



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Perry County, Missouri

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

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

Claire C. McCaskill
State Auditor

Report No. 2003-73
July 21, 2003

Perry County, Missouri

December 31, 2002 and 2001

PERRY COUNTY, MISSOURI

December 31, 2002 and 2001

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Schott & Van de Ven

Certified Public Accountants

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

To the County Commission
and
Officeholders of Perry County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Perry 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 Perry 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 Perry 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 Perry 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 28, 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 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.

SCHOTT & VAN DE VEN

Original Signed by Auditor

May 28, 2003

Cape Girardeau, Missouri



Schott & Van de Ven

Certified Public Accountants

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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*

To the County Commission
and
Officeholders of Perry County, Missouri

We have audited the special-purpose financial statements of various funds of Perry County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 28, 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 Perry 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*.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Perry 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 we have reported to the County Commissioners in a separate letter dated May 28, 2003.

This report is intended for the information of the management of Perry 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.

SCHOTT & VAN DE VEN

Original Signed by Auditor

May 28, 2003

Cape Girardeau, Missouri

Exhibit A-1

PERRY 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	\$ 451,028	2,175,333	2,091,251	535,110
Special Road and Bridge	83,739	1,545,382	1,150,659	478,462
Assessment	14,256	175,384	185,230	4,410
Landfill/Transfer Station	163,182	562,540	552,534	173,188
Law Enforcement Training	2,271	5,492	7,573	190
Prosecuting Attorney Training	7,462	1,099	637	7,924
Recorder's User Fees	21,917	30,823	6,506	46,234
Prosecuting Attorney Bad Check	8,409	14,902	14,855	8,456
911 Emergency	280,320	186,289	146,881	319,728
Health Center	271,919	754,610	687,202	339,327
Mental Health	133,750	219,445	133,900	219,295
Senate Bill 40	176,160	220,640	198,952	197,848
Law Library	8,258	8,669	9,672	7,255
Sheriff's Reserve	5,169	2,700	2,207	5,662
Sheriff's Commissary	7,099	12,371	13,152	6,318
Sheriff's Civil Fees	17,867	20,343	20,992	17,218
Local Park Sales Tax	623,040	945,205	935,758	632,487
Perry County Health Center Building	201	20,401	20,388	214
Election Services	4,068	3,605	1,623	6,050
Circuit Clerk Division Interest	4,219	612	547	4,284
Associate Circuit Division Interest	6,915	1,114	3,299	4,730
Collector's Tax Maintenance	0	458	0	458
County Health Insurance	44,279	333,632	376,332	1,579
Total	\$ 2,335,528	7,241,049	6,560,150	3,016,427

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

Exhibit A-2

PERRY 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	\$ 516,863	2,068,629	2,134,464	451,028
Special Road and Bridge	383,659	1,464,021	1,763,941	83,739
Assessment	28,001	204,335	218,080	14,256
Landfill/Transfer Station	132,302	555,317	524,437	163,182
Law Enforcement Training	1,183	5,785	4,697	2,271
Prosecuting Attorney Training	6,409	1,319	266	7,462
Recorder's User Fees	14,091	12,443	4,617	21,917
Prosecuting Attorney Bad Check	3,540	16,386	11,517	8,409
911 Emergency	262,577	189,534	171,791	280,320
Health Center	253,836	722,905	704,822	271,919
Mental Health	218,107	215,432	299,789	133,750
Senate Bill 40	122,180	206,863	152,883	176,160
Law Library	3,740	10,988	6,470	8,258
Sheriff's Reserve	2,255	5,500	2,586	5,169
Sheriff's Commissary	6,547	13,526	12,974	7,099
Sheriff's Civil Fees	28,484	27,261	37,878	17,867
Local Park Sales Tax	568,495	945,290	890,745	623,040
Perry County Health Center Building	2,885	30,065	32,749	201
Election Services	1,380	3,457	769	4,068
Circuit Clerk Division Interest	4,122	1,868	1,771	4,219
Associate Circuit Division Interest	5,108	1,824	17	6,915
County Health Insurance	0	247,233	202,954	44,279
Total	\$ 2,565,764	6,949,981	7,180,217	2,335,528

