



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Dallas County, Missouri, for the two years ended December 31, 2002. A copy of this audit which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2003-59
July 3, 2003

DALLAS COUNTY, MISSOURI

AUDIT REPORT

FOR EACH OF THE TWO YEARS ENDED
DECEMBER 31, 2002 AND 2001

DALLAS COUNTY, MISSOURI

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FINANCIAL SECTION

Independent Auditor's Reports

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

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

We have audited the accompanying special-purpose financial statements of various funds of Dallas County, Missouri, as of and for the years ended December 31, 2002 and 2001, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Dallas County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Dallas County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Dallas County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 9, 2003, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Original Signed by Auditor

McBride, Lock & Associates

June 9, 2003

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the State Auditor
And
County Commission of
Dallas County, Missouri

We have audited the special-purpose financial statements of various funds of Dallas County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Dallas County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 02-01 through 02-04.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Dallas County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report

financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-03.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is not considered to be a material weakness.

This report is intended for the information of the management of Dallas County, Missouri and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

June 9, 2003

Financial Statements

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 226,150	\$ 1,021,896	\$ 1,027,990	220,056
Special Road and Bridge	65,003	1,933,282	1,914,485	83,800
Assessment	3,542	157,729	160,963	308
Capital Improvement Sales Tax	35,604	535,340	301,348	269,596
Law Enforcement Sales Tax	26,471	721,088	723,318	24,241
Prosecuting Attorney Bad Check	630	7,486	7,226	890
Law Enforcement Training	10,691	5,935	9,045	7,581
Prosecuting Attorney Training	1,406	969	408	1,967
Associate Circuit Division Interest	5,627	3,505	4,263	4,869
Domestic Violence	35	500	495	40
Jury	6,747	15,240	16,993	4,994
Local Emergency Planning Commission	5,457	4,456	4,974	4,939
Record Storage	45,616	20,997	18,934	47,679
Election Services	2,250	2,144	0	4,394
Circuit Clerk Interest	10,849	4,292	141	15,000
911 Board	419,925	559,690	685,832	293,783
Health Center	200,674	343,943	343,464	201,153
Law Enforcement Civil Fees	3,926	22,059	13,185	12,800
Law Library	4,175	8,014	6,391	5,798
Tax Maintenance	0	719	0	719
	<u>\$ 1,074,778</u>	<u>\$ 5,369,284</u>	<u>\$ 5,239,455</u>	<u>\$ 1,204,607</u>

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

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

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 251,496	\$ 1,070,397	\$ 1,095,743	\$ 226,150
Special Road and Bridge	143,667	962,669	1,041,333	65,003
Assessment	10,582	153,334	160,374	3,542
Capital Improvement Sales Tax	56,815	630,399	651,610	35,604
Law Enforcement Sales Tax	37,123	718,641	729,293	26,471
Prosecuting Attorney Bad Check	2,794	9,219	11,383	630
Law Enforcement Training	4,519	7,872	1,700	10,691
Prosecuting Attorney Training	651	1,105	350	1,406
Associate Circuit Division Interest	5,933	1,354	1,660	5,627
Domestic Violence	20	470	455	35
Jury	2,572	23,882	19,707	6,747
Local Emergency Planning Committee	3,772	4,147	2,462	5,457
Record Storage	48,575	14,401	17,360	45,616
Election Services	834	1,591	175	2,250
Circuit Clerk Interest	9,949	2,673	1,773	10,849
911 Board	488,054	484,127	552,256	419,925
Health Center	189,211	349,228	337,765	200,674
Law Enforcement Civil Fees	1,448	17,759	15,281	3,926
Law Library	1,836	8,567	6,228	4,175
Total	<u>\$ 1,259,851</u>	<u>\$ 4,461,835</u>	<u>\$ 4,646,908</u>	<u>\$ 1,074,778</u>

