



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Perry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Perry County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2009
Report No. 2009-104

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

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PERRYVILLE, MISSOURI
(the Primary Government)
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**THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)**

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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Perry, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Perry, (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and December 31, 2007 which collectively comprise the Primary Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the Primary Government which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, is required to be reported with the financial data of the primary government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government as of December 31, 2008 and December 31, 2007, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. In accordance with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, the Health Department of Perry County, the Perry County Senior Citizens' Services Tax Commission and the Perry County SB40 Board have issued separate reporting entity financial statements. For information on these component units, please contact the Perry County Health Department at (573) 547-6564, and the Perry County Senior Citizens' Services Tax Commission and the Perry County SB40 Board by writing to 321 N. Main St., No. 2, Perryville, MO 63775.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note XII, the Primary Government has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, “*Basic Financial Statements-and Management’s Discussion and Analysis-For State and Local Governments*,” GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*” and GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*,” as of and for the years ended December 31, 2008, and December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Primary Government, as of December 31, 2008 and December 31, 2007 and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note I.

The Primary Government has not presented the management’s discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2009, on our consideration of the Primary Government’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Non-GAAP Budget Basis and Actual and related notes on pages 30 through 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government’s basic financial statements. The combining and individual non-major funds financial statements on pages 39 through 46 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 51 through 56 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
July 14, 2009

FINANCIAL STATEMENTS

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED

	<u>December 31, 2008</u> Total Governmental Activities	<u>December 31, 2007</u> Total Governmental Activities
ASSETS		
Cash and Cash Equivalents	\$ 1,938,515.83	\$ 2,509,707.88
Investments	<u>325,000.00</u>	<u>624,286.65</u>
TOTAL ASSETS	<u><u>2,263,515.83</u></u>	<u><u>3,133,994.53</u></u>
NET ASSETS		
Unrestricted	27,693.20	350,433.31
Restricted for Specific Purpose	<u>2,235,822.63</u>	<u>2,783,561.22</u>
TOTAL NET ASSETS	<u><u>2,263,515.83</u></u>	<u><u>3,133,994.53</u></u>
TOTAL FUND BALANCE	<u><u>\$ 2,263,515.83</u></u>	<u><u>\$ 3,133,994.53</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 4,234,574.23	\$ 1,390,756.92	\$ 446,931.40	\$ 991,476.84	\$ (1,405,409.07)
Road and Bridge	2,328,361.96	-	-	-	(2,328,361.96)
Financial Administration	140,972.22	-	-	-	(140,972.22)
Other Offices and Grants	313,827.95	-	-	-	(313,827.95)
Health and Welfare	304,289.82	-	-	-	(304,289.82)
Administration of Justice and Law Enforcement	1,215,799.72	-	-	-	(1,215,799.72)
Consulting	99,670.27	-	-	-	(99,670.27)
Fees, Licenses and Permits	5,015.00	-	-	-	(5,015.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	8,175.00	-	-	-	(8,175.00)
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Hospital	139,591.46	-	-	-	(139,591.46)
Property, Equipment and Buildings	173,118.83	-	-	-	(173,118.83)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,963,396.46	\$ 1,390,756.92	\$ 446,931.40	\$ 991,476.84	(6,134,231.30)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,872,503.67
Sales Tax	3,124,578.03
Investment Income	97,126.33
Transfers In (Out)	-
Miscellaneous	169,544.57
TOTAL GENERAL REVENUES	5,263,752.60
CHANGE IN NET ASSETS	(870,478.70)
NET ASSETS, BEGINNING OF YEAR	3,133,994.53
NET ASSETS, END OF YEAR	\$ 2,263,515.83

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 3,487,279.65	\$ 1,312,143.98	\$ 438,524.07	\$ 329,760.06	\$ (1,406,851.54)
Road and Bridge	2,154,011.04	-	-	-	(2,154,011.04)
Financial Administration	143,611.16	-	-	-	(143,611.16)
Other Offices and Grants	316,492.99	-	-	-	(316,492.99)
Health and Welfare	179,660.06	-	-	-	(179,660.06)
Administration of Justice and Law Enforcement	1,349,234.37	-	-	-	(1,349,234.37)
Consulting	98,801.18	-	-	-	(98,801.18)
Fees, Licenses and Permits	1,750.00	-	-	-	(1,750.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	616,783.55	-	616,783.55
Park Maintenance	-	-	-	-	-
Other	17,112.01	-	-	-	(17,112.01)
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Hospital	196,353.30	-	-	-	(196,353.30)
Property, Equipment and Buildings	228,940.91	-	-	-	(228,940.91)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,173,246.67	\$ 1,312,143.98	\$ 1,055,307.62	\$ 329,760.06	(5,476,035.01)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,790,357.98
Sales Tax	3,097,560.50
Investment Income	184,597.76
Transfers In (Out)	-
Miscellaneous	171,115.73
TOTAL GENERAL REVENUES	5,243,631.97
CHANGE IN NET ASSETS	(232,403.04)
NET ASSETS, BEGINNING OF YEAR	3,366,397.57
NET ASSETS, END OF YEAR	\$ 3,133,994.53

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

DECEMBER 31, 2008

	General	Special Road and Bridge	Road & Bridge Sales Tax Fund	Mental Health Fund	Local Park Sales Tax Fund	Emergency 911	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 27,693.20	\$ 213,109.95	\$ 277,159.13	\$ 90,010.27	\$ 758,932.83	\$ 120,151.37	\$ 451,459.08	\$ 1,938,515.83
Investments	-	100,000.00	-	100,000.00	-	125,000.00	-	325,000.00
TOTAL ASSETS	<u>27,693.20</u>	<u>313,109.95</u>	<u>277,159.13</u>	<u>190,010.27</u>	<u>758,932.83</u>	<u>245,151.37</u>	<u>451,459.08</u>	<u>2,263,515.83</u>
FUND BALANCES								
Unreserved:								
General Fund	27,693.20	-	-	-	-	-	-	27,693.20
Special Revenue Funds	-	313,109.95	277,159.13	190,010.27	758,932.83	245,151.37	451,459.08	2,235,822.63
TOTAL FUND BALANCES	<u>27,693.20</u>	<u>313,109.95</u>	<u>277,159.13</u>	<u>190,010.27</u>	<u>758,932.83</u>	<u>245,151.37</u>	<u>451,459.08</u>	<u>2,263,515.83</u>
TOTAL FUND BALANCES	<u>\$ 27,693.20</u>	<u>\$ 313,109.95</u>	<u>\$ 277,159.13</u>	<u>\$ 190,010.27</u>	<u>\$ 758,932.83</u>	<u>\$ 245,151.37</u>	<u>\$ 451,459.08</u>	<u>\$ 2,263,515.83</u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

DECEMBER 31, 2007

	General	Special Road and Bridge	Road & Bridge Sales Tax Fund	Mental Health Fund	Local Park Sales Tax Fund	Emergency 911	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 130,433.31	\$ 251,022.56	\$ 327,201.69	\$ 358,364.33	\$ 783,827.24	\$ 139,941.72	\$ 518,917.03	\$ 2,509,707.88
Investments	220,000.00	204,286.65	-	-	-	200,000.00	-	624,286.65
TOTAL ASSETS	<u>350,433.31</u>	<u>455,309.21</u>	<u>327,201.69</u>	<u>358,364.33</u>	<u>783,827.24</u>	<u>339,941.72</u>	<u>518,917.03</u>	<u>3,133,994.53</u>
FUND BALANCES								
Unreserved:								
General Fund	350,433.31	-	-	-	-	-	-	350,433.31
Special Revenue Funds	-	455,309.21	327,201.69	358,364.33	783,827.24	339,941.72	518,917.03	2,783,561.22
TOTAL FUND BALANCES	<u>350,433.31</u>	<u>455,309.21</u>	<u>327,201.69</u>	<u>358,364.33</u>	<u>783,827.24</u>	<u>339,941.72</u>	<u>518,917.03</u>	<u>3,133,994.53</u>
TOTAL FUND BALANCES	<u>\$ 350,433.31</u>	<u>\$ 455,309.21</u>	<u>\$ 327,201.69</u>	<u>\$ 358,364.33</u>	<u>\$ 783,827.24</u>	<u>\$ 339,941.72</u>	<u>\$ 518,917.03</u>	<u>\$ 3,133,994.53</u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS FOR THE YEAR ENDED
DECEMBER 31, 2008