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

Exhibit B

PERRY 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	\$ 6,607,058	6,906,959	299,901	6,882,235	6,702,748	(179,487)
DISBURSEMENTS	7,162,030	6,183,818	978,212	7,358,345	6,977,263	381,082
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (554,972)	723,141	1,278,113	(476,110)	(274,515)	201,595
CASH, JANUARY 1	2,291,249	2,291,249	0	2,565,764	2,565,764	0
CASH, DECEMBER 31	\$ 1,736,277	3,014,390	1,278,113	2,089,654	2,291,249	201,595
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 418,000	438,751	20,751	412,000	409,739	(2,261)
Sales taxes	980,000	989,516	9,516	985,000	982,354	(2,646)
Intergovernmental Revenues	297,976	288,435	(9,541)	385,100	299,015	(86,085)
Charges for services	279,600	325,900	46,300	253,549	281,432	27,883
Interest	19,500	22,049	2,549	25,000	19,236	(5,764)
Other	68,625	110,682	42,057	52,550	76,853	24,303
Transfers in	40,000	0	(40,000)	40,000	0	(40,000)
Total Receipts	\$ 2,103,701	2,175,333	71,632	2,153,199	2,068,629	(84,570)
DISBURSEMENTS						
County Commission	\$ 88,994	88,715	279	87,481	86,709	772
County Clerk	91,665	89,283	2,382	88,317	86,437	1,880
Elections	58,590	48,662	9,928	55,000	7,202	47,798
Buildings and grounds	202,927	165,995	36,932	193,348	181,160	12,188
Employee Fringe Benefits	376,000	286,913	89,087	337,200	270,283	66,917
County Treasurer	32,963	32,710	253	31,879	32,328	(449)
County Collector	74,740	75,033	(293)	72,039	71,600	439
Circuit Clerk	61,002	61,981	(979)	58,848	56,863	1,985
Associate Circuit Court	6,000	4,934	1,066	6,000	5,822	178
Court Administration	33,691	31,106	2,585	32,742	25,397	7,345
Public Administrator	17,700	15,523	2,177	15,700	20,006	(4,306)
Sheriff	340,561	344,062	(3,501)	350,215	376,142	(25,927)
Jail	215,535	260,010	(44,475)	213,816	206,592	7,224
Prosecuting Attorney	115,500	114,400	1,100	105,258	104,542	716
Juvenile Officer	69,480	23,160	46,320	69,480	69,480	0
County Coroner	13,478	18,476	(4,998)	13,170	18,484	(5,314)
Dispatch Operations	109,725	113,895	(4,170)	131,109	129,893	1,216
General County Government	166,134	179,037	(12,903)	164,321	175,228	(10,907)
Other General County Government	92,197	74,026	18,171	106,200	98,104	8,096
Debt service	0	0	0	20,000	19,635	365
Other	64,324	63,330	994	38,686	64,057	(25,371)
Transfers out	18,821	0	18,821	0	0	0
Emergency Fund	63,200	0	63,200	65,000	28,500	36,500
Total Disbursements	\$ 2,313,227	2,091,251	221,976	2,255,809	2,134,464	121,345
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (209,526)	84,082	293,608	(102,610)	(65,835)	36,775
CASH, JANUARY 1	451,028	451,028	0	516,863	516,863	0
CASH, DECEMBER 31	\$ 241,502	535,110	293,608	414,253	451,028	36,775

