



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Webster County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Webster County, Missouri, for the two years ended December 31, 2002. A copy of this audit which was performed by Charles Buchanan, P.C., Certified Public Accountants, is attached.

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

Claire C. McCaskill
State Auditor

Report No. 2003-67
July 8, 2003

Webster County, Missouri

Audit Report

Two Years Ended December 31, 2002

**Prepared by:
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WEBSTER COUNTY, MISSOURI

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

To the County Commission
and
Officeholders of Webster County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Webster 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 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 Webster 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 Webster 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 Webster 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 May 30, 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 purposes of additional analysis as required by the 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
Charles Buchanan, CPA, PC
May 30, 2003

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Certified Public Accountant
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**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 County Commission
and
Officeholders of Webster County, Missouri

We have audited the special-purpose financial statements of various funds of Webster County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 30, 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 Webster County, Missouri are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Webster County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Webster 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
Charles Buchanan, CPA, PC
May 30, 2003

Financial Statements

A-1

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

Fund	Cash, 1/1/2002	Receipts	Disbursements	Cash, 12/31/2002
General Revenue	\$247,100	\$2,338,861	\$2,173,464	\$412,497
Special Road and Bridge	225,761	2,753,836	2,605,662	373,935
Assessment	10,656	203,519	188,580	25,595
Law Enforcement Training	1,250	3,307	3,731	826
Prosecuting Attorney Training	74	820	634	260
Capital Improvement Sales Tax	84,162	1,238,341	1,230,452	92,051
Sheriff Equipment	0	1,030	0	1,030
Sheriff Drug	0	0	0	0
DARE	3,720	3,413	2,094	5,039
Prosecuting Attorney Delinquent Tax	32	2	0	34
Prosecuting Attorney Drug	570	16	586	0
Recorder User Fee	8,947	22,704	15,153	16,498
Local Emergency Planning Commission	7,663	5,731	4,952	8,442
Peace Officers Standards Training	0	2,423	2,423	0
Sheriff	13,372	40,185	41,447	12,110
Election Services	5,518	3,269	4,508	4,279
Children's Trust	5,978	1,652	4,000	3,630
Health Center	166,643	762,924	724,229	205,338
Senate Bill 40 Board	30,937	186,827	181,364	36,400
Emergency 911	550,318	523,602	554,714	519,206
Law Library	12,307	16,006	10,855	17,458
Circuit Clerk Interest	5,747	276	20	6,003
Associate Circuit Division Interest	2,875	1,096	0	3,971
Recorder Equipment	4,386	11,804	0	16,190
Tax Maintenance	0	2,189	410	1,779
MOPS	0	0	0	0
Total	\$1,388,016	\$8,123,833	\$7,749,278	\$1,762,571

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

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

Fund	Cash, 1/1/2001	Receipts	Disbursements	Cash, 12/31/2001
General Revenue	\$538,574	\$1,972,177	\$2,263,651	\$247,100
Special Road and Bridge	190,955	1,546,273	1,511,467	225,761
Assessment	10,932	211,307	211,583	10,656
Law Enforcement Training	2,295	4,186	5,231	1,250
Prosecuting Attorney Training	237	1,004	1,167	74
Capital Improvement Sales Tax	43,789	1,069,872	1,029,499	84,162
Sheriff Equipment	932	40	972	0
Sheriff Drug	1,668	71	1,739	0
DARE	3,661	792	733	3,720
Prosecuting Attorney Delinquent Tax	30	2	0	32
Prosecuting Attorney Drug	690	43	163	570
Recorder User Fee	12,173	17,082	20,308	8,947
Local Emergency Planning Commission	5,897	5,491	3,725	7,663
Peace Officers Standards Training	0	2,091	2,091	0
Sheriff	5,218	53,572	45,418	13,372
Election Services	262	5,501	245	5,518
Children's Trust	8,266	1,712	4,000	5,978
Health Center	149,613	696,466	679,436	166,643
Senate Bill 40 Board	22,885	178,094	170,042	30,937
Emergency 911	608,900	437,615	496,197	550,318
Law Library	10,281	15,325	13,299	12,307
Circuit Clerk Interest	4,164	1,721	138	5,747
Associate Circuit Division Interest	1,758	1,660	543	2,875
Recorder Equipment	0	4,386	0	4,386
Tax Maintenance	0	0	0	0
MOPS	0	0	0	0
Total	\$1,623,180	\$6,226,483	\$6,461,647	\$1,388,016

