



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Warren 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, 2010, 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 black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-72

ANNUAL FINANCIAL REPORT

WARREN COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

WARREN COUNTY, MISSOURI

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INTRODUCTORY SECTION

WARREN COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Arden Engelage
Associate Commissioner – Dan Hampson
Associate Commissioner – Hubert Kluesner

Other Elected Officials

Assessor – Wendy Norwald
Circuit Clerk/Recorder – Brenda Eggering
Collector – Linda Stude
Coroner – Roger Mauzy
County Clerk – Barbara Daly
Prosecuting Attorney – Michael Wright
Public Administrator – Jeff Hoelscher
Sheriff – Kevin Harrison
Treasurer – Gene Cornell

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McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Warren County, Missouri

We have audited the accompanying financial statements of Warren County, Missouri as of and for the years ended December 31, 2010 and 2009, 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, Warren County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, 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 Warren County, Missouri, as of December 31, 2010 and 2009, 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 Warren County, Missouri, as of December 31, 2010 and 2009, 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 June 10, 2011, 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 Warren 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
June 10, 2011

FINANCIAL SECTION

WARREN COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash			Cash			Cash
	January 1, 2009 (Note 7)	Receipts 2009	Disbursements 2009	December 31, 2009	Receipts 2010	Disbursements 2010	December 31, 2010
General Revenue	\$ 2,036,775	\$ 3,038,515	\$ 3,485,223	\$ 1,590,067	\$ 3,212,705	\$ 3,316,692	\$ 1,486,080
Special Road & Bridge	1,302,888	1,678,656	1,501,954	1,479,590	2,237,559	2,053,721	1,663,428
Assessment	181,914	487,579	445,429	224,064	497,833	476,631	245,266
Law Enforcement	91,505	3,122,852	2,980,710	233,647	2,996,827	3,064,247	166,227
Officers Training	18,733	20,913	25,137	14,509	13,431	26,039	1,901
Prosecuting Attorney Training	33,749	2,023	-	35,772	1,891	-	37,663
Capital Improvement	4,847,771	1,248,793	590,532	5,506,032	834,739	784,383	5,556,388
Delinquent Tax	8,282	3,646	3,790	8,138	3,581	4,795	6,924
Bad Check	38,084	18,745	8,371	48,458	13,919	7,835	54,542
Recorder User	95,541	16,518	60	111,999	27,209	14,525	124,683
Health Reimbursement	-	-	-	-	63,000	1,560	61,440
Sheriff's Civil Fees	7,718	45,372	35,563	17,527	38,274	52,508	3,293
Road and Bridge Capital	59,559	101,059	-	160,618	101,496	-	262,114
Prosecuting Attorney Forfeiture	4,842	64	484	4,422	100	129	4,393
Election Services	19,090	11,970	8,919	22,141	5,824	13,204	14,761
Recorder Technology	30,914	10,800	9,782	31,932	9,091	4,265	36,758
Sheriff's Forfeiture	3,206	34	681	2,559	25	-	2,584
Tax Maintenance	216,348	60,464	13,505	263,307	65,040	6,416	321,931
Sheriff's Revolving	7,665	38,336	30,212	15,789	28,277	20,897	23,169
County Clerk HAVA	-	7,309	7,309	-	9,157	9,157	-
Federal Grant	-	123,844	123,844	-	596,334	578,431	17,903
Local Emergency Planning Committee	10,935	8,471	7,835	11,571	4,630	3,201	13,000
Drug Abuse Resistance Education	6,059	71	999	5,131	45	1,000	4,176
Vending	801	941	842	900	470	875	495
Inmate Security	9,206	12,229	8,455	12,980	17,478	21,653	8,805
Domestic Violence	11,607	12,575	11,607	12,575	9,707	12,575	9,707
Senate Bill 40	449,093	891,167	874,535	465,725	973,493	940,876	498,342
Total	<u>\$ 9,492,285</u>	<u>\$ 10,962,946</u>	<u>\$ 10,175,778</u>	<u>\$ 10,279,453</u>	<u>\$ 11,762,135</u>	<u>\$ 11,415,615</u>	<u>\$ 10,625,973</u>