Exhibit B

PERRY 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	\$ 649,960	690,644	40,684	612,000	624,623	12,623
Intergovernmental Revenues	747,500	797,279	49,779	837,000	645,475	(191,525)
Charges for services	45,000	33,567	(11,433)	65,000	50,820	(14,180)
Interest	20,000	21,545	1,545	30,000	37,411	7,411
Other	2,825	2,347	(478)	12,140	105,692	93,552
Total Receipts	\$ 1,465,285	1,545,382	80,097	1,556,140	1,464,021	(92,119)
DISBURSEMENTS						
Salaries	\$ 375,000	376,799	(1,799)	345,000	330,181	14,819
Employee fringe benefits	130,375	113,107	17,268	108,500	91,674	16,826
Supplies	102,300	77,258	25,042	107,500	87,767	19,733
Insurance	16,300	15,889	411	14,000	15,366	(1,366)
Road and bridge materials	130,000	148,991	(18,991)	120,000	88,009	31,991
Equipment repairs	81,500	89,499	(7,999)	81,500	118,329	(36,829)
Rentals	500	0	500	500	0	500
Equipment purchases	154,836	35,065	119,771	101,000	67,965	33,035
Construction, repair, and maintenance	335,000	163,695	171,305	759,500	808,738	(49,238)
Debt service	31,164	31,164	0	56,000	46,692	9,308
Other	107,350	99,192	8,158	148,700	109,220	39,480
Transfers out	40,000	0	40,000	40,000	0	40,000
Total Disbursements	\$ 1,504,325	1,150,659	353,666	1,882,200	1,763,941	118,259
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (39,040)	394,723	433,763	(326,060)	(299,920)	26,140
CASH, JANUARY 1	83,739	83,739	0	383,659	383,659	0
CASH, DECEMBER 31	\$ 44,699	478,462	433,763	57,599	83,739	26,140
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 180,500	168,937	(11,563)	214,553	196,661	(17,892)
Interest	4,000	1,181	(2,819)	5,500	3,183	(2,317)
Other	5,000	5,266	266	5,000	4,491	(509)
Transfers in	18,775	0	(18,775)	0	0	0
Total Receipts	\$ 208,275	175,384	(32,891)	225,053	204,335	(20,718)
DISBURSEMENTS						
Assessor	\$ 222,531	185,230	37,301	239,106	218,080	21,026
Total Disbursements	\$ 222,531	185,230	37,301	239,106	218,080	21,026
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,256)	(9,846)	4,410	(14,053)	(13,745)	308
CASH, JANUARY 1	14,256	14,256	0	28,001	28,001	0
CASH, DECEMBER 31	\$ 0	4,410	4,410	13,948	14,256	308

Exhibit B

PERRY 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>LANDFILL/TRANSFER STATION FUND</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 100,800	71,482	(29,318)	51,409	41,120	(10,289)
Charges for Services	400,000	487,215	87,215	500,000	506,710	6,710
Interest	6,000	3,792	(2,208)	4,500	7,302	2,802
Other	100	51	(49)	100	185	85
Total Receipts	\$ 506,900	562,540	55,640	556,009	555,317	(692)
DISBURSEMENTS						
Salaries	\$ 45,700	49,653	(3,953)	28,000	38,296	(10,296)
Office	3,425	4,094	(669)	3,025	2,758	267
Equipment	8,817	7,303	1,514	7,015	43,804	(36,789)
Employee Fringe Benefits	16,925	15,170	1,755	8,100	9,181	(1,081)
Water Pollution Control Permit	1,500	3,565	(2,065)	1,500	1,500	0
Methane Migration/Buyout	18,000	32,313	(14,313)	35,000	5,945	29,055
Recycling Center	100,800	75,366	25,434	50,621	34,603	16,018
Other	393,000	365,070	27,930	414,700	388,350	26,350
Total Disbursements	\$ 588,167	552,534	35,633	547,961	524,437	23,524
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (81,267)	10,006	91,273	8,048	30,880	22,832
CASH, JANUARY 1	163,182	163,182	0	132,302	132,302	0
CASH, DECEMBER 31	\$ 81,915	173,188	91,273	140,350	163,182	22,832
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 5,800	5,452	(348)	5,000	5,727	727
Interest	100	40	(60)	150	58	(92)
Total Receipts	\$ 5,900	5,492	(408)	5,150	5,785	635
DISBURSEMENTS						
Sheriff Training Expenses	\$ 8,000	7,573	427	7,600	4,697	2,903
Total Disbursements	\$ 8,000	7,573	427	7,600	4,697	2,903
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,100)	(2,081)	19	(2,450)	1,088	3,538
CASH, JANUARY 1	2,271	2,271	0	1,183	1,183	0
CASH, DECEMBER 31	\$ 171	190	19	(1,267)	2,271	3,538
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 1,100	925	(175)	925	988	63
Interest Income	400	174	(226)	400	331	(69)
Total Receipts	\$ 1,500	1,099	(401)	1,325	1,319	(6)
DISBURSEMENTS						
Prosecuting Attorney Training Expenses	\$ 9,650	637	9,013	200	266	(66)
Total Disbursements	\$ 9,650	637	9,013	200	266	(66)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,150)	462	8,612	1,125	1,053	(72)
CASH, JANUARY 1	7,462	7,462	0	6,409	6,409	0
CASH, DECEMBER 31	\$ (688)	7,924	8,612	7,534	7,462	(72)