	DECEMBER 31, 2008							
	General	Special Road and Bridge	Road & Bridge Capital Improvement Sales Tax Fund	Mental Health Fund	Local Park Sales Tax Fund	Emergency 911	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
Property Tax	\$ 539,026.40	\$ 836,329.05	\$ -	\$ 253,284.47	\$ -	\$ -	\$ 243,863.75	\$ 1,872,503.67
Sales Tax	1,155,691.49	-	864,639.85	-	1,064,368.90	-	39,877.79	3,124,578.03
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	363,504.89	31,280.00	-	-	-	199,707.93	796,264.10	1,390,756.92
Loans	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	446,931.40	597,302.75	82,437.86	-	-	-	311,736.23	1,438,408.24
Fees, Licenses and Permits	-	-	-	708.85	-	-	-	708.85
Interest	14,196.68	19,832.93	11,772.06	8,682.11	20,794.22	9,791.54	12,056.79	97,126.33
Other	121,368.72	5,235.93	-	9,031.67	-	-	33,199.40	168,835.72
TOTAL REVENUES	2,640,719.58	1,489,980.66	958,849.77	271,707.10	1,085,163.12	209,499.47	1,436,998.06	8,092,917.76
EXPENDITURES								
Current:								
General County Government	1,192,312.26	-	-	440,061.16	1,110,057.53	-	1,492,143.28	4,234,574.23
Road and Bridge	-	1,346,588.15	981,773.81	-	-	-	-	2,328,361.96
Financial Administration	140,972.22	-	-	-	-	-	-	140,972.22
Other Offices and Grants	313,827.95	-	-	-	-	-	-	313,827.95
Health and Welfare	-	-	-	-	-	304,289.82	-	304,289.82
Property Valuation and Recording	99,670.27	-	-	-	-	-	-	99,670.27
Supplies	-	-	-	-	-	-	-	-
Permits and Fees	5,015.00	-	-	-	-	-	-	5,015.00
Administration of Justice and Law	1,203,486.99	-	-	-	-	-	12,312.73	1,215,799.72
Continued Progress	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction	-	139,591.46	-	-	-	-	-	139,591.46
Property, Equipment and Buildings	-	173,118.83	-	-	-	-	-	173,118.83
TOTAL EXPENDITURES	2,955,284.69	1,659,298.44	981,773.81	440,061.16	1,110,057.53	304,289.82	1,504,456.01	8,955,221.46
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(314,565.11)	(169,317.78)	(22,924.04)	(168,354.06)	(24,894.41)	(94,790.35)	(67,457.95)	(862,303.70)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	27,118.52	-	-	-	-	-	27,118.52
Transfers Out	-	-	(27,118.52)	-	-	-	-	(27,118.52)
Emergency Fund	(8,175.00)	-	-	-	-	-	-	(8,175.00)
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,175.00)	27,118.52	(27,118.52)	-	-	-	-	(8,175.00)
NET CHANGE IN FUND BALANCE	(322,740.11)	(142,199.26)	(50,042.56)	(168,354.06)	(24,894.41)	(94,790.35)	(67,457.95)	(870,478.70)
FUND BALANCE - BEGINNING OF YEAR	350,433.31	455,309.21	327,201.69	358,364.33	783,827.24	339,941.72	518,917.03	3,133,994.53
FUND BALANCE - END OF YEAR	\$ 27,693.20	\$ 313,109.95	\$ 277,159.13	\$ 190,010.27	\$ 758,932.83	\$ 245,151.37	\$ 451,459.08	\$ 2,263,515.83

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS FOR THE YEAR ENDED
DECEMBER 31, 2007

	DECEMBER 31, 2007								
	General	Special Road and Bridge	Road & Bridge Capital Improvement Sales Tax Fund	Mental Health Fund	Law Enforcement Center Fund	Local Park Sales Tax Fund	Emergency 911	Non-Major Governmental Funds	Total Governmental Funds
REVENUES									
Property Tax	\$ 512,221.98	\$ 798,708.23	\$ -	\$ 243,979.37	\$ -	\$ -	\$ -	\$ 235,448.40	\$ 1,790,357.98
Sales Tax	1,157,637.98	-	866,294.60	-	-	1,073,627.92	-	-	3,097,560.50
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	375,223.05	29,752.00	-	-	-	-	178,909.70	728,259.23	1,312,143.98
Loans	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	438,524.07	616,783.55	-	-	-	-	-	329,760.06	1,385,067.68
Fees, Licenses and Permits	-	-	-	369.35	-	-	17,902.82	-	18,272.17
Interest	41,842.72	30,627.53	31,366.14	20,503.94	-	31,995.93	-	28,261.50	184,597.76
Other	47,739.49	27,160.67	-	36,669.00	-	-	-	41,274.40	152,843.56
TOTAL REVENUES	2,573,189.29	1,503,031.98	897,660.74	301,521.66	-	1,105,623.85	196,812.52	1,363,003.59	7,940,843.63
EXPENDITURES									
Current:									
General County Government	1,014,181.75	-	-	211,588.88	-	1,002,799.25	-	1,258,709.77	3,487,279.65
Road and Bridge	-	1,169,560.83	984,450.21	-	-	-	-	-	2,154,011.04
Financial Administration	143,611.16	-	-	-	-	-	-	-	143,611.16
Other Offices and Grants	316,492.99	-	-	-	-	-	-	-	316,492.99
Health and Welfare	-	-	-	-	-	-	179,660.06	-	179,660.06
Property Valuation and Recording	98,801.18	-	-	-	-	-	-	-	98,801.18
Supplies	-	-	-	-	-	-	-	-	-
Permits and Fees	1,750.00	-	-	-	-	-	-	-	1,750.00
Administration of Justice and Law	1,288,760.02	-	-	-	-	-	-	60,474.35	1,349,234.37
Continued Progress	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction	-	196,353.30	-	-	-	-	-	-	196,353.30
Property, Equipment and Buildings	-	228,940.91	-	-	-	-	-	-	228,940.91
TOTAL EXPENDITURES	2,863,597.10	1,594,855.04	984,450.21	211,588.88	-	1,002,799.25	179,660.06	1,319,184.12	8,156,134.66
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(290,407.81)	(91,823.06)	(86,789.47)	89,932.78	-	102,824.60	17,152.46	43,819.47	(215,291.03)
OTHER FINANCING SOURCES (USES)									
Transfers In	14,061.00	42,546.13	-	-	-	-	-	-	56,607.13
Transfers Out	-	-	(42,546.13)	-	-	-	-	(14,061.00)	(56,607.13)
Emergency Fund	(17,112.01)	-	-	-	-	-	-	-	(17,112.01)
Debt Service:									
Principal Payment	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,051.01)	42,546.13	(42,546.13)	-	-	-	-	(14,061.00)	(17,112.01)
NET CHANGE IN FUND BALANCE	(293,458.82)	(49,276.93)	(129,335.60)	89,932.78	-	102,824.60	17,152.46	29,758.47	(232,403.04)
FUND BALANCE - BEGINNING OF YEAR	643,892.13	504,586.14	456,537.29	268,431.55	-	681,002.64	322,789.26	489,158.56	3,366,397.57
FUND BALANCE - END OF YEAR	\$ 350,433.31	\$ 455,309.21	\$ 327,201.69	\$ 358,364.33	\$ -	\$ 783,827.24	\$ 339,941.72	\$ 518,917.03	\$ 3,133,994.53

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for Governmental Activities in the
Statement of Activities are different because...

TOTAL FUND BALANCE – GOVERNMENTAL FUNDS	\$	3,133,994.53
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There are no items of reconciliation.

TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	\$	<u>3,133,994.53</u>
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See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

TOTAL NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	\$ (870,478.70)
There are no items of reconciliation.	<u>-</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (870,478.70)</u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

TOTAL NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	\$ (232,403.04)
There are no items of reconciliation.	<u>-</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (232,403.04)</u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS

	<u>DECEMBER 31, 2008</u> <u>AGENCY FUNDS</u>	<u>DECEMBER 31, 2007</u> <u>AGENCY FUNDS</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 11,390,487.26</u>	<u>\$ 12,184,486.52</u>
TOTAL ASSETS	<u><u>11,390,487.26</u></u>	<u><u>12,184,486.52</u></u>
LIABILITIES		
Due to Other Funds	<u>11,390,487.26</u>	<u>12,184,486.52</u>
TOTAL LIABILITIES	<u><u>\$ 11,390,487.26</u></u>	<u><u>\$ 12,184,486.52</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Perry, Missouri (“Primary Government”), which is governed by a three-member board of commissioners, was established in 1827. Perry County is an organized, third class county and is part of the 32nd Judicial Circuit. The county seat is in Perryville.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the County.

