



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Shelby County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Shelby County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2007, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Charles Buchanan, CPA, PC, Certified Public Accountants, is attached.

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

Susan Montee, JD, CPA
State Auditor

May 2009
Report No. 2009-46

SHELBY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

Prepared By:

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**SHELBY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006**

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

To the County Commission and Officeholders of
Shelby County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shelby County, Missouri ("the County") as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on the financial statements based on our audit.

Except as discussed below, 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 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 discussed fully in Note 1, management has not adopted Government Accounting Standards Board Statement No. 34. These financial statements were prepared using accounting practices prescribed or permitted by Missouri Law, which differ from the accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effect of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Shelby County, Missouri, as of December 31, 2007 and 2006, or the respective changes in financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Statement of Net Assets-various funds-cash basis and Statement of Activities-various funds-cash basis, of Shelby County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County as of and for the years ended December 31, 2007 and 2006, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 15, 2008 on our consideration of the County's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls 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 conjunction with this report in considering the results of our audit.

The County has not presented the management's discussion and analysis as required by GASB 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison information on pages 13-14 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards 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.

Charles Buchanan, CPA, PC

St. Louis, Missouri

August 15, 2008

FINANCIAL STATEMENTS

Shelby County, Missouri
Statement of Net Assets-Variou Funds
Cash Basis
For the Year Ended December 31,

	2007	2006
	Governmental	Governmental
<u>Assets</u>	<u>Activities</u>	<u>Activities</u>
Cash	\$ 193,184	\$ 231,796
Investments	-	-
Restricted assets-cash	477,709	491,841
Restricted assets-investments	-	-
Total assets	<u>670,893</u>	<u>723,637</u>
<u>Net Assets</u>		
Reserved for debt services	-	-
Unreserved	193,184	231,796
Reserved	477,709	491,841
Total Net Assets	<u>\$ 670,893</u>	<u>\$ 723,637</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Shelby County, Missouri
Statement of Activities-Variou Funds
Cash Basis
For the Year Ended December 31, 2007

	Program Revenues				Net (expenditures) revenue- changes in net assets
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government					
Governmental Activities					
General county government	\$ (576,221)	\$ 64,919	\$ 24,692	\$ -	\$ (486,610)
Road & bridge	(918,610)	16,128	-	39,485	(862,997)
Health and welfare	-	-	-	-	-
Property valuation, assessments & recording	(186,923)	59,382	-	-	(127,541)
Administration of justice & law	(756,494)	61,782	-	-	(694,712)
Capital outlay	(501,133)	-	-	411,005	(90,128)
Debt services	(57,352)	-	-	-	(57,352)
Total Governmental Activities	\$ (2,996,733)	\$ 202,211	\$ 24,692	\$ 450,490	(2,319,340)

General revenues:

Taxes:

Personal property taxes, levied	571,439
Sales tax	742,921
Intergovernmental revenues	809,651
Investment income	55,158
Miscellaneous	87,427
Total general revenues and transfers	2,266,596
Changes in net assets	(52,744)
Beginning cash assets	723,637
Ending cash assets	\$ 670,893

Shelby County, Missouri
Statement of Activities-Variou Funds
Cash Basis
For the Year Ended December 31, 2006

		Program Revenues			Net (expenditures) revenue- changes in net assets
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government					
Governmental Activities					
General county government	\$ (495,154)	\$ 85,542	\$ 91,464	\$ -	\$ (318,148)
Road & bridge	(795,154)	11,201	5,893	-	(778,060)
Health and welfare	-	-	-	-	-
Property valuation & recording	(143,550)	58,220	100,597	-	15,267
Administration of justice & law	(855,760)	63,391	7,932	-	(784,437)
Capital outlay	(760,680)	-	-	390,663	(370,017)
Debt services	(53,867)	-	-	-	(53,867)
Total governmental activities	\$ (3,104,165)	\$ 218,354	\$ 205,886	\$ 390,663	(2,289,262)

General revenues:

Taxes:

Personal property taxes, levied	537,674
Sales taxes	712,637
Intergovernmental revenues	844,217
Investment income	47,108
Miscellaneous	131,429
Total general revenues and transfers	2,273,065
Changes in net assets	(16,197)
Beginning net assets	739,834
Ending net assets	\$ 723,637