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

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

GENERAL REVENUE FUND				
Year Ended December 31,				
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 525,000	\$ 598,605	\$ 567,000	\$ 716,565
Sales taxes	1,250,000	1,173,830	1,173,830	1,177,841
Intergovernmental	283,969	269,931	354,426	304,459
Charges for services	868,435	892,024	861,393	872,928
Interest	42,000	29,667	27,000	20,209
Other	175,400	74,458	260,000	120,703
Total Receipts	<u>\$ 3,144,804</u>	<u>\$ 3,038,515</u>	<u>\$ 3,243,649</u>	<u>\$ 3,212,705</u>
DISBURSEMENTS				
County Commission	\$ 131,066	\$ 122,573	\$ 128,566	\$ 124,876
County Clerk	183,285	175,464	180,938	174,301
Elections	62,650	22,605	147,533	108,737
Buildings and grounds	427,000	370,969	466,535	320,254
Administration	603,804	466,657	624,544	405,765
Treasurer	47,866	47,308	47,306	45,678
Collector	278,520	236,303	280,279	231,208
Surveyor	7,852	6,140	5,197	4,793
Sanitation Office	74,016	65,929	71,333	68,549
Recorder of Deeds	106,016	93,369	100,651	80,673
Circuit Clerk	69,101	66,669	75,411	48,190
Public Administrator	32,029	29,342	31,989	28,114
Court Reporter	4,500	4,120	3,000	1,137
Public Health	382,241	342,689	374,346	294,520
Circuit Judge	53,260	21,514	43,700	10,967
Planning and Zoning	83,774	73,128	80,983	55,960
Prosecuting Attorney	483,999	463,525	480,069	455,880
Juvenile Officer	124,964	134,765	129,452	111,762
Coroner	29,801	29,442	30,056	28,421
Emergency Management	60,597	52,092	60,177	52,890
Associate Division II	20,400	14,024	10,400	2,946
Child Support Enforcement Personnel	41,061	38,088	41,071	38,236
Victim Advocate	40,653	36,535	40,663	34,111
Drug Court	12,300	11,973	12,300	11,398
Information Technologies	-	-	57,988	54,326
Transfers out	560,000	560,000	523,000	523,000
Emergency fund	200,000	-	200,000	-
Total Disbursements	<u>\$ 4,120,755</u>	<u>\$ 3,485,223</u>	<u>\$ 4,247,487</u>	<u>\$ 3,316,692</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (975,951)	\$ (446,708)	\$ (1,003,838)	\$ (103,987)
CASH, JANUARY 1	<u>2,036,775</u>	<u>2,036,775</u>	<u>1,590,067</u>	<u>1,590,067</u>
CASH, DECEMBER 31	<u>\$ 1,060,824</u>	<u>\$ 1,590,067</u>	<u>\$ 586,229</u>	<u>\$ 1,486,080</u>

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

WARREN 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,							
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 875,000	\$ 920,119	\$ 886,000	\$ 958,865	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	72,253	-	-	-	-
Intergovernmental	783,219	672,572	705,539	699,031	466,389	467,558	426,252	474,453
Charges for services	-	-	-	-	-	-	-	-
Interest	20,000	22,307	26,000	18,346	3,500	4,219	4,200	3,664
Other	55,000	63,658	55,000	489,064	11,500	15,802	14,500	19,716
Transfers in	-	-	410,840	-	-	-	-	-
Total Receipts	<u>\$ 1,733,219</u>	<u>\$ 1,678,656</u>	<u>\$ 2,083,379</u>	<u>\$ 2,237,559</u>	<u>\$ 481,389</u>	<u>\$ 487,579</u>	<u>\$ 444,952</u>	<u>\$ 497,833</u>
DISBURSEMENTS								
Salaries	\$ 347,455	\$ 314,166	\$ 335,000	301,371	\$ 257,698	\$ 236,178	\$ 224,500	\$ 214,223
Employee fringe benefits	72,855	63,549	72,420	61,543	61,380	51,969	49,914	48,246
Materials and supplies	733,000	487,516	765,500	575,552	125,925	55,995	115,725	97,356
Services and other	412,400	193,200	745,240	755,462	121,900	101,287	124,600	111,806
Capital outlay	250,000	268,969	200,000	120,870	-	-	-	-
Construction	280,000	38,122	280,000	123,062	-	-	-	-
Transfers out	136,432	136,432	127,827	115,861	-	-	5,000	5,000
Total Disbursements	<u>\$ 2,232,142</u>	<u>\$ 1,501,954</u>	<u>\$ 2,525,987</u>	<u>\$ 2,053,721</u>	<u>\$ 566,903</u>	<u>\$ 445,429</u>	<u>\$ 519,739</u>	<u>\$ 476,631</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (498,923)	\$ 176,702	\$ (442,608)	\$ 183,838	\$ (85,514)	\$ 42,150	\$ (74,787)	\$ 21,202
CASH, JANUARY 1	<u>1,302,888</u>	<u>1,302,888</u>	<u>1,479,590</u>	<u>1,479,590</u>	<u>181,914</u>	<u>181,914</u>	<u>224,064</u>	<u>224,064</u>
CASH, DECEMBER 31	<u>\$ 803,965</u>	<u>\$ 1,479,590</u>	<u>\$ 1,036,982</u>	<u>\$ 1,663,428</u>	<u>\$ 96,400</u>	<u>\$ 224,064</u>	<u>\$ 149,277</u>	<u>\$ 245,266</u>