The Primary Government’s operations include tax assessments and collections, state /county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Perry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, requires to be reported with the financial data of the County’s primary government.

In accordance with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, the Health Department of Perry County, Missouri, the Perry County Senior Citizens’ Services Tax Commission and the Perry County SB40 Board have issued separate reporting entity financial statements. For information on these component units, please contact the Perry County Health Department at (573) 547-6564 and the Perry County Senior Citizens’ Services Tax Commission and the Perry County SB40 Board by writing to 321 N. Main St., No. 2, Perryville, MO 63775.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the Primary Government of Perry County only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the Primary Government of Perry County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Special Road and Bridge, Road and Bridge Capital Improvement Sales Tax Fund, Mental Health Fund, Local Park Sales Tax Fund and Emergency 911 Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-Major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County's governmental major funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road & Bridge Fund – The Special Road & Bridge Fund is a fund used to account for receipts of the county property tax levy and state designated revenues, such as Road Use Tax, etc. Expenditures paid from this fund are any expenses involved in maintaining county roads and bridges such as salaries, fuel, purchase and maintenance of equipment, etc.

Road & Bridge Capital Improvement Sales Tax Fund – The Road & Bridge Capital Improvement Sales Tax Fund is a special fund for receipt of sales tax revenues that was approved by the voters in 2004. Expenditures out of this fund are for any expense related to improving the condition of county roads and bridges such as purchase of equipment, purchase of product to asphalt county roads, bridge projects, fuel purchases for fuel used on these projects, etc. This sales tax sunsets on December 31, 2010.

Mental Health Fund – The Mental Health Fund is a fund that levies a mill tax that was approved by the voters in the 1970's. The fund is administered by a board of directors that is appointed by the County Commission.

Local Park Sales Tax Fund – The Local Park Sales Tax Fund is a fund for the sales tax receipts, again approved by voters, that is used for the construction and maintenance of the Perry Park Center in the Perryville City Park. This is a twenty year sales tax and it will then reduce to 1/8 of a cent for maintenance of the building only.

Emergency 911 Fund – The Emergency 911 Tax Fund is a fund for the revenues from a 15% surcharge on telephone bills for county residents that funds the purchase of equipment and salaries of 911 dispatchers in the county. The county commission administers the expenditures and the department is headed by a 911 Director.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

	2008	2007
Real Estate (Net of TIF)	\$ 193,576,042	\$ 186,670,773
Personal Property	81,408,827	78,229,537
Railroad and Utility	13,920,503	14,486,069
	\$ 288,905,372	\$ 279,386,379

During 2008 and 2007, the County Commission approved a \$1.99 and \$1.99, respectively tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
General Revenue Fund	\$ 0.1800	\$ 0.1800
Special Road and Bridge Fund	0.3000	0.3000
SB40 Fund	0.0898	0.0898
Mental Health Fund	0.0898	0.0898
Surtax	1.0600	1.0600
Hospital Maintenance Fund	0.0898	0.0898
Health Center Fund	0.1795	0.1795
	\$ 1.9889	\$ 1.9889

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on each fund's average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due From Other funds" or "Due To Other Funds" on the Balance Sheet – Modified Cash Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance reserves have been established for all special revenue accounts.

H. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$13,654,003.09 and \$15,318,481.05, the bank balance was \$13,093,099.10 and 13,694,763.30, respectively. Of the 2007 bank balance, \$100,000 was covered by federal depository insurance and \$13,594,763.30 was covered by collateral held at the banks in the County's name. Of the 2008 bank balance, \$250,000 was covered by federal depository insurance and \$12,843,099.10 was covered by collateral held at the banks in the County's name.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. CASH AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Cash	\$ 1,938,515.83
Investments	325,000.00
<u>Balance Sheet – Agency Funds</u>	
Cash	<u>11,390,487.26</u>
Total Cash & Investments as of December 31, 2008	<u>\$ 13,654,003.09</u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2007, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Cash	\$ 2,509,707.88
Investments	624,286.65
<u>Balance Sheet – Agency Funds</u>	
Cash	<u>12,184,486.52</u>
Total Cash & Investments as of December 31, 2007	<u>\$ 15,318,481.05</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the years ended December 31, 2008 & 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Primary Government or its agent but not in the government's name. All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. CASH AND INVESTMENTS (concluded)

Investment Interest Rate Risk

The Primary Government has a policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Investment Credit Risk

The Primary Government has no policy in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer.

As of December 31, 2008 and 2007, all investments of the Primary Government were rated AAA.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments.)

The Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

At December 31, 2008 and 2007, 100% of the Primary Government's investments were guaranteed by the U.S. Government.

III. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	\$ 0	\$ 0	\$ 14,061.00	\$ 0
Road and Bridge	27,118.52	0	42,546.13	0
Road and Bridge Capital Improvement				
Sales Tax Fund	0	(27,118.52)	0	(42,546.13)
NON-MAJOR FUNDS	0	0	0	(14,061.00)
TOTAL	<u>\$ 27,118.52</u>	<u>\$ (27,118.52)</u>	<u>\$ 56,607.13</u>	<u>\$ (56,607.13)</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes. The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in the Fund, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

A. Plan Description

The Fund is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. The fund covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than (1,000) one thousand hours per calendar year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. The Fund is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of the Fund are paid out of the funds of the system.

In addition, the following fees and penalties prescribed under Missouri Law are required to be collected and remitted to the Fund by counties covered by the plan:

- Late fees on filing of personal property tax declarations
- Twenty dollars for each merchant's and manufacturer's license issued
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded
- Three sevenths of the fee on delinquent property taxes
- Interest earned on investment of the above collections prior to remittance to the Fund

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Pension Benefits

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. *Contributions:* Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2008 and 2007, the County collected and remitted to CERF, employee contributions of approximately for \$41,292 and \$43,862, respectively, for the years then ended December 31, 2008 and 2007.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Perry County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

B. Funding Status

Perry County's full time employees do not contribute to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate is 9.5% (general), 8.0% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$220,144 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008 included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table, set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2008, was 15 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	\$ 221,699	100%	\$ 0
6/30/2007	\$ 222,703	100%	\$ 0
6/30/2008	\$ 220,144	100%	\$ 0

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	4,361,914	4,508,556	146,642	97%	2,232,925	7%
2/28/2007	4,792,180	4,816,246	24,066	100%	2,265,586	1%
2/29/2008	2,421,558	5,279,837	141,721	103%	2,404,050	-

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2008 and 2007.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

At this time there are pending litigation matters for years ended December 31, 2008 and 2007.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VIII. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The County provides employees with up to 5 weeks of paid vacation based upon the number of years of continuing service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime if applicable. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

X. CHANGES IN LONG-TERM DEBT

The following is a summary of certificates of participation transactions for the years ended December 31, 2008 and December 31, 2007:

	Balance 12/31/2006	Additions	Payments	Balance 12/31/2007	Additions	Payments	Balance 12/31/2008
Leasehold Refunding Revenue Bonds Series 2005	\$ 8,305,000	\$ -	\$ (490,000)	\$ 7,815,000	\$ -	\$ (540,000)	\$ 7,275,000
Note Payable	638,000	-	(19,916.62)	618,083.38	-	(18,248.63)	599,834.75
	<u>\$ 8,943,000</u>	<u>\$ -</u>	<u>\$ (509,916.62)</u>	<u>\$ 8,433,083.38</u>	<u>\$ -</u>	<u>\$ (558,248.63)</u>	<u>\$7,874,834.75</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

X. CHANGES IN LONG-TERM DEBT (continued)

Debt consists of:

