



**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Andrew County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Andrew 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 McBride, Lock & Associates, Certified Public Accountants, is attached.

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

Susan Montee, JD, CPA  
State Auditor

November 2010  
Report No. 2010-146

ANNUAL FINANCIAL REPORT

**ANDREW COUNTY, MISSOURI**

For the Years Ended  
December 31, 2009 and 2008

# ANDREW COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

ANDREW COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Larry Atkins

Associate Commissioner – Darryl Howard

Associate Commissioner – Greg Wall

*Other Elected Officials*

Assessor – Ron Christmas

Circuit Clerk/Recorder – Rose Lancey

Collector – Phil Rogers

Coroner – Ronald Crouse

County Clerk – Cyndee Merritt

Prosecuting Attorney – Steven Stevenson

Public Administrator – Karen Keller

Sheriff – Bryan Atkins

Treasurer – Cindy Esely

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CERTIFIED PUBLIC ACCOUNTANTS

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## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Andrew County, Missouri

We have audited the accompanying financial statements of Andrew County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

As described more fully in Note 1, Andrew 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Andrew County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Andrew County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 9, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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

*(Original Signed by Auditor)*

McBride, Lock & Associates  
July 9, 2010

## **FINANCIAL SECTION**

ANDREW COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	January 1, 2008	Receipts 2008	Disbursements 2008	December 31, 2008	Receipts 2009	Disbursements 2009	December 31, 2009
General Revenue	\$ 1,145,283	\$ 2,288,505	\$ 2,155,016	\$ 1,278,772	\$ 1,884,370	\$ 2,026,661	\$ 1,136,481
Special Road & Bridge	479,133	2,865,761	2,940,747	404,147	2,425,093	2,054,924	774,316
Assessment	48,245	283,132	238,523	92,854	233,467	256,840	69,481
Law Enforcement	16,227	781,450	795,983	1,694	874,898	841,930	34,662
Law Enforcement Training	34,861	5,041	23,254	16,648	4,697	3,843	17,502
Capital Improvement	310,291	128,632	188,768	250,155	113,983	73,958	290,180
Recorders Record Account	55,786	11,980	9,633	58,133	11,601	16,954	52,780
Prosecuting Attorney Training	1,003	823	589	1,237	746	335	1,648
911	41,013	36,129	62,116	15,026	20,456	9,568	25,914
Local Emergency Planning Committee	6,879	4,657	4,192	7,344	3,254	4,483	6,115
Adult Abuse	-	1,578	1,578	-	2,013	2,013	-
Aggregate Cemetery Trust	2,218,817	119,299	72,832	2,265,284	105,817	72,977	2,298,124
Chinnereth Estate, NID	4,177	20,041	13,700	10,518	20,910	19,719	11,709
Collectors Tax Maintenance	36,449	29,197	20,620	45,026	28,231	28,222	45,035
Election Services	4,393	4,032	3,076	5,349	598	1,466	4,481
Ford Farm	122,124	9,165	5,142	126,147	7,933	13,911	120,169
John Glenn, NID	42,460	19,828	52,950	9,338	21,092	15,040	15,390
Johnson Grass Board	34,432	67,511	30,245	71,698	44,811	28,914	87,595
Gore Road, NID	6,912	10,830	9,949	7,793	11,327	9,724	9,396
Victoria Hills, NID	795	19,921	13,743	6,973	12,231	13,675	5,529
Prosecuting Attorney Bad Check	33,556	18,027	11,185	40,398	17,741	14,304	43,835
Senate Bill 40	129,998	172,451	165,277	137,172	178,000	146,066	169,106
Senior Citizen Services	428	68,503	68,628	303	61,121	60,916	508
Sheriff Civil Account	39,126	39,215	16,376	61,965	26,769	20,056	68,678
Sheriff Reserve Account	5,983	2,801	8,784	-	-	-	-
Total	<u>\$ 4,818,371</u>	<u>\$ 7,008,509</u>	<u>\$ 6,912,906</u>	<u>\$ 4,913,974</u>	<u>\$ 6,111,159</u>	<u>\$ 5,736,499</u>	<u>\$ 5,288,634</u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>				
Property taxes	\$ 384,000	\$ 416,350	\$ 432,500	\$ 460,093
Sales taxes	480,000	486,616	475,000	453,668
Intergovernmental	310,110	628,440	210,906	442,043
Charges for services	418,200	408,678	360,450	398,851
Interest	80,000	29,740	35,000	2,707
Other	126,900	297,120	127,900	119,308
Transfers in	6,200	21,561	7,700	7,700
Total Receipts	<u>\$ 1,805,410</u>	<u>\$ 2,288,505</u>	<u>\$ 1,649,456</u>	<u>\$ 1,884,370</u>
<b>DISBURSEMENTS</b>				
County Commission	\$ 116,500	\$ 96,902	\$ 104,480	\$ 95,924
County Clerk	163,980	123,196	151,253	126,058
Elections	78,620	63,877	27,900	14,766
Buildings and grounds	401,920	82,028	400,600	77,941
Employee fringe benefits	293,152	258,340	297,608	264,901
Treasurer	52,980	44,364	51,785	45,363
Collector	110,000	90,103	109,700	97,961
Recorder of Deeds	44,600	35,358	46,800	32,266
Circuit Clerk	31,500	8,230	31,700	13,587
Associate Circuit Court	10,100	7,971	10,100	10,605
Court administration	32,261	30,390	32,852	29,423
Public Administrator	30,500	25,376	29,250	26,123
Prosecuting Attorney	111,953	101,412	114,358	103,952
Juvenile Officer	66,816	65,832	71,604	56,296
Coroner	22,790	16,115	27,135	22,154
Other County Government	640,894	925,522	659,429	721,341
Transfers out	430,400	180,000	537,000	288,000
Emergency fund	54,200	-	-	-
Total Disbursements	<u>\$ 2,693,166</u>	<u>\$ 2,155,016</u>	<u>\$ 2,703,554</u>	<u>\$ 2,026,661</u>
<b>RECEIPTS OVER (UNDER)</b>				
DISBURSEMENTS	\$ (887,756)	\$ 133,489	\$ (1,054,098)	\$ (142,291)
CASH, JANUARY 1	<u>1,145,283</u>	<u>1,145,283</u>	<u>1,278,772</u>	<u>1,278,772</u>
CASH, DECEMBER 31	<u>\$ 257,527</u>	<u>\$ 1,278,772</u>	<u>\$ 224,674</u>	<u>\$ 1,136,481</u>