Exhibit B

PERRY 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>RECORDER'S USER FEES FUND</u>						
RECEIPTS						
Charges for services	\$ 14,648	19,357	4,709	8,868	11,657	2,789
Intergovernmental Revenues	0	10,810	10,810	0	0	0
Interest	867	515	(352)	887	775	(112)
Other	28	141	113	0	11	11
Total Receipts	\$ 15,543	30,823	15,280	9,755	12,443	2,688
DISBURSEMENTS						
Software Maintenance	\$ 5,859	4,860	999	4,434	4,617	(183)
Contract Services	15,000	0	15,000	8,000	0	8,000
Misc	0	1,646	(1,646)	0	0	0
Total Disbursements	\$ 20,859	6,506	14,353	12,434	4,617	7,817
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,316)	24,317	29,633	(2,679)	7,826	10,505
CASH, JANUARY 1	21,917	21,917	0	14,091	14,091	0
CASH, DECEMBER 31	\$ 16,601	46,234	29,633	11,412	21,917	10,505
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 17,000	14,539	(2,461)	15,500	16,146	646
Interest	400	177	(223)	600	239	(361)
Other	0	186	186	0	1	1
Total Receipts	\$ 17,400	14,902	(2,498)	16,100	16,386	286
DISBURSEMENTS						
Salaries	\$ 2,500	1,251	1,249	7,000	1,126	5,874
Office Expenditures	9,875	7,981	1,894	5,800	7,430	(1,630)
Rent	1,500	1,500	0	1,500	1,500	0
Equipment	10,000	4,123	5,877	5,000	1,461	3,539
Total Disbursements	\$ 23,875	14,855	9,020	19,300	11,517	7,783
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,475)	47	6,522	(3,200)	4,869	8,069
CASH, JANUARY 1	8,409	8,409	0	3,540	3,540	0
CASH, DECEMBER 31	\$ 1,934	8,456	6,522	340	8,409	8,069
<u>911 EMERGENCY FUND</u>						
RECEIPTS						
Interest	13,000	5,382	(7,618)	15,000	12,113	(2,887)
Other	175,250	180,907	5,657	179,500	177,421	(2,079)
Total Receipts	\$ 188,250	186,289	(1,961)	194,500	189,534	(4,966)
DISBURSEMENTS						
Salaries	\$ 57,991	55,282	2,709	30,776	30,645	131
Office Expenditures	6,000	4,920	1,080	8,450	4,750	3,700
Equipment	71,500	56,097	15,403	63,500	53,138	10,362
Mileage & Training	5,000	1,715	3,285	30,500	28,549	1,951
Other	17,100	13,238	3,862	43,250	48,118	(4,868)
Fringe Benefits	15,400	15,629	(229)	7,000	6,591	409
Total Disbursements	\$ 172,991	146,881	26,110	183,476	171,791	11,685
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 15,259	39,408	24,149	11,024	17,743	6,719
CASH, JANUARY 1	280,320	280,320	0	262,577	262,577	0
CASH, DECEMBER 31	\$ 295,579	319,728	24,149	273,601	280,320	6,719

