, JANUARY 1	10,661	10,661	-	7,812	7,812	-
CASH, DECEMBER 31	<u>\$ 411</u>	<u>9,047</u>	<u>8,636</u>	<u>\$ 12</u>	<u>10,661</u>	<u>10,649</u>

Local Emergency Planning Commission Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 10,000	12,820	2,820	\$ 25,000	8,016	(16,984)
Interest	500	512	12	-	1,871	1,871
Other	-	-	-	-	94	94
Total Receipts	<u>\$ 10,500</u>	<u>13,332</u>	<u>2,832</u>	<u>\$ 25,000</u>	<u>9,981</u>	<u>(15,019)</u>
DISBURSEMENTS						
Other	\$ 45,000	9,063	(35,937)	\$ 50,000	5,057	(44,943)
Total Disbursements	<u>\$ 45,000</u>	<u>9,063</u>	<u>(35,937)</u>	<u>\$ 50,000</u>	<u>5,057</u>	<u>(44,943)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(34,500)	4,269	38,769	(25,000)	4,924	29,924
CASH, JANUARY 1	35,500	35,500	-	30,576	30,576	-
CASH, DECEMBER 31	<u>\$ 1,000</u>	<u>39,769</u>	<u>38,769</u>	<u>\$ 5,576</u>	<u>35,500</u>	<u>29,924</u>

Victims of Domestic Violence Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	1,258	(3,742)	\$ 3,500	4,150	650
Interest	250	97	(153)	450	522	72
Total Receipts	<u>\$ 5,250</u>	<u>1,355</u>	<u>(3,895)</u>	<u>\$ 3,950</u>	<u>4,672</u>	<u>722</u>
DISBURSEMENTS						
Emergency Shelter	\$ 17,550	5,642	(11,908)	\$ 11,550	-	(11,550)
Total Disbursements	<u>\$ 17,550</u>	<u>5,642</u>	<u>(11,908)</u>	<u>\$ 11,550</u>	<u>-</u>	<u>(11,550)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,300)	(4,287)	8,013	(7,600)	4,672	12,272
CASH, JANUARY 1	12,305	12,305	-	7,633	7,633	-
CASH, DECEMBER 31	<u>\$ 5</u>	<u>8,018</u>	<u>8,013</u>	<u>\$ 33</u>	<u>12,305</u>	<u>12,272</u>

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Sheriff's Revolving Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,500	9,160	3,660	\$ 6,000	5,315	(685)
Interest	50	-	(50)	350	125	(225)
Total Receipts	\$ 5,550	9,160	3,610	\$ 6,350	5,440	(910)
DISBURSEMENTS						
Other	\$ 8,050	6,748	(1,302)	\$ 10,950	7,581	(3,369)
Total Disbursements	\$ 8,050	6,748	(1,302)	\$ 10,950	7,581	(3,369)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500)	2,412	4,912	(4,600)	(2,141)	2,459
CASH, JANUARY 1	2,527	2,527	-	4,668	4,668	-
CASH, DECEMBER 31	\$ 27	4,939	4,912	\$ 68	2,527	2,459

Prosecuting Attorney Delinquent Tax Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 4,500	2,894	(1,606)	\$ 6,000	4,979	(1,021)
Total Receipts	\$ 4,500	2,894	(1,606)	\$ 6,000	4,979	(1,021)
DISBURSEMENTS						
Other	\$ 7,800	2,064	(5,736)	\$ 7,200	2,870	(4,330)
Total Disbursements	\$ 7,800	2,064	(5,736)	\$ 7,200	2,870	(4,330)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	830	4,130	(1,200)	2,109	3,309
CASH, JANUARY 1	3,350	3,350	-	1,241	1,241	-
CASH, DECEMBER 31	\$ 50	4,180	4,130	\$ 41	3,350	3,309

Inmate Security Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	3,726	(274)	\$ 3,000	3,022	22
Interest	20	50	30	50	38	(12)
Total Receipts	\$ 4,020	3,776	(244)	\$ 3,050	3,060	10
DISBURSEMENTS						
Other	\$ 8,000	5,056	(2,944)	\$ 4,000	-	(4,000)
Total Disbursements	\$ 8,000	5,056	(2,944)	\$ 4,000	-	(4,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,980)	(1,280)	2,700	(950)	3,060	4,010
CASH, JANUARY 1	4,050	4,050	-	990	990	-
CASH, DECEMBER 31	\$ 70	2,770	2,700	\$ 40	4,050	4,010