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

ANDREW COUNTY, MISSOURI  
 COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
 BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 834,761	\$ 1,035,640	\$ 868,200	\$ 1,062,551	\$ -	\$ -	\$ -	\$ -
Sales taxes	365,000	364,962	370,000	340,251	-	-	-	-
Intergovernmental	2,341,012	1,407,398	2,038,050	994,601	207,920	227,346	297,000	230,668
Charges for services	-	-	-	-	2,000	295	2,000	646
Interest	40,000	14,422	15,000	1,474	4,000	2,273	3,000	149
Other	55,000	43,339	209,260	26,216	2,000	8,218	3,000	2,004
Transfers in	245,000	-	5,000	-	89,000	45,000	-	-
<b>Total Receipts</b>	<b>\$ 3,880,773</b>	<b>\$ 2,865,761</b>	<b>\$ 3,505,510</b>	<b>\$ 2,425,093</b>	<b>\$ 304,920</b>	<b>\$ 283,132</b>	<b>\$ 305,000</b>	<b>\$ 233,467</b>
<b>DISBURSEMENTS</b>								
Salaries	\$ 493,000	\$ 489,274	\$ 477,934	427,710	\$ 138,772	\$ 105,688	\$ 115,115	\$ 111,665
Employee fringe benefits	273,146	254,367	255,701	228,785	55,803	41,869	46,530	42,691
Materials and Supplies	359,000	391,437	390,000	260,235	34,445	9,997	48,100	26,931
Services and Other	293,400	240,255	224,650	145,511	75,900	80,969	91,180	75,553
Capital Outlay	395,000	330,598	230,000	169,394	-	-	-	-
Construction	2,064,138	1,234,816	1,927,225	823,289	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 3,877,684</b>	<b>\$ 2,940,747</b>	<b>\$ 3,505,510</b>	<b>\$ 2,054,924</b>	<b>\$ 304,920</b>	<b>\$ 238,523</b>	<b>\$ 300,925</b>	<b>\$ 256,840</b>
<b>RECEIPTS OVER (UNDER)</b>								
<b>DISBURSEMENTS</b>	<b>\$ 3,089</b>	<b>\$ (74,986)</b>	<b>\$ -</b>	<b>\$ 370,169</b>	<b>\$ -</b>	<b>\$ 44,609</b>	<b>\$ 4,075</b>	<b>\$ (23,373)</b>
<b>CASH, JANUARY 1</b>	<b>479,133</b>	<b>479,133</b>	<b>404,147</b>	<b>404,147</b>	<b>48,245</b>	<b>48,245</b>	<b>92,854</b>	<b>92,854</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 482,222</b>	<b>\$ 404,147</b>	<b>\$ 404,147</b>	<b>\$ 774,316</b>	<b>\$ 48,245</b>	<b>\$ 92,854</b>	<b>\$ 96,929</b>	<b>\$ 69,481</b>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	500,000	486,616	485,000	453,668	-	-	-	-
Intergovernmental	25,000	29,034	29,000	80,260	-	-	-	-
Charges for services	40,000	73,213	73,000	50,087	2,000	-	-	-
Interest	10,000	689	1,000	55	500	392	400	35
Other	13,000	6,898	6,900	2,828	5,000	4,649	5,000	4,662
Transfers in	231,400	185,000	312,750	288,000	-	-	-	-
Total Receipts	<u>\$ 819,400</u>	<u>\$ 781,450</u>	<u>\$ 907,650</u>	<u>\$ 874,898</u>	<u>\$ 7,500</u>	<u>\$ 5,041</u>	<u>\$ 5,400</u>	<u>\$ 4,697</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 445,000	\$ 410,225	\$ 446,000	\$ 456,639	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	158,600	149,429	183,579	175,263	-	-	-	-
Materials and Supplies	50,000	24,599	52,000	32,305	3,000	-	-	-
Services and Other	165,800	211,730	225,000	177,723	10,000	7,893	5,400	3,843
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	15,361	15,361	-	-
Total Disbursements	<u>\$ 819,400</u>	<u>\$ 795,983</u>	<u>\$ 906,579</u>	<u>\$ 841,930</u>	<u>\$ 28,361</u>	<u>\$ 23,254</u>	<u>\$ 5,400</u>	<u>\$ 3,843</u>
<b>RECEIPTS OVER (UNDER)</b>								
<b>DISBURSEMENTS</b>	\$ -	\$ (14,533)	\$ 1,071	\$ 32,968	\$ (20,861)	\$ (18,213)	\$ -	\$ 854
<b>CASH, JANUARY 1</b>	<u>16,225</u>	<u>16,227</u>	<u>1,694</u>	<u>1,694</u>	<u>34,861</u>	<u>34,861</u>	<u>16,648</u>	<u>16,648</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 16,225</u></u>	<u><u>\$ 1,694</u></u>	<u><u>\$ 2,765</u></u>	<u><u>\$ 34,662</u></u>	<u><u>\$ 14,000</u></u>	<u><u>\$ 16,648</u></u>	<u><u>\$ 16,648</u></u>	<u><u>\$ 17,502</u></u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				RECORDER'S RECORD ACCOUNT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	140,000	121,654	120,000	113,417	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	13,000	10,938	10,000	11,501
Interest	-	-	-	-	2,000	1,042	500	100
Other	10,000	6,978	5,000	566	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 150,000</u>	<u>\$ 128,632</u>	<u>\$ 125,000</u>	<u>\$ 113,983</u>	<u>\$ 15,000</u>	<u>\$ 11,980</u>	<u>\$ 10,500</u>	<u>\$ 11,601</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	20,500	5,576	36,500	11,979
Services and Other	-	-	-	-	8,500	4,057	8,206	4,975
Capital Outlay	-	-	-	-	-	-	-	-