Exhibit B

PERRY 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)
HEALTH CENTER						
RECEIPTS						
Property Taxes	\$ 393,500	417,027	23,527	387,000	384,318	(2,682)
Intergovernmental Revenues	261,500	285,116	23,616	285,000	280,667	(4,333)
Charges for Services	31,000	36,933	5,933	41,000	35,085	(5,915)
Interest	12,000	12,241	241	17,000	19,627	2,627
Other	2,000	3,293	1,293	0	3,208	3,208
Total Receipts	\$ 700,000	754,610	54,610	730,000	722,905	(7,095)
DISBURSEMENTS						
Salaries	\$ 438,000	420,786	17,214	450,000	424,862	25,138
Fringe Benefits	116,500	109,361	7,139	112,000	103,985	8,015
Office Expenditures	14,100	16,407	(2,307)	17,000	15,088	1,912
Equipment	6,400	5,133	1,267	9,300	8,001	1,299
Mileage & Training	18,000	16,818	1,182	24,000	17,940	6,060
Other	107,000	118,697	(11,697)	117,700	134,946	(17,246)
Total Disbursements	\$ 700,000	687,202	12,798	730,000	704,822	25,178
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	67,408	67,408	0	18,083	18,083
CASH, JANUARY 1	271,919	271,919	0	253,836	253,836	0
CASH, DECEMBER 31	\$ 271,919	339,327	67,408	253,836	271,919	18,083
MENTAL HEALTH FUND						
RECEIPTS						
Property Taxes	\$ 196,000	212,630	16,630	190,000	196,082	6,082
Intergovernmental Revenues	500	111	(389)	600	446	(154)
Charges for Services	5,000	6,563	1,563	0	0	0
Interest	0	0	0	15,000	14,334	(666)
Other	100	141	41	100	4,570	4,470
Total Receipts	\$ 201,600	219,445	17,845	205,700	215,432	9,732
DISBURSEMENTS						
Office expenditures	25,750	14,947	10,803	25,750	15,006	10,744
Equipment	20,000	2,778	17,222	20,000	1,117	18,883
Other	136,800	116,175	20,625	152,468	283,666	(131,198)
Total Disbursements	\$ 182,550	133,900	48,650	198,218	299,789	(101,571)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 19,050	85,545	66,495	7,482	(84,357)	(91,839)
CASH, JANUARY 1	133,750	133,750	0	218,107	218,107	0
CASH, DECEMBER 31	\$ 152,800	219,295	66,495	225,589	133,750	(91,839)

Exhibit B

PERRY 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 FUND</u>						
RECEIPTS						
Property Taxes	\$ 174,590	212,629	38,039	\$ 170,000	196,082	26,082
Intergovernmental Revenues	410	126	(284)	0	436	436
Interest	0	3,583	3,583	7,000	10,345	3,345
Other	5,683	4,302	(1,381)	0	0	0
Total Receipts	\$ 180,683	220,640	39,957	177,000	206,863	29,863
DISBURSEMENTS						
Expenditures to Agencies	\$ 322,514	196,430	126,084	166,091	148,556	17,535
Other	0	2,366	(2,366)	2,900	3,944	(1,044)
Equipment	0	156	(156)	0	383	(383)
Total Disbursements	\$ 322,514	198,952	123,562	168,991	152,883	16,108
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (141,831)	21,688	163,519	8,009	53,980	45,971
CASH, JANUARY 1	176,160	176,160	0	122,180	122,180	0
CASH, DECEMBER 31	\$ 34,329	197,848	163,519	130,189	176,160	45,971
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	\$ 11,500	8,595	(2,905)	10,000	10,790	790
Interest	125	74	(51)	40	103	63
Other	0	0	0	0	95	95
Total Receipts	\$ 11,625	8,669	(2,956)	10,040	10,988	948
DISBURSEMENTS						
Publications	\$ 10,000	9,672	328	10,000	6,470	3,530
Total Disbursements	\$ 10,000	9,672	328	10,000	6,470	3,530
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,625	(1,003)	(2,628)	40	4,518	4,478
CASH, JANUARY 1	8,258	8,258	0	3,740	3,740	0
CASH, DECEMBER 31	\$ 9,883	7,255	(2,628)	3,780	8,258	4,478
<u>SHERIFF'S RESERVE FUND</u>						
RECEIPTS						
Charges for services	\$ 1,000	500	(500)	50	1,000	950
Other	2,250	2,200	(50)	2,250	4,500	2,250
Total Receipts	\$ 3,250	2,700	(550)	2,300	5,500	3,200
DISBURSEMENTS						
Patrolmen's Supplies	\$ 1,500	774	726	1,000	177	823
Equipment	2,500	0	2,500	1,250	0	1,250
Departmental Expenses	0	0	0	1,200	2,396	(1,196)
Training	1,000	740	260	500	0	500
Other	3,000	693	2,307	600	13	587
Total Disbursements	\$ 8,000	2,207	5,793	4,550	2,586	1,964
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,750)	493	5,243	(2,250)	2,914	5,164
CASH, JANUARY 1	5,169	5,169	0	2,255	2,255	0
CASH, DECEMBER 31	\$ 419	5,662	5,243	5	5,169	5,164