	2008	2007
\$8,785,000 original principal Leasehold Refunding Revenue Bonds Series 2005, due in varying annual principal installments ranging from \$480,000 to \$1,085,000 through May 1, 2017. Interest rate is variable from 3.25% to 4.50%. Principal payments are made annually on May 1 and interest payments are made semi-annually on May 1 and Nov 1.....	\$ 540,000	\$ 490,000
\$638,000 original principal Lease purchase note payable, due in varying annual principal installments ranging from \$18,248.63 to 51,145.15 through April 1, 2026. Interest rate is 5.70%. Principal and interest payments are made annually on April 1.....	18,248.63	19,916.62
	\$ 558,248.63	\$ 509,916.62

The annual requirements to amortize all debt outstanding as of December 31, 2008, including interest payments are as follows:

Fiscal Year Ending December 31,	TOTAL		
	Principle	Interest	Total
2009	\$ 599,930.96	\$ 306,849.29	\$ 906,780.25
2010	661,067.03	281,723.22	942,790.25
2011	707,267.84	258,451.16	965,719.00
2012	753,537.11	230,025.64	983,562.75
2013	824,878.73	194,659.02	1,019,537.75
2014-2018	3,987,352.27	439,802.73	4,427,155.00
2019-2023	194,415.89	75,885.36	270,301.25
2024-2028	146,384.92	15,795.83	162,180.75
	\$ 7,874,834.75	\$ 1,803,192.25	\$ 9,678,027.00

Principle payments due within one year consist of \$580,000 for the Leasehold Refunding Revenue Bonds Series 2005 and \$19,930.96 for the Lease purchase note payable.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

X. CHANGES IN LONG-TERM DEBT (concluded)

The annual requirements to amortize all debt outstanding as of December 31, 2007, including interest payments are as follows:

FISCAL YEAR ENDING DECEMBER 31,	TOTAL		
	PRINCIPLE	INTEREST	TOTAL
2008	\$ 558,248.63	\$ 332,381.62	\$ 890,630.25
2009	599,930.96	306,849.29	906,780.25
2010	661,067.03	281,723.22	942,790.25
2011	707,267.84	258,451.16	965,719.00
2012	753,537.11	230,025.64	983,562.75
2013 – 2017	4,779,406.12	613,226.38	5,392,632.50
2018 – 2022	183,931.78	86,369.47	270,301.25
2023 – 2026	189,693.91	26,547.09	216,241.00
	<u>\$ 8,433,083.38</u>	<u>\$ 2,135,573.87</u>	<u>\$ 10,568,657.25</u>

Principle payments due within one year consist of \$540,000 for the Leasehold Refunding Revenue Bonds Series 2005 and \$18,248.63 for the lease purchase note payable.

XI. LEASES

During 2008, Perry County entered into two capital leases; one requiring two annual payments of \$21,191.66, beginning April 1, 2009, with an interest rate of 4.625% for a compactor; the other also requiring two annual payments of \$53,608.04, beginning October 27, 2009 with an interest rate of 4.625% for a high reach wheel loader with bucket.

XII. ACCOUNTING CHANGE

For the years ended December 31, 2008, and December 31, 2007, the Primary Government has implemented GASB Statement No. 34, “*Basic Financial Statements-and Management’s Discussion and Analysis-For State and Local Governments.*” GASB 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments. The Primary Government’s implementation was prepared on the modified cash basis of accounting. Therefore, significant assets (i.e. capital assets) and significant liabilities (i.e. general obligation bonds) are not presented in the financial statements of the Primary Government.

In addition, for the years ended December 31, 2008, and December 31, 2007, the Primary Government has implemented GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*” and GASB Statement No. 38, “*Certain Financial Statement Note Disclosures.*”

At December 31, 2007, there was no effect on fund balance as a result of implementing these GASB Statements.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-GAAP BUDGET BASIS AND ACTUAL - GENERAL FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 532,000.00	\$ 532,000.00	\$ 539,026.40	\$ 7,026.40	\$ 490,000.00	\$ 490,000.00	\$ 512,221.98	\$ 22,221.98
Sales Tax	1,190,000.00	1,190,000.00	1,155,691.49	(34,308.51)	1,140,000.00	1,140,000.00	1,157,637.98	17,637.98
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	380,200.00	380,200.00	363,504.89	(16,695.11)	370,752.00	370,752.00	375,223.05	4,471.05
Grants, Distributions and Reimbursements	483,245.00	483,245.00	446,931.40	(36,313.60)	665,704.00	665,704.00	438,524.07	(227,179.93)
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	30,000.00	30,000.00	14,196.68	(15,803.32)	33,000.00	33,000.00	41,842.72	8,842.72
Other	139,925.00	139,925.00	121,368.72	(18,556.28)	87,125.00	87,125.00	47,739.49	(39,385.51)
TOTAL REVENUES	2,755,370.00	2,755,370.00	2,640,719.58	(114,650.42)	2,786,581.00	2,786,581.00	2,573,189.29	(213,391.71)
EXPENDITURES								
Current:								
General County Government	1,309,905.52	1,309,905.52	1,192,312.26	(117,593.26)	1,118,731.60	1,118,731.60	1,014,181.75	(104,549.85)
Financial Administration	149,530.00	149,530.00	140,972.22	(8,557.78)	147,660.00	147,660.00	143,611.16	(4,048.84)
Other Offices and Grants	144,864.21	144,864.21	313,827.95	168,963.74	343,572.52	343,572.52	316,492.99	(27,079.53)
Health and Welfare	2,000.00	2,000.00	5,015.00	3,015.00	5,000.00	5,000.00	1,750.00	(3,250.00)
Property Valuation and Recording	100,896.40	100,896.40	99,670.27	(1,226.13)	100,440.40	100,440.40	98,801.18	(1,639.22)
Administration of Justice and Law	1,166,905.74	1,166,905.74	1,203,486.99	36,581.25	1,219,526.00	1,219,526.00	1,288,760.02	69,234.02
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,874,101.87	2,874,101.87	2,955,284.69	81,182.82	2,934,930.52	2,934,930.52	2,863,597.10	(71,333.42)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(118,731.87)	(118,731.87)	(314,565.11)	(195,833.24)	(148,349.52)	(148,349.52)	(290,407.81)	(142,058.29)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	14,061.00	14,061.00
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	-	(80,000.00)	(8,175.00)	71,825.00	(84,000.00)	(84,000.00)	(17,112.01)	66,887.99
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(80,000.00)	(8,175.00)	71,825.00	(84,000.00)	(84,000.00)	(3,051.01)	80,948.99
NET CHANGE IN FUND BALANCE	(118,731.87)	(198,731.87)	(322,740.11)	(124,008.24)	(232,349.52)	(232,349.52)	(293,458.82)	(61,109.30)
FUND BALANCE - BEGINNING OF YEAR	350,433.31	350,433.31	350,433.31	-	643,892.13	643,892.13	643,892.13	-
FUND BALANCE - END OF YEAR	\$ 231,701.44	\$ 151,701.44	\$ 27,693.20	\$ (124,008.24)	\$ 411,542.61	\$ 411,542.61	\$ 350,433.31	\$ (61,109.30)