Construction	390,000	188,768	270,000	73,958	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 390,000</u>	<u>\$ 188,768</u>	<u>\$ 270,000</u>	<u>\$ 73,958</u>	<u>\$ 29,000</u>	<u>\$ 9,633</u>	<u>\$ 44,706</u>	<u>\$ 16,954</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (240,000)</b>	<b>\$ (60,136)</b>	<b>\$ (145,000)</b>	<b>\$ 40,025</b>	<b>\$ (14,000)</b>	<b>\$ 2,347</b>	<b>\$ (34,206)</b>	<b>\$ (5,353)</b>
<b>CASH, JANUARY 1</b>	<u>310,291</u>	<u>310,291</u>	<u>250,155</u>	<u>250,155</u>	<u>55,786</u>	<u>55,786</u>	<u>58,133</u>	<u>58,133</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 70,291</u></u>	<u><u>\$ 250,155</u></u>	<u><u>\$ 105,155</u></u>	<u><u>\$ 290,180</u></u>	<u><u>\$ 41,786</u></u>	<u><u>\$ 58,133</u></u>	<u><u>\$ 23,927</u></u>	<u><u>\$ 52,780</u></u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,000	35,000	35,000	20,000
Charges for services	-	-	-	-	-	-	-	-
Interest	40	22	40	3	2,200	465	2,200	41
Other	1,210	801	1,210	743	2,000	664	2,000	415
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,250</u>	<u>\$ 823</u>	<u>\$ 1,250</u>	<u>\$ 746</u>	<u>\$ 39,200</u>	<u>\$ 36,129</u>	<u>\$ 39,200</u>	<u>\$ 20,456</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	7,181	9,681	\$ 9,000	\$ 8,311
Employee fringe benefits	-	-	-	-	550	740	689	636
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,250	589	1,250	335	5,200	1,695	5,200	621
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	55,000	50,000	25,000	-
Total Disbursements	<u>\$ 1,250</u>	<u>\$ 589</u>	<u>\$ 1,250</u>	<u>\$ 335</u>	<u>\$ 67,931</u>	<u>\$ 62,116</u>	<u>\$ 39,889</u>	<u>\$ 9,568</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ -	\$ 234	\$ -	\$ 411	\$ (28,731)	\$ (25,987)	\$ (689)	\$ 10,888
CASH, JANUARY 1	<u>1,003</u>	<u>1,003</u>	<u>1,237</u>	<u>1,237</u>	<u>41,013</u>	<u>41,013</u>	<u>15,026</u>	<u>15,026</u>
CASH, DECEMBER 31	<u>\$ 1,003</u>	<u>\$ 1,237</u>	<u>\$ 1,237</u>	<u>\$ 1,648</u>	<u>\$ 12,282</u>	<u>\$ 15,026</u>	<u>\$ 14,337</u>	<u>\$ 25,914</u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				ADULT ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	400	157	-	13	-	-	-	-
Other	7,690	4,500	6,000	3,241	1,200	1,578	1,400	2,013
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,090</u>	<u>\$ 4,657</u>	<u>\$ 6,000</u>	<u>\$ 3,254</u>	<u>\$ 1,200</u>	<u>\$ 1,578</u>	<u>\$ 1,400</u>	<u>\$ 2,013</u>
<b>DISBURSEMENTS</b>								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,440	782	1,350	4,129	-	-	-	-
Services and Other	3,600	3,410	4,500	354	1,200	1,578	1,400	2,013
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,040</u>	<u>\$ 4,192</u>	<u>\$ 5,850</u>	<u>\$ 4,483</u>	<u>\$ 1,200</u>	<u>\$ 1,578</u>	<u>\$ 1,400</u>	<u>\$ 2,013</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 3,050</u>	<u>\$ 465</u>	<u>\$ 150</u>	<u>\$ (1,229)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>CASH, JANUARY 1</b>	<u>6,879</u>	<u>6,879</u>	<u>7,344</u>	<u>7,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 9,929</u></u>	<u><u>\$ 7,344</u></u>	<u><u>\$ 7,494</u></u>	<u><u>\$ 6,115</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	AGGREGATE CEMETERY TRUST FUND				CHINNERETH ESTATES, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 27,854	\$ 19,881	\$ 15,977	\$ 15,338
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	200	160	175	16
Other	121,650	119,299	119,700	105,817	-	-	-	5,556
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 121,650</u>	<u>\$ 119,299</u>	<u>\$ 119,700</u>	<u>\$ 105,817</u>	<u>\$ 28,054</u>	<u>\$ 20,041</u>	<u>\$ 16,152</u>	<u>\$ 20,910</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	78,650	72,832	83,700	72,977	15,817	13,700	17,889	19,719
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 78,650</u>	<u>\$ 72,832</u>	<u>\$ 83,700</u>	<u>\$ 72,977</u>	<u>\$ 15,817</u>	<u>\$ 13,700</u>	<u>\$ 17,889</u>	<u>\$ 19,719</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 43,000</u>	<u>\$ 46,467</u>	<u>\$ 36,000</u>	<u>\$ 32,840</u>	<u>\$ 12,237</u>	<u>\$ 6,341</u>	<u>\$ (1,737)</u>	<u>\$ 1,191</u>
<b>CASH, JANUARY 1</b>	<u>2,218,817</u>	<u>2,218,817</u>	<u>2,265,284</u>	<u>2,265,284</u>	<u>4,177</u>	<u>4,177</u>	<u>10,518</u>	<u>10,518</u>