Exhibit B

PERRY 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'S COMMISSARY FUND</u>						
RECEIPTS						
Charges for services	13,000	12,371	(629)	9,620	13,526	3,906
Total Receipts	\$ 13,000	12,371	(629)	9,620	13,526	3,906
DISBURSEMENTS						
Commissary Supplies	\$ 8,000	5,558	2,442	6,000	7,936	(1,936)
Equipment	12,000	7,594	4,406	10,000	5,038	4,962
Total Disbursements	\$ 20,000	13,152	6,848	16,000	12,974	3,026
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,000)	(781)	6,219	(6,380)	552	6,932
CASH, JANUARY 1	7,099	7,099	0	6,547	6,547	0
CASH, DECEMBER 31	\$ 99	6,318	6,219	167	7,099	6,932
<u>SHERIFF'S CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	26,500	19,916	(6,584)	26,000	25,872	(128)
Interest	1,400	427	(973)	1,700	1,389	(311)
Total Receipts	\$ 27,900	20,343	(7,557)	27,700	27,261	(439)
DISBURSEMENTS						
Sheriff Expenditures	\$ 41,500	20,992	20,508	45,200	37,878	7,322
Total Disbursements	\$ 41,500	20,992	20,508	45,200	37,878	7,322
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (13,600)	(649)	12,951	(17,500)	(10,617)	6,883
CASH, JANUARY 1	17,867	17,867	0	28,484	28,484	0
CASH, DECEMBER 31	\$ 4,267	17,218	12,951	10,984	17,867	6,883
<u>LOCAL PARK SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ 912,100	928,260	16,160	928,900	916,102	(12,798)
Interest	18,242	16,945	(1,297)	33,600	29,188	(4,412)
Total Receipts	\$ 930,342	945,205	14,863	962,500	945,290	(17,210)
DISBURSEMENTS						
Debt Service	\$ 983,453	935,758	47,695	750,000	661,042	88,958
City of Perryville	0	0	0	240,625	229,703	10,922
Total Disbursements	\$ 983,453	935,758	47,695	990,625	890,745	99,880
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (53,111)	9,447	62,558	(28,125)	54,545	82,670
CASH, JANUARY 1	623,040	623,040	0	568,495	568,495	0
CASH, DECEMBER 31	\$ 569,929	632,487	62,558	540,370	623,040	82,670