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

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

	LAW ENFORCEMENT FUND				OFFICERS TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,250,000	1,173,842	1,173,830	1,177,842	-	-	-	-
Intergovernmental	450,522	460,105	454,694	361,250	-	-	-	-
Charges for services	653,500	828,620	676,000	861,565	21,067	19,874	19,875	12,962
Interest	1,200	2,256	2,000	1,658	350	223	220	89
Other	94,235	98,029	97,000	94,512	350	816	800	380
Transfers in	560,000	560,000	500,000	500,000	-	-	-	-
Total Receipts	<u>\$ 3,009,457</u>	<u>\$ 3,122,852</u>	<u>\$ 2,903,524</u>	<u>\$ 2,996,827</u>	<u>\$ 21,767</u>	<u>\$ 20,913</u>	<u>\$ 20,895</u>	<u>\$ 13,431</u>
DISBURSEMENTS								
Salaries	\$ 1,864,305	\$ 1,831,333	\$ 1,857,753	\$ 1,868,241	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	410,355	404,032	430,309	405,761	-	-	-	-
Materials and Supplies	196,500	168,105	181,500	184,617	-	-	-	-
Services and other	613,801	577,240	633,860	574,628	40,500	25,137	35,000	26,039
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	31,000	31,000	-	-	-	-
Total Disbursements	<u>\$ 3,084,961</u>	<u>\$ 2,980,710</u>	<u>\$ 3,134,422</u>	<u>\$ 3,064,247</u>	<u>\$ 40,500</u>	<u>\$ 25,137</u>	<u>\$ 35,000</u>	<u>\$ 26,039</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (75,504)	\$ 142,142	\$ (230,898)	\$ (67,420)	\$ (18,733)	\$ (4,224)	\$ (14,105)	\$ (12,608)
CASH, JANUARY 1	<u>91,505</u>	<u>91,505</u>	<u>233,647</u>	<u>233,647</u>	<u>18,733</u>	<u>18,733</u>	<u>14,509</u>	<u>14,509</u>
CASH, DECEMBER 31	<u>\$ 16,001</u>	<u>\$ 233,647</u>	<u>\$ 2,749</u>	<u>\$ 166,227</u>	<u>\$ -</u>	<u>\$ 14,509</u>	<u>\$ 404</u>	<u>\$ 1,901</u>

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

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

	PROSECUTING ATTORNEY TRAINING FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	1,250,000	1,173,832	1,173,830	750,499
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	1,568	1,600	1,540	-	-	-	-
Interest	210	455	300	351	70,000	74,961	35,000	65,528
Other	100	-	100	-	10,000	-	318,930	18,712
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,310</u>	<u>\$ 2,023</u>	<u>\$ 2,000</u>	<u>\$ 1,891</u>	<u>\$ 1,330,000</u>	<u>\$ 1,248,793</u>	<u>\$ 1,527,760</u>	<u>\$ 834,739</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	50,000	-	402,860	-
Services and other	12,500	-	12,500	-	-	-	102,000	2,541
Capital outlay	-	-	-	-	4,175,000	590,532	6,016,237	781,842
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	410,840	-
Total Disbursements	<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ 4,225,000</u>	<u>\$ 590,532</u>	<u>\$ 6,931,937</u>	<u>\$ 784,383</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS								
	\$ (9,190)	\$ 2,023	\$ (10,500)	\$ 1,891	\$ (2,895,000)	\$ 658,261	\$ (5,404,177)	\$ 50,356
CASH, JANUARY 1	<u>33,749</u>	<u>33,749</u>	<u>35,772</u>	<u>35,772</u>	<u>4,847,771</u>	<u>4,847,771</u>	<u>5,506,032</u>	<u>5,506,032</u>
CASH, DECEMBER 31	<u>\$ 24,559</u>	<u>\$ 35,772</u>	<u>\$ 25,272</u>	<u>\$ 37,663</u>	<u>\$ 1,952,771</u>	<u>\$ 5,506,032</u>	<u>\$ 101,855</u>	<u>\$ 5,556,388</u>

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

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

	DELINQUENT TAX FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,500	3,537	3,600	3,507	20,000	18,161	18,000	13,368
Interest	200	109	100	74	600	584	500	499
Other	-	-	-	-	-	-	-	52
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,700</u>	<u>\$ 3,646</u>	<u>\$ 3,700</u>	<u>\$ 3,581</u>	<u>\$ 20,600</u>	<u>\$ 18,745</u>	<u>\$ 18,500</u>	<u>\$ 13,919</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	10,000	-	\$ 10,000	\$ -
Employee fringe benefits	-	-	-	-	970	-	970	-
Materials and supplies	-	-	-	-	10,000	500	10,000	-
Services and other	8,000	3,790	6,000	4,795	15,000	7,871	15,000	7,835
Capital outlay and construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 3,790</u>	<u>\$ 6,000</u>	<u>\$ 4,795</u>	<u>\$ 35,970</u>	<u>\$ 8,371</u>	<u>\$ 35,970</u>	<u>\$ 7,835</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,300)	\$ (144)	\$ (2,300)	\$ (1,214)	\$ (15,370)	\$ 10,374	\$ (17,470)	\$ 6,084
CASH, JANUARY 1	<u>8,282</u>	<u>8,282</u>	<u>8,138</u>	<u>8,138</u>	<u>38,084</u>	<u>38,084</u>	<u>48,458</u>	<u>48,458</u>
CASH, DECEMBER 31	<u>\$ 2,982</u>	<u>\$ 8,138</u>	<u>\$ 5,838</u>	<u>\$ 6,924</u>	<u>\$ 22,714</u>	<u>\$ 48,458</u>	<u>\$ 30,988</u>	<u>\$ 54,542</u>