<b>CASH, DECEMBER 31</b>	<u><u>\$ 2,261,817</u></u>	<u><u>\$ 2,265,284</u></u>	<u><u>\$ 2,301,284</u></u>	<u><u>\$ 2,298,124</u></u>	<u><u>\$ 16,414</u></u>	<u><u>\$ 10,518</u></u>	<u><u>\$ 8,781</u></u>	<u><u>\$ 11,709</u></u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR TAX MAINTENANCE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 23,000	\$ 28,346	\$ 30,000	\$ 28,118	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,000	2,693	1,000	588
Interest	1,800	851	1,000	104	400	91	90	10
Other	-	-	-	9	-	1,248	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,800</u>	<u>\$ 29,197</u>	<u>\$ 31,000</u>	<u>\$ 28,231</u>	<u>\$ 5,400</u>	<u>\$ 4,032</u>	<u>\$ 1,090</u>	<u>\$ 598</u>
<b>DISBURSEMENTS</b>								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	17,500	14,153	15,000	5,342	3,500	1,352	650	-
Services and Other	4,500	6,467	14,000	22,880	4,500	1,724	950	1,466
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 22,000</u>	<u>\$ 20,620</u>	<u>\$ 29,000</u>	<u>\$ 28,222</u>	<u>\$ 8,000</u>	<u>\$ 3,076</u>	<u>\$ 1,600</u>	<u>\$ 1,466</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,800	\$ 8,577	\$ 2,000	\$ 9	\$ (2,600)	\$ 956	\$ (510)	\$ (868)
CASH, JANUARY 1	<u>36,449</u>	<u>36,449</u>	<u>45,026</u>	<u>45,026</u>	<u>4,393</u>	<u>4,393</u>	<u>5,349</u>	<u>5,349</u>
CASH, DECEMBER 31	<u>\$ 39,249</u>	<u>\$ 45,026</u>	<u>\$ 47,026</u>	<u>\$ 45,035</u>	<u>\$ 1,793</u>	<u>\$ 5,349</u>	<u>\$ 4,839</u>	<u>\$ 4,481</u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FORD FARM FUND				JOHN GLENN, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 17,759	\$ 18,883	\$ 15,911	\$ 21,068
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	6,000	5,687	6,000	4,455	2,500	945	1,000	24
Other	3,478	3,478	3,478	3,478	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$ 9,478</b>	<b>\$ 9,165</b>	<b>\$ 9,478</b>	<b>\$ 7,933</b>	<b>\$ 20,259</b>	<b>\$ 19,828</b>	<b>\$ 16,911</b>	<b>\$ 21,092</b>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,600	604	3,650	1,253	-	-	-	-
Services and Other	1,550	3,294	3,300	2,031	46,770	52,950	15,040	15,040
Capital Outlay	-	-	-	-	-	-	-	-
Construction	10,000	1,244	10,000	10,627	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 15,150</b>	<b>\$ 5,142</b>	<b>\$ 16,950</b>	<b>\$ 13,911</b>	<b>\$ 46,770</b>	<b>\$ 52,950</b>	<b>\$ 15,040</b>	<b>\$ 15,040</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (5,672)</b>	<b>\$ 4,023</b>	<b>\$ (7,472)</b>	<b>\$ (5,978)</b>	<b>\$ (26,511)</b>	<b>\$ (33,122)</b>	<b>\$ 1,871</b>	<b>\$ 6,052</b>
<b>CASH, JANUARY 1</b>	<b>122,124</b>	<b>122,124</b>	<b>126,147</b>	<b>126,147</b>	<b>42,460</b>	<b>42,460</b>	<b>9,338</b>	<b>9,338</b>
<b>CASH, DECEMBER 31</b>	<b>\$ 116,452</b>	<b>\$ 126,147</b>	<b>\$ 118,675</b>	<b>\$ 120,169</b>	<b>\$ 15,949</b>	<b>\$ 9,338</b>	<b>\$ 11,209</b>	<b>\$ 15,390</b>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHNSON GRASS BOARD FUND				GORE ROAD, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Special Assessments	\$ 40,000	\$ 52,030	\$ 40,000	\$ 42,171	\$ 9,918	\$ 10,688	\$ 9,712	\$ 11,313
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,640	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,200	1,079	1,100	152	250	142	160	14
Other	-	14,402	75	2,488	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 43,840</u>	<u>\$ 67,511</u>	<u>\$ 41,175</u>	<u>\$ 44,811</u>	<u>\$ 10,168</u>	<u>\$ 10,830</u>	<u>\$ 9,872</u>	<u>\$ 11,327</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 22,000	\$ 19,985	\$ 21,150	\$ 20,874	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,125	3,751	3,450	3,509	-	-	-	-
Services and Other	7,800	6,509	6,550	4,531	9,929	9,949	9,907	9,724
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 33,925</u>	<u>\$ 30,245</u>	<u>\$ 31,150</u>	<u>\$ 28,914</u>	<u>\$ 9,929</u>	<u>\$ 9,949</u>	<u>\$ 9,907</u>	<u>\$ 9,724</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 9,915	\$ 37,266	\$ 10,025	\$ 15,897	\$ 239	\$ 881	\$ (35)	\$ 1,603
CASH, JANUARY 1	<u>34,432</u>	<u>34,432</u>	<u>71,698</u>	<u>71,698</u>	<u>6,912</u>	<u>6,912</u>	<u>7,793</u>	<u>7,793</u>
CASH, DECEMBER 31	<u>\$ 44,347</u>	<u>\$ 71,698</u>	<u>\$ 81,723</u>	<u>\$ 87,595</u>	<u>\$ 7,151</u>	<u>\$ 7,793</u>	<u>\$ 7,758</u>	<u>\$ 9,396</u>