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

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 4,306,660	\$ 5,352,754	\$ 1,046,094	\$ 4,338,592	\$ 4,450,595	\$ 112,003
DISBURSEMENTS	5,706,348	5,228,660	477,688	5,285,968	4,638,907	647,061
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,399,688)	\$ 124,094	\$ 1,523,782	\$ (947,376)	\$ (188,312)	\$ 759,064
CASH, JANUARY 1	1,054,127	1,054,127	0	1,248,066	1,248,066	0
CASH, DECEMBER 31	\$ (345,561)	\$ 1,178,221	\$ 1,523,782	\$ 300,690	\$ 1,059,754	\$ 759,064
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 21,000	\$ 19,561	\$ (1,439)	\$ 19,365	\$ 19,360	\$ (5)
Sales taxes	500,000	527,935	27,935	500,000	500,744	744
Intergovernmental	142,345	139,395	(2,950)	162,500	138,555	(23,945)
Charges for services	289,865	294,376	4,511	294,100	305,332	11,232
Interest	16,000	15,112	(888)	19,000	16,095	(2,905)
Other	35,525	25,517	(10,008)	65,000	90,311	25,311
Transfers in	0	0	0	30,000	0	(30,000)
Total Receipts	\$ 1,004,735	\$ 1,021,896	\$ 17,161	\$ 1,089,965	\$ 1,070,397	\$ (19,568)
DISBURSEMENTS						
County Commission	\$ 83,140	\$ 84,636	\$ (1,496)	\$ 83,140	\$ 83,070	\$ 70
County Clerk	70,600	70,092	508	72,000	72,778	(778)
Elections	42,100	34,471	7,629	19,500	8,006	11,494
Buildings and grounds	36,750	40,591	(3,841)	31,250	33,480	(2,230)
Employee fringe benefits	100,765	99,509	1,256	100,268	92,335	7,933
Treasurer	33,570	34,353	(783)	34,870	33,243	1,627
Collector	96,600	98,077	(1,477)	87,200	85,224	1,976
Circuit Clerk	33,400	30,871	2,529	38,900	30,922	7,978
Associate Circuit Court	67,687	38,462	29,225	72,400	48,839	23,561
Court Administration	8,960	5,133	3,827	21,641	32,618	(10,977)
Public Administrator	29,100	28,051	1,049	29,050	28,053	997
Prosecuting Attorney	112,312	117,068	(4,756)	111,624	105,220	6,404
Juvenile	157,192	105,579	51,613	160,329	121,120	39,209
Coroner	19,300	18,276	1,024	18,650	16,196	2,454
Other	178,585	144,336	34,249	213,271	186,639	26,632
Transfers Out	99,100	78,485	20,615	87,500	118,000	(30,500)
Emergency Fund	31,000	0	31,000	32,000	0	32,000
Total Disbursements	\$ 1,200,161	\$ 1,027,990	\$ 172,171	\$ 1,213,593	\$ 1,095,743	\$ 117,850
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (195,426)	\$ (6,094)	\$ 189,332	\$ (123,628)	\$ (25,346)	\$ 98,282
CASH, JANUARY 1	226,150	226,150	0	251,496	251,496	0
CASH, DECEMBER 31	\$ 30,724	\$ 220,056	\$ 189,332	\$ 127,868	\$ 226,150	\$ 98,282

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property Tax	\$ 283,300	\$ 287,699	\$ 4,399	\$ 266,700	\$ 277,091	\$ 10,391
Intergovernmental	654,690	1,611,437	956,747	669,500	640,774	(28,726)
Charges for Services	18,500	22,100	3,600	12,000	17,700	5,700
Interest	11,000	9,405	(1,595)	15,000	12,268	(2,732)
Other	0	2,641	2,641	0	14,836	14,836
Total Receipts	\$ 967,490	\$ 1,933,282	\$ 965,792	\$ 963,200	\$ 962,669	\$ (531)
DISBURSEMENTS						
Salaries	\$ 478,746	\$ 497,460	\$ (18,714)	\$ 430,000	\$ 438,005	\$ (8,005)
Employee fringe benefits	132,985	124,492	8,493	108,500	114,841	(6,341)
Supplies	107,000	112,031	(5,031)	145,000	122,487	22,513
Insurance	20,200	20,618	(418)	18,000	18,367	(367)
Road and bridge materials	844,500	770,866	73,634	352,000	183,257	168,743
Equipment repairs	56,000	69,931	(13,931)	86,000	76,728	9,272
Equipment purchases	0	9,067	(9,067)	38,000	28,488	9,512
Other	309,000	310,020	(1,020)	10,500	59,160	(48,660)
Transfers	0	0	0	35,640	0	35,640
Total Disbursements	\$ 1,948,431	\$ 1,914,485	\$ 33,946	\$ 1,223,640	\$ 1,041,333	\$ 182,307
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (980,941)	\$ 18,797	\$ 999,738	\$ (260,440)	\$ (78,664)	\$ 181,776
CASH, JANUARY 1	65,003	65,003	0	143,667	143,667	0
CASH, DECEMBER 31	\$ (915,938)	\$ 83,800	\$ 999,738	\$ (116,773)	\$ 65,003	\$ 181,776
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 125,237	\$ 107,377	\$ (17,860)	\$ 123,237	\$ 110,387	\$ (12,850)
Interest	750	562	(188)	0	836	836
Other	1,200	790	(410)	1,600	2,111	511
Transfers in	44,000	49,000	5,000	35,000	40,000	5,000
Total Receipts	\$ 171,187	\$ 157,729	\$ (13,458)	\$ 159,837	\$ 153,334	\$ (6,503)
DISBURSEMENTS						
Assessor	\$ 179,481	\$ 160,963	\$ 18,518	\$ 170,274	\$ 160,374	\$ 9,900
Total Disbursements	\$ 179,481	\$ 160,963	\$ 18,518	\$ 170,274	\$ 160,374	\$ 9,900
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,294)	\$ (3,234)	\$ 5,060	\$ (10,437)	\$ (7,040)	\$ 3,397
CASH, JANUARY 1	3,542	3,542	0	10,582	10,582	0
CASH, DECEMBER 31	\$ (4,752)	\$ 308	\$ 5,060	\$ 145	\$ 3,542	\$ 3,397