Shelby County, Missouri
Reconciliation of Total Fund Balances to Total Net Assets
Cash Basis
For the Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Balance Sheet - Governmental Funds -Total Fund Balances-Cash Basis	\$ 670,893	\$ 723,637
Amounts reported for governmental activities of the statement of net assets are different because:		
Capital assets used in fund level statements are expensed upon use of financial resources to construct or acquire them.		
Capital assets for entity-wide statements are recognized as assets that are extinguished via depreciation charged over the life of the asset.		
Capital assets, net of accumulated depreciation	-	-
Long-term debt uses current financial resources to pay off the principle portion and related interest expense. For entity-wide statements, the unpaid principle portion is recognized as a future obligation to be repaid over time.		
Long-term debt	-	-
Accrued interest	<u>-</u>	<u>-</u>
Subtotal	-	-
Government-wide Statement of Net Assets--Total Net Assets-Cash Basis	<u><u>\$ 670,893</u></u>	<u><u>\$ 723,637</u></u>

Shelby County, Missouri
Reconciliation of Changes in Net Assets
Cash Basis
For the Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Excess of revenues and other sources over (under) expenditures and other uses - Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds-Cash Basis	\$ (52,744)	\$ (16,197)
 Bond proceeds are reported as financing sources in governmental funds financial statements thus contributed to the net change in fund balance. In the statement of net assets, however, issuing debt increases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net assets		
Debt issued	-	-
Principle payments	-	-
Compensated absences	-	-
Interest expense	-	-
 Government-wide Statement of Activities--Changes in net assets - Governmental Activities-Cash Basis	 <u><u>\$ (52,744)</u></u>	 <u><u>\$ (16,197)</u></u>

Shelby County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31,

	2007			2006		
	Private Purpose			Private Purpose		
<u>Assets</u>	<u>Agency Funds</u>	<u>Trust Fund</u>	<u>Total</u>	<u>Agency Funds</u>	<u>Trust Fund</u>	<u>Total</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash-restricted	3,090,196	-	3,090,196	2,312,343	-	2,312,343
Investments	-	-	-	-	-	-
Total assets	<u>3,090,196</u>	<u>-</u>	<u>3,090,196</u>	<u>2,312,343</u>	<u>-</u>	<u>2,312,343</u>
<u>Liabilities</u>						
Due to agencies and political subdivisions	3,090,196	-	3,090,196	2,312,343	-	2,312,343
Due to other funds	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Total liabilities	<u>\$ 3,090,196</u>	<u>\$ -</u>	<u>\$ 3,090,196</u>	<u>\$ 2,312,343</u>	<u>\$ -</u>	<u>\$ 2,312,343</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Shelby County, Missouri
Combining Balance Sheet-Governmental Funds
Cash Basis
For the Year Ended December 31, 2007

	<u>Major Funds</u>		
	<u>County Revenue Fund</u>	<u>Class 3 Special Road & Bridge</u>	<u>Non-Major Governmental Funds</u>
<u>Assets</u>			<u>Total Governmental Funds</u>
Cash	\$ 193,184	\$ -	\$ -
Investments	-	-	-
Restricted assets-cash	-	54,639	423,070
Restricted assets-investments	-	-	-
Total assets	<u>193,184</u>	<u>54,639</u>	<u>423,070</u>
Fund balances			
Reserved for debt service	-	-	-
Reserved	-	54,639	423,070
Unreserved	193,184	-	-
Total fund balances	<u>\$ 193,184</u>	<u>\$ 54,639</u>	<u>\$ 423,070</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Shelby County, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds-Cash Basis
For the Year Ended December 31, 2007

	Major Funds			
	Class 3			
	County Revenue Fund	Special Road & Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property & other taxes	\$ 355,912	\$ 215,527	\$ -	\$ 571,439
Sales taxes	421,044	74,300	247,577	742,921
Charges for services	64,466	16,128	121,617	202,211
Investment income	18,258	8,527	28,373	55,158
Intergovernmental	153,010	610,911	520,912	1,284,833
Miscellaneous	50,272	35,056	2,099	87,427
Total revenues	1,062,962	960,449	920,578	2,943,989
Expenditures				
General county government	514,751	-	61,470	576,221
Road & bridge	-	918,610	-	918,610
Health and welfare	-	-	-	-
Property valuation, assessment & recording	53,459	-	133,464	186,923
Administration of justice & law	484,021	-	272,473	756,494
Capital outlay:				
Property, equipment, & buildings	29,972	28,900	442,261	501,133
Debt service:				
Principal & interest expense	-	57,352	-	57,352
Total expenditures	1,082,203	1,004,862	909,668	2,996,733
Excess (deficiency) of revenues over (under) expenditures	(19,241)	(44,413)	10,910	(52,744)
Other financing sources (uses):				
Proceeds from loan	-	-	-	-
Transfer in	-	-	19,371	19,371
Transfer out	(19,371)	-	-	(19,371)
Insurance proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(19,371)	-	19,371	-
Excess of revenues and other sources over (under) expenditures and other uses	(38,612)	(44,413)	30,281	(52,744)
Cash balances, beginning of year	231,796	99,052	392,789	723,637
Cash balances, end of year	\$ 193,184	\$ 54,639	\$ 423,070	\$ 670,893