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

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

	RECORDER USER FUND				HEALTH REIMBURSEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	18,000	15,197	20,400	23,029	-	-	-	-
Interest	1,100	1,321	800	1,153	-	-	800	-
Other	-	-	-	3,027	-	-	-	-
Transfers in	-	-	-	-	-	-	63,000	63,000
Total Receipts	<u>\$ 19,100</u>	<u>\$ 16,518</u>	<u>\$ 21,200</u>	<u>\$ 27,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,800</u>	<u>\$ 63,000</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	50,000	60	16,000	14,525	-	-	63,000	1,560
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 60</u>	<u>\$ 16,000</u>	<u>\$ 14,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,000</u>	<u>\$ 1,560</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (30,900)	\$ 16,458	\$ 5,200	\$ 12,684	\$ -	\$ -	\$ 800	\$ 61,440
CASH, JANUARY 1	<u>95,541</u>	<u>95,541</u>	<u>111,999</u>	<u>111,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 64,641</u></u>	<u><u>\$ 111,999</u></u>	<u><u>\$ 117,199</u></u>	<u><u>\$ 124,683</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 800</u></u>	<u><u>\$ 61,440</u></u>

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

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

	SHERIFF'S CIVIL FEES FUND				ROAD AND BRIDGE CAPITAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	38,483	42,685	42,000	38,096	-	-	-	-
Interest	500	180	175	178	200	1,059	1,200	1,496
Other	700	2,507	2,500	-	-	-	-	-
Transfers in	-	-	-	-	100,000	100,000	100,000	100,000
Total Receipts	<u>\$ 39,683</u>	<u>\$ 45,372</u>	<u>\$ 44,675</u>	<u>\$ 38,274</u>	<u>\$ 100,200</u>	<u>\$ 101,059</u>	<u>\$ 101,200</u>	<u>\$ 101,496</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	47,400	35,563	62,200	52,508	10,000	-	50,000	-
Services and other	-	-	-	-	5,000	-	5,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	144,758	-	205,000	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 47,400</u>	<u>\$ 35,563</u>	<u>\$ 62,200</u>	<u>\$ 52,508</u>	<u>\$ 159,758</u>	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,717)	\$ 9,809	\$ (17,525)	\$ (14,234)	\$ (59,558)	\$ 101,059	\$ (158,800)	\$ 101,496
CASH, JANUARY 1	<u>7,718</u>	<u>7,718</u>	<u>17,527</u>	<u>17,527</u>	<u>59,559</u>	<u>59,559</u>	<u>160,618</u>	<u>160,618</u>
CASH, DECEMBER 31	<u>\$ 1</u>	<u>\$ 17,527</u>	<u>\$ 2</u>	<u>\$ 3,293</u>	<u>\$ 1</u>	<u>\$ 160,618</u>	<u>\$ 1,818</u>	<u>\$ 262,114</u>

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

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

	PROSECUTING ATTORNEY FORFEITURE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,200	4,274	3,700	4,222
Interest	60	64	60	100	275	294	300	205
Other	-	-	-	-	2,733	7,402	3,900	1,397
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 60</u>	<u>\$ 64</u>	<u>\$ 60</u>	<u>\$ 100</u>	<u>\$ 5,208</u>	<u>\$ 11,970</u>	<u>\$ 7,900</u>	<u>\$ 5,824</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	500	-	500	129	16,000	8,823	20,000	12,827
Services and other	2,000	484	2,000	-	8,000	96	10,000	377
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 484</u>	<u>\$ 2,500</u>	<u>\$ 129</u>	<u>\$ 24,000</u>	<u>\$ 8,919</u>	<u>\$ 30,000</u>	<u>\$ 13,204</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (2,440)</u>	<u>\$ (420)</u>	<u>\$ (2,440)</u>	<u>\$ (29)</u>	<u>\$ (18,792)</u>	<u>\$ 3,051</u>	<u>\$ (22,100)</u>	<u>\$ (7,380)</u>
CASH, JANUARY 1	<u>4,842</u>	<u>4,842</u>	<u>4,422</u>	<u>4,422</u>	<u>19,090</u>	<u>19,090</u>	<u>22,141</u>	<u>22,141</u>
CASH, DECEMBER 31	<u><u>\$ 2,402</u></u>	<u><u>\$ 4,422</u></u>	<u><u>\$ 1,982</u></u>	<u><u>\$ 4,393</u></u>	<u><u>\$ 298</u></u>	<u><u>\$ 22,141</u></u>	<u><u>\$ 41</u></u>	<u><u>\$ 14,761</u></u>

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

	RECORDER TECHNOLOGY FUND				SHERIFF'S FORFEITURE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	10,320	9,000	8,775	1,764	-	-	-
Interest	220	480	300	316	30	34	30	25
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,220</u>	<u>\$ 10,800</u>	<u>\$ 9,300</u>	<u>\$ 9,091</u>	<u>\$ 1,794</u>	<u>\$ 34</u>	<u>\$ 30</u>	<u>\$ 25</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	16,000	4,265	5,000	-	2,500	-
Services and other	10,000	9,782	6,000	-	-	681	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 9,782</u>	<u>\$ 22,000</u>	<u>\$ 4,265</u>	<u>\$ 5,000</u>	<u>\$ 681</u>	<u>\$ 2,500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 220	\$ 1,018	\$ (12,700)	\$ 4,826	\$ (3,206)	\$ (647)	\$ (2,470)	\$ 25
CASH, JANUARY 1	<u>30,914</u>	<u>30,914</u>	<u>31,932</u>	<u>31,932</u>	<u>3,206</u>	<u>3,206</u>	<u>2,559</u>	<u>2,559</u>
CASH, DECEMBER 31	<u><u>\$ 31,134</u></u>	<u><u>\$ 31,932</u></u>	<u><u>\$ 19,232</u></u>	<u><u>\$ 36,758</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,559</u></u>	<u><u>\$ 89</u></u>	<u><u>\$ 2,584</u></u>