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CAPITAL IMPROVEMENTS SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ 500,000	\$ 527,935	\$ 27,935	\$ 500,000	\$ 501,744	\$ 1,744
Interest	5,000	7,405	2,405	2,500	6,562	4,062
Other	0	0	0	0	122,093	122,093
Total Receipts	\$ 505,000	\$ 535,340	\$ 30,340	\$ 502,500	\$ 630,399	\$ 127,899
DISBURSEMENTS						
Road and Bridge Materials	\$ 415,000	\$ 252,957	\$ 162,043	\$ 471,000	\$ 488,791	\$ (17,791)
Road Construction	0	0	0	0	2,400	(2,400)
Equipment Purchases	62,000	47,378	14,622	166,500	146,892	19,608
Bridge Construction	20,000	1,013	18,987	20,000	7,595	12,405
Other	6,000	0	6,000	2,000	5,932	(3,932)
Total Disbursements	\$ 503,000	\$ 301,348	\$ 201,652	\$ 659,500	\$ 651,610	\$ 7,890
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,000	\$ 233,992	\$ 231,992	\$ (157,000)	\$ (21,211)	\$ 135,789
CASH, JANUARY 1	35,604	35,604	0	56,815	56,815	0
CASH, DECEMBER 31	\$ 37,604	\$ 269,596	\$ 231,992	\$ (100,185)	\$ 35,604	\$ 135,789
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ 500,000	\$ 527,899	\$ 27,899	\$ 500,000	\$ 501,701	\$ 1,701
Intergovernmental	75,000	91,338	16,338	75,500	73,760	(1,740)
Charges for Services	70,000	52,082	(17,918)	18,000	18,096	96
Interest	2,800	2,267	(533)	3,000	2,729	(271)
Other	30,283	27,502	(2,781)	17,000	39,355	22,355
Transfers In	53,100	20,000	(33,100)	49,500	83,000	33,500
Total Receipts	\$ 731,183	\$ 721,088	\$ (10,095)	\$ 663,000	\$ 718,641	\$ 55,641
DISBURSEMENTS						
Salaries	\$ 494,434	\$ 472,027	\$ 22,407	\$ 483,322	\$ 460,689	\$ 22,633
Office Expenditures	9,350	6,601	2,749	10,550	10,576	(26)
Equipment	53,500	40,197	13,303	54,100	71,376	(17,276)
Mileage and Training	0	1,954	(1,954)	0	3,308	(3,308)
Officer Expenses	4,500	2,134	2,366	4,000	2,251	1,749
Jail	130,976	121,342	9,634	144,449	136,254	8,195
Prisoner Costs	35,000	52,147	(17,147)	26,700	36,004	(9,304)
Equipment & Repairs	5,010	1,980	3,030	4,950	3,960	990
Mileage	5,000	8,569	(3,569)	5,000	4,362	638
Other	19,882	16,367	3,515	2,000	513	1,487
Total Disbursements	\$ 757,652	\$ 723,318	\$ 34,334	\$ 735,071	\$ 729,293	\$ 5,778
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (26,469)	\$ (2,230)	\$ 24,239	\$ (72,071)	\$ (10,652)	\$ 61,419
CASH, JANUARY 1	26,471	26,471	0	37,123	37,123	0
CASH, DECEMBER 31	\$ 2	\$ 24,241	\$ 24,239	\$ (34,948)	\$ 26,471	\$ 61,419
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 9,500	\$ 7,452	\$ (2,048)	\$ 9,000	\$ 9,135	\$ 135
Interest	85	34	(51)	200	84	(116)
Total Receipts	\$ 9,585	\$ 7,486	\$ (2,099)	\$ 9,200	\$ 9,219	\$ 19
DISBURSEMENTS						
Salary	\$ 9,585	\$ 6,552	\$ 3,033	\$ 12,000	\$ 10,435	\$ 1,565
Benefits	0	501	(501)	0	827	(827)
Mileage	0	0	0	0	121	(121)
Miscellaneous	0	173	(173)	0	0	0
Total Disbursements	\$ 9,585	\$ 7,226	\$ 2,359	\$ 12,000	\$ 11,383	\$ 617
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 260	\$ 260	\$ (2,800)	\$ (2,164)	\$ 636
CASH, JANUARY 1	630	630	0	2,794	2,794	0
CASH, DECEMBER 31	\$ 630	\$ 890	\$ 260	\$ (6)	\$ 630	\$ 636

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,300	\$ 1,904	\$ (1,396)	\$ 0	\$ 3,283	\$ 3,283
Charges for Services	4,400	3,897	(503)	4,500	4,419	(81)
Other	0	134	134	0	170	170
Total Receipts	\$ 7,700	\$ 5,935	\$ (1,765)	\$ 4,500	\$ 7,872	\$ 3,372
DISBURSEMENTS						
Training	\$ 5,000	\$ 4,315	\$ 685	\$ 4,500	\$ 1,212	\$ 3,288
Association Dues	250	250	0	100	235	(135)
Ammunition for Training	500	52	448	800	0	800
Miscellaneous	0	0	0	0	253	(253)
Reimbursement to LEST	3,283	3,283	0	0	0	0
Accomodations	0	1,145	(1,145)	0	0	0
Total Disbursements	\$ 9,033	\$ 9,045	\$ (12)	\$ 5,400	\$ 1,700	\$ 3,700
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,333)	\$ (3,110)	\$ (1,777)	\$ (900)	\$ 6,172	\$ 7,072
CASH, JANUARY 1	10,691	10,691	0	4,519	4,519	0
CASH, DECEMBER 31	\$ 9,358	\$ 7,581	\$ (1,777)	\$ 3,619	\$ 10,691	\$ 7,072
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 1,110	\$ 969	\$ (141)	\$ 1,100	\$ 1,105	\$ 5
Total Receipts	\$ 1,110	\$ 969	\$ (141)	\$ 1,100	\$ 1,105	\$ 5
DISBURSEMENTS						
Mileage and Training	\$ 1,110	\$ 165	\$ 945	\$ 1,200	\$ 347	\$ 853
Other	0	243	(243)	0	3	(3)
Total Disbursements	\$ 1,110	\$ 408	\$ 702	\$ 1,200	\$ 350	\$ 850
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 561	\$ 561	\$ (100)	\$ 755	\$ 855
CASH, JANUARY 1	1,406	1,406	0	651	651	0
CASH, DECEMBER 31	\$ 1,406	\$ 1,967	\$ 561	\$ 551	\$ 1,406	\$ 855
<u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest				\$ 0	\$ 1,354	\$ 1,354
Total Receipts				\$ 0	\$ 1,354	\$ 1,354
DISBURSEMENTS						
Other				\$ 0	\$ 1,660	\$ (1,660)
Total Disbursements				\$ 0	\$ 1,660	\$ (1,660)
RECEIPTS OVER (UNDER) DISBURSEMENTS				\$ 0	\$ (306)	\$ (306)
CASH, JANUARY 1				0	5,933	5,933
CASH, DECEMBER 31				\$ 0	\$ 5,627	\$ 5,627