Shelby County, Missouri
Combining Balance Sheet-Governmental Funds
Cash Basis
For the Year Ended December 31, 2006

	<u>Major Funds</u>		
	County	Road &	Non-Major
	Revenue Fund	Bridge	Governmental
<u>Assets</u>			Funds
			Total
			Governmental
			Funds
Cash	\$ 231,796	\$ -	\$ -
Investments	-	-	-
Restricted assets-cash	-	99,052	392,789
Restricted assets-investments	-	-	-
Total assets	231,796	99,052	392,789
<u>Fund balances</u>			
Reserved for debt service	-	-	-
Reserved	-	99,052	392,789
Unreserved	231,796	-	-
Total fund balances	\$ 231,796	\$ 99,052	\$ 392,789

Shelby County, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds-Cash Basis
For the Year Ended December 31, 2006

	Major Funds			
	County Revenue Fund	Class 3 Special Road & Bridge Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Property & other taxes	\$ 333,243	\$ 204,431	\$ -	\$ 537,674
Sales taxes	404,825	71,789	236,023	712,637
Fines, fees, licenses, and permits	-	-	-	-
Charges for services	77,840	11,201	129,313	218,354
Interest income	18,337	8,300	20,471	47,108
Intergovernmental	125,286	1,115,487	199,993	1,440,766
Miscellaneous	93,555	35,206	2,668	131,429
Total revenues	1,053,086	1,446,414	588,468	3,087,968
Expenditures				
General county government	392,356	-	102,798	495,154
Road & bridge	-	795,154	-	795,154
Health and welfare	-	-	-	-
Property valuation, assessment & recording	25,564	-	117,986	143,550
Administration of justice & law	512,999	-	342,761	855,760
Capital outlay:				
Property, equipment, & buildings	152,100	217,917	390,663	760,680
Debt service:				
Principal & interest expense	-	53,867	-	53,867
Total expenditures	1,083,019	1,066,938	954,208	3,104,165
Excess (deficiency) of revenues over (under) expenditures	(29,933)	379,476	(365,740)	(16,197)
Other financing sources (uses)				
Proceeds from loan	-	-	-	-
Transfer in	-	-	415,229	415,229
Transfer out	(24,566)	(390,663)	-	(415,229)
Insurance proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(24,566)	(390,663)	415,229	-
Excess of revenues and other sources over (under) expenditures and other uses	(54,499)	(11,187)	49,489	(16,197)
Cash balances, beginning of year	286,295	110,239	343,300	739,834
Cash balances, end of year	\$ 231,796	\$ 99,052	\$ 392,789	\$ 723,637

REQUIRED SUPPLEMENTAL INFORMATION

Shelby County, Missouri
Budgetary Comparison Schedule-Major Funds
Cash Basis
For the Year Ended December 31, 2007