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

	TAX MAINTENANCE FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	60,000	57,192	55,000	62,272	37,795	38,198	38,000	28,082
Interest	4,000	3,272	2,500	2,768	210	138	135	195
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 64,000</u>	<u>\$ 60,464</u>	<u>\$ 57,500</u>	<u>\$ 65,040</u>	<u>\$ 38,005</u>	<u>\$ 38,336</u>	<u>\$ 38,135</u>	<u>\$ 28,277</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	100,000	12,468	180,000	5,658	24,000	14,807	33,000	12,509
Services and other	59,000	1,037	80,000	758	21,670	15,405	20,000	8,388
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 159,000</u>	<u>\$ 13,505</u>	<u>\$ 260,000</u>	<u>\$ 6,416</u>	<u>\$ 45,670</u>	<u>\$ 30,212</u>	<u>\$ 53,000</u>	<u>\$ 20,897</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (95,000)	\$ 46,959	\$ (202,500)	\$ 58,624	\$ (7,665)	\$ 8,124	\$ (14,865)	\$ 7,380
CASH, JANUARY 1	<u>216,348</u>	<u>216,348</u>	<u>263,307</u>	<u>263,307</u>	<u>7,665</u>	<u>7,665</u>	<u>15,789</u>	<u>15,789</u>
CASH, DECEMBER 31	<u>\$ 121,348</u>	<u>\$ 263,307</u>	<u>\$ 60,807</u>	<u>\$ 321,931</u>	<u>\$ -</u>	<u>\$ 15,789</u>	<u>\$ 924</u>	<u>\$ 23,169</u>

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

	COUNTY CLERK HAVA FUND				FEDERAL GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,878	6,180	14,250	8,075	647,019	87,412	1,643,787	584,473
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,200	1,129	4,737	1,082	-	-	-	-
Transfers in	-	-	-	-	36,432	36,432	23,827	11,861
Total Receipts	<u>\$ 10,078</u>	<u>\$ 7,309</u>	<u>\$ 18,987</u>	<u>\$ 9,157</u>	<u>\$ 683,451</u>	<u>\$ 123,844</u>	<u>\$ 1,667,614</u>	<u>\$ 596,334</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	8,878	6,180	15,250	8,075	-	-	-	-
Services and other	1,200	1,129	3,737	1,082	304,201	95,260	1,330,002	261,361
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	379,250	28,584	313,785	317,070
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,078</u>	<u>\$ 7,309</u>	<u>\$ 18,987</u>	<u>\$ 9,157</u>	<u>\$ 683,451</u>	<u>\$ 123,844</u>	<u>\$ 1,643,787</u>	<u>\$ 578,431</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,827	\$ 17,903
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,827</u>	<u>\$ 17,903</u>

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

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				DRUG ABUSE RESISTANCE EDUCATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,180	8,357	4,145	4,221	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	114	100	109	441	71	70	45
Other	-	-	-	300	100	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,280</u>	<u>\$ 8,471</u>	<u>\$ 4,245</u>	<u>\$ 4,630</u>	<u>\$ 541</u>	<u>\$ 71</u>	<u>\$ 70</u>	<u>\$ 45</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	4,628	3,912	1,360	681	-	-	-	-
Services and other	9,400	3,923	6,197	2,520	6,600	999	5,200	1,000
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 14,028</u>	<u>\$ 7,835</u>	<u>\$ 7,557</u>	<u>\$ 3,201</u>	<u>\$ 6,600</u>	<u>\$ 999</u>	<u>\$ 5,200</u>	<u>\$ 1,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,748)	\$ 636	\$ (3,312)	\$ 1,429	\$ (6,059)	\$ (928)	\$ (5,130)	\$ (955)
CASH, JANUARY 1	<u>10,935</u>	<u>10,935</u>	<u>11,571</u>	<u>11,571</u>	<u>6,059</u>	<u>6,059</u>	<u>5,131</u>	<u>5,131</u>
CASH, DECEMBER 31	<u>\$ 1,187</u>	<u>\$ 11,571</u>	<u>\$ 8,259</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 5,131</u>	<u>\$ 1</u>	<u>\$ 4,176</u>