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 450	\$ 500	\$ 50	\$ 650	\$ 470	\$ (180)
Total Receipts	\$ 450	\$ 500	\$ 50	\$ 650	\$ 470	\$ (180)
DISBURSEMENTS						
Protective Services	\$ 470	\$ 495	\$ (25)	\$ 670	\$ 455	\$ 215
Total Disbursements	\$ 470	\$ 495	\$ (25)	\$ 670	\$ 455	\$ 215
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (20)	\$ 5	\$ 25	\$ (20)	\$ 15	\$ 35
CASH, JANUARY 1	35	35	0	20	20	0
CASH, DECEMBER 31	\$ 15	\$ 40	\$ 25	\$ 0	\$ 35	\$ 35
<u>JURY FUND</u>						
RECEIPTS						
Other	\$ 0	\$ 6,430	\$ 6,430	\$ 0	\$ 14,382	\$ 14,382
Transfers In	15,000	8,810	(6,190)	15,000	9,500	(5,500)
Total Receipts	\$ 15,000	\$ 15,240	\$ 240	\$ 15,000	\$ 23,882	\$ 8,882
DISBURSEMENTS						
Jurors and Mileage	\$ 15,000	\$ 16,993	\$ (1,993)	\$ 15,000	\$ 19,654	\$ (4,654)
Postage	68	0	68	68	53	15
Total Disbursements	\$ 15,068	\$ 16,993	\$ (1,925)	\$ 15,068	\$ 19,707	\$ (4,639)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (68)	\$ (1,753)	\$ (1,685)	\$ (68)	\$ 4,175	\$ 4,243
CASH, JANUARY 1	6,747	6,747	0	2,572	2,572	0
CASH, DECEMBER 31	\$ 6,679	\$ 4,994	\$ (1,685)	\$ 2,504	\$ 6,747	\$ 4,243
<u>LEPC FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,000	\$ 4,310	\$ 1,310	\$ 5,000	\$ 4,147	\$ (853)
Other	0	146	146	0	0	0
Total Receipts	\$ 3,000	\$ 4,456	\$ 1,456	\$ 5,000	\$ 4,147	\$ (853)
DISBURSEMENTS						
Office Supplies	\$ 1,310	\$ 353	\$ 957	\$ 950	\$ 718	\$ 232
Telephone	0	407	(407)	2,046	632	1,414
Mileage & Training	500	572	(72)	3,550	723	2,827
Equipment	0	3,642	(3,642)	750	339	411
Miscellaneous	2,400	0	2,400	0	50	(50)
Total Disbursements	\$ 4,210	\$ 4,974	\$ (764)	\$ 7,296	\$ 2,462	\$ 4,834
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,210)	\$ (518)	\$ 692	\$ (2,296)	\$ 1,685	\$ 3,981
CASH, JANUARY 1	5,457	5,457	0	3,772	3,772	0
CASH, DECEMBER 31	\$ 4,247	\$ 4,939	\$ 692	\$ 1,476	\$ 5,457	\$ 3,981

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECORD STORAGE FUND						
RECEIPTS						
Charges for Services	\$ 9,000	\$ 17,876	\$ 8,876	\$ 0	\$ 9,351	\$ 9,351
Interest Income	2,000	2,446	446	0	2,567	2,567
Transfer In	0	675	675	0	2,483	2,483
Total Receipts	\$ 11,000	\$ 20,997	\$ 9,997	\$ 0	\$ 14,401	\$ 14,401
DISBURSEMENTS						
Recorder Software	\$ 0	\$ 7,422	\$ (7,422)	\$ 0	\$ 0	\$ 0
Recreating Record	20,000	6,722	13,278	20,000	13,118	6,882
Supplies	0	0	0	0	151	(151)
Miscellaneous	0	10	(10)	0	0	0
Equipment	10,000	3,240	6,760	0	4,091	(4,091)
Labor	0	1,540	(1,540)	0	0	0
Total Disbursements	\$ 30,000	\$ 18,934	\$ 11,066	\$ 20,000	\$ 17,360	\$ 2,640
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,000)	\$ 2,063	\$ 21,063	\$ (20,000)	\$ (2,959)	\$ 17,041
CASH, JANUARY 1	45,616	45,616	0	48,575	48,575	0
CASH, DECEMBER 31	\$ 26,616	\$ 47,679	\$ 21,063	\$ 28,575	\$ 45,616	\$ 17,041
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	\$ 1,200	\$ 870	\$ (330)	\$ 0	\$ 1,167	\$ 1,167
Charges for Services	750	1,109	359	225	342	117
Interest	75	165	90	15	82	67
Total Receipts	\$ 2,025	\$ 2,144	\$ 119	\$ 240	\$ 1,591	\$ 1,351
DISBURSEMENTS						
Educational Materials	\$ 500	\$ 0	\$ 500	\$ 600	\$ 175	\$ 425
Equipment	1,000	0	1,000	0	0	0
Total Disbursements	\$ 1,500	\$ 0	\$ 1,500	\$ 600	\$ 175	\$ 425
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 525	\$ 2,144	\$ 1,619	\$ (360)	\$ 1,416	\$ 1,776
CASH, JANUARY 1	2,250	2,250	0	834	834	0
CASH, DECEMBER 31	\$ 2,775	\$ 4,394	\$ 1,619	\$ 474	\$ 2,250	\$ 1,776