Actual cash dollars do not match per 09 and 10 budgets.

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTORIA HILLS, NID FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Special Assessments	\$ 13,948	\$ 19,821	\$ 14,030	\$ 12,223	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	140	100	110	8	-	113	100	71
Other	-	-	-	-	14,000	17,914	16,000	17,670
Transfers in	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<u>\$ 14,088</u>	<u>\$ 19,921</u>	<u>\$ 14,140</u>	<u>\$ 12,231</u>	<u>\$ 14,000</u>	<u>\$ 18,027</u>	<u>\$ 16,100</u>	<u>\$ 17,741</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	94	400	248
Services and Other	14,018	13,743	13,948	13,675	-	4,891	4,000	6,356
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	6,200	7,700	7,700
<b>Total Disbursements</b>	<u>\$ 14,018</u>	<u>\$ 13,743</u>	<u>\$ 13,948</u>	<u>\$ 13,675</u>	<u>\$ -</u>	<u>\$ 11,185</u>	<u>\$ 12,100</u>	<u>\$ 14,304</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>\$ 70</u>	<u>\$ 6,178</u>	<u>\$ 192</u>	<u>\$ (1,444)</u>	<u>\$ 14,000</u>	<u>\$ 6,842</u>	<u>\$ 4,000</u>	<u>\$ 3,437</u>
<b>CASH, JANUARY 1</b>	<u>795</u>	<u>795</u>	<u>6,973</u>	<u>6,973</u>	<u>33,556</u>	<u>33,556</u>	<u>40,398</u>	<u>40,398</u>
<b>CASH, DECEMBER 31</b>	<u>\$ 865</u>	<u>\$ 6,973</u>	<u>\$ 7,165</u>	<u>\$ 5,529</u>	<u>\$ 47,556</u>	<u>\$ 40,398</u>	<u>\$ 44,398</u>	<u>\$ 43,835</u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 150,000	\$ 168,097	\$ 155,000	\$ 173,072	\$ 55,379	\$ 68,503	\$ 55,889	\$ 61,121
Sales taxes		-	-	-	-	-	-	-
Intergovernmental		-	-	-	-	-	-	-
Charges for services	1,450	1,235	1,500	1,905	-	-	-	-
Interest	2,000	2,471	2,200	1,193	-	-	-	-
Other	-	648	-	1,830	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 153,450</u>	<u>\$ 172,451</u>	<u>\$ 158,700</u>	<u>\$ 178,000</u>	<u>\$ 55,379</u>	<u>\$ 68,503</u>	<u>\$ 55,889</u>	<u>\$ 61,121</u>
DISBURSEMENTS								
Salaries	\$ 73,100	\$ 74,894	\$ 76,000	\$ 75,298	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,623	50,885	36,375	25,683	-	-	-	-
Services and Other	58,633	39,498	53,727	45,085	55,102	68,628	55,889	60,916
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 172,356</u>	<u>\$ 165,277</u>	<u>\$ 166,102</u>	<u>\$ 146,066</u>	<u>\$ 55,102</u>	<u>\$ 68,628</u>	<u>\$ 55,889</u>	<u>\$ 60,916</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,906)	\$ 7,174	\$ (7,402)	\$ 31,934	\$ 277	\$ (125)	\$ -	\$ 205
CASH, JANUARY 1	<u>129,998</u>	<u>129,998</u>	<u>137,172</u>	<u>137,172</u>	<u>428</u>	<u>428</u>	<u>303</u>	<u>303</u>
CASH, DECEMBER 31	<u>\$ 111,092</u>	<u>\$ 137,172</u>	<u>\$ 129,770</u>	<u>\$ 169,106</u>	<u>\$ 705</u>	<u>\$ 303</u>	<u>\$ 303</u>	<u>\$ 508</u>

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

ANDREW COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL ACCOUNT FUND				SHERIFF RESERVE ACCOUNT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	500	909	200	122	100	85	-	-
Other	20,000	38,306	40,000	26,647	3,000	2,716	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,500</u>	<u>\$ 39,215</u>	<u>\$ 40,200</u>	<u>\$ 26,769</u>	<u>\$ 3,100</u>	<u>\$ 2,801</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,000	12,500	-	9,500	3,000	8,584	-	-
Services and Other	7,000	3,876	40,000	10,556	-	200	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 27,000</u>	<u>\$ 16,376</u>	<u>\$ 40,000</u>	<u>\$ 20,056</u>	<u>\$ 3,000</u>	<u>\$ 8,784</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,500)	\$ 22,839	\$ 200	\$ 6,713	\$ 100	\$ (5,983)	\$ -	\$ -
CASH, JANUARY 1	<u>39,126</u>	<u>39,126</u>	<u>61,965</u>	<u>61,965</u>	<u>5,983</u>	<u>5,983</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 32,626</u>	<u>\$ 61,965</u>	<u>\$ 62,165</u>	<u>\$ 68,678</u>	<u>\$ 6,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ANDREW COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note 1, 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.

A. Reporting Entity

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

The financial statements referred to above include the primary government of Andrew County, Missouri, 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.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

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.

### C. Basis of Accounting

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

### D. Budgets and Budgetary Accounting

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

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

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds.

Fund	2009	2008
Prosecuting Attorney Bad Check	N/A	X

10. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2009	2008
Adult Abuse	X	X
Prosecuting Attorney Bad Check	X	X
Chinnereth Estates, NID	X	N/A
John Glenn, NID	N/A	X
Senior Citizens Services	X	X
Sheriff's Reserve	N/A	X

Also, because a budget was not adopted for that fund listed in Note 1.D.9, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	2009	2008
Real Estate	\$ 145,088,650	\$ 138,940,390
Personal Property	44,067,811	45,917,810
Railroad and Utilities	7,418,393	9,877,967

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
General Revenue	\$ 0.2153	\$ 0.2153
Special Road and Bridge	0.4996	0.4996
Johnson Grass	0.0250	0.0250
Senior Citizens	0.0287	0.0287
SB 40	0.0813	0.0813

## F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds, other than the funds of the Aggregate Cemetery Trust Fund, 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. 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 and investment balances and the balances owned by the Aggregate Cemetery Trust Fund are presented in Note 2.

## G. 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.

## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Also included in the Cash and Investments caption are investments owned by the Aggregate Cemetery Trust Fund.

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, excluding cash and investments of the Aggregate Cemetery Trust Fund, were \$2,990,510 and \$2,648,690, respectively, and the bank balances were \$2,399,698 and \$1,726,963, respectively. Of the bank balances, \$526,650 and \$546,094 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance, \$62,549 and \$0, respectively were covered by the FDIC Temporary Liquidity Guarantee Program, and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Johnson Grass, Senior Citizens Services and Senate Bill 40. Tax Collections on deposit amounted to \$3,816,376 and \$4,199,624 at December 31, 2009 and 2008, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2009 and 2008, were collateralized at \$0 and \$1,151,335, respectively, and were covered by the FDIC's Temporary Liquidity Guarantee Program in the amounts of \$3,566,376 and \$2,798,287, respectively.

Investments – The Aggregate Cemetery Trust Fund holds cash deposits and investments allowed by the Cemetery Trust Agreement. The terms of the trust agreement authorize investments in United States Government securities and stocks currently traded on the New York Stock Exchange. A court opinion docketed in 2001 authorized the County Commission to buy, sell, or trade stocks and bonds as long as the shares of original stock making up the corpus of the trust were maintained.

The U.S. government bonds consist of seven series HH bonds with a total face value of \$10,000, three series EE bonds with a total face value of \$750 and a series H saving bond with a face value of \$500.