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Circuit Clerk Interest Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 2,500	1,148	(1,352)	\$ 3,000	4,729	1,729
Total Receipts	\$ 2,500	1,148	(1,352)	\$ 3,000	4,729	1,729
DISBURSEMENTS						
Supplies	\$ 25,250	1,679	(23,571)	\$ 18,000	171	(17,829)
Total Disbursements	\$ 25,250	1,679	(23,571)	\$ 18,000	171	(17,829)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,750)	(531)	22,219	(15,000)	4,558	19,558
CASH, JANUARY 1	22,797	22,797	-	18,239	18,239	-
CASH, DECEMBER 31	\$ 47	22,266	22,219	\$ 3,239	22,797	19,558

Juvenile Assessment Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 1,500	935	(565)	\$ 50	1,585	1,535
Other	50	34	(16)	300	104	(196)
Total Receipts	\$ 1,550	969	(581)	\$ 350	1,689	1,339
DISBURSEMENTS						
Supplies	\$ 5,900	-	(5,900)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 5,900	-	(5,900)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,350)	969	5,319	(2,150)	1,689	3,839
CASH, JANUARY 1	4,361	4,361	-	2,672	2,672	-
CASH, DECEMBER 31	\$ 11	5,330	5,319	\$ 522	4,361	3,839

Children's Emergency Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 500	273	(227)	\$ 800	745	(55)
Total Receipts	\$ 500	273	(227)	\$ 800	745	(55)
DISBURSEMENTS						
Juvenile-Assistance to Children	\$ 2,500	1,492	(1,008)	\$ 3,000	1,085	(1,915)
Total Disbursements	\$ 2,500	1,492	(1,008)	\$ 3,000	1,085	(1,915)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000)	(1,219)	781	(2,200)	(340)	1,860
CASH, JANUARY 1	2,054	2,054	-	2,394	2,394	-
CASH, DECEMBER 31	\$ 54	835	781	\$ 194	2,054	1,860

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Library Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 18,000	17,661	(339)	\$ 18,500	18,215	(285)
Interest	15	7	(8)	75	18	(57)
Total Receipts	\$ 18,015	17,668	(347)	\$ 18,575	18,233	(342)
DISBURSEMENTS						
Books	\$ 25,200	17,745	(7,455)	\$ 25,275	17,665	(7,610)
Total Disbursements	\$ 25,200	17,745	(7,455)	\$ 25,275	17,665	(7,610)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,185)	(77)	7,108	(6,700)	568	7,268
CASH, JANUARY 1	7,278	7,278	-	6,710	6,710	-
CASH, DECEMBER 31	\$ 93	7,201	7,108	\$ 10	7,278	7,268

Circuit Clerk Passport Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Passport fees	\$ 7,500	8,275	775	\$ 20,000	11,720	(8,280)
Total Receipts	\$ 7,500	8,275	775	\$ 20,000	11,720	(8,280)
DISBURSEMENTS						
Miscellaneous	\$ 35,000	9,133	(25,867)	\$ 40,000	5,024	(34,976)
Total Disbursements	\$ 35,000	9,133	(25,867)	\$ 40,000	5,024	(34,976)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,500)	(858)	26,642	(20,000)	6,696	26,696
CASH, JANUARY 1	30,444	30,444	-	23,748	23,748	-
CASH, DECEMBER 31	\$ 2,944	29,586	26,642	\$ 3,748	30,444	26,696

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Hospital Tax Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 600,000	600,743	743	\$ 567,000	534,593	(32,407)
Interest	4,500	154	(4,346)	3,500	926	(2,574)
Other	-	-	-	-	844	844
Total Receipts	\$ 604,500	600,897	(3,603)	\$ 570,500	536,363	(34,137)
DISBURSEMENTS						
Administrative expenses	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)
Audrain Medical Center	600,000	600,000	-	600,000	600,000	-
Total Disbursements	\$ 601,000	600,000	(1,000)	\$ 601,000	600,000	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,500	897	(2,603)	(30,500)	(63,637)	(33,137)
CASH, JANUARY 1	81,828	81,828	-	145,465	145,465	-
CASH, DECEMBER 31	\$ 85,328	82,725	(2,603)	\$ 114,965	81,828	(33,137)