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
911 BOARD FUND						
RECEIPTS						
Sales taxes	\$ 457,115	\$ 483,953	\$ 26,838	\$ 500,000	\$ 456,877	\$ (43,123)
Charges for services	0	11,250	11,250	0	0	0
Interest	6,000	20,190	14,190	5,000	26,902	21,902
Other	40,680	44,297	3,617	45,000	348	(44,652)
Total Receipts	\$ 503,795	\$ 559,690	\$ 55,895	\$ 550,000	\$ 484,127	\$ (65,873)
DISBURSEMENTS						
Salaries	\$ 206,360	\$ 247,505	\$ (41,145)	\$ 103,560	\$ 66,222	\$ 37,338
Insurance	8,000	7,155	845	0	4,698	(4,698)
Office Expenses	71,600	47,756	23,844	73,700	12,443	61,257
Equipment	318,092	249,075	69,017	401,276	234,825	166,451
Training	10,600	11,429	(829)	12,000	1,674	10,326
Building	14,500	67,220	(52,720)	191,500	188,122	3,378
Services	9,115	24,760	(15,645)	70,000	31,065	38,935
Miscellaneous	16,020	28,285	(12,265)	7,500	8,776	(1,276)
Vehicle	1,500	959	541	0	4,431	(4,431)
Uniforms	1,000	771	229	0	0	0
Security	0	917	(917)	0	0	0
Total Disbursements	\$ 656,787	\$ 685,832	\$ (29,045)	\$ 859,536	\$ 552,256	\$ 307,280
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (152,992)	\$ (126,142)	\$ 26,850	\$ (309,536)	\$ (68,129)	\$ 241,407
CASH, JANUARY 1	419,925	419,925	0	488,054	488,054	0
CASH, DECEMBER 31	\$ 266,933	\$ 293,783	\$ 26,850	\$ 178,518	\$ 419,925	\$ 241,407
HEALTH CENTER FUND						
RECEIPTS						
Property taxes	\$ 105,000	\$ 106,774	\$ 1,774	\$ 106,000	\$ 106,759	\$ 759
Intergovernmental	211,000	202,825	(8,175)	210,400	195,454	(14,946)
Charges for services	35,400	28,040	(7,360)	32,000	35,977	3,977
Interest	7,000	6,304	(696)	11,000	11,038	38
Total Receipts	\$ 358,400	\$ 343,943	\$ (14,457)	\$ 359,400	\$ 349,228	\$ (10,172)
DISBURSEMENTS						
Salaries	\$ 252,600	\$ 248,891	\$ 3,709	\$ 263,350	\$ 238,242	\$ 25,108
Office expenditures	23,210	35,558	(12,348)	23,720	23,519	201
Equipment	11,600	4,071	7,529	3,600	1,124	2,476
Mileage & Training	7,500	4,810	2,690	3,800	8,875	(5,075)
Other	76,950	50,134	26,816	62,650	66,005	(3,355)
Total Disbursements	\$ 371,860	\$ 343,464	\$ 28,396	\$ 357,120	\$ 337,765	\$ 19,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (13,460)	\$ 479	\$ 13,939	\$ 2,280	\$ 11,463	\$ 9,183
CASH, JANUARY 1	200,674	200,674	0	189,211	189,211	0
CASH, DECEMBER 31	\$ 187,214	\$ 201,153	\$ 13,939	\$ 191,491	\$ 200,674	\$ 9,183

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

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	\$ 15,000	\$ 21,785	\$ 6,785	\$ 15,000	\$ 17,759	\$ 2,759
Other	0	274	274	0	0	0
Total Receipts	<u>\$ 15,000</u>	<u>\$ 22,059</u>	<u>\$ 7,059</u>	<u>\$ 15,000</u>	<u>\$ 17,759</u>	<u>\$ 2,759</u>
DISBURSEMENTS						
Computer	\$ 5,000	\$ 0	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000
Equipment	0	2,593	(2,593)	0	0	0
Contract Labor	0	535	(535)	0	0	0
Office Supplies	0	2,740	(2,740)	0	781	(781)
Radios	0	715	(715)	0	0	0
Jail Supplies	0	4,435	(4,435)	0	0	0
Transfer to LEST Fund	13,000	0	13,000	0	14,500	(14,500)
Lab Fees	0	1,000	(1,000)	0	0	0
Miscellaneous	0	1,167	(1,167)	0	0	0
Total Disbursements	<u>\$ 18,000</u>	<u>\$ 13,185</u>	<u>\$ 4,815</u>	<u>\$ 5,000</u>	<u>\$ 15,281</u>	<u>\$ (10,281)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,000)	\$ 8,874	\$ 11,874	\$ 10,000	\$ 2,478	\$ (7,522)
CASH, JANUARY 1	<u>3,926</u>	<u>3,926</u>	<u>0</u>	<u>1,448</u>	<u>1,448</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 926</u>	<u>\$ 12,800</u>	<u>\$ 11,874</u>	<u>\$ 11,448</u>	<u>\$ 3,926</u>	<u>\$ (7,522)</u>