As of December 31, 2009, the Aggregate Cemetery Trust Fund had the following cash deposits and investments:

Investment Type	Investment Maturity (in Years)					
	Fair Value	Carrying Amount	No Maturity	1 - 5	6 - 10	More than 10
U.S. government securities	\$ 545,049	\$ 529,905	\$ -	\$ 545,049	\$ -	\$ -
U.S. government bonds	85,964	83,525	-	-	-	85,964
U.S. government bond fund	142,766	151,243	142,766	-	-	-
Stocks and mutual funds	829,997	644,824	829,997	-	-	-
Corporate bonds	64,475	114,631	-	8,905	21,909	33,661
Cash and certificates of deposit	773,996	773,996	256,890	517,106	-	-
	<u>\$ 2,442,247</u>	<u>\$ 2,298,124</u>	<u>\$ 1,229,653</u>	<u>\$ 1,071,060</u>	<u>\$ 21,909</u>	<u>\$ 119,625</u>

The bank balance of the cash and certificates of deposit in the Aggregate Cemetery Trust Fund at December 31, 2009 was \$751,766.

As of December 31, 2008, the Cemetery Trust Fund had the following investments:

Investment Type	Investment Maturity (in Years)					
	Fair Value	Carrying Amount	No Maturity	1 - 5	6 - 10	More than 10
U.S. government securities	\$ 551,895	\$ 528,212	\$ -	\$ 551,895	\$ -	\$ -
U.S. government bonds	85,810	83,525	-	-	-	85,810
U.S. government bond fund	165,946	143,733	165,946	-	-	-
Stocks and mutual funds	724,790	644,412	724,790	-	-	-
Corporate bonds	52,084	114,631	-	7,287	20,257	24,540
Cash and certificates of deposit	750,771	750,771	242,315	508,456	-	-
	<u>\$ 2,331,296</u>	<u>\$ 2,265,284</u>	<u>\$ 1,133,051</u>	<u>\$ 1,067,638</u>	<u>\$ 20,257</u>	<u>\$ 110,350</u>

The bank balance of the cash and certificates of deposit in the Aggregate Cemetery Trust Fund at December 31, 2008 was \$704,754.

Interest rate risk: The trust agreement does not specify limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: The trust agreement does not include limits on ratings for investments made by the Aggregate Cemetery Trust Fund. Ratings for the fund's bond investments are from Moody's Investors Service.

	Market Value	Rating 2009
Government National Mortgage Association Bonds	\$74,714	Not Rated
New York Telephone Company Bonds	14,846	AAA
GTE Corporation Bonds	21,909	Baa1
General Motors Corporation Bonds	18,815	Not Rated
General Motors Acceptance Corporation Bonds	8,905	Ca

Concentration of credit risk: The trust agreement does not limit the amount the Trust may invest in any one issuer. More than 5 percent of the Aggregate Cemetery's investments are in Pfizer stock. This investment accounts for 9.5 percent of the Aggregate Cemetery Fund's total investments at December 31, 2009.

Custodial credit risk: Custodial credit risk is the risk that, if the counterparty to an investment transaction fails, Andrew County will not be able to recover the investment's value, or the collateral securities that are in an outside party's possession. The County's investments at December 31, 2009 and 2008 were not exposed to custodial credit risk because they were held by the County's custodial bank in the Cemetery Trust's name.

### 3. COUNTY EMPLOYEES' RETIREMENT PLANS

#### A. 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.

##### 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. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

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

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's

responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$ 48,457 and \$ 41,078, respectively, for the years then ended.

The County's full-time employees do not contribute to the LAGERS pension plan. The political subdivision is required by State Statute to contribute at actuarially determined rate; the rate for 2009 was 13.5% (general) and 8.9% (police) and in 2008 the rate contributed was 13.6% (general) and 9.2% (police) of annual covered payroll. During 2009 and 2008, the County contributed approximately \$190,806 and \$193,861 respectively, for the years then ended.

## 4. POST EMPLOYMENT BENEFITS

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

## 5. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides full time employees with up to 60 days of sick time -- to accrue at one day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one-half day to one and one half days per month depending on length of employment, up to two weeks rollover balance. Upon termination the employee may choose time taken as early separation or to be compensated on last payroll check for balance of unused vacation time limited to two weeks. Comp time will accrue at a rate of one and one half time actual hours worked based on federal wage and hour regulations, up to 180 hours rollover balance. Upon termination the employee may choose time taken as early separation or to be compensated on last payroll check for balance of unused comp time limited to 180 hours.

## B. Federal and State Assisted Programs

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

## 6. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

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

## 7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senate Bill 40, Senior Citizens Services, Neighborhood Improvement Districts, and Johnson Grass. The effect of the aforementioned change in reporting entity is to increase cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the Senate Bill 40, Senior Citizens Services, Neighborhood Improvement Districts and Johnson Grass.

## 8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$92,000 outstanding for the Chinnereth Estates Neighborhood Improvement District Bonds, issued in December 2006 for \$108,000. The bonds bear interest at 4.125% and are scheduled to be paid in ten annual payments ranging from \$10,000 to \$13,000 per year. The final payment is scheduled for March 1, 2017. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
March 1, 2010	\$ 10,000	4.1250%	1,898	11,898
September 1, 2010	-	0.0000%	1,691	1,691
March 1, 2011	10,000	4.1250%	1,691	11,691
September 1, 2011	-	0.0000%	1,485	1,485
March 1, 2012	11,000	4.1250%	1,485	12,485
September 1, 2012	-	0.0000%	1,258	1,258
March 1, 2013	11,000	4.1250%	1,258	12,258
September 1, 2013	-	0.0000%	1,031	1,031
March 1, 2014	12,000	4.1250%	1,031	13,031
September 1, 2014	-	0.0000%	784	784
March 1, 2015	12,000	4.1250%	784	12,784
September 1, 2015	-	0.0000%	536	536
March 1, 2016	13,000	4.1250%	536	13,536
September 1, 2016	-	0.0000%	268	268
March 1, 2017	13,000	4.1250%	268	13,268

