



**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Barry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Barry County, and issues a separate report on that audit. In addition, in cooperation with the county, 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

January 2010  
Report No. 2010-03

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2008 & 2007

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
TABLE OF CONTENTS

---

	PAGE
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	1-2
 <b>FINANCIAL STATEMENTS</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets – Modified Cash Basis .....	3
Statement of Activities – Modified Cash Basis .....	4-5
 <i>Fund Financial Statements:</i>	
Balance Sheet – Modified Cash Basis – Governmental Funds .....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Governmental Funds .....	7
Reconciliation of the Governmental Funds Balance Sheet With the Statement of Net Assets – Modified Cash Basis .....	8-9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with The Government-Wide Statement of Activities – Modified Cash Basis .....	10-11
Statement of Fiduciary Net Assets – Modified Cash Basis Agency Funds .....	12
Notes to the Financial Statements .....	13-24
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual - Modified Cash Basis – General Fund – Unaudited .....	25
Departmental Schedule of Expenditures – Non-GAAP Budget Basis and Actual – Modified Cash Basis - General Fund – Unaudited .....	26-27

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
TABLE OF CONTENTS

---

	PAGE
<b>REQUIRED SUPPLEMENTARY INFORMATION (concluded)</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual - Modified Cash Basis – Special Revenue – Capital Projects Fund - Unaudited.....	28
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual - Modified Cash Basis – Special Revenue – Assessment Fund - Unaudited.....	29
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual - Modified Cash Basis – Special Revenue – Special Road District Fund - Unaudited.....	30
Notes to Required Supplementary Information.....	31

**SUPPLEMENTARY INFORMATION**

*Combining Fund Financial Statements And Schedule Non-Major Governmental Funds:*

Combining Balance Sheet – Modified Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2008.....	32-33
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Modified Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2008.....	34-35
Combining Balance Sheet – Modified Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2007.....	36-37
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Modified Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2007.....	38-39

*Fiduciary Funds:*

Combining Statement of Fiduciary Net Assets – Modified Cash Basis – Agency Funds – 2008.....	40
Combining Statement of Fiduciary Net Assets – Modified Cash Basis – Agency Funds – 2007.....	41

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
TABLE OF CONTENTS

---

	PAGE
<b>STATE COMPLIANCE SECTION</b>	
Schedule of State Findings.....	42
<b>FEDERAL COMPLIANCE SECTION</b>	
Report on Internal Control over Financial Reporting an on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	43-44
Schedule of Findings and Responses.....	45-48

## **FINANCIAL SECTION**



# Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

---

## INDEPENDENT AUDITOR'S REPORT (the Primary Government)

To the County Commission  
The County of Barry, 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 Barry (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the basic financial statements of the Primary Government 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.

Except as discussed in the following paragraph, 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 the *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.

We were not able to audit the accounts held by the Sheriff's Department as of December 31, 2008 and 2007; thereby, we were unable to determine the validity of the book balances through the use of alternative procedures.

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, requires 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 2007, 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 Barry County, the Barry County 911 Emergency Service, the Barry County SB40 and the Barry County Senior Citizens' Tax Board have issued separate reporting entity financial statements. For information on these component units, please contact the Barry County Health

Department at 417-847-2114, the Barry County 911 Emergency Service at 417-846-4911, the Barry County SB40 at 417-846-1719 and the Barry County Senior Citizens Tax Board at 417-847-4441, extension 18.

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.

In our opinion, except for the effects of not being able to include account balances maintained by the Sheriff's Department, 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 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 August 12, 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 – Non-GAAP Budget Basis and Actual – Modified Cash Basis and related notes on pages 25 through 31 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 primarily 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 performed 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 32 through 39 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 42 through 48 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  
August 12, 2009

## **FINANCIAL STATEMENTS**

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

	DECEMBER 31, 2008 TOTAL GOVERNMENTAL ACTIVITIES	DECEMBER 31, 2007 TOTAL GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,271,417.00	\$ 1,176,458.00
Investments	-	540,286.00
<b>TOTAL ASSETS</b>	<b>1,271,417.00</b>	<b>1,716,744.00</b>
 <b>NET ASSETS</b>		
Unrestricted	220,983.00	139,660.00
Restricted for Specific Purpose	1,050,434.00	1,577,084.00
<b>TOTAL NET ASSETS</b>	<b>1,271,417.00</b>	<b>1,716,744.00</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 1,271,417.00</b>	<b>\$ 1,716,744.00</b>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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	\$ 2,468,678.00	\$ 756,371.00	\$ 1,461,560.00	\$ 611,133.00	\$ 360,386.00
Road and Bridge	4,599,447.00	-	-	-	(4,599,447.00)
Financial Administration	154,320.00	-	-	-	(154,320.00)
Other Offices and Grants	135,528.00	-	-	-	(135,528.00)
Administration of Justice and Law Enforcement	1,775,334.00	-	-	-	(1,775,334.00)
Consulting	393,478.00	-	-	-	(393,478.00)
Fees, Licenses and Permits	260,193.00	-	-	-	(260,193.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Property, Equipment and Buildings	95,400.00	-	-	-	(95,400.00)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,882,378.00</b>	<b>\$ 756,371.00</b>	<b>\$ 1,461,560.00</b>	<b>\$ 611,133.00</b>	<b>(7,053,314.00)</b>

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,004,095.00
Sales Tax	5,069,029.00
Investment Income	56,102.00
Miscellaneous	478,761.00
<b>TOTAL GENERAL REVENUES</b>	<b>6,607,987.00</b>
<b>CHANGE IN NET ASSETS</b>	<b>(445,327.00)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,716,744.00</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,271,417.00</b>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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	\$ 1,373,305.00	\$ 695,726.00	\$ 1,615,705.00	\$ 584,912.00	\$ 1,523,038.00
Road and Bridge	4,732,472.00	-	-	-	(4,732,472.00)
Financial Administration	154,320.00	-	-	-	(154,320.00)
Other Offices and Grants	95,987.00	-	-	-	(95,987.00)
Administration of Justice and Law Enforcement	2,034,179.00	-	-	-	(2,034,179.00)
Consulting	352,728.00	-	-	-	(352,728.00)
Fees, Licenses and Permits	437,292.00	-	-	-	(437,292.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Property, Equipment and Buildings	188,019.00	-	-	-	(188,019.00)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,368,302.00</b>	<b>\$ 695,726.00</b>	<b>\$ 1,615,705.00</b>	<b>\$ 584,912.00</b>	<b>(6,471,959.00)</b>

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	902,924.00
Sales Tax	5,102,625.00
Investment Income	115,762.00
Miscellaneous	371,828.00
<b>TOTAL GENERAL REVENUES</b>	<b>6,493,139.00</b>
<b>CHANGE IN NET ASSETS</b>	<b>21,180.00</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,695,564.00</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,716,744.00</b>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 BALANCE SHEET - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>												
Cash and Cash Equivalents	\$ 220,983.00	\$ 168.00	\$ 377,789.00	\$ 568,982.00	\$ 103,495.00	\$ 1,271,417.00	\$ 82,547.00	\$ 321,085.00	\$ 173,321.00	\$ 409,170.00	\$ 190,335.00	\$ 1,176,458.00
Investments	-	-	-	-	-	-	57,113.00	228,453.00	121,948.00	-	132,772.00	540,286.00
<b>TOTAL ASSETS</b>	<u>220,983.00</u>	<u>168.00</u>	<u>377,789.00</u>	<u>568,982.00</u>	<u>103,495.00</u>	<u>1,271,417.00</u>	<u>139,660.00</u>	<u>549,538.00</u>	<u>295,269.00</u>	<u>409,170.00</u>	<u>323,107.00</u>	<u>1,716,744.00</u>
<b>FUND BALANCES</b>												
Unreserved:												
General Fund	220,983.00	-	-	-	-	220,983.00	139,660.00	-	-	-	-	139,660.00
Special Revenue Funds	-	168.00	377,789.00	568,982.00	103,495.00	1,050,434.00	-	549,538.00	295,269.00	409,170.00	323,107.00	1,577,084.00
<b>TOTAL FUND BALANCES</b>	<u>220,983.00</u>	<u>168.00</u>	<u>377,789.00</u>	<u>568,982.00</u>	<u>103,495.00</u>	<u>1,271,417.00</u>	<u>139,660.00</u>	<u>549,538.00</u>	<u>295,269.00</u>	<u>409,170.00</u>	<u>323,107.00</u>	<u>1,716,744.00</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 220,983.00</u>	<u>\$ 168.00</u>	<u>\$ 377,789.00</u>	<u>\$ 568,982.00</u>	<u>\$ 103,495.00</u>	<u>\$ 1,271,417.00</u>	<u>\$ 139,660.00</u>	<u>\$ 549,538.00</u>	<u>\$ 295,269.00</u>	<u>\$ 409,170.00</u>	<u>\$ 323,107.00</u>	<u>\$ 1,716,744.00</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>												
Property Tax	\$ 39,561.00	\$ -	\$ -	\$ 964,534.00	\$ -	\$ 1,004,095.00	\$ 36,081.00	\$ -	\$ -	\$ 866,843.00	\$ -	\$ 902,924.00
Sales Tax	1,896,753.00	-	-	3,172,276.00	-	5,069,029.00	1,893,781.00	-	-	3,208,844.00	-	5,102,625.00
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	700,669.00	-	15,238.00	-	40,464.00	756,371.00	637,191.00	-	16,624.00	-	41,911.00	695,726.00
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	1,009,088.00	-	407,191.00	611,133.00	45,281.00	2,072,693.00	950,266.00	-	374,913.00	584,912.00	290,526.00	2,200,617.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Interest	21,726.00	-	14,350.00	11,316.00	8,710.00	56,102.00	48,286.00	-	19,114.00	27,734.00	20,628.00	115,762.00
Other	86,223.00	335,949.00	83.00	-	56,506.00	478,761.00	84,796.00	175,000.00	332.00	-	111,700.00	371,828.00
<b>TOTAL REVENUES</b>	<b>3,754,020.00</b>	<b>335,949.00</b>	<b>436,862.00</b>	<b>4,759,259.00</b>	<b>150,961.00</b>	<b>9,437,051.00</b>	<b>3,650,401.00</b>	<b>175,000.00</b>	<b>410,983.00</b>	<b>4,688,333.00</b>	<b>464,765.00</b>	<b>9,389,482.00</b>
<b>EXPENDITURES</b>												
Current:												
General County Government	1,303,606.00	885,319.00	-	-	279,753.00	2,468,678.00	1,280,518.00	-	-	-	92,787.00	1,373,305.00
Road and Bridge	-	-	-	4,599,447.00	-	4,599,447.00	-	-	-	4,732,472.00	-	4,732,472.00
Financial Administration	154,320.00	-	-	-	-	154,320.00	154,320.00	-	-	-	-	154,320.00
Other Offices and Grants	135,528.00	-	-	-	-	135,528.00	95,987.00	-	-	-	-	95,987.00
Property Valuation and Recording	39,136.00	-	354,342.00	-	-	393,478.00	39,988.00	-	312,740.00	-	-	352,728.00
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Permits and Fees	260,193.00	-	-	-	-	260,193.00	437,292.00	-	-	-	-	437,292.00
Administration of Justice and Law	1,684,514.00	-	-	-	90,820.00	1,775,334.00	1,673,025.00	-	-	-	361,154.00	2,034,179.00
Continued Progress	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
Construction	-	-	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	95,400.00	-	-	-	-	95,400.00	188,019.00	-	-	-	-	188,019.00
<b>TOTAL EXPENDITURES</b>	<b>3,672,697.00</b>	<b>885,319.00</b>	<b>354,342.00</b>	<b>4,599,447.00</b>	<b>370,573.00</b>	<b>9,882,378.00</b>	<b>3,869,149.00</b>	<b>-</b>	<b>312,740.00</b>	<b>4,732,472.00</b>	<b>453,941.00</b>	<b>9,368,302.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>81,323.00</b>	<b>(549,370.00)</b>	<b>82,520.00</b>	<b>159,812.00</b>	<b>(219,612.00)</b>	<b>(445,327.00)</b>	<b>(218,748.00)</b>	<b>175,000.00</b>	<b>98,243.00</b>	<b>(44,139.00)</b>	<b>10,824.00</b>	<b>21,180.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>81,323.00</b>	<b>(549,370.00)</b>	<b>82,520.00</b>	<b>159,812.00</b>	<b>(219,612.00)</b>	<b>(445,327.00)</b>	<b>(218,748.00)</b>	<b>175,000.00</b>	<b>98,243.00</b>	<b>(44,139.00)</b>	<b>10,824.00</b>	<b>21,180.00</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>139,660.00</b>	<b>549,538.00</b>	<b>295,269.00</b>	<b>409,170.00</b>	<b>323,107.00</b>	<b>1,716,744.00</b>	<b>358,408.00</b>	<b>374,538.00</b>	<b>197,026.00</b>	<b>453,309.00</b>	<b>312,283.00</b>	<b>1,695,564.00</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 220,983.00</b>	<b>\$ 168.00</b>	<b>\$ 377,789.00</b>	<b>\$ 568,982.00</b>	<b>\$ 103,495.00</b>	<b>\$ 1,271,417.00</b>	<b>\$ 139,660.00</b>	<b>\$ 549,538.00</b>	<b>\$ 295,269.00</b>	<b>\$ 409,170.00</b>	<b>\$ 323,107.00</b>	<b>\$ 1,716,744.00</b>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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, 2008