Rothwell Trust Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 9,700	6,666	(3,034)	\$ 9,688	7,819	(1,869)
Other	-	7,352	7,352	-	-	-
Total Receipts	\$ 9,700	14,018	4,318	\$ 9,688	7,819	(1,869)
DISBURSEMENTS						
Audrain Medical Center	-	20,000	20,000	-	-	-
Total Disbursements	\$ -	20,000	20,000	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,700	(5,982)	(15,682)	9,688	7,819	(1,869)
CASH, JANUARY 1	186,388	186,388	-	178,569	178,569	-
CASH, DECEMBER 31	\$ 196,088	180,406	(15,682)	\$ 188,257	186,388	(1,869)

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTES TO FINANCIAL STATEMENTS

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, elected county officials, and the County Hospital Board. All cemetery funds, excluding Laddonia Cemetery, are also considered under the control of the county since their expenses are approved and controlled by the County Commission.

The financial statements referred to above include the primary government of Audrain County, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the county's legal entity. The County Hospital Tax and Rothwell Trust funds controlled by a separate elected County Hospital Board are also included under the control of Audrain County. The Emergency 911 Fund, controlled by a separate elected Emergency 911 Board and included under the control of Audrain County, is not presented due to unauditible records.

The Senate Bill 40 Board Fund (Handicapped Services), although a major fund of the county with a separate appointed board, is separately audited by an independent certified public accountant and, therefore, is not included in the audit report.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

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

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. Administrative officers of the various boards submit a budget to the applicable board for review and approval. All boards, other than the Emergency 911 board, submit the final approved budget to the County Commission.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the applicable boards, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission or other applicable boards.
7. Subsequent to its formal approval of the budget, the County Commission or applicable boards has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or applicable boards during the year. The County Commission did not amend any budgets during 2009 or 2008.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and applicable boards.
9. Adoption of a formal budget is required by law. However, the county did not include proper formal budgets for the Emergency 911 Fund for the year ended December 31, 2009 and 2008, and no budget for the Federal Forfeiture Fund for the year ended December 31, 2009 and 2008.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Because budgets were not included for the funds listed in Note 1.D.9, expenditures in the funds exceeded budgetary authority to the extent that budgets were not adopted.

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**AUDRAIN COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. F. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. Collections for other governments and remittances to those governments by the County Treasurer are accounted for in various County Treasurer's fiduciary funds and, therefore, not presented.

The assessed valuation of the tangible property for the calendar year 2009 and 2008 for purposes of local taxation was \$322,942,748 and \$321,120,958, respectively. The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

		<u>2009</u>		<u>2008</u>
General Revenue Fund	\$	0.2154	\$	0.1922
Special Road and Bridge Fund	\$	0.2907	\$	0.2811
County Hospital	\$	0.1830	\$	0.1770
Handicapped Services	\$	0.2100	\$	0.2051

The Special Road and Bridge Fund retains all tax proceeds from areas not within special road districts and also receives 20% of the tax proceeds of the general levies on four special road districts for administrative purposes.

1. G. CASH DEPOSITS AND INVESTMENTS

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

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 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. For the year ended December 31, 2009 and 2008, the published financial statements included all funds. The Emergency 911 Board did not publish its financial statements for the years ended December 31, 2009 and 2008.

NOTE 2. CASH AND INVESTMENTS

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 existing 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 purchases 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 and 911 board has not adopted such a policy.

The county has determined through experiences that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the 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

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the county's deposits held by the Treasurer and various officials were \$5,547,160 and \$5,122,325, respectively, and the bank balances for all accounts held at the county's depository bank (including County Collector and Recorder) were \$16,729,990 and \$18,289,648 respectively. Of the total bank balances, \$13,689,559 and \$12,124,040 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and \$4,409,543 and \$18,356,526, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the County's name.

At December 31, 2009 and 2008, the County Hospital Board's bank accounts and nonnegotiable certificates of deposit totaling \$263,131 and \$268,216 held in separate banking institutions included in Cash were completely covered by federal depository insurance.