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES
MODIFIED CASH BASIS - NON-GAAP BUDGET BASIS AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Current:								
General County Government:								
County Commission	\$ 101,704.00	101,704.00	99,332.88	\$ (2,371.12)	\$ 102,704.00	102,704.00	101,612.02	\$ (1,091.98)
County Clerk	97,141.52	97,141.52	97,577.23	435.71	112,963.60	112,963.60	95,543.38	(17,420.22)
Elections	92,200.00	92,200.00	44,799.34	(47,400.66)	22,864.00	22,864.00	14,229.97	(8,634.03)
Buildings and Grounds	351,960.00	351,960.00	300,242.96	(51,717.04)	233,200.00	233,200.00	179,193.08	(54,006.92)
Employee Fringe Benefits	500,000.00	500,000.00	476,865.85	(23,134.15)	480,000.00	480,000.00	454,836.78	(25,163.22)
Other Expenses	166,900.00	166,900.00	173,494.00	6,594.00	167,000.00	167,000.00	168,766.52	1,766.52
	<u>1,309,905.52</u>	<u>1,309,905.52</u>	<u>1,192,312.26</u>	<u>(117,593.26)</u>	<u>1,118,731.60</u>	<u>1,118,731.60</u>	<u>1,014,181.75</u>	<u>(104,549.85)</u>
Financial Administration:								
Collector	93,200.00	93,200.00	89,225.34	(3,974.66)	92,730.00	92,730.00	91,475.77	(1,254.23)
Treasurer	56,330.00	56,330.00	51,746.88	(4,583.12)	54,930.00	54,930.00	52,135.39	(2,794.61)
	<u>149,530.00</u>	<u>149,530.00</u>	<u>140,972.22</u>	<u>(8,557.78)</u>	<u>147,660.00</u>	<u>147,660.00</u>	<u>143,611.16</u>	<u>(4,048.84)</u>
Other Offices & Grants:								
Other Offices & Grants	144,864.21	289,364.21	313,827.95	24,463.74	343,572.52	343,572.52	316,492.99	(27,079.53)
	<u>144,864.21</u>	<u>289,364.21</u>	<u>313,827.95</u>	<u>24,463.74</u>	<u>343,572.52</u>	<u>343,572.52</u>	<u>316,492.99</u>	<u>(27,079.53)</u>
Health and Welfare:								
Non-Institutional Care	2,000.00	2,000.00	5,015.00	3,015.00	5,000.00	5,000.00	1,750.00	(3,250.00)
	<u>2,000.00</u>	<u>2,000.00</u>	<u>5,015.00</u>	<u>3,015.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>1,750.00</u>	<u>(3,250.00)</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES (CONTINUED)
MODIFIED CASH BASIS - NON-GAAP BUDGET BASIS AND ACTUAL
GENERAL FUND - UNAUDITED FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Property Valuation and Recording:								
Recorder of Deeds	100,896.40	100,896.40	99,670.27	(1,226.13)	100,440.40	100,440.40	98,801.18	(1,639.22)
Administration of Justice and Law Enforcement:								
Associate Circuit	-	-	-	-	-	-	-	-
Circuit Clerk	13,700.00	13,700.00	14,602.70	902.70	14,200.00	14,200.00	13,228.74	(971.26)
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	37,950.00	37,950.00	34,175.68	(3,774.32)	41,500.00	41,500.00	55,555.16	14,055.16
Dispatch	116,690.00	116,690.00	127,478.68	10,788.68	122,250.00	122,250.00	122,043.30	(206.70)
Circuit Judges and Court Reporters	-	-	-	-	-	-	-	-
Jail	315,560.00	315,560.00	316,588.45	1,028.45	355,820.00	355,820.00	343,806.18	(12,013.82)
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	50,000.00	50,000.00	49,564.42	(435.58)	40,000.00	40,000.00	69,478.95	29,478.95
Medical Examiner	18,062.34	18,062.34	18,119.49	57.15	15,600.00	15,600.00	15,192.13	(407.87)
Sheriff's Office	456,088.20	456,088.20	483,118.40	27,030.20	475,245.00	475,245.00	514,659.38	39,414.38
Drug Court	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	134,634.20	134,634.20	135,880.75	1,246.55	132,023.00	132,023.00	131,768.97	(254.03)
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	24,221.00	24,221.00	23,958.42	(262.58)	22,888.00	22,888.00	23,027.21	139.21
	1,166,905.74	1,166,905.74	1,203,486.99	36,581.25	1,219,526.00	1,219,526.00	1,288,760.02	69,234.02
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment & Buildings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,874,101.87	\$ 3,018,601.87	\$ 2,955,284.69	\$ (63,317.18)	\$ 2,934,930.52	\$ 2,934,930.52	\$ 2,863,597.10	\$ (71,333.42)

See accompanying Independent Auditor's Report

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
NON-GAAP BUDGET BASIS AND ACTUAL - SPECIAL ROAD AND BRIDGE FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	ORIGINAL	FINAL		(UNDER)
			FINAL BUDGET				FINAL BUDGET	
REVENUES								
Property Tax	\$ 806,500.00	\$ 806,500.00	\$ 836,329.05	\$ 29,829.05	\$ 770,000.00	\$ 770,000.00	\$ 798,708.23	\$ 28,708.23
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	20,000.00	20,000.00	31,280.00	11,280.00	20,000.00	20,000.00	29,752.00	9,752.00
Grants, Distributions and Reimbursements	809,100.00	809,100.00	597,302.75	(211,797.25)	613,000.00	613,000.00	616,783.55	3,783.55
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interests	25,000.00	25,000.00	19,832.93	(5,167.07)	40,000.00	40,000.00	30,627.53	(9,372.47)
Other	4,325.00	4,325.00	5,235.93	910.93	1,325.00	1,325.00	27,160.67	25,835.67
TOTAL REVENUES	1,664,925.00	1,664,925.00	1,489,980.66	(174,944.34)	1,444,325.00	1,444,325.00	1,503,031.98	58,706.98
EXPENDITURES								
Current:								
Salaries	475,000.00	475,000.00	454,098.89	(20,901.11)	453,000.00	453,000.00	448,951.84	(4,048.16)
Employee Fringe Benefits	194,500.00	194,500.00	188,319.75	(6,180.25)	186,500.00	186,500.00	177,903.01	(8,596.99)
Supplies	200,700.00	200,700.00	153,751.49	(46,948.51)	153,050.00	153,050.00	173,269.11	20,219.11
Property and Equipment Insurance	38,000.00	38,000.00	33,792.45	(4,207.55)	38,000.00	38,000.00	32,047.00	(5,953.00)
Equipment Repairs	91,500.00	91,500.00	160,930.02	69,430.02	101,500.00	101,500.00	87,701.83	(13,798.17)
Rentals	5,000.00	5,000.00	5,565.37	565.37	-	-	6,522.88	6,522.88
Maintenance of Roads:								
Highway and Roads	195,000.00	235,000.00	238,467.60	3,467.60	165,000.00	165,000.00	136,410.44	(28,589.56)
Other	113,100.00	113,100.00	111,662.58	(1,437.42)	110,700.00	110,700.00	106,754.72	(3,945.28)
Capital Outlay:								
Construction of Roads and Bridges	402,000.00	402,000.00	139,591.46	(262,408.54)	156,000.00	156,000.00	196,353.30	40,353.30
Property, Equipment and Buildings	267,500.00	267,500.00	173,118.83	(94,381.17)	241,000.00	241,000.00	228,940.91	(12,059.09)
TOTAL EXPENDITURES	1,982,300.00	2,022,300.00	1,659,298.44	(363,001.56)	1,604,750.00	1,604,750.00	1,594,855.04	(9,894.96)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(317,375.00)	(357,375.00)	(169,317.78)	188,057.22	(160,425.00)	(160,425.00)	(91,823.06)	68,601.94
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	27,118.52	27,118.52	-	-	42,546.13	42,546.13
Transfers Out	-	-	-	-	(40,000.00)	(40,000.00)	-	40,000.00
Debt Service	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	27,118.52	27,118.52	(40,000.00)	(40,000.00)	42,546.13	82,546.13
NET CHANGE IN FUND BALANCE	(317,375.00)	(357,375.00)	(142,199.26)	215,175.74	(200,425.00)	(200,425.00)	(49,276.93)	151,148.07
FUND BALANCE - BEGINNING OF YEAR	455,309.21	455,309.21	455,309.21	-	504,586.14	504,586.14	504,586.14	-
FUND BALANCE - END OF YEAR	\$ 137,934.21	\$ 97,934.21	\$ 313,109.95	\$ 215,175.74	\$ 304,161.14	\$ 304,161.14	\$ 455,309.21	\$ 151,148.07

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - NON-GAAP BUDGET BASIS AND ACTUAL
ROAD AND BRIDGE CAPITAL IMPROVEMENT SALES TAX FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	875,000.00	875,000.00	864,639.85	(10,360.15)	840,000.00	840,000.00	866,294.60	26,294.60
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	129,000.00	129,000.00	82,437.86	(46,562.14)	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	25,000.00	25,000.00	11,772.06	(13,227.94)	20,000.00	20,000.00	31,366.14	11,366.14
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,029,000.00	1,029,000.00	958,849.77	(70,150.23)	860,000.00	860,000.00	897,660.74	37,660.74
EXPENDITURES								
R&B Capital Improvement Sales Tax Fund	1,009,300.00	1,009,300.00	981,773.81	(27,526.19)	1,050,300.00	1,050,300.00	984,450.21	(65,849.79)
TOTAL EXPENDITURES	1,009,300.00	1,009,300.00	981,773.81	(27,526.19)	1,050,300.00	1,050,300.00	984,450.21	(65,849.79)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,700.00	19,700.00	(22,924.04)	(42,624.04)	(190,300.00)	(190,300.00)	(86,789.47)	103,510.53
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(27,118.52)	(27,118.52)	-	-	(42,546.13)	(42,546.13)
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(27,118.52)	(27,118.52)	-	-	(42,546.13)	(42,546.13)
NET CHANGE IN FUND BALANCE	19,700.00	19,700.00	(50,042.56)	(69,742.56)	(190,300.00)	(190,300.00)	(129,335.60)	60,964.40
FUND BALANCE - BEGINNING OF YEAR	327,201.69	327,201.69	327,201.69	-	456,537.29	456,537.29	456,537.29	-
FUND BALANCE - END OF YEAR	\$ 346,901.69	\$ 346,901.69	\$ 277,159.13	\$ (69,742.56)	\$ 266,237.29	\$ 266,237.29	\$ 327,201.69	\$ 60,964.40

