



BOONE COUNTY, MISSOURI

OMB Circular A-133 Single Audit Report

December 31, 2003

(With Independent Auditors' Reports Thereon)

BOONE COUNTY, MISSOURI

OMB Circular A-133 Single Audit Report

December 31, 2003

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**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The County Commissioners of
Boone County, Missouri:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boone County, Missouri, as of and for the year ended December 31, 2003, which collectively comprise Boone County, Missouri's basic financial statements and have issued our report thereon dated June 11, 2004. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not extend to the discretely presented component unit.

Compliance

As part of obtaining reasonable assurance about whether Boone County, Missouri's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Boone County, Missouri's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in 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 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 basic 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 internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County Commissioners of Boone County, Missouri and Boone County, Missouri management, and other federal awarding agencies and



pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

St. Louis, Missouri
June 11, 2004



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

**Independent Auditors' 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 Commissioners of
Boone County, Missouri:

Compliance

We have audited the compliance of Boone 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 year ended December 31, 2003. Boone County, Missouri's major federal program is identified in the summary of auditors' 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 Boone County, Missouri's management. Our responsibility is to express an opinion on Boone County, Missouri's compliance based on our audit.

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

In our opinion, Boone County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003. 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 03-01.

Internal Control Over Compliance

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



We noted a matter involving 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 internal control over compliance that, in our judgment, could adversely affect Boone County, Missouri's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as Finding 03-01.

A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with the 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 internal control over compliance would not necessarily disclose all matters in 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 believe that the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boone County, Missouri, as of and for the year ended December 31, 2003, which collectively comprise Boone County, Missouri's basic financial statements, and have issued our report thereon dated June 11, 2004. Our report on the basic financial statements was modified because we did not audit the financial statements of the discretely presented component unit. Our audit was performed for the purpose of forming opinions on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

KPMG LLP

St. Louis, Missouri
June 11, 2004

BOONE COUNTY, MISSOURI

Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY03 Expenditures
FEDERAL EMERGENCY MANAGEMENT AGENCY:					
Public Assistance Grants	Missouri Department of Public Safety	Federal Disaster Relief - May 2002 Event #1412-DR	1190	83,544	\$ 5,115
	Missouri Department of Public Safety	Federal Disaster Relief - May 2002 Event #1412-DR	2049	83,544	191,537
	Missouri Department of Public Safety	Federal Disaster Relief - May 2002 Event #1412-DR	2120	83,544	173,502
<i>Total Federal Emergency Management Agency</i>					<u>370,154</u>
UNITED STATES DEPARTMENT OF AGRICULTURE:					
Schools and Roads - Grants to Counties	.....	Forest Cropland PILT	1150	10,666	419
	.....	National Forest PILT	1190	10,666	2,956
	.....				<u>3,375</u>
Child Nutrition Cluster:					
School Breakfast Program	.....	USDA-National School Breakfast Program	1242	10,553	12,489
National School Lunch Program	.....	USDA-National School Lunch and Special Milk Program	1242	10,555	19,125
					<u>31,614</u>
<i>Total United States Department of Agriculture</i>					<u>34,989</u>
UNITED STATES DEPARTMENT OF INTERIOR:					
Payment in Lieu of Taxes (PILT)	.....	Bureau of Land Management PILT	1190	15,226	4,949
<i>Total United States Department of Interior</i>					<u>4,949</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Child Support Enforcement	Missouri Department of Social Services Division of Child Support Enforcement	Child Support Enforcement	1221	93,563	19,355
	Missouri Department of Social Services Division of Child Support Enforcement	Family Court Service and Justice IV-D Reimbursement	1210	93,563	2,471
	Missouri Department of Social Services Division of Child Support Enforcement	Child Support Enforcement	1263	93,563	364,097
					<u>385,923</u>
Foster Care - Title IV-E	Missouri Department of Social Services Division of Family Services	Title IV-E Reimbursement	1242	93,638	70,108
<i>Total United States Department of Health and Human Services</i>					<u>456,031</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY:					
State Domestic Preparedness Equipment Support Program	Missouri Department of Public Safety	State Domestic Preparedness Equipment Support Program	1287	97,004	11,795
Community Emergency Response Teams (CERT)	Missouri Department of Public Safety	Community Emergency Response Teams (CERT)	1287	97,054	1,951
State and Local All Hazards Emergency Operations Planning	Missouri Department of Public Safety	State and Local All Hazards Emergency Operations Planning	1287	97,051	8,250
<i>Total United States Department of Homeland Security</i>					<u>21,996</u>

(Continued)