Notes to the Financial Statements

DALLAS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Dallas County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board of Trustees or the 911 Board of Directors. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2001, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Circuit Clerk Interest Fund	2002, 2001
Law Library Fund	2002, 2001
Associate Circuit Division Interest Fund	2002
Tax Maintenance Fund	2002

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

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	2002
Domestic Violence Fund	2002
Jury Fund	2002, 2001
Local Emergency Planning Committee Fund	2002
Law Enforcement Civil Fees Fund	2001
911 Board Fund	2002
Associate Circuit Division Interest Fund	2001

Section 50.740, RSMo 2001, prohibits expenditures in excess of the approved budgets.

Deficit budget balances are presented for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road and Bridge Fund	2002, 2001
Assessment Fund	2002
Capital Improvement Sales Tax Fund	2001
Law Enforcement Sales Tax Fund	2001
Prosecuting Attorney Bad Check Fund	2001

However, the budgets of those funds also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31, intergovernmental revenue, or sales tax. Such resources were sufficient to offset the deficit budget balances presented.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2001, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the County's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Circuit Clerk Interest Fund	2002, 2001
Associate Circuit Division Interest Fund	2002, 2001
Law Library Fund	2002, 2001
Health Center Fund	2001
911 Board Fund	2001

2. Cash

Section 110.270, RSMo 2001, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2001, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

The county's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance or by collateral securities held by the County's custodial bank in the county treasurer's name.

The Health Center's deposits at December 31, 2002 and 2001, were entirely covered by Federal depository insurance or by collateral securities held by the County's custodial bank in the Health Center's name.

The 911 Board's deposits at December 31, 2002 and 2001, were entirely covered by Federal depository insurance or by collateral securities held by the County's custodial bank in the 911 Board's name.

Supplementary Schedule

DALLAS 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,	
			2002	2001
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
	Department of Social Services -			
10.550	Food Donation	N/A	\$ 69	\$ 1,315
10.557	Department of Health and Senior Services - Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-1129W ERS045-2129	40,911	36,324
U.S. DEPARTMENT OF JUSTICE				
Passed through state:				
16.unknown	Missouri Sheriffs' Association - Domestic Cannabis Eradication/Suppression Program	N/A	1,040	1,035
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.703	Missouri Emergency Response Commission - Hazardous Materials Emergency Preparedness	N/A	2,782	828
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state:				
83.544	Department of Public Safety - Public Assistance Grants	N/A	959,311	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program -				
93.268	Immunization Grants	N/A	26,826	21,183
Passed through state:				
93.575	Department of Health and Senior Services - Child Care Health Consultation Local Sanitation Inspections for Child Care Facilities	PGA067-2129C PGA067-1129S PGA067-2129S	1,480 1,035	1,785 490
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ERS161-10080 ERS161-20008	13,911	20,770
93.994	Maternal and Child Health Services Block Grant	ERS146-1129M ERS146-2129M ERS146-3129M	17,579	19,412
93.994	Comprehensive Family Planning Services	ERS175-1129F ERS175-2021F	10,317	10,938
93.658	Department of Social Services - Foster Care Title IV-E	N/A	27,148	33,726
93.563	Child Support Enforcement	ERO103-29059	315	4,910
	Total Expenditures of Federal Awards		<u>\$ 1,102,724</u>	<u>\$ 152,716</u>

N/A - Not applicable

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

DALLAS COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

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

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

B. Basis of Presentation

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

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

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Of the amounts for Immunization Grants (CFDA number 93.268), \$26,826 and \$21,183 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2002 and 2001.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2002 and 2001.

FEDERAL AWARDS –
SINGLE AUDIT SECTION

Independent Auditor's Report

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

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

Compliance

We have audited the compliance of Dallas 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, 2002 and 2001. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

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

In our opinion, Dallas 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, 2002 and 2001.

Internal Control Over Compliance

The management of Dallas County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the county's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 02-05 and 02-06.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of the laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable conditions described above are material weaknesses.

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

Original Signed by Auditor

McBride, Lock & Associates

June 9, 2003

Schedule

Section II - Financial Statement Findings

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

02-01. Health Center Budgets

The 2002 and 2001 budget documents for the Health Center did not include actual revenues or expenditures for either of the previous two years. Section 50.590, RSMo, requires budgets to include revenue and expenditure figures for the last two completed fiscal years to provide a comparison with the estimates for the current fiscal year.

WE RECOMMEND: The Health Center implement procedures to ensure that actual revenues and expenditures for the previous two years are included in the annual budget.

AUDITEE'S RESPONSE

The auditee acknowledged the finding.