EXHIBIT B

WEBSTER 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	\$7,921,389	\$8,123,833	\$202,444	\$6,132,633	\$6,226,483	\$93,850
DISBURSEMENTS	8,019,500	7,749,278	270,222	6,721,564	6,461,647	259,917
RECEIPTS OVER (UNDER) DISBURSEMENTS	(98,111)	374,555	472,666	(588,931)	(235,164)	353,767
CASH, JANUARY 1	1,388,016	1,388,016	0	1,623,180	1,623,180	0
CASH, DECEMBER 31	1,289,905	1,762,571	472,666	1,034,249	1,388,016	353,767
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	83,868	95,977	12,109	80,713	109,316	28,603
Sales taxes	1,055,514	1,036,857	(18,657)	1,013,803	1,013,803	0
Intergovernmental	157,870	168,833	10,963	84,736	79,626	(5,110)
Charges for services	612,339	806,013	193,674	514,678	677,181	162,503
Interest	22,000	21,891	(109)	25,000	39,174	14,174
Other	395,995	169,929	(226,066)	187,525	11,908	(175,617)
Transfers in	55,375	39,361	(16,014)	51,500	41,169	(10,331)
Total Receipts	2,382,961	2,338,861	(44,100)	1,957,955	1,972,177	14,222
DISBURSEMENTS						
County Commission	87,035	86,129	906	86,700	86,302	398
County Clerk	90,600	88,803	1,797	83,057	82,249	808
Elections	68,350	62,570	5,780	47,050	33,970	13,080
Buildings and grounds	82,260	98,708	(16,448)	100,770	80,866	19,904
Employee fringe benefits	196,340	175,153	21,187	151,800	155,243	(3,443)
County Treasurer	36,287	33,003	3,284	33,722	32,910	812
County Collector	89,071	86,063	3,008	85,234	83,835	1,399
Ex Officio Recorder of Deeds	37,852	37,205	647	35,598	35,575	23
Circuit Clerk	12,300	8,425	3,875	17,600	17,596	4
Associate Circuit Court	22,650	16,531	6,119	16,495	19,045	(2,550)
Associate Probate Court	0	0	0	11,200	0	11,200
Court Administration	16,250	4,722	11,528	7,325	15,948	(8,623)
Public Administration	57,615	54,357	3,258	61,064	58,078	2,986
Sheriff	696,141	729,931	(33,790)	736,632	734,075	2,557
Jail	135,461	104,683	30,778	0	354	(354)
Prosecuting Attorney	163,644	161,230	2,414	132,709	126,351	6,358
Juvenile Officer	45,596	29,866	15,730	93,150	36,316	56,834
County Coroner	15,675	14,709	966	15,655	15,270	385
Circuit Judge	12,658	3,285	9,373	13,310	3,946	9,364
Purchasing Agent	24,371	24,189	182	13,474	22,579	(9,105)
Emergency Management	15,132	13,755	1,377	12,697	11,929	768
Other	241,882	163,087	78,795	156,134	121,819	34,315
Health and Welfare	10,000	22,311	(12,311)	10,000	43,545	(33,545)
Debt Service	140,375	140,375	0	415,120	418,304	(3,184)
Transfers out	17,671	14,374	3,297	28,491	27,546	945
Emergency Fund	62,650	0	62,650	57,750	0	57,750
Total Disbursements	2,377,866	2,173,464	204,402	2,422,737	2,263,651	159,086
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,095	165,397	160,302	(464,782)	(291,474)	173,308
CASH, JANUARY 1	247,100	247,100	0	538,574	538,574	0
CASH, DECEMBER 31	\$252,195	\$412,497	\$160,302	\$73,792	\$247,100	\$173,308