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
NON-GAAP BUDGET BASIS AND ACTUAL - MENTAL HEALTH
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 250,000.00	\$ 250,000.00	\$ 253,284.47	\$ 3,284.47	\$ 200,000.00	\$ 200,000.00	\$ 243,979.37	\$ 43,979.37
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	400.00	400.00	708.85	308.85	400.00	400.00	369.35	(30.65)
Interest	18,000.00	18,000.00	8,682.11	(9,317.89)	18,000.00	18,000.00	20,503.94	2,503.94
Other	36,000.00	36,000.00	9,031.67	(26,968.33)	36,000.00	36,000.00	36,669.00	669.00
TOTAL REVENUES	304,400.00	304,400.00	271,707.10	(32,692.90)	254,400.00	254,400.00	301,521.66	47,121.66
EXPENDITURES								
Mental Health Fund	522,000.00	522,000.00	440,061.16	(81,938.84)	382,000.00	382,000.00	211,588.88	(170,411.12)
TOTAL EXPENDITURES	522,000.00	522,000.00	440,061.16	(81,938.84)	382,000.00	382,000.00	211,588.88	(170,411.12)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(217,600.00)	(217,600.00)	(168,354.06)	49,245.94	(127,600.00)	(127,600.00)	89,932.78	217,532.78
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(217,600.00)	(217,600.00)	(168,354.06)	49,245.94	(127,600.00)	(127,600.00)	89,932.78	217,532.78
FUND BALANCE - BEGINNING OF YEAR	358,364.33	358,364.33	358,364.33	-	268,431.55	268,431.55	268,431.55	-
FUND BALANCE - END OF YEAR	<u>\$ 140,764.33</u>	<u>\$ 140,764.33</u>	<u>\$ 190,010.27</u>	<u>\$ 49,245.94</u>	<u>\$ 140,831.55</u>	<u>\$ 140,831.55</u>	<u>\$ 358,364.33</u>	<u>\$ 217,532.78</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - NON GAAP BUDGET BASIS AND ACTUAL
LOCAL PARK SALES TAX - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,100,468.62	1,100,468.62	1,064,368.90	(36,099.72)	1,058,526.26	1,058,526.26	1,073,627.92	15,101.66
Inter-Governmental Revenue		-		-		-		-
Charges for Services		-		-		-		-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits		-		-		-		-
Interest	37,151.16	37,151.16	20,794.22	(16,356.94)	32,708.46	32,708.46	31,995.93	(712.53)
Other	-	-		-	-	-	-	-
TOTAL REVENUES	1,137,619.78	1,137,619.78	1,085,163.12	(52,456.66)	1,091,234.72	1,091,234.72	1,105,623.85	14,389.13
EXPENDITURES								
Local Park Sales Tax Fund	1,124,187.16	1,124,187.16	1,110,057.53	(14,129.63)	1,101,776.57	1,101,776.57	1,002,799.25	(98,977.32)
TOTAL EXPENDITURES	1,124,187.16	1,124,187.16	1,110,057.53	(14,129.63)	1,101,776.57	1,101,776.57	1,002,799.25	(98,977.32)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,432.62	13,432.62	(24,894.41)	(38,327.03)	(10,541.85)	(10,541.85)	102,824.60	113,366.45
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	13,432.62	13,432.62	(24,894.41)	(38,327.03)	(10,541.85)	(10,541.85)	102,824.60	113,366.45
FUND BALANCE - BEGINNING OF YEAR	783,827.24	783,827.24	783,827.24	-	681,002.64	681,002.64	681,002.64	-
FUND BALANCE - END OF YEAR	\$ 797,259.86	\$ 797,259.86	\$ 758,932.83	\$ (38,327.03)	\$ 670,460.79	\$ 670,460.79	\$ 783,827.24	\$ 113,366.45

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
NON-GAAP BUDGET BASIS AND ACTUAL - EMERGENCY 911 FUND
UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	180,000.00	180,000.00	199,707.93	19,707.93	170,200.00	170,200.00	178,909.70	8,709.70
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	18,000.00	18,000.00	9,791.54	(8,208.46)	10,000.00	10,000.00	17,902.82	7,902.82
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	198,000.00	198,000.00	209,499.47	11,499.47	180,200.00	180,200.00	196,812.52	16,612.52
EXPENDITURES								
Health and Welfare	338,147.21	330,893.20	304,289.82	(26,603.38)	245,450.40	241,747.20	179,660.06	(62,087.14)
TOTAL EXPENDITURES	338,147.21	330,893.20	304,289.82	(26,603.38)	245,450.40	241,747.20	179,660.06	(62,087.14)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(140,147.21)	(132,893.20)	(94,790.35)	38,102.85	(65,250.40)	(61,547.20)	17,152.46	78,699.66
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(140,147.21)	(132,893.20)	(94,790.35)	38,102.85	(65,250.40)	(61,547.20)	17,152.46	78,699.66
FUND BALANCE - BEGINNING OF YEAR	339,941.72	339,941.72	339,941.72	-	322,789.26	322,789.26	322,789.26	-
FUND BALANCE - END OF YEAR	\$ 199,794.51	\$ 207,048.52	\$ 245,151.37	\$ 38,102.85	\$ 257,538.86	\$ 261,242.06	\$ 339,941.72	\$ 78,699.66

See accompanying Independent Auditor's Report.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

I. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
- B. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
- C. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
- D. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
- E. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
- F. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

- G. Budgets are prepared and adopted on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

PERRY COUNTY
 PERRYVILLE, MISSOURI
 (the Primary Government)
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
 DECEMBER 31, 2008

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Transfer Station Fund	Recycling Center Fund	Sheriff Revolving Fund	Recorder's User Fees Fund
ASSETS							
Cash and Cash Equivalents	\$ 57,518.11	\$ 2,770.13	\$ 3,504.26	\$ 128,915.33	\$ 62,601.16	\$ 7,011.92	\$ 46,525.04
TOTAL ASSETS	<u>57,518.11</u>	<u>2,770.13</u>	<u>3,504.26</u>	<u>128,915.33</u>	<u>62,601.16</u>	<u>7,011.92</u>	<u>46,525.04</u>
LIABILITIES AND FUND BALANCES							
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>57,518.11</u>	<u>2,770.13</u>	<u>3,504.26</u>	<u>128,915.33</u>	<u>62,601.16</u>	<u>7,011.92</u>	<u>46,525.04</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,518.11</u>	<u>\$ 2,770.13</u>	<u>\$ 3,504.26</u>	<u>\$ 128,915.33</u>	<u>\$ 62,601.16</u>	<u>\$ 7,011.92</u>	<u>\$ 46,525.04</u>

PERRY COUNTY
 PERRYVILLE, MISSOURI
 (the Primary Government)
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
 DECEMBER 31, 2008