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

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

	VENDING FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	13,369	12,116	12,000	17,353
Interest	11	16	15	11	125	113	110	125
Other	500	925	920	459	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 511</u>	<u>\$ 941</u>	<u>\$ 935</u>	<u>\$ 470</u>	<u>\$ 13,494</u>	<u>\$ 12,229</u>	<u>\$ 12,110</u>	<u>\$ 17,478</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	16,200	8,140	18,000	14,579
Services and other	1,311	842	1,800	875	6,500	315	6,500	7,074
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,311</u>	<u>\$ 842</u>	<u>\$ 1,800</u>	<u>\$ 875</u>	<u>\$ 22,700</u>	<u>\$ 8,455</u>	<u>\$ 24,500</u>	<u>\$ 21,653</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (800)	\$ 99	\$ (865)	\$ (405)	\$ (9,206)	\$ 3,774	\$ (12,390)	\$ (4,175)
CASH, JANUARY 1	<u>801</u>	<u>801</u>	<u>900</u>	<u>900</u>	<u>9,206</u>	<u>9,206</u>	<u>12,980</u>	<u>12,980</u>
CASH, DECEMBER 31	<u>\$ 1</u>	<u>\$ 900</u>	<u>\$ 35</u>	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 12,980</u>	<u>\$ 590</u>	<u>\$ 8,805</u>

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

	DOMESTIC VIOLENCE				SENATE BILL 40			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 829,313	\$ 829,313	\$ 855,323	\$ 855,323
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	57,417	57,417	114,855	114,855
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	4,437	4,437	3,315	3,315
Other	12,575	12,575	9,707	9,707	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,575</u>	<u>\$ 12,575</u>	<u>\$ 9,707</u>	<u>\$ 9,707</u>	<u>\$ 891,167</u>	<u>\$ 891,167</u>	<u>\$ 973,493</u>	<u>\$ 973,493</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	11,607	11,607	12,575	12,575	874,535	874,535	940,876	940,876
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,607</u>	<u>\$ 11,607</u>	<u>\$ 12,575</u>	<u>\$ 12,575</u>	<u>\$ 874,535</u>	<u>\$ 874,535</u>	<u>\$ 940,876</u>	<u>\$ 940,876</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 968	\$ 968	\$ (2,868)	\$ (2,868)	\$ 16,632	\$ 16,632	\$ 32,617	\$ 32,617
CASH, JANUARY 1	<u>11,607</u>	<u>11,607</u>	<u>12,575</u>	<u>12,575</u>	<u>449,093</u>	<u>449,093</u>	<u>465,725</u>	<u>465,725</u>
CASH, DECEMBER 31	<u>\$ 12,575</u>	<u>\$ 12,575</u>	<u>\$ 9,707</u>	<u>\$ 9,707</u>	<u>\$ 465,725</u>	<u>\$ 465,725</u>	<u>\$ 498,342</u>	<u>\$ 498,342</u>

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

WARREN COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Warren 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 Missouri law, 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 Warren 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. The financial statements also include the Senate Bill 40 Board which is a separate legal entity within the County that is required by the Missouri State Auditor’s Office to be included in the County’s reporting entity for financial reporting purposes. The E-911 Board is audited and separately reported on by other independent auditors and the related fund is not presented in the financial statements.

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. 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 beginning available fund balance plus estimated revenues for the year.
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. Adoption of a formal budget is required by law. Although a budget was found in the County Clerk's file, the County did not adopt or publish a formal budget in either 2009 or 2010 for the Domestic Violence Fund.
9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures did not exceed budgeted amounts for any funds during 2009 or 2010.

- 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 2010 and 2009, for purposes of taxation were:

	<u>2010</u>	<u>2009</u>
Real Estate	\$ 406,880,410	\$ 401,796,430
Personal Property	77,820,591	85,340,636
Railroad and Utilities	34,002,144	33,980,774

During 2010 and 2009, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	<u>2010</u>	<u>2009</u>
General Revenue	0.1339	0.1235
Special Road and Bridge	0.1727	0.1704
Senate Bill 40	0.1600	0.1600

- F. 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. 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.

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.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were \$10,625,973 and \$10,279,453, respectively, and the bank balances were \$10,890,037 and \$10,951,826 respectively. Of the bank balances, \$697,366 and \$645,856 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and \$10,192,671 and \$10,305,970, respectively, were covered by collateral held by 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, 2010 and 2009, 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, and Senate Bill 40 funds. These collections, all of which were fully collateralized amounted to \$16,700,214 and \$16,989,517 at December 31, 2009 and 2009, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

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.

A. 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.

B. 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.

C. 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 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately \$371,323 and \$391,513, 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 8 hours of sick leave with pay credit for every 208 hours worked up to a maximum of 80 hours per year. Full-time employees may accumulate sick leave with pay to a maximum of 240 hours. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one week for first year of service, two weeks after two years of service, and three weeks after ten years of service for full-time employees. Vacation must be used within one year of earning the leave or the time is forfeited.

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, 2009, to exclude the Time Payment Fee, Circuit Clerk, Juvenile Assessment, Drug Court, Law Library and Deputy Sheriff Salary Supplemental funds. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the excluded funds.

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 10, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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 Warren County, Missouri

We have audited the accompanying financial statements of Warren County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 10, 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 Warren 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 Warren County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren 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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting 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 items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren 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 one instance 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 item 3.

We noted a certain matter that we reported to management of Warren County, Missouri, in the findings and recommendations section as item 4.

Warren 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 Warren 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
June 10, 2011

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 Warren County, Missouri

Compliance

We have audited the compliance of Warren 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 could have a direct and material effect on each of its major federal program for the years ended December 31, 2010 and 2009. Warren County, Missouri's major federal programs are 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 each of its major federal programs is the responsibility of Warren County, Missouri's management. Our responsibility is to express an opinion on Warren 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 Warren 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 Warren County, Missouri's compliance with those requirements.