At December 31, 2009 and 2008, the county had investments in a Federal Home Loan Mortgage Corporation Note for \$427,510 and \$430,000, respectively, held by an administrative bank for the Special Law Enforcement Jail Bond Fund. The December 31, 2009 note had an interest rate of

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

2.5% due January 7, 2014 and the December 31, 2008 note had an interest rate of 3.375% due April 14, 2009.

Deposits of the Emergency 911 Fund are not included herein due to the financial statements of the Emergency 911 Board not being presented because of unauditable records.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Audrain County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions.

3) Funding Policy

Audrain County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the County. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2009 is 4.6% (general) and 3.9% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2009 and 2008, total payments to LAGERS were \$98,229 and \$130,136, respectively.

B. County Employees' Retirement Fund (CERF)

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

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

1) Plan Description

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

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573- 632-9203.

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, a pre-tax contribution of 2% is required. For part-time eligible employees hired on or after February 25, 2002, a pre-tax contribution of 6% is required. Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. The source of funding of these contributions is determined by each county.

4) Annual Pension Cost

During 2009 and 2008, the county collected and remitted to CERF employee contributions of approximately \$3,819 and \$523, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

The county provides vacation leave to its employees. Full-time county employees accrue vacation leave of 5 days after the first year of service, 10 days after two years of service, 15 days after five years of service, and 20 days after fifteen years of service.

Employees may not carry vacation leave over to the following year except when the employee anniversary date is within the last quarter of the year in which 1 week may be taken in the

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

following year. Any employee with benefits leaving county service shall be compensated for unused vacation prorated on a quarterly basis.

Full-time county employees accrue sick leave at 8 hours monthly. Sick leave can be accumulated to a maximum of twelve days. Sick leave is not paid upon termination of employment with the county. Vacation and sick leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS AND CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The county has restricted assets only to the special revenue funds at December 31, 2009 and 2008 with restricted funds for debt retirement. The county has long-term debt at December 31, 2009 and 2008 of \$2,850,000 and \$3,450,000, respectively, for the Audrain County Missouri Public Facilities Corporation Leasehold Refunding Revenue Bonds (Audrain County Missouri Law Enforcement and Correctional Facility Project, Series 2004). Interest rates on these outstanding bonds range from 1.5% to 4.6% and the bonds are due June 1, 2017. Bond principal and interest payments are recorded in the Law Enforcement Bond Fund. At December 31, 2009, the county has \$7,201 held in a Debt Service Fund, \$432,419 in a Reserve Fund, and \$307 in an Escrow Fund at the administrative bank holding the bonds.

**AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 7. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements for the Audrain County Correctional Facility, including principal and interest as of December 31, 2009 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 310,000	\$ 112,633
2011	325,000	101,114
2012	335,000	88,487
2013	350,000	74,780
2014	360,000	59,955
2015-2017	<u>1,170,000</u>	<u>71,575</u>
Totals	<u>\$ 2,850,000</u>	<u>\$ 508,544</u>

In addition, the county has long-term debt in the General Revenue Fund for a courthouse renovation loan. The county obtained the loan in August 2004 for \$620,000 and at December 31, 2009, the total principal amount outstanding on the loan is \$84,607. The maturity date of the loan is January 1, 2011, and interest rates range from 3.786% to 4.137%.

Long-term debt related to the Emergency 911 Board does not include the \$1,400,000 million lease-purchase agreement entered into in February 2009 with a local bank in Audrain County for the acquisition, construction and installation of an emergency operations and communications center and related facilities and equipment. The Emergency 911 board took out a commercial loan from the bank for \$1,400,000 with the board leasing to the bank the land and building and the bank subleasing back to the board through the County Commission, who also had to sign the loan note at the bank since the 911 board is not a separate legal entity. The loan calls for a total monthly principal and interest payment of \$14,897 through the maturity date of February 26, 2019 with an interest rate of 5 percent.

NOTE 8. SUBSEQUENT EVENT

In April 2010, the county voters approved a half-cent sales tax to be used for general operating expenses of the county.

NOTE 9. CHANGE IN BASIS OF ACCOUNTING

Audrain County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law and the Missouri State Auditor's Office. The accounting change had no effect on the beginning cash balances of the various county funds.