02-02. 911 Sales Tax

As of November 1998 voters of Dallas County passed a one-half cent general sales tax under Section 67.547, RSMo. This general sales tax was earmarked for the purpose of implementing and operating an enhanced 911 emergency response system. A separate Board of Directors was established to monitor and administer the 911 operations and the County Commission relinquished authority over the sales tax funds to the 911 Board. However, the general sales tax was not passed under an alternative statutory authority for emergency services sales tax. This alternative statutory authority is provided in Section 190.335, RSMo, which provides that the County Commission may impose a county sales tax for the provision of central dispatching of emergency services that would place statutory authority over the sales tax revenues with the 911 Board of Directors. As a result, authority over revenues from the 911 general sales tax has not been administered in accordance with statutory requirements.. Further, because the county passed the general retail sales tax earmarked for 911, the county may have limited the possibility for future general sales tax revenues.

WE RECOMMEND the 911 Board and the County Commission consider future funding needs of the county and consult legal counsel regarding the appropriate statutory authority to levy a sales tax and administer the funding for the 911 system.

AUDITEE'S RESPONSE

The auditee acknowledged the finding.

02-03. Fixed Assets Controls

The prior audit recommended that the county establish a written policy related to the handling and accounting for general fixed assets to ensure that all fixed assets were properly recorded due to fixed assets found not listed on the fixed assets listings.

Although no fixed assets were noted that were not recorded on the fixed assets listings, the county has not established a written policy related to the handling and accounting for general fixed assets.

WE RECOMMEND the county establish a written policy describing procedures for the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

AUDITEE'S RESPONSE

The auditee acknowledged the finding.

02-04. Procurement

The 911 Board and Health Center did not retain documentation in support of bids solicited for all purchases of \$4,500 or more as required by Section 50.660, RSMo 2000. Additionally, the 911 Board's policy does not require solicitation of bids for purchases less than \$5,000.

WE RECOMMEND the 911 Board and Health Center retain documentation in support of solicited bids. We also recommend that the 911 Board solicit bids on all items costing \$4,500 or more.

AUDITEE'S RESPONSE

The auditee acknowledged the finding and indicated the 911 Board's procurement policy would be changed accordingly.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

02-05. Health Center Contractual Compliance

Federal Grantor:	Health and Human Services (HHS)
Pass-through Grantor:	Missouri Department of Health & Senior Services
Federal CFDA Number:	93.994
Program Title:	Comprehensive Family Planning Services
Pass-through Entity	
Identifying Numbers:	Not Applicable
Award Years:	2002 and 2001
Questioned Costs:	Not Applicable

Health center personnel do not monitor amounts expended on Comprehensive Family Planning (CFP) services. Additionally, the average cost per client of providing such services is not periodically calculated and monitored.

As a result of this condition, the Missouri Department of Health and Senior Services is currently requesting that the health center refund overpayments of approximately \$13,000 for clients billed during fiscal years 2000 and 1999, based upon average costs per client reported in a prior audit finding.

During the audit the health center administrator prepared a calculation of average costs per CFP client. Based upon this calculation, the average cost per client for the federal fiscal year ended September 30, 2002 appeared to be approximately \$172. The CFP contract for this year only required costs of \$150 per client. However, the health center does not have procedures established to perform such calculations throughout the year to monitor compliance with the CFP contract.

WE RECOMMEND that the health center establish procedures to monitor compliance with contractual requirements for Comprehensive Family Planning services.

AUDITEE'S RESPONSE

Because the CFP contract is quite restrictive to types of costs allowed when calculating the average cost per client, the primary costs considered for the health center are allocations of staff wages and salaries. These costs are difficult to change and the staff is effectively administering the program. Additionally, the Department of Health and Senior Services has discontinued the CFP program after the 2002 federal fiscal year due to budgetary constraints.

02-06. Schedule of Expenditures of Federal Awards

Federal Grantor:	Federal Emergency Management Agency (FEMA)
Pass-through Grantor:	Missouri State Emergency Management Agency
Federal CFDA Number:	83.544
Program Title:	Public Assistance
Pass-through Entity	
Identifying Numbers:	Not Applicable
Award Years:	2002
Questioned Costs:	Not Applicable

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

The county does not have procedures in place to adequately identify Federal assistance for the preparation of the SEFA. The county prepared a SEFA for the years ended December 31, 2002 and 2001; however, the SEFA noted incorrect CFDA numbers and program titles for some of the Federal programs expended. Additionally, the SEFA included programs that were not Federal funds and programs that were partially Federal funds yet noted as 100% Federal. The inclusion of non-Federal expenditures on the SEFA resulted in an overstatement of Federal expenditures by \$85,615, or 56%, in 2001. Although the county has implemented procedures to identify programs that may

include Federal funds, additional controls are needed to properly identify the source and allocation of Federal funds.

WE RECOMMEND the county implement procedures to ensure that the source and allocation of Federal funds are properly identified so that a complete and accurate schedule of expenditures of Federal awards may be submitted to the State Auditor's Office as part of the annual budget.

AUDITEE'S RESPONSE

The County Clerk acknowledged the finding.

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

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

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dallas County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2000.

00-1 Budgets and Schedule of Expenditures of Federal Awards

- A. Actual expenditures exceeded budgeted amounts in several county funds.

Current Status: See Notes to the Financial Statements, Note C.

- B. Budgets were not prepared for several county funds.

Current Status: See Notes to the Financial Statements, Note C.