In our opinion, Warren County, Missouri, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. 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 10-1.

Internal Control Over Compliance

The management of Warren 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 Warren 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 Warren 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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as findings 10-1. 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.

Warren 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 Warren 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
June 10, 2011

WARREN 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	
			2009	2010
U. S. DEPARTMENT OF HOUSING AND URBAN DEV				
14.228	Passed through state Department of Economic Development Community Development Block Grant/States Program	2007-ED-08	\$ 53,722	\$ 333,981
14.257	Passed through state Department of Social Services Homelessness Prevention and Rapid Re-Housing Program (ARRA)	ER16410048A	-	187,509
U.S. DEPARTMENT OF JUSTICE				
16.575	Passed through state Department of Public Safety Crime Victims Assistance	2007-VOCA-0076	24,658	
		2007-VOCA-0119		25,736
16.738	Local Law Enforcement Block Grants Program	2008-LBGJ-066	7,594	-
		2009-LBGJ-085	-	9,946
		2009-SB-B9-0551	29,305	-
U.S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through state Highway and Transportation Commission Highway Planning and Construction	BRO-109(13)	-	19,337
GENERAL SERVICES ADMINISTRATION				
39.011	Passed through state Office of Administration Secretary of State Election Reform Payments	N/A	-	7,250
ELECTION ASSISTANCE COMMISSION				
90.401	Passed through state Secretary of State Help America Vote Act - Requirements Payments	N/A	7,309	1,907
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.069	Passed through state Department of Health and Senior Services: Public Health Emergency Preparedness	AOC10380195	32,907	98,627
		AOC10380065		33,402
93.268	Immunization Grants	219001	57,757	105,603
93.283	Public Health Emergency Preparedness	AOC10380195	100,584	-
93.563	Child Support Enforcement	N/A	38,831	36,772
93.712	American Recovery and Reinvestment Act - Immunization	N/A	-	7,381
93.994	Maternal, Child Health Services Block Grant	AOC08380126	20,971	20,882
93.778	Passed through state Department of Social Services - Healthnet Healthnet Division: ARRA - Medical Assistance Program	N/A	5,000	30,500
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.036	Passed through State Department of Public Safety Disaster Grants - Public Assistance Grants	FEMA 1673 DR	92,423	56,941
97.042	Emergency Management Performance Grants	EMPG	22,025	14,404
Total Expenditures of Federal Awards			<u>\$ 493,086</u>	<u>\$ 990,178</u>

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

WARREN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

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 federal awards from the U.S. Department of Housing and Urban Development, Homelessness Prevention and Rapid Re-Housing Program (HPRP) 14.257, to the North East Community Action Corporation (NECAC) and Saints Joachim & Ann Care Service to assist in the distribution and administration of the HPRP program. Amounts provided to NECAC and Saints Joachim & Ann Care Service during 2010 were \$95,554 and \$88,165, respectively.

WARREN COUNTY, MISSOURI
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
 YEARS ENDED DECEMBER 31, 2010 AND 2009

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>
14.228	Community Development Block Grants/States Program
14.257	Homelessness Prevention and Rapid Re-Housing Program
93.069 / 93.283	Public Health Emergency Preparedness

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. Pre-numbered Receipt Slips
2. Time Sheets
3. Treasurer's Settlement

Summary of Schedule of Prior Audit Findings:

1. Pre-numbered Receipt Slips
2. Competitive Bidding Procedures
3. Retention of Invoices

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. 10-1. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Grantor: Missouri Department of Health and Senior Services
Federal CFDA Number: 93.069; 93.268
Program Title: Public Health Emergency Preparedness
Pass Through Entity Identifying Number: AOC10380195; AOC10380065; 219001
Award Years: 2010 and 2009
Questioned Costs: None

10-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: The County did not prepare an accurate SEFA as required the 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 SEFAs for the years ending December 31, 2010 and 2009 were partly inaccurate in that the County reported amounts awarded to the Health Department as expenditures, and reported the expenditures irrespective of the amount of actual expenditures incurred or the fiscal year in which the expenditures were made. For example, the amount awarded under AOC10380195 of \$132,029 for the period July 2009 through August 2010 was all reported in the year received – 2010. Records were maintained to identify expenditures by state contract number but not by fiscal year. Also, the \$57,757 Immunization grant for 2009 was omitted from the schedule. These items have been corrected on the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend that the County Clerk discuss reporting requirements with the preparers of the SEFA and closely review future SEFAs to ensure that expenditures are accurately reported in the year incurred.

County Response: The County Clerk will notify the Health Department's Administrator of the findings of the Auditing Firm and will work with the Health Department to ensure that the actual expenditures are reported for the required time period, not the amount of grant monies received. The State grant cycle does not coincide with the County's budget cycle, but the Health Department is working on addressing this matter.

Auditor's Evaluation: The County's comment is responsive to the concerns expressed in the finding.

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

None

FINDINGS AND RECOMMENDATIONS

WARREN COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Pre-numbered Receipt Slips

Condition: Receipt slips issued by the County Treasurer through a computer-generated system do not provide effective internal controls over cash receipts. The computer system software allows the Treasurer to make changes to or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system. This condition was noted in the prior audit.