---

Amounts reported for governmental activities in the  
statement of activities are different because

Total Fund Balance – Governmental Funds	\$ 1,271,417
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u>\$ 1,271,417</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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	\$ 1,716,744
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u>\$ 1,716,744</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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	\$ (445,327)
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u>\$ (445,327)</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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	\$ 474,489
There are no items of reconciliation	<u>                  -</u>
Change in net assets of governmental activities	<u>\$ 474,489</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY  
CASSVILLE, 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>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 15,528,710.00	\$ 14,472,142.00
Investments	-	111,839.00
<b>TOTAL ASSETS</b>	<u>15,528,710.00</u>	<u>14,583,981.00</u>
<b>LIABILITIES</b>		
Due to Other Funds	<u>15,528,710.00</u>	<u>14,583,981.00</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 15,528,710.00</u>	<u>\$ 14,583,981.00</u>

See accompanying notes to the financial statements.

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

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Barry, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

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 Primary Government.

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 Barry 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 Primary Government.

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 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 Primary Government does not have any such activities.

THE COUNTY OF BARRY  
CASSVILLE, 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)

*Government-wide Financial Statements:*

The Statement of Net Assets presents the financial condition of the governmental activities of the Primary Government 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 Primary Government.

*Fund Financial Statements:*

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government 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 Primary Government has determined that the General Fund, Capital Projects Fund, the Assessment Fund, and the Special Road District 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 Primary Government 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 are in the basic financial statements. The following fund types are used by the Primary Government:

THE COUNTY OF BARRY  
CASSVILLE, 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)

*Governmental Fund Types:*

Governmental funds are those through which most governmental functions are financed. The Primary Government'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 Primary Government's governmental major funds:

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

Capital Projects Fund – The Capital Projects Fund is a special revenue fund used to account for monies set aside out of general revenue each month to cover any capital projects.

Assessment Fund – The Assessment Fund is a special revenue fund used to account for reimbursements from the state and charges for services and related expenditures for the Assessor's office.

Special Road District Fund – The Special Road District is a special revenue fund used to account for receipts of the Primary Government property and sales tax revenues and related expenditures for road maintenance and improvement projects.

The other governmental funds of the Primary Government 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.

*Fiduciary Fund Types:*

Agency – Agency funds are used to account for assets held by the Primary Government 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.

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

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Primary Government 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 Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 295,021,218	\$ 283,960,939
Personal Property	124,030,523	121,434,891
Railroad and Utilities	15,734,131	17,276,896
	\$ 434,785,872	\$ 422,672,726

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

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

During 2008 and 2007 the County Commission approved a \$0.1200 and \$0.1901, 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	\$ .0000	\$ 0000
Senior Services	.0500	.0500
Developmental D.A. Board	.0700	.0700
Barry County Health Dept.	-	.0701
	\$ .1200	\$ .1901

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 the funds' 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 Primary Government's name at third-party banking institutions. Details of these cash balances are presented in Note II.

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.

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

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Interfund Transactions (concluded)

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 represent 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 Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government 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. DEPOSITS AND INVESTMENTS

The Primary Government maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. 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 Primary Government's deposits was \$1,271,417 and \$1,716,744, the bank balance was \$12,006,459 and \$12,906,319 respectively. As of December 31, 2008 and 2007, 100% of the Primary Government's investments were guaranteed by the U. S. Government.

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

---

II. DEPOSITS 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:

Balance Sheet – Government Funds

Deposits	\$ 1,271,417.00
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2008	<u>\$ 1,271,417.00</u>

As of December 31, 2008, the Primary Government did not have any investments.

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 1,176,458.00
Investments	540,286.00
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2007	<u>\$ 1,716,744.00</u>

As of December 31, 2007, the Primary Government's investments were as follows:

The Primary Government had two certificates of deposit which were allocated to various funds. The certificates of deposit matured on August 13, 2008 and March 3, 2008. The total of certificates of deposit allocated to the major and non-major funds as of December 31, 2007 was \$540,286.00.

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 year end December 31, 2008 & 2007.

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

II. DEPOSITS AND INVESTMENTS (concluded)

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. The Primary Government does not have a policy for custodial credit risk relating to investments. 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.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Primary Government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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. The Primary Government’s deposits were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

III. LONG-TERM DEBT

The primary government has \$178,000 Barry County, Missouri General Obligation bonds Series 2002 (Shell Knob Senior Corporation Project Neighborhood Improvement District) dated May 1, 2002. Principal and interest payments are due annually on April 1, with an annual interest rate of 5.875%.

NID AMORTIZATION FOR 2007

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2008	\$ 6,000.00	\$ 8,871.25	\$ 14,871.25
2009	7,000.00	8,518.75	15,518.75
2010	7,000.00	8,107.50	15,107.50
2011	8,000.00	7,696.25	15,696.25
2012	8,000.00	7,226.25	15,226.25
2013-2017	49,000.00	28,317.50	77,317.50
2018-2022	66,000.00	12,102.50	78,102.50
	\$ 151,000.00	\$ 80,840.00	\$ 231,840.00

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

III. LONG-TERM DEBT (continued)

Balance – December 31, 2006	\$ 157,000.00
Additions	0.00
Payments	<u>(6,000.00)</u>
 Balance – December 31, 2007	 <u>\$ 151,000.00</u>

NID AMORTIZATION FOR 2008

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 7,000.00	\$ 8,518.75	\$ 15,518.75
2010	7,000.00	8,107.50	15,107.50
2011	8,000.00	7,696.25	15,696.25
2012	8,000.00	7,226.25	15,226.25
2013	9,000.00	6,756.25	15,756.25
2014-2018	52,000.00	25,438.75	77,438.75
2019-2022	<u>54,000.00</u>	<u>8,225.00</u>	<u>62,225.00</u>
	<u>\$ 145,000.00</u>	<u>\$ 71,968.75</u>	<u>\$ 216,968.75</u>

Balance – December 31, 2007	\$ 151,000.00
Additions	0.00
Payments	<u>(6,000.00)</u>
 Balance – December 31, 2008	 <u>\$ 145,000.00</u>

On October 27, 2008, the Primary Government entered into a promissory note with Security Bank of Southwest Missouri for a total principal amount of \$200,000. However, the Primary Government only withdrew \$83,000 for items related to the County Jail. The interest rate is 4.00% and matures on December 31, 2008. On February 2, 2009, the County Commission approved to extend the \$200,000 loan, even though it still carries the \$83,000 balance, until December 31, 2009 at an interest rate of 3.25%.

There is no amortization for 2007 since the loan was taken out in 2008.

LOAN AMORTIZATION FOR 2008

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 83,000.00	\$ 573.04	\$ 83,573.04
	<u>\$ 83,000.00</u>	<u>\$ 573.04</u>	<u>\$ 83,573.04</u>

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

---

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2007	\$	-
Additions		83,000.00
Payments		-
		-
Balance – December 31, 2008	\$	83,000.00

IV. COUNTY EMPLOYEES’ RETIREMENT FUND (CERF)

The County Employees’ Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employees whose position requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven members.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan’s formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

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

---

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

B. Pension Benefits (concluded)

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, 2121 Schotthill Road, Jefferson City, MO 65102, 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. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately for \$79,002 and \$71,815, respectively, for the years then ended.

V. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the Primary Government 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 Primary Government has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2008 and 2007.

VI. POST EMPLOYMENT BENEFITS

The Primary Government 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 Primary Government.

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government is involved in pending litigation at December 31, 2008.

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

---

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The Primary Government provides employees with one week of vacation after the first year, two weeks after two years and three weeks after seven years. Vacation days are lost if not used. Sick leave is accrued ½ day per month with a maximum total number of 30 days. If an employee leaves or is terminated, the employee is reimbursed for half of the unused sick time that has been accrued. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The Primary Government 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.