Exhibit B

PERRY 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>HEALTH CENTER BUILDING FUND</u>						
RECEIPTS						
Interest	16	13	(3)	144	73	(71)
Other	20,388	20,388	0	36,675	29,992	(6,683)
Total Receipts	\$ 20,404	20,401	(3)	36,819	30,065	(6,754)
DISBURSEMENTS						
Debt Service	\$ 20,388	20,388	0	36,675	32,749	3,926
Total Disbursements	\$ 20,388	20,388	0	36,675	32,749	3,926
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 16	13	(3)	144	(2,684)	(2,828)
CASH, JANUARY 1	201	201	0	2,885	2,885	0
CASH, DECEMBER 31	\$ 217	214	(3)	3,029	201	(2,828)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 3,000	3,508	508	750	3,352	2,602
Interest	100	97	(3)	75	105	30
Total Receipts	\$ 3,100	3,605	505	825	3,457	2,632
DISBURSEMENTS						
Training Expenses	\$ 2,000	1,623	377	2,000	769	1,231
Total Disbursements	\$ 2,000	1,623	377	2,000	769	1,231
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,100	1,982	882	(1,175)	2,688	3,863
CASH, JANUARY 1	4,068	4,068	0	1,380	1,380	0
CASH, DECEMBER 31	\$ 5,168	6,050	882	205	4,068	3,863
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	1,800	612	(1,188)	1,700	1,868	168
Total Receipts	\$ 1,800	612	(1,188)	1,700	1,868	168
DISBURSEMENTS						
Office Supplies	\$ 0	0	0	4,000	1,771	2,229
Miscellaneous	4,000	547	3,453	0	0	0
Total Disbursements	\$ 4,000	547	3,453	4,000	1,771	2,229
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,200)	65	2,265	(2,300)	97	2,397
CASH, JANUARY 1	4,219	4,219	0	4,122	4,122	0
CASH, DECEMBER 31	\$ 2,019	4,284	2,265	1,822	4,219	2,397
<u>ASSOCIATE CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Other Revenues	\$ 0	30	30	0	0	0
Interest	600	1,084	484	800	1,824	1,024
Total Receipts	\$ 600	1,114	514	800	1,824	1,024
DISBURSEMENTS						
Office Expense	\$ 4,000	3,299	701	4,000	17	3,983
Total Disbursements	\$ 4,000	3,299	701	4,000	17	3,983
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,400)	(2,185)	1,215	(3,200)	1,807	5,007
CASH, JANUARY 1	6,915	6,915	0	5,108	5,108	0
CASH, DECEMBER 31	\$ 3,515	4,730	1,215	1,908	6,915	5,007

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

PERRY 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 Perry 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 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 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>Fund</u>	<u>Years Ended December 31,</u>
County Health Insurance Fund	2002 and 2001
Collector's 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>
Prosecuting Attorney Training Fund	2001
Mental Health Fund	2001

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

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Law Enforcement Training Fund for 2001 and in the Prosecuting Attorney Training Fund for 2002.

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. The County's published financial statements for the years ended December 31, 2002 and 2001 included all funds presented in the accompanying financial statements.

2. Cash

Section 110.270, RSMo 2000, 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 not 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.

The County's, Health Department's and Senate Bill 40 Board's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance or by collateral held by the County's custodial bank in the County's or appropriate board's name.

However, because of higher bank balances in March, 2001, the Health Department had uninsured and uncollateralized balances at that time, although not at year end.

Schedule 1

PERRY 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	ERS045-1179W ERS045-2179 ERS045-3179W	\$ 0 35,134 12,150	38,193 13,545 0
	Program Total		\$ 47,284	51,738
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through State:				
Department of Social Services -				
14.231	Emergency Shelter Grants Program	ERO 1640459 ERO 1640530	\$ 0 7,327	14,280 0
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
16.710	Public Safety Partnership and Community Policing Grants	02011823	\$ 745	0
Passed through:				
Missouri Sheriffs' Association -				
16.xxx	Domestic Cannabis Eradication/Suppression Program	N/A	\$ 1,349	1,508
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through State Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-079(12)	\$ 7,289	268,383

Schedule 1

PERRY 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
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through State Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	N/A	\$ 7,117	1,547
83.544	Public Assistance Grants	157-99157-00	37,732	0
	Program Total		\$ <u>44,849</u>	<u>1,547</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through State:				
Department of Health -				
93.268	Immunization Grants	PGA064-2179A	10,530	0
Department of Health -				
93.575	Child Care and Development Block Grant	PGA067-1179C PGA067-2179C&S	\$ 0 959	1,000 3,129
	Program Total		\$ <u>959</u>	<u>4,129</u>
Department of Health -				
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-1179M ERS146-2179M	\$ 0 16,825	15,797 0
	Program Total		\$ <u>16,825</u>	<u>15,797</u>
	Total Expenditures of Federal Awards		\$ <u><u>137,157</u></u>	<u><u>357,382</u></u>

N/A - Not applicable

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

PERRY 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 Perry 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.

Because Perry County expended no noncash awards for the years ended December 31, 2002 and 2001, the schedule includes expenditures of cash awards only.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.