SUPPLEMENTARY INFORMATION

AUDRAIN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Social Services-				
14.231	Emergency Shelter Grants Program	ERO1640792	\$ 18,460	\$ 253
		ERO1640727	8,297	9,000
U. S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety-				
16.579	Edward Byrne Memorial Formula Grant Program	2007JAGINT005	17,195	-
16.579	Missouri Sheriff's Association-			
	Edward Byrne Memorial Formula Grant Program	2009JAGRA002	59,477	-
		2005JAGINT002	-	36,751
		2006JAG019	43,206	49,646
		2009JAGDTF002	15,266	29,576
Cape Girardeau County-				
16.580	Edward Byrne Memorial State and Local Law	2008-DD-DX-0163	76,510	-
	Enforcement Assistance Discretionary Grants Program	DPS-2008-MOSMART-001	-	76,176
16.592	Local Law Enforcement Block Grants Program	2006JAG019	9,856	8,424
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-B004(32)	1,290	191
		BRO-B004(34)	-	20,368
		BRO-B004(36)	23,468	16,922
ELECTION ASSISTANCE COMMISSION				
Passed through Office of Secretary of State-				
90.401	Help America Vote Act Requirements Payments	N/A	-	351
		SC231	-	2,679
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health and Senior Services-				
93.283	Regional Public Health Emergency Planning & Preparedness	N/A	31,124	-
Department of Social Services-				
93.563	Child Support Enforcement	N/A	167,653	169,187
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety:				
97.036	Disaster Grants - Public Assistance Grants	007-99007-00	72,806	72,275
97.042	Emergency Management Performance Grant	DOJFY2005	20,144	11,673
Total Expenditures of Federal Awards			\$ 564,752	\$ 503,472

N/A - Not applicable

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUDRAIN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 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 provided 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 Audrain County, Missouri.

B. BASIS OF PRESENTATION

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

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

Federal award means Federal financial assistance and Federal cost-reimbursement contracts the 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. Because Audrain County expended no noncash awards for the years ended December 31, 2009 and 2008, the schedule includes expenditures of cash awards only.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2. SUBRECIPIENTS

The county provided federal awards to subrecipients during the years ended December 31, 2009 and 2008, totaling \$26,757 and \$9,000, respectively, under CFDA #14.231.

COMPLIANCE SECTION

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August 3, 2010

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

To the County Commission, County Hospital Board,
Emergency 911 Board and Officeholders
of Audrain County, Missouri

We have audited the financial statements of Audrain County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Audrain County's basic financial statements and have issued our report thereon dated August 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Audrain County, Missouri as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Audrain County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the county's internal control described in the accompanying schedule of findings and questioned costs to be material weaknesses (09-01; 09-02; 09-03; 09-04; and 09-05).

MEMBER

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Public
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Public
Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency (09-06).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Audrain County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 09-06; 09-07; and 09-08.

Audrain County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Audrain County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of Audrain County, Missouri, County Commission and other boards, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

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Columbia, Missouri

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August 3, 2010

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

To the County Commission, County Hospital Board,
Emergency 911 Board, and Officeholders
of Audrain County, Missouri

Compliance

We have audited the compliance of Audrain 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, 2009 and 2008. 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, Audrain 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, 2009 and 2008.

MEMBER

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Audrain County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Audrain County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

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**AUDRAIN COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? 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:

CFDA Number	Program Title
16.579	Byrne Formula Grant Program
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANagements' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

09-01 Bank Reconciliations Performed by County Treasurer

Condition: The County Treasurer has not performed proper monthly bank reconciliations to agree reconciled cash balances to various funds maintained under her control. Bank reconciliations performed during the audit at December 31, 2009 and December 31, 2008 showed an unreconciled difference between the bank accounts and various county funds of \$834 and \$34,882, respectively, which cannot be properly identified. The reconciliations showed more monies available in the bank accounts than what was shown in the total book balances for these various funds. The difference calculated as of December 31, 2007 was \$8,008 and unreconciled differences continued each month without correction. As a result of unreconciled bank to book differences, the Treasurer made an adjustment to revenues in the General Revenue Fund in the amount of \$35,975 in September 2009 to balance.

Criteria: Strong internal controls over financial statements require that monthly bank reconciliations be accurately performed to ensure the bank accounts properly reconcile to the county's fund balances.