EXHIBIT B

WEBSTER 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 taxes	\$345,899	\$396,845	\$50,946	\$324,785	\$377,337	\$52,552
Intergovernmental	2,021,594	2,116,734	95,140	925,830	887,354	(38,476)
Charges for services	250,000	66,392	(183,608)	250,000	243,000	(7,000)
Interest	22,000	22,880	880	15,000	21,399	6,399
Other	3,250	20,065	16,815	15,900	17,183	1,283
Transfers in	0	130,920	130,920	0	0	0
Total Receipts	2,642,743	2,753,836	111,093	1,531,515	1,546,273	14,758
DISBURSEMENTS						
Salaries	505,297	508,534	(3,237)	480,000	461,923	18,077
Employee fringe benefits	110,282	112,531	(2,249)	100,925	84,165	16,760
Supplies	22,750	27,784	(5,034)	21,500	22,674	(1,174)
Insurance	40,000	40,400	(400)	30,000	29,382	618
Road and bridge materials	125,000	127,938	(2,938)	158,000	155,982	2,018
Equipment repairs	93,000	119,546	(26,546)	90,000	91,474	(1,474)
Rentals	17,500	20,949	(3,449)	15,000	16,375	(1,375)
Equipment purchases	60,000	55,513	4,487	70,500	84,704	(14,204)
Construction, repair, and maintenance	1,333,500	1,226,332	107,168	386,000	388,434	(2,434)
Distribution to special road district	145,000	140,289	4,711	140,000	142,863	(2,863)
Other	25,500	12,846	12,654	24,500	18,491	6,009
Transfers out	215,000	213,000	2,000	15,000	15,000	0
Total Disbursements	2,692,829	2,605,662	87,167	1,531,425	1,511,467	19,958
RECEIPTS OVER (UNDER) DISBURSEMENTS	(50,086)	148,174	198,260	90	34,806	34,716
CASH, JANUARY 1	225,761	225,761	0	190,955	190,955	0
CASH, DECEMBER 31	175,675	373,935	198,260	191,045	225,761	34,716
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	180,489	183,540	3,051	186,861	180,087	(6,774)
Charges for services	1,000	2,988	1,988	0	2,273	2,273
Interest	1,500	2,819	1,319	0	2,869	2,869
Other	0	1	1	12,932	120	(12,812)
Transfers in	16,423	14,171	(2,252)	26,138	25,958	(180)
Total Receipts	199,412	203,519	4,107	225,931	211,307	(14,624)
DISBURSEMENTS						
Assessor	210,068	188,580	21,488	226,731	211,583	15,148
Total Disbursements	210,068	188,580	21,488	226,731	211,583	15,148
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,656)	14,939	25,595	(800)	(276)	524
CASH, JANUARY 1	10,656	10,656	0	10,932	10,932	0
CASH, DECEMBER 31	0	25,595	25,595	10,132	10,656	524
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	5,500	3,252	(2,248)	5,088	4,100	(988)
Interest	0	55	55	64	86	22
Total Receipts	5,500	3,307	(2,193)	5,152	4,186	(966)
DISBURSEMENTS						
Sheriff	5,500	3,731	1,769	6,100	5,231	869
Total Disbursements	5,500	3,731	1,769	6,100	5,231	869
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(424)	(424)	(948)	(1,045)	(97)
CASH, JANUARY 1	1,250	1,250	0	2,295	2,295	0
CASH, DECEMBER 31	\$1,250	\$826	(\$424)	\$1,347	\$1,250	(\$97)