Schott & Van de Ven

Certified Public Accountants

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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

To the County Commission
and
Officeholders of Perry County, Missouri

Compliance

We have audited the compliance of Perry 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 each of its major federal programs for the years ended December 31, 2002 and 2001. The County's major federal programs are 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 each of its major federal programs 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, Perry County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001.

Internal Control Over Compliance

The management of Perry 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 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 02-1.

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 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 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 believe the reportable condition described in Finding number 02-1 is not a material weakness.

This report is intended for the information of the management of Perry 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.

SCHOTT & VAN DE VEN

Original Signed by Auditor

May 28, 2003

Cape Girardeau, Missouri

PERRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2002 AND 2001

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	<u> x </u> no
Reportable condition identified that is not considered to be a material weakness?	_____ yes	<u> x </u> none reported
Noncompliance material to the financial statements noted?	_____ yes	<u> x </u> no

Federal Awards

Internal control over major programs:

Material weaknesses identified?	_____ yes	<u> x </u> no
Reportable condition identified that is not considered to be a material weakness	<u> x </u> yes	_____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

yes no

Identification of programs tested as major programs:

CFDA or
Other Identifying

Number Program Title

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 no

Section II - Financial Statement Findings

This section includes no audit findings 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(s) that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

02-1 Schedule of Expenditures and Federal Awards

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: State Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Award Years: 2002 and 2001
Questioned Costs: Not applicable

The County prepared a schedule of expenditures of federal awards for each of the two years ended December 31, 2002. The information shown on these reports for the Highway Planning and Construction program was not accurate.

The County's schedule included the County match as a federal expenditure and reported 2002 expenditures in 2001. As a result, the County under reported expenditures by approximately \$7,300 in 2002 and over reported expenditures by approximately \$67,000 in 2001.

Without an accurate and complete schedule of expenditures, the federal financial activity may not be properly audited and reported in accordance with the federal requirements.

RECOMMENDATION

We recommend that the County Clerk prepare a complete and accurate schedule of expenditures of federal awards. The County Clerk should make sure the various departments that may provide information for this schedule are aware of the importance of the accuracy and provide guidance to them if necessary.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

Perry County reported actual costs made for these programs for the years mentioned without taking into consideration whether or not the funds were federal funds or county match. In the future the County Clerk will prepare a complete and accurate schedule of expenditures of federal funds in the proper years.

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

The prior audit report issued for the years ended December 31, 2000 and 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

PERRY 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 the 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.

Prior Audit Findings

The County did not require an audit in accordance with OMB A-133 in the prior period.



Schott & Van de Ven

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To the Board of Commissioners
Perry County
Perryville, MO 63670

In planning and performing our audit of the special-purpose financial statements of Perry County, Missouri for the years ended December 31, 2002 and 2001, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. A separate report dated May 28, 2003, contains our report on reportable conditions in the Company's internal control. This letter does not affect our report dated May 28, 2003, on the financial statements of the Perry County.

Collateral Coverage:

The Health Department deposits in Perry County Savings Bank in March 2001 exceeded the coverage provided by collateral and the F.D.I.C. by \$8,600.

We recommend that the collateral coverage provided by depository institutions be reviewed to ensure adequate coverage.

General Ledger:

Currently, the general ledger maintained by the County Clerk does not include the amounts invested in certificates of deposit.

We recommend that all investment activity be recorded in the general ledger to provide more accurate reports for the County officials.

Board Minutes:

The Health Department board minutes could not be located for November 2001.

We recommend that a record of all board meetings be kept on file.

Federal Programs:

The amounts reported on the schedule of federal expenditures for some of the federal programs were not accurate. Without an accurate and complete schedule of expenditures, the federal financial activity may not be properly reported in accordance with federal requirements.

We recommend that all federal program expenditures be reconciled with the amounts recorded in the general ledger. This will allow the County Clerk to prepare a complete and accurate schedule of expenditures of federal awards. The County Clerk should make sure the various departments that may provide information for this schedule are aware of the importance of the accuracy of this information and provide guidance to them if necessary.

We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

SCHOTT & VAN DE VEN

Original Signed by Auditor

May 28, 2003
Cape Girardeau, Missouri