- B. \$74,000 outstanding for the John Glenn Road Neighborhood Improvement District Bonds, issued in 2008. The bonds bear interest at 6.0% and are scheduled to be paid in seven annual payments ranging from \$10,000 to \$12,000 per year. The final payment is scheduled for May 1, 2015. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
May 1, 2010	\$ 10,000	6.00%	\$ 2,220	\$ 13,220
November 1, 2010	-	0.00%	1,890	1,890
May 1, 2011	10,000	6.00%	1,890	12,890
November 1, 2011	-	0.00%	1,560	1,560
May 1, 2012	11,000	6.00%	1,560	13,560
November 1, 2012	-	0.00%	1,200	1,200
May 1, 2013	11,000	6.00%	1,200	14,200
November 1, 2013	-	0.00%	810	810
May 1, 2014	12,000	6.00%	810	14,810
November 1, 2014	-	0.00%	390	390
May 1, 2015	12,000	6.00%	390	13,390

- C. \$85,000 outstanding for the Gore Road Neighborhood Improvement District Bonds, issued in September 2001 for \$121,000. The bonds bear interest at from 4.5% to 5.25% and are scheduled to be paid in nineteen annual payments. The final payment is scheduled for March 1, 2020. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
March 1, 2010	\$ 5,000	4.50%	\$ 2,175	\$ 7,175
September 1, 2010	-	0.00%	2,063	2,063
March 1, 2011	5,000	5.00%	2,063	7,063
September 1, 2011	-	0.00%	1,938	1,938
March 1, 2012	5,000	5.00%	1,938	6,938
September 1, 2012	-	0.00%	1,813	1,813
March 1, 2013	5,000	5.00%	1,813	6,813
September 1, 2013	-	0.00%	1,688	1,688
March 1, 2014	5,000	5.00%	1,688	6,688
September 1, 2014	-	0.00%	1,563	1,563
March 1, 2015	10,000	5.00%	1,563	11,563
September 1, 2015	-	0.00%	1,313	1,313
March 1, 2016	10,000	5.25%	1,313	11,313
September 1, 2016	-	0.00%	1,050	1,050
March 1, 2017	10,000	5.25%	1,050	11,050
September 1, 2017	-	0.00%	788	788
March 1, 2018	10,000	5.25%	788	10,788
September 1, 2018	-	0.00%	525	525
March 1, 2019	10,000	5.25%	525	10,525
September 1, 2019	-	0.00%	263	263
March 1, 2020	10,000	5.25%	263	10,263

D. \$50,606 outstanding for the Victoria Hills Neighborhood Improvement District Bond, issued in October 2002 for \$108,450. The bonds bear interest at 4.125% and are scheduled to be paid in ten annual payments. The final payment is scheduled for March 1, 2013. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
March 1, 2010	\$ 11,913	4.125%	\$ 1,044	\$ 12,957
September 1, 2010	-	0.000%	798	798
March 1, 2011	12,392	4.125%	798	13,190
September 1, 2011	-	0.000%	542	542
March 1, 2012	12,891	4.125%	542	13,433
September 1, 2012	-	0.000%	277	277
March 1, 2013	13,410	4.125%	277	13,689

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and  
Officeholders of Andrew County, Missouri

We have audited the accompanying financial statements of Andrew County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 9, 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, we considered Andrew County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Andrew County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Andrew County, Missouri's internal control over financial reporting.

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 and correct 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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and recommendations as item 1 and 2 to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Andrew County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as items 3 and 4.

Andrew County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Andrew County, Missouri's response and, accordingly, we express no opinion on it.

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

*(Original Signed by Auditor)*

McBride, Lock & Associates  
July 9, 2010

McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and  
Officeholders of Andrew County, Missouri

Compliance

We have audited the compliance of Andrew County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Andrew County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Andrew County, Missouri's management. Our responsibility is to express an opinion on Andrew County, Missouri'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 Andrew County, Missouri'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 Andrew County, Missouri's compliance with those requirements.

In our opinion, Andrew County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008 and which is described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

## Internal Control Over Compliance

The management of Andrew County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Andrew County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 Andrew 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

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

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

*(Original Signed by Auditor)*

McBride, Lock & Associates  
July 9, 2010

ANDREW COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
U.S. DEPARTMENT OF AGRICULTURE				
10.069	Passed through State Conservation Reserve Program County Farm & Ford Farm for Youth	FEIN 446000438	\$ 8,347	\$ 14,399
U.S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through State Highway and Transportation Commission Highway Planning and Construction	BRO - BOO235	247,786	
	Highway Planning and Construction	BRO - BOO236	284,484	
	Highway Planning and Construction	BRO - BOO237	30,859	557
	Highway Planning and Construction	BRO - BOO238	123,164	311,254
ELECTION ASSISTANCE COMMISSION				
90.401	Passed through the Office of Secretary of State Help America Vote Act Requirements Payments	No number assigned		2,228
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.563	Passed through State Department of Social Services Child Support Enforcement	FIPS 29-00326	157,255	157,854
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.036	Passed through State Department of Public Safety: Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	FEMA 1773-DR-MO	179,957	60,049
97.042	Emergency Management Performance Grants	2008-EM-E8-0004/	9,600	6,937
97.067	Homeland Security Grant Program	2009-EP-E9-0001/ 2009-S8-T9-0066	19,237	8,270
	Total Expenditures of Federal Awards		<u>\$ 1,060,689</u>	<u>\$ 561,548</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – MATCHING REQUIREMENTS**

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

**NOTE C – SUBRECEIPIENTS**

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

ANDREW COUNTY, MISSOURI  
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 2009 AND 2008

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

**Federal Awards:**

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

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

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

Auditee Qualified as low-risk:  Yes  No

## **SECTION II – FINANCIAL STATEMENTS FINDINGS**

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Approval of Payments
2. Sheriff's Bank Reconciliation
3. Transfers Between Funds
4. Budgetary Compliance

Summary of Schedule of Prior Audit Findings:

1. Absence of Investment Policy
2. Budgetary Compliance
3. Transition of Officeholder
4. Documentation of 941's
5. Documentation in Personnel Files
6. Recorder's Bank Reconciliation

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation  
Pass-Through Grantor: Highway and Transportation Commission  
Federal CFDA Number: 20.205  
Program Title: Highway Planning and Construction  
Pass Through Entity Identifying Number: BRO – BOO235, BRO – BOO236, BRO –  
BOO237 and BRO – BOO238  
Award Years: 2008 and 2009  
Questioned Costs: None

### **09-1. Schedule of Expenditures of Federal Awards (SEFA)**

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The County utilizes the services of a Regional Council for certain compliance functions including the preparation of the SEFA. The SEFA for the years ending December 31, 2008 was inaccurate in that the County reported as expenditures the amount received for BRO-BOO238. The amount received was \$246,858 however the amount expended during the fiscal year was only \$123,164. The balance of the BRO-BOO238 funds were expended in fiscal year 2009 and were properly reported on the 2009 SEFA. The financial statements and SEFA included in this report have been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk discuss the cause of the reporting error with the preparer of the SEFA and closely review future SEFAs to ensure that only expenditures in the current year are reported.