EXHIBIT B

WEBSTER 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)
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	\$1,100	\$810	(\$290)	\$1,250	\$987	(\$263)
Interest	0	10	10	0	17	17
Total Receipts	1,100	820	(280)	1,250	1,004	(246)
DISBURSEMENTS						
Prosecuting Attorney	1,100	634	466	1,200	1,167	33
Total Disbursements	1,100	634	466	1,200	1,167	33
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	186	186	50	(163)	(213)
CASH, JANUARY 1	74	74	0	237	237	0
CASH, DECEMBER 31	74	260	186	287	74	(213)
CAPITAL IMPROVEMENT SALES TAX FUND						
RECEIPTS						
Sales taxes	1,055,514	1,036,824	(18,690)	1,013,804	1,014,892	1,088
Interest	10,000	3,294	(6,706)	10,000	9,865	(135)
Other	0	223	223	45,000	45,115	115
Transfers in	200,000	198,000	(2,000)	0	0	0
Total Receipts	1,265,514	1,238,341	(27,173)	1,068,804	1,069,872	1,068
DISBURSEMENTS						
Equipment	65,000	109,646	(44,646)	102,500	96,365	6,135
Road and bridge materials	1,020,000	957,307	62,693	772,500	773,086	(586)
Distribution to special road district	175,000	163,499	11,501	159,877	160,048	(171)
Total Disbursements	1,260,000	1,230,452	29,548	1,034,877	1,029,499	5,378
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,514	7,889	2,375	33,927	40,373	6,446
CASH, JANUARY 1	84,162	84,162	0	43,789	43,789	0
CASH, DECEMBER 31	89,676	92,051	2,375	77,716	84,162	6,446
SHERIFF EQUIPMENT FUND						
RECEIPTS						
Interest	0	1,030	1,030	50	40	(10)
Total Receipts	0	1,030	1,030	50	40	(10)
DISBURSEMENTS						
Transfers out	0	0	0	972	972	0
Total Disbursements	0	0	0	972	972	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,030	1,030	(922)	(932)	(10)
CASH, JANUARY 1	0	0	0	932	932	0
CASH, DECEMBER 31	0	1,030	1,030	10	0	(10)
SHERIFF DRUG FUND						
RECEIPTS						
Interest	0	0	0	95	71	(24)
Total Receipts	0	0	0	95	71	(24)
DISBURSEMENTS						
Equipment	0	0	0	1,350	0	1,350
Transfers out	0	0	0	1,739	1,739	0
Total Disbursements	0	0	0	3,089	1,739	1,350
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(2,994)	(1,668)	1,326
CASH, JANUARY 1	0	0	0	1,668	1,668	0
CASH, DECEMBER 31	0	0	0	(1,326)	0	1,326
DARE FUND						
RECEIPTS						
Interest	150	239	89	150	197	47
Other	1,800	3,174	1,374	0	595	595
Total Receipts	1,950	3,413	1,463	150	792	642
DISBURSEMENTS						
Sheriff	4,614	2,094	2,520	750	733	17
Total Disbursements	4,614	2,094	2,520	750	733	17
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,664)	1,319	3,983	(600)	59	659
CASH, JANUARY 1	3,720	3,720	0	3,661	3,661	0
CASH, DECEMBER 31	\$1,056	\$5,039	\$3,983	\$3,061	\$3,720	\$659