VIII. 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 537.700 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - 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		
<b>REVENUES</b>								
Property Tax	\$ 36,600.00	\$ 36,600.00	\$ 39,561.00	\$ 2,961.00	\$ 35,000.00	\$ 35,000.00	\$ 36,081.00	\$ 1,081.00
Sales Tax	1,931,656.00	1,931,656.00	1,896,753.00	(34,903.00)	1,995,071.00	1,995,071.00	1,893,781.00	(101,290.00)
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	671,077.00	671,077.00	700,669.00	29,592.00	663,700.00	663,700.00	637,191.00	(26,509.00)
Grants, Distributions and Reimbursements	860,729.00	860,729.00	1,009,088.00	148,359.00	926,961.00	926,961.00	950,266.00	23,305.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interests	33,374.00	33,374.00	21,726.00	(11,648.00)	40,535.00	40,535.00	48,286.00	7,751.00
Other	61,899.00	61,899.00	86,223.00	24,324.00	117,810.00	117,810.00	84,796.00	(33,014.00)
<b>TOTAL REVENUES</b>	<b>3,595,335.00</b>	<b>3,595,335.00</b>	<b>3,754,020.00</b>	<b>158,685.00</b>	<b>3,779,077.00</b>	<b>3,779,077.00</b>	<b>3,650,401.00</b>	<b>(128,676.00)</b>
<b>EXPENDITURES</b>								
<b>Current:</b>								
General County Government	1,321,330.00	1,321,330.00	1,303,606.00	(17,724.00)	1,241,839.00	1,241,839.00	1,280,518.00	38,679.00
Financial Administration	154,578.00	154,578.00	154,320.00	(258.00)	154,100.00	154,100.00	154,320.00	220.00
Other Offices and Grants	114,325.00	114,325.00	135,528.00	21,203.00	93,200.00	93,200.00	95,987.00	2,787.00
Health and Welfare	270,958.00	270,958.00	260,193.00	(10,765.00)	370,534.00	370,534.00	437,292.00	66,758.00
Property Valuation and Recording	39,190.00	39,190.00	39,136.00	(54.00)	39,940.00	39,940.00	39,988.00	48.00
Administration of Justice and Law	1,633,240.00	1,633,240.00	1,684,514.00	51,274.00	1,705,597.00	1,705,597.00	1,673,025.00	(32,572.00)
<b>Capital Outlay:</b>								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	91,450.00	91,450.00	95,400.00	3,950.00	200,000.00	200,000.00	188,019.00	(11,981.00)
<b>TOTAL EXPENDITURES</b>	<b>3,625,071.00</b>	<b>3,625,071.00</b>	<b>3,672,697.00</b>	<b>47,626.00</b>	<b>3,805,210.00</b>	<b>3,805,210.00</b>	<b>3,869,149.00</b>	<b>63,939.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(29,736.00)</b>	<b>(29,736.00)</b>	<b>81,323.00</b>	<b>111,059.00</b>	<b>(26,133.00)</b>	<b>(26,133.00)</b>	<b>(218,748.00)</b>	<b>(192,615.00)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	(108,752.00)	(108,752.00)	-	108,752.00	(114,156.00)	(114,156.00)	-	114,156.00
<b>Debt Service:</b>								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(108,752.00)</b>	<b>(108,752.00)</b>	<b>-</b>	<b>108,752.00</b>	<b>(114,156.00)</b>	<b>(114,156.00)</b>	<b>-</b>	<b>114,156.00</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(138,488.00)</b>	<b>(138,488.00)</b>	<b>81,323.00</b>	<b>219,811.00</b>	<b>(140,289.00)</b>	<b>(140,289.00)</b>	<b>(218,748.00)</b>	<b>(78,459.00)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>139,660.00</b>	<b>139,660.00</b>	<b>139,660.00</b>	<b>-</b>	<b>358,408.00</b>	<b>358,408.00</b>	<b>358,408.00</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,172.00</b>	<b>\$ 1,172.00</b>	<b>\$ 220,983.00</b>	<b>\$ 219,811.00</b>	<b>\$ 218,119.00</b>	<b>\$ 218,119.00</b>	<b>\$ 139,660.00</b>	<b>\$ (78,459.00)</b>

See accompanying Independent Auditor's Report.

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

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	FINAL BUDGET	ORIGINAL		FINAL
Current:								
General County Government:								
County Commission	\$ 93,480.00	\$ 93,480.00	\$ 93,579.00	\$ 99.00	\$ 104,262.00	\$ 104,262.00	\$ 108,652.00	\$ 4,390.00
County Clerk	70,920.00	70,920.00	70,991.00	71.00	70,940.00	70,940.00	70,916.00	(24.00)
Elections	95,557.00	95,557.00	86,913.00	(8,644.00)	65,895.00	65,895.00	63,144.00	(2,751.00)
Buildings and Grounds	169,755.00	169,755.00	182,078.00	12,323.00	159,388.00	159,388.00	164,193.00	4,805.00
Employee Fringe Benefits	475,100.00	475,100.00	480,581.00	5,481.00	442,496.00	442,496.00	476,619.00	34,123.00
Other Expenses	416,518.00	416,518.00	389,464.00	(27,054.00)	398,858.00	398,858.00	396,994.00	(1,864.00)
	<u>1,321,330.00</u>	<u>1,321,330.00</u>	<u>1,303,606.00</u>	<u>(17,724.00)</u>	<u>1,241,839.00</u>	<u>1,241,839.00</u>	<u>1,280,518.00</u>	<u>38,679.00</u>
Financial Administration:								
Collector	107,528.00	107,528.00	107,659.00	131.00	107,000.00	107,000.00	107,430.00	430.00
Treasurer	47,050.00	47,050.00	46,661.00	(389.00)	47,100.00	47,100.00	46,890.00	(210.00)
	<u>154,578.00</u>	<u>154,578.00</u>	<u>154,320.00</u>	<u>(258.00)</u>	<u>154,100.00</u>	<u>154,100.00</u>	<u>154,320.00</u>	<u>220.00</u>
Other Offices & Grants:								
Other Offices & Grants	114,325.00	114,325.00	135,528.00	21,203.00	93,200.00	93,200.00	95,987.00	2,787.00
	<u>114,325.00</u>	<u>114,325.00</u>	<u>135,528.00</u>	<u>21,203.00</u>	<u>93,200.00</u>	<u>93,200.00</u>	<u>95,987.00</u>	<u>2,787.00</u>
Health and Welfare:								
Non-Institutional Care	270,958.00	270,958.00	260,193.00	(10,765.00)	370,534.00	370,534.00	437,292.00	66,758.00
	<u>\$ 270,958.00</u>	<u>\$ 270,958.00</u>	<u>\$ 260,193.00</u>	<u>\$ (10,765.00)</u>	<u>\$ 370,534.00</u>	<u>\$ 370,534.00</u>	<u>\$ 437,292.00</u>	<u>\$ 66,758.00</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL  
MODIFIED CASH BASIS - 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	\$ 39,190.00	\$ 39,190.00	\$ 39,136.00	\$ (54.00)	\$ 39,940.00	\$ 39,940.00	\$ 39,988.00	\$ 48.00
Administration of Justice and Law Enforcement:								
Associate Circuit	-	-	-	-	-	-	-	-
Circuit Clerk	36,500.00	36,500.00	34,635.00	(1,865.00)	44,475.00	44,475.00	32,408.00	(12,067.00)
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	7,000.00	7,000.00	7,023.00	23.00	8,652.00	8,652.00	6,927.00	(1,725.00)
Dispatch	-	-	-	-	-	-	-	-
Circuit Judges and Court Reporters	-	-	-	-	-	-	-	-
Jail	327,630.00	327,630.00	349,201.00	21,571.00	371,457.00	371,457.00	389,154.00	17,697.00
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	170,191.00	170,191.00	172,653.00	2,462.00	172,202.00	172,202.00	169,372.00	(2,830.00)
Medical Examiner	30,424.00	30,424.00	38,068.00	7,644.00	35,874.00	35,874.00	27,878.00	(7,996.00)
Sheriffs Office	774,298.00	774,298.00	801,326.00	27,028.00	773,040.00	773,040.00	773,730.00	690.00
Drug Court	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	268,997.00	268,997.00	263,408.00	(5,589.00)	281,697.00	281,697.00	255,356.00	(26,341.00)
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	18,200.00	18,200.00	18,200.00	-	18,200.00	18,200.00	18,200.00	-
	<u>1,633,240.00</u>	<u>1,633,240.00</u>	<u>1,684,514.00</u>	<u>51,274.00</u>	<u>1,705,597.00</u>	<u>1,705,597.00</u>	<u>1,673,025.00</u>	<u>(32,572.00)</u>
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay:								
Property, Equipment & Buildings	91,450.00	91,450.00	95,400.00	3,950.00	200,000.00	200,000.00	188,019.00	(11,981.00)
	<u>91,450.00</u>	<u>91,450.00</u>	<u>95,400.00</u>	<u>3,950.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>188,019.00</u>	<u>(11,981.00)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,625,071.00</u>	<u>\$ 3,625,071.00</u>	<u>\$ 3,672,697.00</u>	<u>\$ 47,626.00</u>	<u>\$ 3,805,210.00</u>	<u>\$ 3,805,210.00</u>	<u>\$ 3,869,149.00</u>	<u>\$ 63,939.00</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS  
SPECIAL REVENUE MAJOR FUND - CAPITAL PROJECTS 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		
<b>REVENUES</b>								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	550,463.00	550,463.00	335,949.00	(214,514.00)	175,000.00	175,000.00	175,000.00	-
<b>TOTAL REVENUES</b>	<b>550,463.00</b>	<b>550,463.00</b>	<b>335,949.00</b>	<b>(214,514.00)</b>	<b>175,000.00</b>	<b>175,000.00</b>	<b>175,000.00</b>	<b>-</b>
<b>EXPENDITURES</b>								
Capital Projects	1,100,000.00	1,100,000.00	885,319.00	(214,681.00)	525,000.00	525,000.00	-	(525,000.00)
<b>TOTAL EXPENDITURES</b>	<b>1,100,000.00</b>	<b>1,100,000.00</b>	<b>885,319.00</b>	<b>(214,681.00)</b>	<b>525,000.00</b>	<b>525,000.00</b>	<b>-</b>	<b>(525,000.00)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(549,537.00)</b>	<b>(549,537.00)</b>	<b>(549,370.00)</b>	<b>167.00</b>	<b>(350,000.00)</b>	<b>(350,000.00)</b>	<b>175,000.00</b>	<b>525,000.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(549,537.00)</b>	<b>(549,537.00)</b>	<b>(549,370.00)</b>	<b>167.00</b>	<b>(350,000.00)</b>	<b>(350,000.00)</b>	<b>175,000.00</b>	<b>525,000.00</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>549,538.00</b>	<b>549,538.00</b>	<b>549,538.00</b>	<b>-</b>	<b>374,538.00</b>	<b>374,538.00</b>	<b>374,538.00</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1.00</b>	<b>\$ 1.00</b>	<b>\$ 168.00</b>	<b>\$ 167.00</b>	<b>\$ 24,538.00</b>	<b>\$ 24,538.00</b>	<b>\$ 549,538.00</b>	<b>\$ 525,000.00</b>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS  
SPECIAL REVENUE MAJOR FUND - ASSESSMENT 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		
<b>REVENUES</b>								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	16,500.00	16,500.00	15,238.00	(1,262.00)	16,900.00	16,900.00	16,624.00	(276.00)
Grants, Distributions and Reimbursements	380,500.00	380,500.00	407,191.00	26,691.00	360,500.00	360,500.00	374,913.00	14,413.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	12,000.00	12,000.00	14,350.00	2,350.00	11,000.00	11,000.00	19,114.00	8,114.00
Other	-	-	83.00	83.00	-	-	332.00	332.00
<b>TOTAL REVENUES</b>	<b>409,000.00</b>	<b>409,000.00</b>	<b>436,862.00</b>	<b>27,862.00</b>	<b>388,400.00</b>	<b>388,400.00</b>	<b>410,983.00</b>	<b>22,583.00</b>
<b>EXPENDITURES</b>								
Assessment Fund	454,290.00	454,290.00	354,342.00	(99,948.00)	370,090.00	370,090.00	312,740.00	(57,350.00)
<b>TOTAL EXPENDITURES</b>	<b>454,290.00</b>	<b>454,290.00</b>	<b>354,342.00</b>	<b>(99,948.00)</b>	<b>370,090.00</b>	<b>370,090.00</b>	<b>312,740.00</b>	<b>(57,350.00)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(45,290.00)</b>	<b>(45,290.00)</b>	<b>82,520.00</b>	<b>127,810.00</b>	<b>18,310.00</b>	<b>18,310.00</b>	<b>98,243.00</b>	<b>79,933.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(45,290.00)</b>	<b>(45,290.00)</b>	<b>82,520.00</b>	<b>127,810.00</b>	<b>18,310.00</b>	<b>18,310.00</b>	<b>98,243.00</b>	<b>79,933.00</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>295,269.00</b>	<b>295,269.00</b>	<b>295,269.00</b>	<b>-</b>	<b>197,026.00</b>	<b>197,026.00</b>	<b>197,026.00</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 249,979.00</b>	<b>\$ 249,979.00</b>	<b>\$ 377,789.00</b>	<b>\$ 127,810.00</b>	<b>\$ 215,336.00</b>	<b>\$ 215,336.00</b>	<b>\$ 295,269.00</b>	<b>\$ 79,933.00</b>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS  
 SPECIAL REVENUE MAJOR FUND - SPECIAL ROAD DISTRICT 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	\$ 766,582.00	\$ 766,582.00	\$ 964,534.00	\$ 197,952.00	\$ 762,650.00	\$ 762,650.00	\$ 866,843.00	\$ 104,193.00
Sales Tax	3,042,513.00	3,042,513.00	3,172,276.00	129,763.00	3,069,427.00	3,069,427.00	3,208,844.00	139,417.00
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	611,133.00	611,133.00	-	-	584,912.00	584,912.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	-	-	11,316.00	11,316.00	-	-	27,734.00	27,734.00
Other	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,809,095.00</b>	<b>3,809,095.00</b>	<b>4,759,259.00</b>	<b>950,164.00</b>	<b>3,832,077.00</b>	<b>3,832,077.00</b>	<b>4,688,333.00</b>	<b>856,256.00</b>
EXPENDITURES								
Special Road District Fund	3,809,095.00	3,809,095.00	4,599,447.00	790,352.00	3,832,077.00	3,832,077.00	4,732,472.00	900,395.00
<b>TOTAL EXPENDITURES</b>	<b>3,809,095.00</b>	<b>3,809,095.00</b>	<b>4,599,447.00</b>	<b>790,352.00</b>	<b>3,832,077.00</b>	<b>3,832,077.00</b>	<b>4,732,472.00</b>	<b>900,395.00</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	159,812.00	159,812.00	-	-	(44,139.00)	(44,139.00)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCE	-	-	159,812.00	159,812.00	-	-	(44,139.00)	(44,139.00)
FUND BALANCE - BEGINNING OF YEAR	409,170.00	409,170.00	409,170.00	-	-	-	453,309.00	453,309.00
FUND BALANCE - END OF YEAR	<u>\$ 409,170.00</u>	<u>\$ 409,170.00</u>	<u>\$ 568,982.00</u>	<u>\$ 159,812.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,170.00</u>	<u>\$ 409,170.00</u>