BOONE COUNTY, MISSOURI

Schedule of Expenditures of Federal Awards, Continued

Year ended December 31, 2003

Federal Grantor/Federal Financial Assistance Program/ Program Cluster Title	Pass Through Grantor	Boone County, Missouri Program Title	Dept	Federal CFDA Number	FY03 Expenditures
UNITED STATES DEPARTMENT OF JUSTICE:					
Violence Against Women Formula Grants	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1251	16,588	35,917
	Missouri Department of Public Safety	Domestic Violence Enforcement (DOVE)	1261	16,588	67,725
	-----				<u>103,642</u>
Local Law Enforcement Block Grant Program	-----	Local Law Enforcement Block Grant	2530	16,592	12,712
	-----	Local Law Enforcement Block Grant	2532	16,592	35,373
					<u>48,085</u>
Juvenile Accountability Incentive Block Grants	Missouri Department of Public Safety	Juvenile Accountability Incentive Block Grant (JAIBG)	1243	16,523	55,604
	Missouri Department of Public Safety	Juvenile Accountability Incentive Block Grant (JAIBG)	4020	16,523	17,003
	-----				<u>72,607</u>
Federal Asset Sharing Program	-----	Sheriff Forfeiture Money	2500	16,000	82,173
Byrne State & Local Law Enforcement Assistance Grants	-----	Mental Health Court Grant	1243	16,580	6,092
Public Safety Partnership and Community Policing Grants	-----	COPS in Schools	1251	16,710	84,500
Crime Victim Assistance	Missouri Department of Public Safety	Victim Response Team	1262	16,575	47,198
<i>Total United States Department of Justice</i>					<u>444,297</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION:					
Highway Safety Cluster:					
State and Community Highway Safety	Missouri Department of Public Safety - Division of Highway Safety	Police Traffic Services Sobriety Checkpoint	1251	20,600	6,279
	Missouri Department of Public Safety - Division of Highway Safety	Police Traffic Services Hazardous Moving Violation Enforcement	1251	20,600	4,856
	Missouri Department of Public Safety - Division of Highway Safety	Selective Traffic Enforcement Program (STEP)	1251	20,604	2,036
<i>Total United States Department of Transportation</i>					<u>13,171</u>
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:					
Nonpoint Source Implementation Grants	Missouri Department of Natural Resources	Nonpoint Source Pollution Control	1750	66,460	7,338
<i>Total United States Environmental Protection Agency</i>					<u>7,338</u>
					<u>\$ 1,352,925</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards.

BOONE COUNTY, MISSOURI

Notes to Schedule of Expenditures of Federal Awards

December 31, 2003

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal awards programs of Boone County, Missouri for the year ended December 31, 2003. For the purposes of the schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between Boone County, Missouri and agencies and departments of the federal government or passed through other government agencies or other organizations.

(2) Basis of Accounting and Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule are presented using the accrual basis of accounting, which is described in note 1 to Boone County, Missouri's basic financial statements. Related federal financial reports are prepared on the cash basis of accounting.

(3) Grants to Subrecipients

The accompanying schedule includes no federal expenditures that have been passed through to subrecipients.

BOONE COUNTY, MISSOURI

Schedule of Findings and Questioned Costs

December 31, 2003

(1) Summary of Auditors' Results:

- (a) The type of report issued on the basic financial statements: **Unqualified Opinion**
- (b) Reportable conditions in internal control were disclosed by the audit of the basic financial statements: **None reported**
Material weaknesses: **No**
- (c) Noncompliance which is material to the basic financial statements: **No**
- (d) Reportable conditions in internal control over the major program: **Yes**
Material weaknesses: **No**
- (e) The type of report issued on compliance for the major program: **Unqualified Opinion**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **Yes**
- (g) Major program:

CFDA #83.544 – Federal Emergency Management Agency Public Assistance Grants
passed through the Missouri Department of Public Safety
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **Yes**

(2) Findings Relating to the Basic Financial Statements Reported in Accordance with Government Auditing Standards: None

BOONE COUNTY, MISSOURI

Schedule of Findings and Questioned Costs, Continued

December 31, 2003

(3) Findings and Questioned Costs Relating to Federal Awards:

FINDING 03-01

Federal Program – Public Assistance Grants

CFDA No. – 83.544

Federal Award Number – FEMA-1412-DR-MO

Federal Grantor – Federal Emergency Management Agency passed through the Missouri Department of Public Safety

Compliance Requirement – Procurement and Suspension and Debarment

Compliance Requirement – Suspension and debarment requirements contained in 44 CFR 13.35 prohibit Boone County, Missouri (the County) from contracting with or making subawards of federal funding to parties that are suspended or debarred or whose principals are suspended or debarred. In order to demonstrate compliance with suspension and debarment, the County is required to obtain certifications from contractors who are awarded over \$100,000 in federal awards, which evidence the contractor is not suspended or debarred. Such certification is required to be obtained by the County prior to awarding federal funding.

Conditions Found – The County did not have an effective system of internal control in place to ensure compliance with procurement and suspension and debarment compliance requirement. The County did not have evidence of the required suspension and debarment certification for all (two) contractors who were awarded more than \$100,000 by the County during fiscal year 2003.

Questioned Cost – None

Effect – The lack of an effective system of internal control could result in material noncompliance with the procurement and suspension and debarment compliance requirement.

Recommendations – The County needs to establish an effective system of internal control to ensure compliance with the procurement and suspension and debarment compliance requirement.