EXHIBIT B

WEBSTER 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>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Interest	\$2	\$2	\$0	\$2	\$2	\$0
Total Receipts	2	2	0	2	2	0
DISBURSEMENTS						
Prosecuting Attorney	32	0	32	0	0	0
Total Disbursements	32	0	32	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30)	2	32	2	2	0
CASH, JANUARY 1	32	32	0	30	30	0
CASH, DECEMBER 31	2	34	32	32	32	0
<u>PROSECUTING ATTORNEY DRUG FUND</u>						
RECEIPTS						
Interest	45	16	(29)	50	43	(7)
Total Receipts	45	16	(29)	50	43	(7)
DISBURSEMENTS						
Prosecuting Attorney	600	586	14	500	163	337
Total Disbursements	600	586	14	500	163	337
RECEIPTS OVER (UNDER) DISBURSEMENTS	(555)	(570)	(15)	(450)	(120)	330
CASH, JANUARY 1	570	570	0	690	690	0
CASH, DECEMBER 31	15	0	(15)	240	570	330
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	16,500	21,909	5,409	15,500	16,532	1,032
Interest	550	795	245	710	550	(160)
Total Receipts	17,050	22,704	5,654	16,210	17,082	872
DISBURSEMENTS						
Ex Officio Recorder of Deeds	17,938	15,153	2,785	22,000	20,308	1,692
Total Disbursements	17,938	15,153	2,785	22,000	20,308	1,692
RECEIPTS OVER (UNDER) DISBURSEMENTS	(888)	7,551	8,439	(5,790)	(3,226)	2,564
CASH, JANUARY 1	8,947	8,947	0	12,173	12,173	0
CASH, DECEMBER 31	8,059	16,498	8,439	6,383	8,947	2,564
<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	3,900	5,731	1,831	2,700	5,170	2,470
Interest	275	0	(275)	225	321	96
Total Receipts	4,175	5,731	1,556	2,925	5,491	2,566
DISBURSEMENTS						
Emergency planning	9,400	3,452	5,948	5,171	2,225	2,946
Transfers out	0	1,500	(1,500)	0	1,500	(1,500)
Total Disbursements	9,400	4,952	4,448	5,171	3,725	1,446
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,225)	779	6,004	(2,246)	1,766	4,012
CASH, JANUARY 1	7,663	7,663	0	5,897	5,897	0
CASH, DECEMBER 31	2,438	8,442	6,004	3,651	7,663	4,012
<u>PEACE OFFICERS STANDARDS TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	2,400	2,423	23	2,000	2,091	91
Total Receipts	2,400	2,423	23	2,000	2,091	91
DISBURSEMENTS						
Sheriff	2,400	2,423	(23)	2,100	2,091	9
Total Disbursements	2,400	2,423	(23)	2,100	2,091	9
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	(100)	0	100
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$0	\$0	\$0	(\$100)	\$0	\$100

EXHIBIT B

WEBSTER 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>SHERIFF FUND</u>						
RECEIPTS						
Charges for services	\$40,000	\$36,898	(\$3,102)	\$49,500	\$50,032	\$532
Interest	350	729	379	500	784	284
Other	0	2,558	2,558	0	45	45
Transfers in	0	0	0	2,711	2,711	0
Total Receipts	40,350	40,185	(165)	52,711	53,572	861
DISBURSEMENTS						
Sheriff	40,350	41,447	(1,097)	49,000	45,418	3,582
Total Disbursements	40,350	41,447	(1,097)	49,000	45,418	3,582
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(1,262)	(1,262)	3,711	8,154	4,443
CASH, JANUARY 1	13,372	13,372	0	5,218	5,218	0
CASH, DECEMBER 31	13,372	12,110	(1,262)	8,929	13,372	4,443
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	5,350	2,763	(2,587)	100	3,813	3,713
Interest	100	303	203	50	150	100
Transfers in	0	203	203	2,533	1,538	(995)
Total Receipts	5,450	3,269	(2,181)	2,683	5,501	2,818
DISBURSEMENTS						
Election services	4,000	4,508	(508)	1,450	245	1,205
Total Disbursements	4,000	4,508	(508)	1,450	245	1,205
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,450	(1,239)	(2,689)	1,233	5,256	4,023
CASH, JANUARY 1	5,518	5,518	0	262	262	0
CASH, DECEMBER 31	6,968	4,279	(2,689)	1,495	5,518	4,023
<u>CHILDREN'S TRUST FUND</u>						
RECEIPTS						
Charges for services	1,300	1,338	38	1,100	1,300	200
Interest	0	314	314	200	412	212
Total Receipts	1,300	1,652	352	1,300	1,712	412
DISBURSEMENTS						
Domestic violence shelters	4,000	4,000	0	4,000	4,000	0
Total Disbursements	4,000	4,000	0	4,000	4,000	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,700)	(2,348)	352	(2,700)	(2,288)	412
CASH, JANUARY 1	5,978	5,978	0	8,266	8,266	0
CASH, DECEMBER 31	3,278	3,630	352	5,566	5,978	412
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	296,351	316,869	20,518	294,893	302,633	7,740
Intergovernmental	332,016	347,622	15,606	240,360	290,868	50,508
Charges for services	84,693	90,175	5,482	109,980	92,796	(17,184)
Interest	3,800	8,258	4,458	4,500	10,169	5,669
Total Receipts	716,860	762,924	46,064	649,733	696,466	46,733
DISBURSEMENTS						
Salaries	518,537	514,613	3,924	424,050	488,071	(64,021)
Fringe benefits	0	0	0	96,500	0	96,500
Office expenditures	16,845	17,674	(829)	19,750	16,077	3,673
Equipment	10,500	6,860	3,640	13,550	7,174	6,376
Contractual services	34,917	43,977	(9,060)	0	45,922	(45,922)
Medical and other	135,000	141,105	(6,105)	137,975	122,192	15,783
Total Disbursements	715,799	724,229	(8,430)	691,825	679,436	12,389
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,061	38,695	37,634	(42,092)	17,030	59,122
CASH, JANUARY 1	166,643	166,643	0	149,613	149,613	0
CASH, DECEMBER 31	\$167,704	\$205,338	\$37,634	\$107,521	\$166,643	\$59,122