County Response:

Mo-Kan Regional Council, as a regional planning commission, is tasked with assisting various community and economic development projects, one of which is to support Andrew County with the preparation of their Schedule of Federal Expenditures Awards (SEFA) for their annual audit. Mo-Kan's responsibility is to ensure the County's dollar figures are correct and all necessary information, such as Pass-Through Entity Identifying Numbers, are accurate. This past year, Mo-Kan staff failed to complete this task appropriately; as a result, Andrew County staff members were not able to submit exact data to their auditor.

Mo-Kan will work closer with Andrew County officials to prevent this occurrence from taking place again. Furthermore, the agency staff regrets not recognizing and addressing this sooner.

Auditor's Evaluation:

The response is appropriate to correct the concern.

**SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

## **FINDINGS AND RECOMMENDATIONS**

ANDREW COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

**1. Approval of Payments**

Condition: We tested forty expenditures. We noted three invoices that were not signed or for which there was no evidence of approval by a department head prior to being presented to and approved by the County Commission.

Recommendation: We recommend the County establish and implement adequate policies and procedures which ensure that all invoices are reviewed and that departmental approval is documented prior to presentation to the County Commission for final approval to pay.

County's Response:

The County adopted a policy on January 1, 2010 stating that all expenditures must be reviewed by a supervisor and a signed expense sheet will be attached to the bill and signed off by the supervisor.

Auditor's Evaluation:

The response is appropriate to correct the concern.

**2. Sheriff's Bank Reconciliation**

Condition: At the Sheriff's office, we noted that the Sheriff reconciles the bank accounts on a monthly basis. However, a variance of \$443.08 has existed on the Sheriff's main bank account reconciliation since the Sheriff took office in January 2009. The current Sheriff stated that he has attempted to research prior year records in order to identify the source of the funds, but has been unsuccessful due to the poor condition of these records.

Recommendation: We recommend the Sheriff dispose of the unidentified funds in accordance with applicable statutory provisions.

County's Response:

The County will contact the Missouri State Auditor's office to discuss how to handle the excess money.

Auditor's Evaluation:

The response is appropriate to correct the concern.

## ITEMS OF NONCOMPLIANCE

### **3. Accounting for Transfers**

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2008 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds is equal to transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response:

The County will correct the errors, beginning with the 2010 budget that will be amended to show the correction.

Auditor's Evaluation:

The response is appropriate to correct the concern.

### **4. Budgetary Controls**

Condition: We noted two issues with the County's budgeting process during 2008 and 2009, as follow.

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Prosecuting Attorney Bad Check Fund
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2008 and 2009 by more than an inconsequential amount:

	<u>2009</u>	<u>2008</u>
Adult Abuse	X	X
Prosecuting Attorney Bad Check	X	X
Chinnereth Estates, NID	X	N/A
John Glenn, NID	N/A	X
Senior Citizens Services	X	X
Sheriff's Reserve	N/A	X

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response:

a) This error occurred in 2008 when the budget was prepared by the previous Clerk. It appears that when the information was entered into the budget, it was not saved properly in the computer. When the budget was emailed to the State Auditors' office the information was missing. The County has the hard copy of the budget on file showing it had been submitted to be processed. To ensure this does not happen again the Clerk will review the electronic data closer to verify all the information is included.

b) The Adult Abuse fund is an in and out line item, the money that is received into the fund is immediately sent back out. The revenue comes from fees that are collected in the Circuit Clerk/Recorder of Deeds office. By Missouri Statutes, those fees are to be immediately distributed to the YWCA. When the budget is prepared each year it is impossible to know how much money will be collected for the year. To ensure the fund does not go over budget in the future the budget will be amended as needed.

Prosecuting Attorney Bad Check fund went over budget in 2008 and 2009. To correct this issue the Clerk will review each budget on a regular basis to ensure it does not occur again.

Chinnereth Estates NID fund went over budget in 2009 by \$1,830.60. This was due to an unexpected bill for road repair. The Clerk will amend the budget in the future if unexpected expenses should arise.

John Glenn NID fund went over budget in 2008. This was due to the County making a balloon payment on the bond. There was only a short window of opportunity to make the payment; in the future the budget will be amended.

Senior Citizens Services fund went over budget in 2008 and 2009. The Clerk visited with the preparer of the budget, and it was their understanding they were to spend all the money that was received for that year. To prevent it from happening for 2010 the budget will be amended.

Sheriff's Reserve fund was over budget in 2008 due to the fact the account was closed and the money transferred to another fund. There were no expenditures budgeted for the transfer.

Auditor's Evaluation:

The response is appropriate to correct the concern.

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

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Andrew County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County has not adopted an investment policy as required by State Statutes.

*Status - Resolved.*

2. Disbursements exceeded budgeted amounts for seven funds during the year ended December 31, 2006 and for two funds during the year ended December 31, 2007.

*Status - Not Resolved. See finding No.4.*

3. The previous Treasurer discarded over 20 large containers of items from her office on her last day as Treasurer in late 2006. A computer was also missing from the Treasurer's office. The County was unable to retrieve the items or determine whether they were official County records subject to record retention policies and regulations.

*Status - Resolved*

4. There was no copy of the original IRS payroll withholding 941 form for the second quarter of 2006. The first and third quarter of the 2006 941's had incorrect salary amounts. The first quarter of the 2007 941's had an incorrect FICA amount.

*Status - Resolved*

5. One of the four employee files tested did not have documentation confirming their current authorized salary, nor did any of the files contain authorization forms concerning correct raises for 2007.

*Status - Resolved.*

6. The Circuit Clerk-Recorder records checks in the month prior to when they are actually written. As a result, the ending monthly cash balances are understated.

*Status - Resolved.*