	Election Services Fund	Sheriff's Civil Fees Fund	Senate Bill 40 Fund	P.A. Bad Check Fund	Sheriff's Reserve Fund	Senior Services Tax Fund	Youth Tax Board Fund	Total
ASSETS								
Cash and Cash Equivalents	\$ 3,973.06	\$ 39,641.85	\$ 36,907.62	\$ 16,954.25	\$ 7,250.74	\$ 17,942.80	\$ 19,942.81	\$ 451,459.08
TOTAL ASSETS	<u>3,973.06</u>	<u>39,641.85</u>	<u>36,907.62</u>	<u>16,954.25</u>	<u>7,250.74</u>	<u>17,942.80</u>	<u>19,942.81</u>	<u>451,459.08</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>3,973.06</u>	<u>39,641.85</u>	<u>36,907.62</u>	<u>16,954.25</u>	<u>7,250.74</u>	<u>17,942.80</u>	<u>19,942.81</u>	<u>451,459.08</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,973.06</u>	<u>\$ 39,641.85</u>	<u>\$ 36,907.62</u>	<u>\$ 16,954.25</u>	<u>\$ 7,250.74</u>	<u>\$ 17,942.80</u>	<u>\$ 19,942.81</u>	<u>\$ 451,459.08</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Transfer Station Fund	Recycling Center Fund	Sheriff Revolving Fund	Recorder's User Fees Fund	Election Services Fund
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	5,174.00	4,143.22	1,053.35	574,502.27	141,741.40	3,490.00	14,333.00	-
Grants, Distributions and Reimbursements	274,455.64	2,468.44	-	-	22,673.25	-	-	3,389.10
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	2,474.61	57.78	85.91	3,501.19	1,336.01	136.59	-	238.30
Other	-	-	-	2,138.86	410.00	-	1,300.67	60.00
TOTAL REVENUES	282,104.25	6,669.44	1,139.26	580,142.32	166,160.66	3,626.59	15,633.67	3,687.40
EXPENDITURES								
General Government	276,300.38	-	-	630,348.01	158,662.15	-	25,632.17	9,905.76
Administration of Justice and Law	-	7,958.71	1,263.56	-	-	1,030.75	-	-
Permits, Licenses and Fees	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	276,300.38	7,958.71	1,263.56	630,348.01	158,662.15	1,030.75	25,632.17	9,905.76
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,803.87	(1,289.27)	(124.30)	(50,205.69)	7,498.51	2,595.84	(9,998.50)	(6,218.36)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	5,803.87	(1,289.27)	(124.30)	(50,205.69)	7,498.51	2,595.84	(9,998.50)	(6,218.36)
FUND BALANCES - BEGINNING OF YEAR	51,714.24	4,059.40	3,628.56	179,121.02	55,102.65	4,416.08	56,523.54	10,191.42
FUND BALANCES - END OF YEAR	\$ 57,518.11	\$ 2,770.13	\$ 3,504.26	\$ 128,915.33	\$ 62,601.16	\$ 7,011.92	\$ 46,525.04	\$ 3,973.06

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Sheriff's Civil Fees Fund	Senate Bill 40 Fund	P.A. Bad Check Fund	Sheriff's Reserve Fund	Senior Services Tax Fund	Youth Tax Board Fund	Total
REVENUES							
Property Tax	\$ -	\$ 243,863.75	\$ -	\$ -	\$ -	\$ -	\$ 243,863.75
Sales Tax	-	-	-	-	19,938.89	19,938.90	39,877.79
Inter-Governmental Revenue	-	-	-	-	-	-	-
Charges for Services	25,065.57	-	26,261.29	500.00	-	-	796,264.10
Grants, Distributions and Reimbursements	8,749.80	-	-	-	-	-	311,736.23
Fees, Licenses and Permits	-	-	-	-	-	-	-
Interest	741.22	3,012.62	361.19	103.55	3.91	3.91	12,056.79
Other	16,557.19	10,982.68	-	1,750.00	-	-	33,199.40
TOTAL REVENUES	51,113.78	257,859.05	26,622.48	2,353.55	19,942.80	19,942.81	1,436,998.06
EXPENDITURES							
General Government	41,158.05	308,000.00	40,136.76	-	2,000.00	-	1,492,143.28
Administration of Justice and Law	-	-	-	2,059.71	-	-	12,312.73
Permits, Licenses and Fees	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-
Capital Outlay:							
Construction of Roads and Bridges	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-
Debt Service:							
Principal Payment	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-
TOTAL EXPENDITURES	41,158.05	308,000.00	40,136.76	2,059.71	2,000.00	-	1,504,456.01
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,955.73	(50,140.95)	(13,514.28)	293.84	17,942.80	19,942.81	(67,457.95)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	9,955.73	(50,140.95)	(13,514.28)	293.84	17,942.80	19,942.81	(67,457.95)
FUND BALANCES - BEGINNING OF YEAR	29,686.12	87,048.57	30,468.53	6,956.90	-	-	518,917.03
FUND BALANCES - END OF YEAR	\$ 39,641.85	\$ 36,907.62	\$ 16,954.25	\$ 7,250.74	\$ 17,942.80	\$ 19,942.81	\$ 451,459.08

THE COUNTY OF PERRY
 PERRYVILLE, MISSOURI
 (the Primary Government)
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
 DECEMBER 31, 2007

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Transfer Station Fund	Recycling Center Fund	Sheriff Revolving Fund	Recorder's User Fees Fund	Election Services Fund
ASSETS								
Cash and Cash Equivalents	\$ 51,714.24	\$ 4,059.40	\$ 3,628.56	\$ 179,121.02	\$ 55,102.65	\$ 4,416.08	\$ 56,523.54	\$ 10,191.42
TOTAL ASSETS	51,714.24	4,059.40	3,628.56	179,121.02	55,102.65	4,416.08	56,523.54	10,191.42
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	-		-	-	-	-	-	-
UNRESERVED FUND BALANCES	51,714.24	4,059.40	3,628.56	179,121.02	55,102.65	4,416.08	56,523.54	10,191.42
TOTAL LIABILITIES AND FUND BALANCES	\$ 51,714.24	\$ 4,059.40	\$ 3,628.56	\$ 179,121.02	\$ 55,102.65	\$ 4,416.08	\$ 56,523.54	\$ 10,191.42

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	<u>Sheriff's Civil Fees Fund</u>	<u>Senate Bill 40 Fund</u>	<u>P.A. Bad Check Fund</u>	<u>Sheriff's Reserve Fund</u>	<u>Senior Services Tax Fund</u>	<u>Youth Tax Board Fund</u>	<u>Total</u>
ASSETS							
Cash and Cash Equivalents	\$ 29,686.12	\$ 87,048.57	\$ 30,468.53	\$ 6,956.90	\$ -	\$ -	\$ 518,917.03
TOTAL ASSETS	<u>29,686.12</u>	<u>87,048.57</u>	<u>30,468.53</u>	<u>6,956.90</u>	<u>-</u>	<u>-</u>	<u>518,917.03</u>
LIABILITIES AND FUND BALANCES							
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>29,686.12</u>	<u>87,048.57</u>	<u>30,468.53</u>	<u>6,956.90</u>	<u>-</u>	<u>-</u>	<u>518,917.03</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,686.12</u>	<u>\$ 87,048.57</u>	<u>\$ 30,468.53</u>	<u>\$ 6,956.90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,917.03</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Transfer Station Fund	Recycling Center Fund	Sheriff Revolving Fund	Recorder's User Fees Fund
REVENUES							
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-
Charges for Services	4,157.75	5,432.15	1,371.63	527,448.38	122,316.72	2,630.00	15,351.00
Grants, Distributions and Reimbursements	277,927.48	2,528.59	-	-	35,064.84	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-
Interest	4,418.14	77.04	168.28	8,717.37	2,891.89	147.99	1,358.91
Other	-	-	-	-	344.91	-	1,160.41
TOTAL REVENUES	286,503.37	8,037.78	1,539.91	536,165.75	160,618.36	2,777.99	17,870.32
EXPENDITURES							
General Government	266,591.63	-	-	561,766.14	174,749.95	-	13,692.22
Administration of Justice and Law	-	6,912.25	1,214.56	-	-	627.00	-
Highways and Roads	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-
Capital Outlay:							
Construction of Roads and Bridges	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-
Debt Service:							
Principal Payment	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
TOTAL EXPENDITURES	266,591.63	6,912.25	1,214.56	561,766.14	174,749.95	627.00	13,692.22
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,911.74	1,125.53	325.35	(25,600.39)	(14,131.59)	2,150.99	4,178.10
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	19,911.74	1,125.53	325.35	(25,600.39)	(14,131.59)	2,150.99	4,178.10
FUND BALANCES - BEGINNING OF YEAR	31,802.50	2,933.87	3,303.21	204,721.41	69,234.24	2,265.09	52,345.44
FUND BALANCES - END OF YEAR	\$ 51,714.24	\$ 4,059.40	\$ 3,628.56	\$179,121.02	\$ 55,102.65	\$ 4,416.08	\$ 56,523.54