EXHIBIT B

WEBSTER 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>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	\$178,857	\$165,260	(\$13,597)	\$168,510	\$157,805	(\$10,705)
Intergovernmental	0	17,364	17,364	0	16,197	16,197
Interest	0	4,203	4,203	0	4,092	4,092
Total Receipts	178,857	186,827	7,970	168,510	178,094	9,584
DISBURSEMENTS						
Contractual services	181,417	181,364	53	170,042	170,042	0
Total Disbursements	181,417	181,364	53	170,042	170,042	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,560)	5,463	8,023	(1,532)	8,052	9,584
CASH, JANUARY 1	30,937	30,937	0	22,885	22,885	0
CASH, DECEMBER 31	28,377	36,400	8,023	21,353	30,937	9,584
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Sales taxes	426,195	414,724	(11,471)	402,387	405,900	3,513
Interest	15,000	17,778	2,778	20,000	29,860	9,860
Other	0	91,100	91,100	2,790	1,855	(935)
Total Receipts	441,195	523,602	82,407	425,177	437,615	12,438
DISBURSEMENTS						
Salaries	95,175	89,528	5,647	83,145	78,458	4,687
Office expense	19,065	17,585	1,480	18,455	17,837	618
Equipment	3,110	2,528	582	24,365	2,476	21,889
Contractual services	329,210	323,629	5,581	400,475	394,284	6,191
Mileage and training	4,635	4,406	229	4,725	2,717	2,008
Miscellaneous	40,000	117,038	(77,038)	0	425	(425)
Total Disbursements	491,195	554,714	(63,519)	531,165	496,197	34,968
RECEIPTS OVER (UNDER) DISBURSEMENTS	(50,000)	(31,112)	18,888	(105,988)	(58,582)	47,406
CASH, JANUARY 1	550,318	550,318	0	608,900	608,900	0
CASH, DECEMBER 31	500,318	519,206	18,888	502,912	550,318	47,406
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	0	16,006	16,006	14,130	15,325	1,195
Total Receipts	0	16,006	16,006	14,130	15,325	1,195
DISBURSEMENTS						
Ex Officio Recorder of Deeds	0	10,855	(10,855)	14,130	13,299	831
Total Disbursements	0	10,855	(10,855)	14,130	13,299	831
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	5,151	5,151	0	2,026	2,026
CASH, JANUARY 1	12,307	12,307	0	10,281	10,281	0
CASH, DECEMBER 31	12,307	17,458	5,151	10,281	12,307	2,026
<u>CIRCUIT CLERK INTEREST</u>						
RECEIPTS						
Interest	1,200	276	(924)	2,300	1,721	(579)
Total Receipts	1,200	276	(924)	2,300	1,721	(579)
DISBURSEMENTS						
Circuit Clerk	0	20	(20)	2,300	138	2,162
Total Disbursements	0	20	(20)	2,300	138	2,162
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,200	256	(944)	0	1,583	1,583
CASH, JANUARY 1	5,747	5,747	0	4,164	4,164	0
CASH, DECEMBER 31	\$6,947	\$6,003	(\$944)	\$4,164	\$5,747	\$1,583