Recommendation: We recommend that the County Treasurer ensure that the pre-numbered receipts system is modified to prohibit changes to any previously issued receipt slip. The first step to effect this should be to contact the software manufacturer and request appropriate modifications to the system.

County's Response: In regard to your recommendation on pre-numbered receipts issued by the Treasurer, your concern is that the solid software system allows the Treasurer to change or void a receipt and my response is now and has always been and will remain the policy of the Treasurer to never change or void a receipt. The only person that has access to the solid software system is the Treasurer and no other person has access to the system so the integrity of the receipts is guaranteed not by the system, but by the Treasurer. To encumber the county with costly system alterations that would not affect the security or the integrity of the receipt system will not be considered by me at this time.

Auditor's Evaluation: The Treasurer's response to the finding will not reduce the internal control weakness cited. While the Treasurer may guarantee the integrity of the receipts, this guarantee is not auditable or verifiable and will not be useful in the event that the Treasurer is absent and another party is assigned responsibility for the collection of funds and issuance of receipts.

2. Time Sheets

Condition: Time Sheets were not always signed by the employee or supervisor. Most instances noted were in the Road and Bridge Department where only the supervisor had signed the time sheet. Properly signed time sheets are essential for maintaining effective control over payroll expenditures.

Recommendation: We recommend the Commission ensure that all time sheets are signed by both the employee and supervisor.

County's Response: The County Commission realizes just how busy the Road Department is with only 10 men in the Department but will report this matter to the Road and Bridge Supervisor to ensure that all time sheets are signed before bringing them to the County Clerk's Office. The Commission can also send a department-wide memo to all elected officials and department heads to make sure that all time sheets are signed before bringing them to the County Clerk's Office.

Auditor's Evaluation: The County's comment is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

3. Treasurer's Settlement

Condition: The Treasurer's Settlement did not include all cash on deposit with the Treasurer. A Certificate of Deposit for \$250,000 was not included in the Settlement at December 31, 2010. This omission resulted in a discrepancy between cash reported by the Treasurer and Clerk. Also, a \$6,000 CD for the Pringle Cemetery Fund was not included on the Settlement for 2010 or 2009. In addition, balances in the Operating bank account and Payroll bank account of \$7,211 and \$6,258 for 2010 and 2009, respectively were not included in the Treasurer's Settlement. Most of these funds comprised unrecorded interest earned.

Recommendation: We recommend the County Treasurer ensure that all cash on-hand in bank accounts or investments is included on Treasurer Settlement reports.

County's Response: The \$250,000 was a U.S. Treasury Bill held in the debt service by our bondholder. It was returned to the County when the County executed an early payoff of the 1995 bonds and I did not immediately receipt it into the County investments as I should have, but has since been resolved. The Pringle cemetery CD matured and was immediately reinvested, but this was not noted in the Treasurer's accounting system due my oversight, but this has been corrected. Concerning the unrecorded interest in the Operating and Payroll accounts, these monies will be distributed to the respective funds in July of 2011.

Auditor's Evaluation: The County's comments are responsive to the recommendation.

OTHER MATTER

In planning and performing our audit of the financial statements of Warren County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated June 10, 2011. (A separate report dated June 10, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated June 10, 2011.

4. Budgetary Practices

Condition: The County's budget estimates for expenditures consistently exceeded actual disbursements for the current audit period. This condition, which was also reported by the State Auditor for the 2005/2006 audit period, appears to be the result of management's philosophy of budgeting on a worse-case scenario basis rather than on best estimates of likely expenditure levels. Budgeted amounts exceeded actual expenditures by \$9,459,907 for 2010 and \$6,279,274 for 2009.

It appears that the County Commission's budget philosophy is partly intended to keep sufficient reserves in various funds. However, reserves are more properly reflected through a formal designation or assignment of a portion of the fund balance. Inflated expenditure budgets decrease management's ability to efficiently control expenditures.

Recommendation: We recommend the Commission budget expenditures based on expected and desired outcomes. Amounts beyond such outcomes should be identified as designated or assigned fund balance pursuant to the County Commission's fiscal management strategy, and communicated through the budget message.

County Response: The County Commission feels that our way of budgeting allows for the unexpected. We have to complement our elected officials and department heads in their ability to live within the County means and this year again tighten their belts and decrease their budgets so the County can continue to remain solvent. The process of having to amend the budget is a time consuming one and is not something that is welcomed unless we have no choice.

Our present philosophy has enabled the County to save reserves to build a new Road Shed a couple of year ago along with various buildings there to house cinders, salt, equipment, etc. and also save and manage the monies to begin the building of the new 6.5 million dollar Administration Building without going to the voters to increase taxes or to have to purchase bonds for the project. We pride ourselves on being conservative with the taxpayers' money and feel that our opinions regarding our budgetary process are justified.

Auditor's Evaluation: The response explains the position but is not responsive to the concerns expressed in the finding.

WARREN 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 Warren County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. The software system used allows the Treasurer to change or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system.

Status - Not Resolved. See finding No.1.

2. Bids were not always solicited or bid documentation retained for purchases.

Status - Resolved

3. Original invoices were not always available to support disbursements.

Status - Resolved