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Election Services Fund	Sheriff's Civil Fees Fund	Senate Bill 40 Fund	P.A. Bad Check Fund	Sheriff's Reserve Fund	Senior Services Tax Fund	Youth Tax Board Fund	Total
REVENUES								
Property Tax	\$ -	\$ -	\$ 235,448.40	\$ -	\$ -	\$ -	\$ -	\$ 235,448.40
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	24,728.97	-	24,822.63	-	-	-	728,259.23
Grants, Distributions and Reimbursements	2,996.55	10,542.60	-	-	700.00	-	-	329,760.06
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	953.13	1,160.83	6,825.15	1,412.04	130.73	-	-	28,261.50
Other	1,852.80	26,111.61	8,884.07	-	2,920.60	-	-	41,274.40
TOTAL REVENUES	5,802.48	62,544.01	251,157.62	26,234.67	3,751.33	-	-	1,363,003.59
EXPENDITURES								
General Government	6,045.29	-	213,000.00	22,864.54	-	-	-	1,258,709.77
Administration of Justice and Law	-	49,403.54	-	-	2,317.00	-	-	60,474.35
Highways and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,045.29	49,403.54	213,000.00	22,864.54	2,317.00	-	-	1,319,184.12
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(242.81)	13,140.47	38,157.62	3,370.13	1,434.33	-	-	43,819.47
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(14,061.00)	-	-	-	-	-	-	(14,061.00)
TOTAL OTHER FINANCING SOURCES (USES)	(14,061.00)	-	-	-	-	-	-	(14,061.00)
NET CHANGE IN FUND BALANCES	(14,303.81)	13,140.47	38,157.62	3,370.13	1,434.33	-	-	29,758.47
FUND BALANCES - BEGINNING OF YEAR	24,495.23	16,545.65	48,890.95	27,098.40	5,522.57	-	-	489,158.56
FUND BALANCES - END OF YEAR	\$ 10,191.42	\$ 29,686.12	\$ 87,048.57	\$ 30,468.53	\$ 6,956.90	\$ -	\$ -	\$ 518,917.03

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
AGENCY FUNDS - DECEMBER 31, 2008

	Law Enforcement Restitution Fund	Juvenile Restitution - Court Fund	Shop with a Cop Fund	Surplus Sales Tax Fund	Fees Due Other Fund	Loanable School Fines - Interest	Collector	Circuit Court
ASSETS								
Cash and Cash Equivalents	\$ 10,800.82	\$ 3,267.00	\$ 5,649.37	\$ 100.11	\$ 480.21	\$ 111,128.91	\$9,701,274.31	\$ 597,179.14
TOTAL ASSETS	<u>10,800.82</u>	<u>3,267.00</u>	<u>5,649.37</u>	<u>100.11</u>	<u>480.21</u>	<u>111,128.91</u>	<u>9,701,274.31</u>	<u>597,179.14</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>10,800.82</u>	<u>3,267.00</u>	<u>5,649.37</u>	<u>100.11</u>	<u>480.21</u>	<u>111,128.91</u>	<u>9,701,274.31</u>	<u>597,179.14</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,800.82</u>	<u>\$ 3,267.00</u>	<u>\$ 5,649.37</u>	<u>\$ 100.11</u>	<u>\$ 480.21</u>	<u>\$ 111,128.91</u>	<u>\$9,701,274.31</u>	<u>\$ 597,179.14</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS (CONTINUED)
AGENCY FUNDS - DECEMBER 31, 2008

	<u>Recorder</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Senior Service Tax Commission</u>	<u>Senate Bill 40 Board</u>	<u>Treasurer</u>	<u>Associate Circuit Court</u>	<u>Total</u>
ASSETS								
Cash and Cash Equivalents	\$ 4.00	\$ 31,228.70	\$ 16,420.58	\$ 2,000.00	\$ 861.14	\$ 883,542.64	\$ 26,550.33	\$ 11,390,487.26
TOTAL ASSETS	<u>4.00</u>	<u>31,228.70</u>	<u>16,420.58</u>	<u>2,000.00</u>	<u>861.14</u>	<u>883,542.64</u>	<u>26,550.33</u>	<u>11,390,487.26</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>4.00</u>	<u>31,228.70</u>	<u>16,420.58</u>	<u>2,000.00</u>	<u>861.14</u>	<u>883,542.64</u>	<u>26,550.33</u>	<u>11,390,487.26</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4.00</u>	<u>\$ 31,228.70</u>	<u>\$ 16,420.58</u>	<u>\$ 2,000.00</u>	<u>\$ 861.14</u>	<u>\$ 883,542.64</u>	<u>\$ 26,550.33</u>	<u>\$ 11,390,487.26</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
AGENCY FUNDS - DECEMBER 31, 2007

	Law Enforcement Restitution Fund	Juvenile Restitution - Court Fund	Shop with a Cop Fund	Surplus Sales Tax Fund	Fees Due Other Fund	Loanable School Fines - Interest	Collector	Circuit Court
ASSETS								
Cash and Cash Equivalents	\$ 5,160.50	\$ 2,692.00	\$ 5,296.21	\$ 2,076.73	\$ -	\$ 175,288.54	\$ 10,843,545.00	\$ 189,547.79
TOTAL ASSETS	<u>5,160.50</u>	<u>2,692.00</u>	<u>5,296.21</u>	<u>2,076.73</u>	<u>-</u>	<u>175,288.54</u>	<u>10,843,545.00</u>	<u>189,547.79</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>5,160.50</u>	<u>2,692.00</u>	<u>5,296.21</u>	<u>2,076.73</u>	<u>-</u>	<u>175,288.54</u>	<u>10,843,545.00</u>	<u>189,547.79</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,160.50</u>	<u>\$ 2,692.00</u>	<u>\$ 5,296.21</u>	<u>\$ 2,076.73</u>	<u>\$ -</u>	<u>\$ 175,288.54</u>	<u>\$ 10,843,545.00</u>	<u>\$ 189,547.79</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS (CONTINUED)
AGENCY FUNDS - DECEMBER 31, 2007

	Recorder	Sheriff	Prosecuting Attorney	Senior Service Tax Commission	Senate Bill 40 Board	Treasurer	Associate Circuit Court	Total
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 20,519.57	\$ 13,817.98	\$ -	\$ 311.55	\$ 901,534.71	\$ 24,695.94	\$ 12,184,486.52
TOTAL ASSETS	<u>-</u>	<u>20,519.57</u>	<u>13,817.98</u>	<u>-</u>	<u>311.55</u>	<u>901,534.71</u>	<u>24,695.94</u>	<u>12,184,486.52</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>20,519.57</u>	<u>13,817.98</u>	<u>-</u>	<u>311.55</u>	<u>901,534.71</u>	<u>24,695.94</u>	<u>12,184,486.52</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 20,519.57</u>	<u>\$ 13,817.98</u>	<u>\$ -</u>	<u>\$ 311.55</u>	<u>\$ 901,534.71</u>	<u>\$ 24,695.94</u>	<u>\$ 12,184,486.52</u>

STATE COMPLIANCE SECTION

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2008 and December 31, 2007.

FEDERAL COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To The County Commission
The County of Perry, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The County of Perry (the Primary Government), Missouri as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon, dated July 14, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, 07/08-03 and 07/08-04 described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Primary Government's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated July 14, 2009.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County officeholders, Missouri State Auditor's Office and 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 14, 2009

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02
(concluded) Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-04 Criteria: Segregation of duties.

Condition: Lack of segregation of duties.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of current employee.

Management's Response: Reports are reconciled to other offices. We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Perry County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Perry County as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Perry County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
July 14, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

07/08-02 **Management's Response (Concluded):** The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

07/08-04 **Criteria:** Segregation of duties.

Condition: Lack of segregation of duties.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of current employee.

Management's Response: Reports are reconciled to other offices. We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (Concluded)

- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated May 11, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Perry County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered 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.

As part of obtaining reasonable assurance about whether the County's 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Perry County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Perry County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Perry County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 20, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Perry County are described in Note I to the financial statements. New accounting policies adopted during the years ended December 31, 2008, and December 31, 2007, were GASB Statements No. 34, 37 and 38. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 14, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the audit we noted an outstanding check dated back to 2004 in the prosecuting attorney's general account which should be addressed.