EXHIBIT B

WEBSTER 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>ASSOCIATE CIRCUIT DIVISION INTEREST</u>						
RECEIPTS						
Interest	\$0	\$1,096	\$1,096	\$0	\$1,660	\$1,660
Total Receipts	0	1,096	1,096	0	1,660	1,660
DISBURSEMENTS						
Associate Circuit Division Clerk	0	0	0	0	543	(543)
Total Disbursements	0	0	0	0	543	(543)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,096	1,096	0	1,117	1,117
CASH, JANUARY 1	2,875	2,875	0	1,758	1,758	0
CASH, DECEMBER 31	2,875	3,971	1,096	1,758	2,875	1,117
<u>RECORDER EQUIPMENT FUND</u>						
RECEIPTS						
Charges for services	10,500	11,211	711	4,000	4,386	386
Interest	0	593	593	0	0	0
Total Receipts	10,500	11,804	1,304	4,000	4,386	386
DISBURSEMENTS						
Ex Officio Recorder of Deeds	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	10,500	11,804	1,304	4,000	4,386	386
CASH, JANUARY 1	4,386	4,386	0	0	0	0
CASH, DECEMBER 31	14,886	16,190	1,304	4,000	4,386	386
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	2,800	2,189	(611)	0	0	0
Total Receipts	2,800	2,189	(611)	0	0	0
DISBURSEMENTS						
Equipment and other	367	410	(43)	0	0	0
Total Disbursements	367	410	(43)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,433	1,779	(654)	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	2,433	1,779	(654)	0	0	0
<u>MOPS</u>						
RECEIPTS						
Charges for services	25	0	(25)	0	0	0
Total Receipts	25	0	(25)	0	0	0
DISBURSEMENTS						
Other	25	0	25	0	0	0
Total Disbursements	25	0	25	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$0	\$0	\$0	\$0	\$0	\$0

Notes to the Financial Statements

WEBSTER 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 Webster 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, or an elected county official, the Health Center Board, the Senate Bill 40 Board, or the Emergency 911 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Section 50.525 through 50.745, RSMo 2000, 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>Funds</u>	<u>Year(s) Ended December 31,</u>
Sheriff Equipment Fund	2002
Law Library Fund	2002
Associate Circuit Division Interest Fund	2002 and 2001
Recorder Equipment Fund	2001

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

<u>Funds</u>	<u>Year(s) Ended December 31,</u>
Peace Officers Standards Training Fund	2002
Sheriff Fund	2002
Election Services Fund	2002
Health Center Fund	2002
Emergency 911 Fund	2002
Circuit Clerk Interest	2002
Tax Maintenance Fund	2002

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

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

<u>Funds</u>	<u>Year(s) Ended December 31,</u>
Sheriff Drug Fund	2002
Law Library Fund	2002 and 2001
Circuit Clerk Interest	2002 and 2001
Associate Circuit Division Interest	2002 and 2001

For the Health Center Fund, the county's published financial statement for the years ended December 31, 2002 and 2001 included only those amounts that passed through the County Treasurer.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No 3 of the Government 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 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.

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's name.

The Health Center Board's, Senate Bill 40 Board's, and Emergency 911 Board's deposits at December 31, 2002 and 2001 were entirely covered by the federal depository insurance or by collateral securities held by the custodial banks in the applicable boards' name.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Supplementary Schedule

Schedule

WEBSTER 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 Health-				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-2213	\$ 115,916	\$ 116,380
U.S. DEPARTMENT OF JUSTICE				
Passed through:				
Missouri Sheriff's Association-				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	0	1,424
16.unknown	MOSMART	N/A	1,238	6,958
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management-State and Local Assistance	N/A	13,755	11,929
83.544	Public Assistance Grants	N/A	1,052,817	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health-				
93.268	Immunization Grants	N/A	66,438	50,150
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	N/A ERS161-20024	97,412	62,813
93.994	Maternal and Child Health Services Block Grant to the States	N/A	714	5,642
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission-				
20.205	Highway Planning and Construction	BRO-112(3)	343,020	0
20.703	Missouri Emergency Response Commission-Hazardous Material	N/A	2,610	2,560
Total Expenditures of Federal Awards			<u>\$ 1,693,920</u>	<u>\$ 257,856</u>

N/A - Not applicable

Notes to the Supplementary Schedule

WEBSTER 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 Webster 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), \$66,438 and \$50,150 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. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$714 and \$5,642 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2002 and 2001. The remaining amounts for the Immunization Grants and the Maternal and Child Services Block Grant to the States represent cash disbursements.