Cause: The County Treasurer's office has had much difficulty in past years to properly conduct accurate bank reconciliations and has not had proper training in performing detailed bank reconciliations.

Effect: The cash balances of various county funds are not accurately stated and the General Fund could be materially misstated in 2008 and 2009. This leads to a material misstatement in the county's financial statements.

Recommendation:

The County Treasurer should properly prepare monthly bank reconciliations between the bank accounts and the appropriate county funds to ensure no differences exist. Any differences noted should be located and corrected immediately. Continued bank reconciliation training or outside assistance should also be obtained for additional guidance if necessary.

Response: ***County Treasurer:*** *On October 1, 2009, my office implemented new software to make balancing with the bank statements and the County Clerk's office more smooth. I have had some problems in the past with balancing, as you are aware the funds weren't balanced when I received them. Before moving on to the new system I had to get balanced so I receipted in the amount that we were off into County Revenue. I did this so we could move forward. I do know how to reconcile the bank statements and feel that I do not need outside assistance. As evident from my June 30, 2010 balances I am reconciling monthly with the bank statement and the fund ledger.*

County Clerk/Commission: *The current Treasurer inherited unbalanced funds when she took office. Effective October 1, 2009, new accounting software was implemented. In order to begin the new system with correct numbers, the Treasurer receipted into County Revenue the amount she was off. As of June 30 of*

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

this year, her bank statements are reconciled. We will continue to monitor this to ensure that the treasurer is balanced with the bank.

09-02 Sales Tax Misstatement in Law Enforcement Sale Tax Fund

Condition: In 2008 the Treasurer had recorded two months of sales tax receipts in the Law Enforcement Sales Tax Fund instead of splitting the amounts with half going to the Law Enforcement Bond Account. The correction caused a transfer out in disbursements to be shown on the budget document for \$90,571 to the Law Enforcement Bond Fund instead of correcting the total receipts recorded. This created a material overstatement of receipts and disbursements in the Law Enforcement Sales Tax Fund causing the financial statements (budget document) to be misleading.

Criteria: Good business practices require that financial statements be accurately stated and not be misleading or misstated for fair presentation.

Cause: County officials did not properly consider the effect on the financial statements by misstating receipts and disbursements in the Law Enforcement Sales Tax Fund.

Effect: The financial statements (budget document) for the Law Enforcement Sales Tax Fund were materially misstated for 2008. The correct adjustment was made as presented in the audited financial statements.

Recommendation:
The County Clerk and Treasurer ensure that future budget documents are properly stated for various funds.

Response: *This was an error in communication between the Commission and Treasurer. The transfer was a one-time fix for the error and has not occurred again.*

09-03 Investments and Cash held for Special Law Bond Fund not Presented by County

Condition: In 2004, the County advanced refunded jail bonds. Investments and cash held by the investment bank in a debt service fund, escrow fund, and bond reserve fund have not been reflected in the County's financial statements. At December 31, 2009 and 2008, the county had a total of \$439,927 and \$437,577, respectively, in cash and investments that had not been reflected in the County's financial statements in the Special Law Bond Fund. The appropriate adjustments to the receipts, disbursements, and ending cash balances have been made in the financial statements.

Criteria: Strong internal controls over financial statements require that all cash and investments held on behalf of the County be reflected in the County's financial statements.

Cause: The County Clerk and Treasurer omitted the monies held by the investment bank in the county's financial statements. This was also noted as a finding in the prior report.

Effect: The County's financial statements for the Special Law Enforcement Bond Fund were not accurately presented and materially misstated.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

The County should include the cash and investments held by the investment bank in its financial statements.

Response: We did not include this money on our financial statement because it is not money that is available to the county until such time the bond is retired. In past audits by the State Auditor's Office there has never been mention of including this money in the financial statement. It would seem by including this money that it would be misleading because this money is not available to the county to budget. We are not opposed to including this on the financial statement in the future.

Findings 09-04 through 09-07 pertain to the separate 911 board that has its own elected board of directors but is still considered part of the county since it is not a legally separate entity. Records were not readily available for audit purposes and many could not be located (2008 budget, closed session minutes, bank reconciliations, original invoices, etc.) creating unaudited information for the audit period. E-mails and phone calls to the Executive Director and board members did not produce sufficient additional records for audit purposes and incurred extreme time delays of weeks. The audit of Audrain County was started April 5, 2010 and throughout the audit there were delays with final records not given to us until the end of June 2010 causing much delay in performing the audit of Audrain County.