See accompanying Independent Auditor's Report.

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

---

BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. 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.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget includes 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.
4. 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.
5. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
6. 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.

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

## **SUPPLEMENTARY INFORMATION**

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

	<u>LEPC Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Micro-Film Fund</u>	<u>Sheriff's Revolving Fund</u>	<u>Special Law Enforcement Fund</u>	<u>Sheriff Fund</u>	<u>Forest Title 3 Fund</u>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 4,911.00	\$ 403.00	\$ 332.00	\$ 77,849.00	\$ 5,372.00	\$ 45.00	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>4,911.00</u>	<u>403.00</u>	<u>332.00</u>	<u>77,849.00</u>	<u>5,372.00</u>	<u>45.00</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-	-	-
<b>UNRESERVED FUND BALANCES</b>	<u>4,911.00</u>	<u>403.00</u>	<u>332.00</u>	<u>77,849.00</u>	<u>5,372.00</u>	<u>45.00</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,911.00</u>	<u>\$ 403.00</u>	<u>\$ 332.00</u>	<u>\$ 77,849.00</u>	<u>\$ 5,372.00</u>	<u>\$ 45.00</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS (concluded)  
 NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)  
 DECEMBER 31, 2008

	<u>POST Fund</u>	<u>Shelter Home Fund</u>	<u>Use Tax Fund</u>	<u>P.A. Bad Check Fund</u>	<u>P.A. Delinquent Tax Fund</u>	<u>Georges CDGB Fund</u>	<u>Election Fund</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 2,080.00	\$ 1,154.00	\$ -	\$ 1,349.00	\$ 1,788.00	\$ -	\$ 8,212.00	\$ 103,495.00
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,080.00</u>	<u>1,154.00</u>	<u>-</u>	<u>1,349.00</u>	<u>1,788.00</u>	<u>-</u>	<u>8,212.00</u>	<u>103,495.00</u>
<b>LIABILITIES AND FUND BALANCES</b>								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>2,080.00</u>	<u>1,154.00</u>	<u>-</u>	<u>1,349.00</u>	<u>1,788.00</u>	<u>-</u>	<u>8,212.00</u>	<u>103,495.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,080.00</u>	<u>\$ 1,154.00</u>	<u>\$ -</u>	<u>\$ 1,349.00</u>	<u>\$ 1,788.00</u>	<u>\$ -</u>	<u>\$ 8,212.00</u>	<u>\$ 103,495.00</u>

THE COUNTY OF BARRY  
 CASSVILLE, 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

	LEPC Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Micro-Film Fund	Sheriff's Revolving Fund	Special Law Enforcement Fund	Forest Title 3 Fund	POST Fund
<b>REVENUES</b>								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	967.00	-	-	-	-	-
Grants, Distributions and Reimbursements	11,882.00	-	-	-	-	-	15,284.00	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	234.00	-	-	2,797.00	105.00	8.00	1,469.00	58.00
Other	-	3,796.00	-	30,095.00	9,174.00	1,803.00	-	2,305.00
<b>TOTAL REVENUES</b>	<b>12,116.00</b>	<b>3,796.00</b>	<b>967.00</b>	<b>32,892.00</b>	<b>9,279.00</b>	<b>1,811.00</b>	<b>16,753.00</b>	<b>2,363.00</b>
<b>EXPENDITURES</b>								
General Government	15,338.00	-	-	45,204.00	-	-	49,820.00	2,425.00
Administration of Justice and Law	-	3,746.00	1,059.00	-	6,447.00	1,805.00	-	-
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	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>15,338.00</b>	<b>3,746.00</b>	<b>1,059.00</b>	<b>45,204.00</b>	<b>6,447.00</b>	<b>1,805.00</b>	<b>49,820.00</b>	<b>2,425.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,222.00)</b>	<b>50.00</b>	<b>(92.00)</b>	<b>(12,312.00)</b>	<b>2,832.00</b>	<b>6.00</b>	<b>(33,067.00)</b>	<b>(62.00)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,222.00)</b>	<b>50.00</b>	<b>(92.00)</b>	<b>(12,312.00)</b>	<b>2,832.00</b>	<b>6.00</b>	<b>(33,067.00)</b>	<b>(62.00)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>8,133.00</b>	<b>353.00</b>	<b>424.00</b>	<b>90,161.00</b>	<b>2,540.00</b>	<b>39.00</b>	<b>33,067.00</b>	<b>2,142.00</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 4,911.00</b>	<b>\$ 403.00</b>	<b>\$ 332.00</b>	<b>\$ 77,849.00</b>	<b>\$ 5,372.00</b>	<b>\$ 45.00</b>	<b>\$ -</b>	<b>\$ 2,080.00</b>

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

	Shelter Home Fund	Use Tax Fund	P.A. Bad Check Fund	P.A. Delinquent Tax Fund	Georges CDGB Fund	Election Fund	Total
<b>REVENUES</b>							
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-
Charges for Services	-	-	39,497.00	-	-	-	40,464.00
Grants, Distributions and Reimbursements	-	-	-	-	18,115.00	-	45,281.00
Fees, Licenses and Permits	-	-	-	-	-	-	-
Interest	23.00	2,466.00	1,035.00	222.00	-	293.00	8,710.00
Other	2,281.00	-	18.00	1,997.00	-	5,037.00	56,506.00
<b>TOTAL REVENUES</b>	<b>2,304.00</b>	<b>2,466.00</b>	<b>40,550.00</b>	<b>2,219.00</b>	<b>18,115.00</b>	<b>5,330.00</b>	<b>150,961.00</b>
<b>EXPENDITURES</b>							
General Government	2,585.00	161,499.00	-	-	-	2,882.00	279,753.00
Administration of Justice and Law	-	-	52,578.00	6,278.00	18,907.00	-	90,820.00
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	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,585.00</b>	<b>161,499.00</b>	<b>52,578.00</b>	<b>6,278.00</b>	<b>18,907.00</b>	<b>2,882.00</b>	<b>370,573.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(281.00)</b>	<b>(159,033.00)</b>	<b>(12,028.00)</b>	<b>(4,059.00)</b>	<b>(792.00)</b>	<b>2,448.00</b>	<b>(219,612.00)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(281.00)</b>	<b>(159,033.00)</b>	<b>(12,028.00)</b>	<b>(4,059.00)</b>	<b>(792.00)</b>	<b>2,448.00</b>	<b>(219,612.00)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>1,435.00</b>	<b>159,033.00</b>	<b>13,377.00</b>	<b>5,847.00</b>	<b>792.00</b>	<b>5,764.00</b>	<b>323,107.00</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,154.00</b>	<b>\$ -</b>	<b>\$ 1,349.00</b>	<b>\$ 1,788.00</b>	<b>\$ -</b>	<b>\$ 8,212.00</b>	<b>\$ 103,495.00</b>