- C. The county and health center do not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards (SEFA). The schedule did not include seven of the twelve programs the county was involved in during 2000 and 1999. Three of the programs omitted were handled by the Dallas County Health Center. In addition, the information presented for several of the programs administered by the Health Center did not agree with expenditure records.

Current Status: The Health Center has resolved this issue. See current Schedule of Findings and Questioned Costs, finding 02-06.

00-3. County Controls and Procedures

- A. The county did not enter into a written agreement with the Prosecuting Attorney for the sharing of office expenses of the Prosecuting Attorney's law office. The Prosecuting Attorney operates a private law office from the same location.

Current Status: Resolved.

- B. Fixed asset listings are incomplete. Additions to the inventory listings are not reconciled to equipment expenditures to ensure all fixed assets are properly recorded.

Current Status: See current Schedule of Findings and Questioned Costs, finding 02-03.

00-6. Dallas County 911 Board

- A. In November 1998 voters of Dallas County passed a one-half cent general sales tax under Section 67.547, RSMo, earmarked for the purpose of implementing and

operating an enhanced 911 system. The alternative statutory authority for emergency services sales tax is under Section 190.335, RSMo, which provides that the County Commission may impose a county sales tax for the provision of central dispatching of emergency services. As a result of the county passing the general retail sales tax earmarked for 911, the county may have limited the possibility for future general sales tax revenues.

Current Status: See current Schedule of Findings and Questioned Costs, finding 02-02.

- B. The County Commission purchased a building in May 1999 with sales tax revenues to renovate for 911 operations. Ownership was transferred to the elected 911 Board in August 2000 and in November 2000 the 911 office was moved to rented office space. Costs of required renovations to the purchased building were deemed excessive and in May 2001 the 911 Board purchased a new building for \$168,000. However, the County Assessor appraised the new property at only \$157,100. The original building is currently for sale.

Independent appraisals were not obtained and documentation of the selection process and price negotiations was not available to ensure the purchase price of the property was reasonable. The 911 Board needs to develop a plan regarding the disposition of the original building purchased in 1999.

Current Status: Resolved.

- C. 1. The 911 Board did not enter into a written agreement detailing the provisions of office space shared with the Chamber of Commerce. A total of \$800 was paid to the Chamber of Commerce between November 2000 and June 2001. The 911 Director and the 911 secretary were also employees of the Chamber of Commerce and the 911 Board's financial records were maintained on a computer owned by the Chamber of Commerce.

Current Status: Resolved.

2. The 911 Board sold street address signs and collected monies from such sales on behalf of the Dallas County Betterment Association. The 911 Director and one of the 911 board members are also members of the Betterment Association Board. A written agreement was not established outlining the conditions of the relationship.

Current Status: Resolved.

- D. The 911 Board discussed matters in closed session meetings that should have been discussed in open session per state law.

Current Status: Resolved.

- E. The 911 Board's budget for the year ending December 31, 2001 did not include the two previous years' actual revenues and expenditures.

Current Status: Resolved.

- F. The 911 Board owns and maintains a vehicle that is driven by the director for business and personal use. A vehicle mileage log is not maintained to monitor the number of personal versus business miles driven to evaluate the usage of vehicles and for the reporting of fringe benefits to the Internal Revenue Service.

Current Status: Resolved.

- G. The 911 Board does not document approval of invoices for payment, and invoices are not noted as paid or otherwise cancelled upon payment.

Current Status: Resolved.

- H. General fixed asset records are not maintained and property tags are not affixed to all assets.

Current Status: Resolved.

00-7. Health Center Records and Procedures

- A. The Health Center does not maintain its petty cash fund in a secure location and access to the fund is not limited.

Current Status: Resolved.

- B. 1. Budgets were incomplete, contained misstatements due to errors in the accounting system, and were not mathematically correct. The budgets also did not report actual revenues or expenditures for the previous two years as required by law.

Current Status: See current Schedule of Findings and Questioned Costs, finding 02-01.

- 2. Actual expenditures exceeded budgeted amounts for the years ended December 31, 2000 and 1999. No formal amendments were filed and it was not noted in the board minutes why the budgets were exceeded. Additionally, there is no evidence of periodic comparison of budgeted and actual activities.

Current Status: Resolved.

- C. The Board of Trustees does not review and approve payments of expenditures prior to disbursement. A listing of all disbursements approved by the board is not prepared to accompany the minutes.

Current Status: Resolved.

- D. Property records are not periodically updated and items are not numbered, tagged, or otherwise identified.

Current Status: Resolved.

- E. Health Center funds were not adequately covered by collateral securities during the year.

Current Status: Resolved.

- F. Health Center personnel do not monitor amounts expended on Comprehensive Family Planning Services. Additionally, the average cost per client of providing such services is not periodically calculated and monitored.

Current Status: See current Schedule of Findings and Questioned Costs, Finding 02-05.

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

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

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

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

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

00-1 Schedule of Expenditures of Federal Awards

The county and health center did not have adequate procedures in place to track federal assistance for preparation of the SEFA. The SEFA did not include seven of the twelve programs the county was involved in during 2000 and 1999. Additionally, the information presented for several of the programs administered by the Health Center did not agree with the expenditure records.

Current Status: The Health Center reported federal program assistance per the expenditure records, consider this matter resolved. See current Schedule of Findings and Questioned Costs, finding 02-06, for current status of county procedures.