09-04 Emergency 911 Records not Available for Audit Purposes

Condition: The Emergency 911 board could not provide the 2008 budget document that was approved by the board of directors causing no budget to actual schedule to be prepared for audit purposes. Closed session minutes for January 2008 could not be located, bank reconciliations asked for at December 31, 2009 and 2008 could not be produced to us for audit purposes, and bank statements and expenditures related to the lease-purchase was not provided for the audit. Also, several original invoices (8 of 15) asked for in testing of checks issued could not be located and copies of several invoices were subsequently obtained from various vendors to show that the disbursements were for legitimate 911 expenses. One invoice from the vendor remitted to us was a remake through a word document of what the expenditure was for and appeared not to be the original invoice. Another invoice for \$801 was for payment on a personal credit card but the supporting documentation as to what made up the total payment could not be provided to support the expenditure made.

Criteria: Good business practices and strong internal controls require that adequate and accurate business records be organized and retained in an orderly and appropriate manner to be available for future use and for audit purposes.

Cause: The Emergency 911 board of directors and Executive Director did not strive to ensure that all financial records were properly filed and readily retrievable for audit purposes.

Effect: By not providing appropriate records for audit purposes, the financial statements of the Emergency 911 board presented are considered unauditable.

Recommendation:

The Emergency 911 board of directors and the Executive Director ensure that all financial records are kept and maintained in an orderly manner for future use and for future audit purposes.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Response: The past couple of years have been quite hectic, including a move to a new facility. We had some incidents in our previous location where files and documents "disappeared". Also, many of the files got jumbled during the move. As a result, we had some difficulty locating the source documents in a timely manner. Although a few were not available to meet the audit deadline, we will improve our internal processes to avoid this situation in the future.

09-05 Emergency 911 Financial Information Not Presented Due to Unauditable Records

Condition: Complete financial information could not be presented in the audit report for the Emergency 911 board since the 2008 budget document could not be located, the 2009 budget document only budgets expenditures, the loan proceeds of \$1.4 million and expenditures for the land purchase, construction costs for the building and improvements, and equipment purchases were not recorded in the Emergency 911 fund's financial statements and, therefore, the financial information was incomplete. The Executive Director could not provide any financial statement information for the audit period and the only financial information obtained for the audit period was a two-year profit and loss statement obtained through the board Treasurer with no detail to support the expenditure classifications given and, which did not include the loan receipt and corresponding expenditures.

Criteria: Good business practices require that financial information be accurately reported in order to properly prepare financial statements.

Cause: The Emergency 911 board of directors did not ensure that proper financial records and financial information be maintained.

Effect: The financial information of the Emergency 911 board is incomplete and unauditable resulting in an adverse opinion in the audit report.

Recommendation:
The Emergency 911 board of directors ensure that complete and accurate budgets and financial information be maintained for proper presentation of financial statements. The 2010 financial information should be reviewed to ensure that all receipts, disbursements, and ending cash balance and reconciliations are properly stated.

Response: Financial statements are prepared and reviewed at each monthly board meeting. These statements are more detailed than the budget document, making a direct comparison of budget to actual a bit difficult. We will modify the financial statements and budget reports so the categories match, and include a monthly report of budget to actual.

09-06 Emergency 911 Budget Documents not in Accordance with County Budget Law

Condition: The 2009 budget document (and the 2010 budget document) as approved by the board of directors is not in conformity with requirements of the county budget law. The budget document only includes descriptions of classifications of expenditures for the year along with a budgeted amount. In addition, the budget document was not forwarded for either year of the audit period to the County Commission for filing.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Criteria: Section 50.590 RSMo, requires that the budget document include budgeted receipts, disbursements, and an ending fund balance for the current year along with the prior year's actual receipts and disbursements for comparative purposes.

Cause: The Emergency 911 board of directors did not follow state law in proposing a budget document but also did not obtain a budget document form from the County Clerk sent to the county by the State Auditor's Office to be used for specific funds of the county.

Effect: The Emergency 911 board of directors did not prepare their budget document in the proper format and, therefore, did not present appropriate financial information for public use.