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

	<u>LEPC Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Micro-Film Fund</u>	<u>Sheriff's Revolving Fund</u>	<u>Special Law Enforcement Fund</u>	<u>Sheriff Fund</u>	<u>Forest Title 3 Fund</u>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 4,742.00	\$ 353.00	\$ 424.00	\$ 52,925.00	\$ 1,497.00	\$ 39.00	\$ -	\$ 19,438.00
Investments	<u>3,391.00</u>	<u>-</u>	<u>-</u>	<u>37,236.00</u>	<u>1,043.00</u>	<u>-</u>	<u>-</u>	<u>13,629.00</u>
<b>TOTAL ASSETS</b>	<b><u>8,133.00</u></b>	<b><u>353.00</u></b>	<b><u>424.00</u></b>	<b><u>90,161.00</u></b>	<b><u>2,540.00</u></b>	<b><u>39.00</u></b>	<b><u>-</u></b>	<b><u>33,067.00</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNRESERVED FUND BALANCES</b>	<u>8,133.00</u>	<u>353.00</u>	<u>424.00</u>	<u>90,161.00</u>	<u>2,540.00</u>	<u>39.00</u>	<u>-</u>	<u>33,067.00</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 8,133.00</u></b>	<b><u>\$ 353.00</u></b>	<b><u>\$ 424.00</u></b>	<b><u>\$ 90,161.00</u></b>	<b><u>\$ 2,540.00</u></b>	<b><u>\$ 39.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,067.00</u></b>

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

	<u>POST Fund</u>	<u>Shelter Home Fund</u>	<u>Use Tax Fund</u>	<u>P.A. Bad Check Fund</u>	<u>P.A. Delinquent Tax Fund</u>	<u>Georges CDGB Fund</u>	<u>Election Fund</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 1,229.00	\$ 848.00	\$ 93,364.00	\$ 7,834.00	\$ 3,434.00	\$ 792.00	\$ 3,416.00	\$ 190,335.00
Investments	913.00	587.00	65,669.00	5,543.00	2,413.00	-	2,348.00	132,772.00
<b>TOTAL ASSETS</b>	<u>2,142.00</u>	<u>1,435.00</u>	<u>159,033.00</u>	<u>13,377.00</u>	<u>5,847.00</u>	<u>792.00</u>	<u>5,764.00</u>	<u>323,107.00</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNRESERVED FUND BALANCES</b>	<u>2,142.00</u>	<u>1,435.00</u>	<u>159,033.00</u>	<u>13,377.00</u>	<u>5,847.00</u>	<u>792.00</u>	<u>5,764.00</u>	<u>323,107.00</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,142.00</u>	<u>\$ 1,435.00</u>	<u>\$ 159,033.00</u>	<u>\$ 13,377.00</u>	<u>\$ 5,847.00</u>	<u>\$ 792.00</u>	<u>\$ 5,764.00</u>	<u>\$ 323,107.00</u>

THE COUNTY OF BARRY  
CASSVILLE, 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

	LEPC Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Micro-Film Fund	Sheriff's Revolving Fund	Special Law Enforcement Fund	Sheriff Fund	Forest Title 3 Fund
<b>REVENUES</b>								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	1,020.00	-	-	-	-	-
Grants, Distributions and Reimbursements	27,929.00	-	-	-	-	-	-	15,315.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	430.00	-	-	5,290.00	116.00	38.00	155.00	1,853.00
Other	-	4,028.00	-	37,169.00	8,611.00	-	50,000.00	-
<b>TOTAL REVENUES</b>	<b>28,359.00</b>	<b>4,028.00</b>	<b>1,020.00</b>	<b>42,459.00</b>	<b>8,727.00</b>	<b>38.00</b>	<b>50,155.00</b>	<b>17,168.00</b>
<b>EXPENDITURES</b>								
General Government	27,875.00	-	-	43,778.00	-	-	-	-
Administration of Justice and Law	-	5,129.00	2,473.00	-	7,135.00	2,680.00	50,375.00	-
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	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>27,875.00</b>	<b>5,129.00</b>	<b>2,473.00</b>	<b>43,778.00</b>	<b>7,135.00</b>	<b>2,680.00</b>	<b>50,375.00</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>484.00</b>	<b>(1,101.00)</b>	<b>(1,453.00)</b>	<b>(1,319.00)</b>	<b>1,592.00</b>	<b>(2,642.00)</b>	<b>(220.00)</b>	<b>17,168.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>484.00</b>	<b>(1,101.00)</b>	<b>(1,453.00)</b>	<b>(1,319.00)</b>	<b>1,592.00</b>	<b>(2,642.00)</b>	<b>(220.00)</b>	<b>17,168.00</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>7,649.00</b>	<b>1,454.00</b>	<b>1,877.00</b>	<b>91,480.00</b>	<b>948.00</b>	<b>2,681.00</b>	<b>220.00</b>	<b>15,899.00</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 8,133.00</b>	<b>\$ 353.00</b>	<b>\$ 424.00</b>	<b>\$ 90,161.00</b>	<b>\$ 2,540.00</b>	<b>\$ 39.00</b>	<b>\$ -</b>	<b>\$ 33,067.00</b>

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

	POST Fund	Shelter Home Fund	Use Tax Fund	P.A. Bad Check Fund	P.A. Delinquent Tax Fund	Georges CDGB Fund	Election Fund	Total
<b>REVENUES</b>								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	40,891.00	-	-	-	41,911.00
Grants, Distributions and Reimbursements	-	-	-	-	-	247,282.00	-	290,526.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	125.00	41.00	9,538.00	1,765.00	313.00	-	964.00	20,628.00
Other	3,623.00	2,534.00	-	468.00	1,337.00	-	3,930.00	111,700.00
<b>TOTAL REVENUES</b>	<b>3,748.00</b>	<b>2,575.00</b>	<b>9,538.00</b>	<b>43,124.00</b>	<b>1,650.00</b>	<b>247,282.00</b>	<b>4,894.00</b>	<b>464,765.00</b>
<b>EXPENDITURES</b>								
General Government	4,275.00	2,220.00	-	-	-	-	14,639.00	92,787.00
Administration of Justice and Law	-	-	-	46,080.00	-	247,282.00	-	361,154.00
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	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,275.00</b>	<b>2,220.00</b>	<b>-</b>	<b>46,080.00</b>	<b>-</b>	<b>247,282.00</b>	<b>14,639.00</b>	<b>453,941.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(527.00)</b>	<b>355.00</b>	<b>9,538.00</b>	<b>(2,956.00)</b>	<b>1,650.00</b>	<b>-</b>	<b>(9,745.00)</b>	<b>10,824.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(527.00)</b>	<b>355.00</b>	<b>9,538.00</b>	<b>(2,956.00)</b>	<b>1,650.00</b>	<b>-</b>	<b>(9,745.00)</b>	<b>10,824.00</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>2,669.00</b>	<b>1,080.00</b>	<b>149,495.00</b>	<b>16,333.00</b>	<b>4,197.00</b>	<b>792.00</b>	<b>15,509.00</b>	<b>312,283.00</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,142.00</b>	<b>\$ 1,435.00</b>	<b>\$ 159,033.00</b>	<b>\$ 13,377.00</b>	<b>\$ 5,847.00</b>	<b>\$ 792.00</b>	<b>\$ 5,764.00</b>	<b>\$ 323,107.00</b>

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 MODIFIED CASH BASIS  
 DECEMBER 31, 2008

	<u>Unclaimed Fees</u>	<u>Overplus</u>	<u>Recorder</u>	<u>Juvenile</u>	<u>Collector</u>	<u>Sheriff</u>	<u>County Clerk</u>	<u>County Common Fund</u>	<u>Circuit Clerk</u>	<u>Drug Court PI Fund</u>	<u>Total</u>
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 215.00	\$ 137,451.00	\$ 14,403.00	\$ 3,193.00	\$ 15,001,930.00	\$ -	\$ 88.00	\$ 52,524.00	\$ 317,425.00	\$ 1,481.00	\$ 15,528,710.00
Investments	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>215.00</u>	<u>137,451.00</u>	<u>14,403.00</u>	<u>3,193.00</u>	<u>15,001,930.00</u>	<u>-</u>	<u>88.00</u>	<u>52,524.00</u>	<u>317,425.00</u>	<u>1,481.00</u>	<u>15,528,710.00</u>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-	-	-	-	-	-
<b>UNRESERVED FUND BALANCES</b>	<u>215.00</u>	<u>137,451.00</u>	<u>14,403.00</u>	<u>3,193.00</u>	<u>15,001,930.00</u>	<u>-</u>	<u>88.00</u>	<u>52,524.00</u>	<u>317,425.00</u>	<u>1,481.00</u>	<u>15,528,710.00</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 215.00</u>	<u>\$ 137,451.00</u>	<u>\$ 14,403.00</u>	<u>\$ 3,193.00</u>	<u>\$ 15,001,930.00</u>	<u>\$ -</u>	<u>\$ 88.00</u>	<u>\$ 52,524.00</u>	<u>\$ 317,425.00</u>	<u>\$ 1,481.00</u>	<u>\$ 15,528,710.00</u>

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 MODIFIED CASH BASIS  
 DECEMBER 31, 2007

	<u>Unclaimed Fees</u>	<u>Overplus</u>	<u>Recorder</u>	<u>Juvenile</u>	<u>Collector</u>	<u>Sheriff</u>	<u>County Clerk</u>	<u>County Common Fund</u>	<u>Circuit Clerk</u>	<u>Total</u>
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 1,344.00	\$ 128,099.00	\$ 22,106.00	\$ 3,269.00	\$ 13,939,876.00	\$ -	\$ 78.00	\$ 30,718.00	\$ 346,652.00	\$ 14,472,142.00
Investments	-	90,189.00	-	-	-	-	-	21,650.00	-	111,839.00
<b>TOTAL ASSETS</b>	<u>1,344.00</u>	<u>218,288.00</u>	<u>22,106.00</u>	<u>3,269.00</u>	<u>13,939,876.00</u>	<u>-</u>	<u>78.00</u>	<u>52,368.00</u>	<u>346,652.00</u>	<u>14,583,981.00</u>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNRESERVED FUND BALANCES</b>	<u>1,344.00</u>	<u>218,288.00</u>	<u>22,106.00</u>	<u>3,269.00</u>	<u>13,939,876.00</u>	<u>-</u>	<u>78.00</u>	<u>52,368.00</u>	<u>346,652.00</u>	<u>14,583,981.00</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,344.00</u>	<u>\$ 218,288.00</u>	<u>\$ 22,106.00</u>	<u>\$ 3,269.00</u>	<u>\$ 13,939,876.00</u>	<u>\$ -</u>	<u>\$ 78.00</u>	<u>\$ 52,368.00</u>	<u>\$ 346,652.00</u>	<u>\$ 14,583,981.00</u>

**STATE COMPLIANCE SECTION**

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

---

SCHEDULE OF STATE FINDINGS

1. Misappropriation of assets occurred in the Sheriff's Department during the years ended December 31, 2008 and December 31, 2007.
2. The General Fund and Special Road District Fund were not in compliance with state law (50.740) as there were large excess expenditures over budgeted amounts.