2. Subrecipients

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

Federal Awards-
Single Audit Section

Independent Auditor's Report

**Charles Buchanan, CPA, PC
Certified Public Accountant
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**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**

The County Commission
and
Officeholders of Webster County, Missouri

Compliance

We have audited the compliance of Webster 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 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 Nonprofit 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 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, Webster 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. 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 Findings and Questioned Costs as finding number 2002-1.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be 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 compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 2002-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of 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 that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Webster 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
Charles Buchanan CPA, PC
May 30, 2003

Schedule

Webster County, Missouri
Schedule of Findings and Questioned Costs
(Including Management's Plan For Corrective Action)
Two Years Ended December 31, 2002

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified? yes x no

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

Noncompliance material to the financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness identified? yes x no

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

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

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

Identification of major program:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
83.544	Public Assistance Grants
20.205	Highway Planning and Construction

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

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

Section II-Financial Statement Findings

This section includes no audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III-Federal Award Findings and Questioned Costs

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

Repeat Finding: 2002-1 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity Identifying Number:	BRO-112(3)
Award Year:	2002
Questioned Costs:	Not applicable

Section .310(b) of Circular A-133, *Audits of State and Local Government, and Nonprofit 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 schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the year ended December 31, 2002, the county's SEFA omitted expenditures of \$343,020 for the Highway Planning and Construction Program. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials.

For the federal financial schedules to adequately reflect the county's federal financial assistance expenditures, it is necessary that all federal financial expenditures be properly reported. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

We recommend the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

Auditee's Response and Plan for Corrective Action

The Schedule of Federal Awards is completed as a supplement to the county budget in January of each year. The County Clerk submits requests for information to the county departments and independent boards which typically receive federal funding. The information is compiled as received. The County Clerk has no independent means of tracking revenues from programs funded by the federal government, nor the means to verify the reports submitted by recipients are accurate and complete. Greater emphasis will be given to encourage recipients to track and report federal money during the remainder of 2003 in preparation for the 2004 budget.

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

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

The prior report issued for the two years ended December 31, 2000, included no audit findings that Government Auditing Standards requires to be reported for an audit of financial statements.

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

**WEBSTER 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 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 Question 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 misrepresent 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

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grant/State's Program
Pass-Through Entity	
Identifying Number:	97-ED-10
Award Year:	1999
Questioned Costs	

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA as required by Section 310(b) of Circular A-133, *Audits of State, Local Government, and Nonprofit Organizations* and the State Auditor's Office as a part of the annual budget.

Recommendation

The County Clerk prepares a complete and accurate schedule of expenditures of federal awards.

Status

Not implemented.

Management Advisory Report Section

Management Advisory Report-
Independent Auditor's Findings

**Webster County, Missouri
Management Advisory Report-
Independent Auditor's Findings**

We have audited the special-purpose financial statements of various funds of Webster County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 30, 2003. We have also audited the compliance of Webster 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, and have issued our report thereon dated May 30, 2003.

As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Webster County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Associate Circuit Division's Records and Procedures

Monthly bank reconciliation procedures were inadequate for all five (criminal, civil, small claims, probate, and traffic) divisions.

- None of the divisions prepare bank reconciliations on a routine monthly basis.
- Eight of twenty-four bank statements were missing for the criminal division for the two years ended December 31, 2002.

As a result of not preparing bank reconciliations several of the divisions do not have adequate procedures to follow up on checks that have been outstanding for over a year.

Bank reconciliations are an essential element in determining if transactions are properly recorded and discovering errors or omissions in a timely manner. In addition, an attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued or voided as necessary. If the payees cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

We recommend the Associate Circuit Division reconcile the cash balances to the monthly open-items listing and investigate and resolve any differences.

Auditee's Response

We were unable to obtain a response from the Associate Circuit Division.