Recommendation:

The Emergency 911 board of directors should prepare the budget document by including budgeted amounts for receipts, disbursements, and an ending fund balance along with the prior two years information of receipts and disbursements for comparative purposes. The 2010 budget document should be amended to include budgeted amounts for receipts and a budgeted ending fund balance. The previous two years of actual receipts and disbursement should also be presented.

Response: We were not aware of the County requirements for budget preparation. We will work to reformat our budget document to provide additional detail, including receipts and disbursements for the budget year, and actual amounts for the two preceding years.

09-07 Emergency 911 Board Meetings and Sunshine Law Compliance

Condition: The following items were noted as noncompliance with the Missouri Sunshine Law upon reading and inquiring of board meeting minutes:

1. Public notices and agendas for board meetings were not provided to show compliance with state law that appropriate meetings were held.
2. No executive meeting or closed session meeting minutes were found for meetings held on January 10, 2008 and January 29, 2008 per the open meeting minutes.
3. Roll call votes to go into the executive sessions held (1/10/08; 1/29/08; and 7/1/08) were not documented in the minutes and no specific subsection of the law was given in each meeting as to the purpose of the closed meeting.
4. The board meeting minutes do not list the time of the meeting and the location of the meeting.

Criteria: Section 610.021, RSMo, requires that public notices with a proposed agenda be prepared, closed session meeting minutes be kept, a roll call vote to approve going into a closed session be documented along with the specific subsection of the law for the reason on holding a closed session, and that the minutes contain the time and location of the meeting.

Cause: The Emergency 911 board of directors did not realize the requirement of preparing board meeting minutes with specific data presented for each meeting.

Effect: The Emergency 911 board of directors did not fully comply with the Missouri Sunshine Law in its board meetings.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

The Emergency 911 board of directors should ensure that proper board meeting minutes, both open and closed, be adequately documented in accordance with the Missouri Sunshine Law and all meeting minutes along with public notices and agendas be retained to support the board meetings held.

Response: All of our agenda and meeting minutes documents provide the ordinary citizen the information they need to follow along with the business we have conducted. We will work with the auditor to adjust our document format to include missing data, such as meeting place, time, etc. Additionally, public notices of meetings will be retained to document compliance with the Sunshine Law.

09-08 County Budget not Prepared for Federal Forfeiture Fund

Condition: The County Commission did not prepare or require a budget document to be prepared for the Federal Forfeiture Fund maintained by the County Treasurer with funds received and disbursed on behalf of the County Sheriff.

Criteria: Section 50.550, RSMo, requires that budget documents be prepared for all county funds.

Cause: The County Commission and County Clerk has not required the Sheriff to prepare a budget document for this fund.

Effect: The County did not follow state law on the preparation of budget documents.

Recommendation:

The County Commission and County Clerk require a budget document be obtained from the County Sheriff for the Federal Forfeiture Fund.

Response: In the future, the county will prepare a budget for the Federal Forfeiture Fund.

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***

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

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Audrain County, Missouri, on the applicable findings in the prior audit report issued by Casey and Company, LLC for the two years ended December 31, 2007.

07-01 Bank Reconciliations Not Performed by County Treasurer

Condition: The County Treasurer has not performed proper monthly bank reconciliations to agree reconciled cash balances to the various funds maintained under her control. Bank reconciliations subsequently performed during the audit at December 31, 2007 and December 31, 2006 showed an unreconciled difference between the bank accounts and various county funds of \$8,008 and \$3,924, respectively, which cannot be properly identified.

Status: This condition was not fully implemented with an adjustment made by the county in 2009 to show no unreconciled difference continuing. See MAR 09-01.

07-02 Investments and Cash held for Special Law Bond Fund not Presented by County

Condition: Investments and cash held by the investment bank in a debt service fund, escrow fund, and bond reserve fund have not been reflected in the county's financial statements.

Status: Not implemented. See MAR 09-03.

07-03 Prior Audit Misstatements Not Recognized by County

Condition: The county did not recognize or adjust its financial statements for the prior audit adjustments that were required to be made to correct the county's financial statements.

Status: This condition is no longer applicable since adjustments were made during the audit for the two years ended December 31, 2007.

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

AUDRAIN 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, 2007, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.