**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 Barry, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), Missouri as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the basic financial statements of the Primary Government, and have issued our modified cash basis report thereon dated August 12, 2009. That report expressed a qualified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), as of and for the years ended December 31, 2008 and December 31, 2007. 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 opinions 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, 07/08-04 and 07/08-05 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 entity'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. We believe the significant deficiency 07/08-06 described in the accompanying schedule of findings and responses to be 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 or other matters 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 August 12, 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, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Daniel Jones & Associates*

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

August 12, 2009

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

---

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-04      Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Sheriff's office.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

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

Management's Response: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

07/08-05      Criteria: Reconciliation of bank accounts.

Condition: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Change in staff and software.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

Management's Response: We agree with the finding and will implement the recommendation immediately.

07/08-06      Criteria: Misappropriation of assets in the Sheriff's Department.

Condition: Theft of cash and preparation of false receipts.

Effect: Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

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

---

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-06      Cause: Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

Management's Response: We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

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  
Barry 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 Barry 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- 07/08-01, 07/08-02, 07/08-03, 07/08-04 and 07/08-05. We did identify a deficiency in internal control that we consider to be a material weakness – 07/08-06, 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

Barry 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  
August 12, 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(Continued)**

**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.

**07/08-04**

**Criteria:** Segregation of duties.

**Condition:** Lack of segregation of duties in the Sheriff's office.

**Effect:** A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

**Cause:** Lack of staff.

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

**Management's Response:** We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

**07/08-05**

**Criteria:** Reconciliation of bank accounts.

**Condition:** Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

**Effect:** Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

**Cause:** Change in staff and software.

**Recommendation:** We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

**Management's Response:** We agree with the finding and will implement the recommendation immediately.

07/08-06  
(Material  
Weakness)

**Criteria:** Misappropriation of assets in the Sheriff's Department.

**Condition:** Theft of cash and preparation of false receipts.

**Effect:** Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

**Cause:** Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

**Recommendation:** We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

**Management's Response:** We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

## 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.
- 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 April 1, 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.

### III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

In planning and performing our audit, we considered Barry 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 Barry 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 Barry County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry 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 1, 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 Barry County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. 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.

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.

### **III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)**

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 August 12, 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.

For all departments covered under this audit, checks that have not cleared the bank account within 60 days should be followed up on. Outstanding checks older than 60 days should be voided and reissued to the appropriate parties in most scenarios.

**THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
DECEMBER 31, 2008 & 2007**

**THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
TABLE OF CONTENTS**

---

	PAGE
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1-2
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	3-4
Schedule of Expenditures of Federal Awards.....	5
Notes to Schedule of Expenditures of Federal Awards.....	6
Schedule of Findings and Questioned Costs.....	7-14



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

---

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 Barry, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Barry (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 modified cash basis report thereon dated August 12, 2009. That report expressed a qualified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), as of and for the years ended December 31, 2008 and December 31, 2007. 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 did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. 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 *FS 07/08-01, FS 07/08-02, FS 07/08-03, FS 07/08-04 and FS 07/08-05*, described in the accompanying schedule of findings and questioned costs 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 entity'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. We believe the significant deficiency 07/08-06 described in the accompanying schedule of findings and questioned costs to be 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 or other matters 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 August 12, 2009.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, 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

August 12, 2009



---

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

To the County Commission  
The County of Barry, Cassville, Missouri

### Compliance

We have audited the compliance of Barry County, (the Primary Government), State of Missouri, with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

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

In our opinion, the Primary Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008 and December 31, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA-07-08-01.

### Internal Control Over Compliance

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

## **Internal Control Over Compliance (concluded)**

In planning and performing our audit, we considered the Primary Government's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SA-07-08-01, to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barry County, Missouri as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated August 12, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Barry County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, 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

August 12, 2009

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 SINGLE AUDIT REPORT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2008	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2007
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed Through State:				
Department of Economic Development:				
Community Development Block Grants / State Program	14.228	2005-ED-02	\$ 18,115.00	\$ 247,282.00
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0283	149,515.00	35,082.00
Equitable Sharing of Seized and Forfeited Property:	16	MO0050000		32,671.00
Passed Through:				
State Department of Public Safety:				
Edward Byrne Memorial Formula Grant Program	16.579	2005-JAG-INTOO 2006-JAG-20	154,704.00	170,122.00
Violence Against Women Formula Grants	16.588			
Local Law Enforcement Block Grants Program	16.592			
Cape Girardeau County:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2000DDVX0055  2006-DD-BX020 2009-JAG-DTF-0	25,086.00	17,036.00
Missouri Sheriff's Association		2006-DD-BX-020 DPS2007-08	66,098.00	34,346.00
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B005-(17) DSR009-07-001	28,768.00 50,614.00	
Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	CEPF-HMEP	2,601.00	4,054.00
<b>GENERAL SERVICES ADMINISTRATION</b>				
Passed Through State Office of Administration:				
Election Reform Payments	39.011			13,877.00
<b>ELECTION ASSISTANCE COMMISSION</b>				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401		3,652.00	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed Through State:				
Department of Health and Senior Services:				
Foster Care - Title IV-E	93.658	ERO172238	56,621.00	53,237.00
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed Through State Department of Public Safety:				
Public Assistance Grants (Presidentially Declared Disasters)	97.036	FEMA1676-DR-	69,990.00	13,441.00
Emergency Management Performance Grants	97.042			6,657.00
<b>Total Federal Expenditures</b>			\$ 625,764.00	\$ 665,543.00

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 SINGLE AUDIT REPORT  
 SCHEDULE OF FINDINGS & QUESTIONED COSTS  
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Qualified Modified Cash Basis
2. Internal control over financial reporting:
  - a. Any material weakness(es) identified?
 

	2008	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	2007	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
  - b. Any significant deficiencies identified that are not considered to be material weaknesses?
 

	2008	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	None Reported
	2007	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	None Reported
3. Any noncompliance material to financial statements noted?
 

	2008	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	2007	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

B. Federal Awards

1. Internal control over major programs:
 

Any material weakness(es) identified?	2008	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	2007	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
2. Any significant deficiencies identified that are not considered to be material weaknesses?
 

	2008	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	2007	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
3. Type of auditor's report issued on compliance for major programs:
 

	2008	- Unqualified			
	2007	- Unqualified			
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?
 

	2008	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	2007	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No



THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 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.

Management's Response: The County will consider the auditor's recommendation.

FS 07/08-03 Criteria: Anti-fraud 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.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 07/08-03 (concluded)     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's Response: The County will consider the auditor's recommendation.

07/08-04     Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Sheriff's office.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

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

Management's Response: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

07/08-05     Criteria: Reconciliation of bank accounts.

Condition: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Change in staff and software.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

Management's Response: We agree with the finding and will implement the recommendation immediately.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

II. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-06      Criteria: Misappropriation of assets in the Sheriff's Department.

Condition: Theft of cash and preparation of false receipts.

Effect: Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

Cause: Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

Management's Response: We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

III. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

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

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007

The following findings, recommendations, and questioned costs are the results of the single audit of Barry County, Missouri for the fiscal year ended December 31, 2008 and 2007. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

THE COUNTY OF BARRY  
CASSVILLE, MISSOURI  
(the Primary Government)  
SINGLE AUDIT REPORT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

---

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 SINGLE AUDIT REPORT  
 SCHEDULE OF FINDINGS & QUESTIONED COSTS  
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-1	Other Information:  Significant Deficiency	<p><b>Findings:</b> The Schedule of Expenditures of Federal Awards contained errors.</p> <p>Controls were not in place to ensure that the Schedule of Expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditure takes place.</p> <p>The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below:</p> <ol style="list-style-type: none"> <li>1. The SEFA schedule contained several incorrect CFDA numbers for federal programs.</li> <li>2. Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Revenue was used to prepare the SEFA instead of expenditures. Actual expenditures were not agreed to the general ledger.</li> </ol> <p>A revised SEFA was submitted to the State Auditor's Office, containing corrections for all errors described.</p>

THE COUNTY OF BARRY  
 CASSVILLE, MISSOURI  
 (the Primary Government)  
 SINGLE AUDIT REPORT  
 SCHEDULE OF FINDINGS & QUESTIONED COSTS  
 FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
----------------	------------------------------------	------------------------------

**Recommendation:** The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

**Agency Response:** The County agrees with this finding.

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
----------------	------------------------------------	------------------------------

There were no findings related to Federal Awards for the two years ended December 31, 2006.

**BARRY COUNTY SENATE BILL 40**  
**(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)**  
**ANNUAL FINANCIAL REPORT AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2008 & 2007**

**BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
ANNUAL FINANCIAL REPORT AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2008 & 2007**

**TABLE OF CONTENTS**

---

	PAGE
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report .....	1-2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	3-4
<b><u>FINANCIAL STATEMENTS</u></b>	
Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis .....	5
Statement of Revenues, Expenses and Changes in Fund Balance – Modified Cash Basis .....	6
Notes to the Financial Statements .....	7-11
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Statement of Revenues, Expenditures and Changes in Fund Balance– Budget Basis to Actual – Non-GAAP – Modified Cash Basis - 2008 .....	12
Statement of Revenues, Expenditures and Changes in Fund Balance– Budget Basis to Actual – Non-GAAP – Modified Cash Basis - 2007 .....	13
Notes to Required Supplementary Information .....	14
Schedule of Findings and Responses .....	15-17

## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

---

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Barry County Senate Bill 40  
of Missouri

We have audited the accompanying basic financial statements of the Barry County Senate Bill 40 of Missouri, a component unit of Barry County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senate Bill 40's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Barry County Senate Bill 40's management. Our responsibility is to express an opinion 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 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 opinion.

As described in Note I, the SB 40 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. As described in Note VI, the SB 40 has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended 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 Barry County Senate Bill 40 of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The SB 40 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 a part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2009, on our consideration of the Barry County Senate Bill 40 of Missouri'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 accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to 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

September 16, 2009



---

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*

Board of Trustees  
Barry County Senate Bill 40 of Missouri

We have audited the basic financial statements of the Barry County Senate Bill 40 of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 16, 2009, which was modified because the SB 40 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 Barry County Senate Bill 40 of Missouri'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 Barry County Senate Bill 40's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barry County Senate Bill 40'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, and 07/08-03, 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 entity'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 Barry County Senate Bill 40 of Missouri'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 instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards and which are described in the accompanying schedule of findings and responses as items 07/08-01, 07/08-02, and 07/08-03.

We noted certain matters that we reported to management of Barry County Senate Bill 40 in a separate letter dated September 16, 2009.

Barry County Senate Bill 40's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Barry County Senate Bill 40's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, Board of Trustees 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

September 16, 2009

## **FINANCIAL STATEMENTS**

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

**ASSETS**

	<u>2008</u>	<u>2007</u>
Cash	\$ 720,060.13	\$ 602,277.07
Investments	120,000.00	120,000.00
Total Assets	<u>840,060.13</u>	<u>722,277.07</u>

**LIABILITIES AND FUND BALANCE**

Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Unrestricted	\$ 840,060.13	\$ 722,277.07
Total Fund Balance	<u>840,060.13</u>	<u>722,277.07</u>
Total Liabilities and Fund Balance	<u>840,060.13</u>	<u>722,277.07</u>

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
REVENUES		
Property Tax Revenues	\$ 302,490.00	\$ 279,939.00
	302,490.00	279,939.00
TOTAL REVENUES	302,490.00	279,939.00
EXPENDITURES		
General Administration	150.00	150.00
Fidelity Bond Treasurer	768.00	768.00
Dir./Off. Liability Insurance	1,464.00	1,464.00
Purchase of Services	210,680.00	214,628.00
Committed Funds from 1999 Grants	0.00	0.00
	213,062.00	217,010.00
TOTAL EXPENDITURES	213,062.00	217,010.00
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	89,428.00	62,929.00
OTHER FINANCING SOURCES (USES)		
Interest	28,355.06	33,241.07
Miscellaneous	0.00	0.00
Rents	0.00	0.00
Donations	-	0.00
	28,355.06	33,241.07
TOTAL OTHER FINANCING SOURCES (USES)	28,355.06	33,241.07
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	117,783.06	96,170.07
FUND BALANCE - BEGINNING OF YEAR	722,277.07	626,107.00
FUND BALANCE - END OF YEAR	\$ 840,060.13	\$ 722,277.07

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Barry County Senate Bill 40 (“SB 40”), which is governed by a nine-member board of directors, was established by an Act of the Senate Bill 40.

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 SB 40.

The SB 40 has developed criteria to determine whether outside agencies with activities which benefit the clients of the SB 40, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the SB 40 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The SB 40 has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the SB 40's financial statements. However, Barry County Senate Bill 40 is a component unit of Barry County, Missouri. The SB 40 has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain SB 40 functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

*Governmental Fund Type* - The General Fund is the general operating fund of the SB 40 and accounts for all revenues and expenditures of the SB 40. All general tax revenues and other receipts are accounted for in this fund.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The 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 SB 40 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.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. 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 SB 40's name at third-party banking institutions. Details of these cash balances are presented in Note II.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

E. 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 SB 40 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The SB 40 applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. 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. DEPOSITS AND INVESTMENTS**

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 SB 40's investment policy does not include custodial credit risk requirements. The SB 40's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The SB 40's deposits, including certificates of deposit, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the Board's deposits was \$840,060.13 with respective bank balances totaling \$846,513.79. At December 31, 2007, the carrying amount of the Board's deposits was \$722,277.07 with respective bank balances totaling \$727,669.57. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

**II. DEPOSITS AND INVESTMENTS (concluded)**

The Deposits held at December 31, 2008 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 158,971.30
Checking and Money Market Accounts	N/A	161,088.83
Certificate of Deposit	6/23/09	120,000.00
Certificate of Deposit	1/16/09	400,000.00
TOTAL DEPOSITS		\$ 840,060.13

The Deposits held at December 31, 2007 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 155,981.49
Checking and Money Market Accounts	N/A	46,295.58
Certificate of Deposit	6/28/08	120,000.00
Certificate of Deposit	1/16/08	400,000.00
TOTAL DEPOSITS		\$ 722,277.07

**III. TAXES**

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the SB 40 the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$427,622,613 and \$415,926,159 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .07 and .07 respectively.

**IV. RISK MANAGEMENT**

The SB 40 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**IV. RISK MANAGEMENT (CONCLUDED)**

The SB 40 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the SB 40. Settled claims have not exceeded this commercial coverage in any of the past three years.

**V. LITIGATION**

The SB 40 is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

**VI. NEW ACCOUNTING POLICY**

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The SB 40 believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

**REQUIRED SUPPLEMENTARY INFORMATION**

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET BASIS TO ACTUAL - NON GAAP - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
REVENUES			
Property Tax Revenues	\$ 275,000.00	\$ 302,490.00	\$ 27,490.00
<b>TOTAL REVENUES</b>	<b>275,000.00</b>	<b>302,490.00</b>	<b>27,490.00</b>
 EXPENDITURES			
General Administration	3,500.00	150.00	(3,350.00)
Fidelity Bond Treasurer	2,500.00	768.00	(1,732.00)
Dir./Off. Liability Insurance	3,000.00	1,464.00	(1,536.00)
Purchase of Services	350,000.00	210,680.00	(139,320.00)
Committed Funds from 1999 Grants	150,000.00	-	(150,000.00)
<b>TOTAL EXPENDITURES</b>	<b>509,000.00</b>	<b>213,062.00</b>	<b>(295,938.00)</b>
 REVENUES COLLECTED OVER (UNDER) EXPENDITURES	 (234,000.00)	 89,428.00	 323,428.00
 OTHER FINANCING SOURCES (USES)			
Interest	24,000.00	28,355.06	4,355.06
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>24,000.00</b>	<b>28,355.06</b>	<b>4,355.06</b>
 REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	 (210,000.00)	 117,783.06	 327,783.06
 FUND BALANCE BEGINNING OF YEAR	 722,277.07	 722,277.07	 -
 FUND BALANCE END OF YEAR	 \$ 512,277.07	 \$ 840,060.13	 \$ 327,783.06

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET BASIS TO ACTUAL - NON GAAP - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
REVENUES			
Property Tax Revenues	\$ 275,000.00	279,939.00	\$ 4,939.00
TOTAL REVENUES	275,000.00	279,939.00	4,939.00
EXPENDITURES			
General Administration	3,000.00	150.00	(2,850.00)
Fidelity Bond Treasurer	2,000.00	768.00	(1,232.00)
Dir./Off. Liability Insurance	3,000.00	1,464.00	(1,536.00)
Purchase of Services	350,000.00	214,628.00	(135,372.00)
Committed Funds from 1999 Grants	150,000.00	-	(150,000.00)
TOTAL EXPENDITURES	508,000.00	217,010.00	(290,990.00)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(233,000.00)	62,929.00	295,929.00
OTHER FINANCING SOURCES (USES)			
Interest	24,000.00	33,241.07	9,241.07
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	24,000.00	33,241.07	9,241.07
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(209,000.00)	96,170.07	305,170.07
FUND BALANCE BEGINNING OF YEAR	626,107.00	626,107.00	-
FUND BALANCE END OF YEAR	\$ 417,107.00	\$ 722,277.07	\$ 305,170.07

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

BUDGETS AND BUDGETARY ACCOUNTING

The SB 40 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senate Bill 40 Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all SB 40 funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senate Bill 40 Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senate Bill 40 Board.
5. Subsequent to its formal approval of the budget, the Senate Bill 40 Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the modified cash basis of accounting.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 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 Senate Bill 40 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 Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

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 Senate Bill 40'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 Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 (concluded)      Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 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 Senate Bill 40 is in the process of developing policies for the management of internal control.

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 Senate Bill 40'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 Senate Bill 40 address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senate Bill 40 is in the process of developing an anti-fraud policy.

BARRY COUNTY SENATE BILL 40  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

There were no prior year findings and responses 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 Board of Trustees  
Barry County, Missouri

In planning and performing our audit of the financial statements of Barry County Senate Bill 40 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

Barry County Senate Bill 40'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, Board of Trustees, 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  
September 16, 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 Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.
- Management's Response:** The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.
- 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 Senate Bill 40 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 Senate Bill 40 did not prepare the required documentation.
- Recommendation:** We recommend that the Senate Bill 40 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 Senate Bill 40 is in the process of developing policies for the management of internal control.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

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 Senate Bill 40'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's Response:** The Senate Bill 40 is in the process of developing an anti-fraud policy.

## 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.
- 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 June 10, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

### III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

In planning and performing our audit, we considered Barry County Senate Bill 40's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control 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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry County Senate Bill 40'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 June 10, 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 Barry County Senate Bill 40 are described in Note I to the financial statements. GASB 40 accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. 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.

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.

### **III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)**

#### 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 September 16, 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.

**BARRY COUNTY SENIOR CITIZENS TAX BOARD**  
**(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)**  
**ANNUAL FINANCIAL REPORT AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2008 & 2007**

**BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
ANNUAL FINANCIAL REPORT AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2008 & 2007**

**TABLE OF CONTENTS**

---

	PAGE
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report.....	1-2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	3-4
<b><u>FINANCIAL STATEMENTS</u></b>	
Statement of Assets, Liabilities and Fund Balance – Cash Basis.....	5
Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis.....	6
Notes to the Financial Statements.....	7-11
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Statement of Revenues, Expenditures and Changes in Fund Balance– Budget Basis to Actual – Non-GAAP – Cash Basis - 2008.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance– Budget Basis to Actual – Non-GAAP – Cash Basis - 2007.....	13
Notes to the Required Supplementary Information.....	14
Schedule of Findings and Responses.....	15-17

## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

---

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Barry County Senior Citizens Tax Board  
of Missouri

We have audited the accompanying basic financial statements of the Barry County Senior Citizens Tax Board of Missouri, a component unit of Barry County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senior Citizens Tax Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Barry County Senior Citizens Tax Board's management. Our responsibility is to express an opinion 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 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 opinion.

As described in Note I, the Tax Board prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note VI, the Tax Board has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the Barry County Senior Citizens Tax Board of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The Tax Board has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2009, on our consideration of the Barry County Senior Citizens Tax Board of Missouri'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 accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to 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

September 15, 2009



---

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*

Board of Trustees  
Barry County Senior Citizens Tax Board of Missouri

We have audited the basic financial statements of the Barry County Senior Citizens Tax Board of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 15, 2009, which was modified because the Tax Board prepares its financial statements on the 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 Barry County Senior Citizens Tax Board of Missouri'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 Barry County Senior Citizens Tax Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barry County Senior Citizens Tax Board'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 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, and 07/08-03, 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 entity'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 Barry County Senior Citizens Tax Board of Missouri'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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 07/08-01, 07/08-02, and 07/08-03.

We noted certain matters that we reported to management of Barry County Senior Citizens Tax Board in a separate letter dated September 15, 2009.

Barry County Senior Citizens Tax Board's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Barry County Senior Citizens Tax Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, Board of Trustees 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

September 15, 2009

## **FINANCIAL STATEMENTS**

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

**ASSETS**

	2008	2007
Cash	\$ 68,370.73	\$ 63,036.83
Investments	-	-
Total Assets	68,370.73	63,036.83

**LIABILITIES AND FUND BALANCE**

Liabilities	-	-
Total Liabilities	-	-
Fund Balance		
Unrestricted	68,370.73	63,036.83
Total Fund Balance	68,370.73	63,036.83
Total Liabilities and Fund Balance	\$ 68,370.73	\$ 63,036.83

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
REVENUES		
Property Tax Revenues	\$ 212,406.08	\$ 194,639.65
	212,406.08	194,639.65
TOTAL REVENUES		
EXPENDITURES		
General Administration	5,163.40	5,446.49
Barry County Council on Aging	150,120.47	144,369.42
Cassville Senior Center	17,656.00	12,000.00
Central Crossing Senior Center	12,515.00	9,300.00
Grace Foot Care	3,455.00	4,504.00
Monett Senior Citizen Center	13,000.00	6,836.01
Oats Transportation	5,250.00	-
Seligman Area Senior Citizens	900.00	3,575.80
	208,059.87	186,031.72
TOTAL EXPENDITURES		
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	4,346.21	8,607.93
OTHER FINANCING SOURCES (USES)		
Interest	987.69	1,344.03
Miscellaneous	-	-
Rents	-	-
Donations	-	-
	987.69	1,344.03
TOTAL OTHER FINANCING SOURCES (USES)		
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	5,333.90	9,951.96
FUND BALANCE - BEGINNING OF YEAR	63,036.83	53,084.87
FUND BALANCE - END OF YEAR	\$ 68,370.73	\$ 63,036.83

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Barry County Senior Citizens Tax Board (“Tax Board”), which is governed by a seven-member board of directors.

As discussed further in Note I, these financial statements are presented on the 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 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 cash basis of accounting, these financial statements present financial accountability of the Tax Board.

The Tax Board has developed criteria to determine whether outside agencies with activities which benefit the clients of the Tax Board, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Tax Board exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The Tax Board has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Tax Board's financial statements. However, Barry County Senior Citizens Tax Board is a component unit of Barry County, Missouri. The Tax Board has not been included in the County's financial statements as a discretely presented component unit.

**B. Basis of Presentation**

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Tax Board functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

*Governmental Fund Type* - The General Fund is the general operating fund of the Tax Board and accounts for all revenues and expenditures of the Tax Board. All general tax revenues and other receipts are accounted for in this fund.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the 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 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 Tax Board 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.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. 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 Tax Board's name at third-party banking institutions. Details of these cash balances are presented in Note II.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

E. 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 Tax Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The Tax Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. 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. DEPOSITS AND INVESTMENTS**

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 Tax Board's investment policy does not include custodial credit risk requirements. The Tax Board's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The Tax Board's deposits, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the District's deposits was \$68,370.73 with respective bank balances totaling \$70,213.57. At December 31, 2007, the carrying amount of the District's deposits was \$63,036.83 with respective bank balances totaling \$63,104.03. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**II. DEPOSITS AND INVESTMENTS (concluded)**

The Deposits held at December 31, 2008 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 68,370.73
TOTAL DEPOSITS		\$ 68,370.73

The Deposits held at December 31, 2007 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	63,036.83
TOTAL DEPOSITS		\$ 63,036.83

**III. TAXES**

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the Tax Board the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$427,622,613 and \$415,926,159 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .05 and .05 respectively.

**IV. RISK MANAGEMENT**

The Tax Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Tax Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Tax Board. Settled claims have not exceeded this commercial coverage in any of the past three years.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**V. LITIGATION**

The Tax Board is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

**VI. NEW ACCOUNTING POLICY**

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The Tax Board believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

**REQUIRED SUPPLEMENTARY INFORMATION**

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET BASIS TO ACTUAL - NON GAAP - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
REVENUES			
Property Tax Revenues	\$ 190,000.00	\$ 212,406.08	\$ 22,406.08
<b>TOTAL REVENUES</b>	<b>190,000.00</b>	<b>212,406.08</b>	<b>22,406.08</b>
 EXPENDITURES			
General Administration	6,000.00	5,163.40	(836.60)
Barry County Council on Aging	150,000.00	150,120.47	120.47
Cassville Senior Center	17,534.00	17,656.00	122.00
Central Crossing Senior Center	12,515.00	12,515.00	-
Grace Foot Care	4,560.00	3,455.00	(1,105.00)
Monett Senior Citizen Center	13,000.00	13,000.00	-
Oats Transportation	9,150.00	5,250.00	(3,900.00)
Seligman Area Senior Citizens	900.00	900.00	-
<b>TOTAL EXPENDITURES</b>	<b>213,659.00</b>	<b>208,059.87</b>	<b>(5,599.13)</b>
 REVENUES COLLECTED OVER (UNDER) EXPENDITURES	 (23,659.00)	 4,346.21	 28,005.21
 OTHER FINANCING SOURCES (USES)			
Interest	1,400.00	987.69	(412.31)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,400.00</b>	<b>987.69</b>	<b>(412.31)</b>
 REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	 (22,259.00)	 5,333.90	 27,592.90
 FUND BALANCE BEGINNING OF YEAR	 63,036.83	 63,036.83	 -
 FUND BALANCE END OF YEAR	 \$ 40,777.83	 \$ 68,370.73	 \$ 27,592.90

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET BASIS TO ACTUAL - NON GAAP - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property Tax Revenues	\$ 190,000.00	194,639.65	\$ 4,639.65
TOTAL REVENUES	<u>190,000.00</u>	<u>194,639.65</u>	<u>4,639.65</u>
EXPENDITURES			
General Administration	3,000.00	5,446.49	2,446.49
Barry County Council on Aging	286,740.00	144,369.42	(142,370.58)
Cassville Senior Center	10,500.00	12,000.00	1,500.00
Central Crossing Senior Center	-	9,300.00	9,300.00
Grace Foot Care	4,140.00	4,504.00	364.00
Monett Senior Citizen Center	-	6,836.01	6,836.01
Oats Transportation	-	-	-
Seligman Area Senior Citizens	-	3,575.80	3,575.80
TOTAL EXPENDITURES	<u>304,380.00</u>	<u>186,031.72</u>	<u>(118,348.28)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(114,380.00)	8,607.93	122,987.93
OTHER FINANCING SOURCES (USES)			
Interest	1,400.00	1,344.03	(55.97)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,400.00</u>	<u>1,344.03</u>	<u>(55.97)</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(112,980.00)	9,951.96	122,931.96
FUND BALANCE BEGINNING OF YEAR	<u>53,084.87</u>	<u>53,084.87</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ (59,895.13)</u>	<u>\$ 63,036.83</u>	<u>\$ 122,931.96</u>

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**BUDGETS AND BUDGETARY ACCOUNTING**

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

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senior Citizens Tax Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all Tax Board funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senior Citizens Tax Board Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senior Citizens Tax Board Board.
5. Subsequent to its formal approval of the budget, the Senior Citizens Tax Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the cash basis of accounting.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 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 Senior Citizens Tax Board 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 Senior Citizens Tax Board may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senior Citizens Tax Board will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

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 Senior Citizens Tax Board'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 Senior Citizens Tax Board may not be able to ensure that controls are in place, communicated and operating effectively.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**I. FINANCIAL STATEMENT FINDINGS (continued)**

07/08-02 (concluded) Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senior Citizens Tax Board did not prepare the required documentation.

Recommendation: We recommend that the Senior Citizens Tax Board 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 Senior Citizens Tax Board is in the process of developing policies for the management of internal control.

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 Senior Citizens Tax Board'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 Senior Citizens Tax Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senior Citizens Tax Board is in the process of developing an anti-fraud policy.

BARRY COUNTY SENIOR CITIZENS TAX BOARD  
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

---

**II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES**

There were no prior year findings and responses 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 Board of Trustees  
Barry County Senior Citizens Tax Board of Missouri

In planning and performing our audit of the financial statements of the Barry County Senior Citizens Tax Board 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 Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 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

Barry County Senior Citizens Tax Board'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, Board of Trustees, 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, P.C.  
Certified Public Accountants  
September 15, 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 Senior Citizens Tax Board 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 Senior Citizens Tax Board may wish to consider alternatives available that would eliminate this situation.

**Management's Response:** The Senior Citizens Tax Board will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

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 Senior Citizen Tax Board'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 Tax Board 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 Senior Citizens Tax Board did not prepare the required documentation.

**Recommendation:** We recommend that the Senior Citizens Tax Board 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)

**Management's Response:** The Senior Citizens Tax Board is in the process of developing policies for the management of internal control.

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 Senior Citizens Tax Board'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 Senior Citizens Tax Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

**Management Response:** The Senior Citizens Tax Board is in the process of developing an anti-fraud policy.

## 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.
- 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 June 10, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

### III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

In planning and performing our audit, we considered Barry County Senior Citizens Tax Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control 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 Board'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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry County Senior Citizens Tax Board'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 June 10, 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 Barry County Senior Citizens Tax Board are described in Note I to the financial statements. GASB 40 accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. 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.

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.

### **III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)**

#### 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 September 15, 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.