	County Revenue Fund				Class 3 Special Road & Bridge Fund			
	Budgeted Amounts		Actual	Actual Over (Under) Final Budget	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final			Original	Final		
Revenues:								
Realty, property taxes	\$ 343,300	\$ 343,300	\$ 355,912	\$ 12,612	\$ 217,000	\$ 217,000	\$ 215,527	\$ (1,473)
Sales taxes	417,000	417,000	421,044	4,044	77,500	77,500	74,300	(3,200)
Charges for services	129,063	129,063	64,466	(64,597)	15,000	15,000	16,128	1,128
Intergovernmental	116,441	116,441	18,258	(98,183)	615,500	615,500	8,527	(606,973)
Investment income	25,000	25,000	153,010	128,010	13,000	13,000	610,911	597,911
Miscellaneous	56,500	56,500	50,272	(6,228)	40,000	40,000	35,056	(4,944)
Total revenue	1,087,304	1,087,304	1,062,962	(24,342)	978,000	978,000	960,449	(17,551)
Expenditures:								
General county government	609,272	609,272	514,751	94,521	-	-	-	-
Road & bridge	-	-	-	-	967,222	967,222	918,610	48,612
Health and welfare	-	-	-	-	-	-	-	-
Property valuation assessment & recording	53,867	53,867	53,459	408	-	-	-	-
Administration of justice & law	530,413	530,413	484,021	46,392	-	-	-	-
Capital outlay	-	-	29,972	(29,972)	-	-	28,900	(28,900)
Debt service-principal and interest	-	-	-	-	-	-	57,352	(57,352)
Total expenditures	1,193,552	1,193,552	1,082,203	111,349	967,222	967,222	1,004,862	(37,640)
Excess of revenues over (under) expenditures	(106,248)	(106,248)	(19,241)	87,007	10,778	10,778	(44,413)	(55,191)
Other financing sources (uses):								
Proceeds from loan	-	-	-	-	-	-	-	-
Transfer in	44,500	44,500	-	(44,500)	-	-	-	-
Transfer out	(19,371)	(19,371)	(19,371)	-	(54,500)	(54,500)	-	54,500
Insurance proceeds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,129	25,129	(19,371)	(44,500)	(54,500)	(54,500)	-	54,500
Excess of revenues and other sources over (under) expenditures and other uses	(81,119)	(81,119)	(38,612)	42,507	(43,722)	(43,722)	(44,413)	(691)
Cash balances, beginning of year	231,796	231,796	231,796	-	99,052	99,052	99,052	-
Cash balances, end of year	\$ 150,677	\$ 150,677	\$ 193,184	\$ 42,507	\$ 55,330	\$ 55,330	\$ 54,639	\$ (691)

Shelby County, Missouri
Budgetary Comparison Schedule-Major Funds
Cash Basis
For the Year Ended December 31, 2006

	County Revenue Fund				Class 3 Special Road & Bridge Fund			
	Budgeted Amounts		Actual Over (Under)		Budgeted Amounts		Actual Over (Under)	
Revenues:	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Property/realty taxes	\$ 350,000	\$ 350,000	\$ 333,243	\$ (16,757)	\$ 210,000	\$ 210,000	\$ 204,431	\$ (5,569)
Sales taxes	420,000	420,000	404,825	(15,175)	60,000	60,000	71,789	11,789
Fines, fees, licenses, and permits	-	-	-	-	-	-	-	-
Charges for services	77,100	77,100	77,840	740	20,400	20,400	11,201	(9,199)
Intergovernmental	142,991	160,344	18,337	(142,007)	1,125,600	1,125,600	8,300	(1,117,300)
Investment income	21,000	21,000	125,286	104,286	17,000	17,000	1,115,487	1,098,487
Miscellaneous	54,500	54,500	93,555	39,055	35,000	35,000	35,206	206
Total revenue	1,065,591	1,082,944	1,053,086	(29,858)	1,468,000	1,468,000	1,446,414	(21,586)
Expenditures:								
General county government	566,306	590,206	392,356	197,850	-	-	-	-
Road & bridge	-	-	-	-	1,568,262	1,577,362	795,154	782,208
Health and welfare	-	-	-	-	-	-	-	-
Property valuation assessment & recording	29,185	29,185	25,564	3,621	-	-	-	-
Administration of justice & law	538,615	568,130	512,999	55,131	-	-	-	-
Capital outlay	-	-	152,100	(152,100)	-	-	217,917	(217,917)
Debt service-principal and interest	-	-	-	-	-	-	53,867	(53,867)
Total expenditures	1,134,106	1,187,521	1,083,019	104,502	1,568,262	1,577,362	1,066,938	510,424
Excess of revenues over (under) expenditures	(68,515)	(104,577)	(29,933)	74,644	(100,262)	(109,362)	379,476	488,838
Other financing sources (uses):								
Proceeds from loan	-	-	-	-	-	-	-	-
Transfer in	60,000	60,000	-	(60,000)	-	-	-	-
Transfer out	(24,566)	(24,566)	(24,566)	-	-	-	(390,663)	(390,663)
Insurance proceeds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	35,434	35,434	(24,566)	(60,000)	-	-	(390,663)	(390,663)
Excess of revenues and other sources over (under) expenditures and other uses	(33,081)	(69,143)	(54,499)	14,644	(100,262)	(109,362)	(11,187)	98,175
Fund balances, beginning of year	286,295	286,295	286,295	-	110,239	110,239	110,239	-
Fund balances, end of year	\$ 253,214	\$ 217,152	\$ 231,796	\$ 14,644	\$ 9,977	\$ 877	\$ 99,052	\$ 98,175

See Independent Auditor's Report and Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

SHELBY COUNTY, MISSOURI

Notes to the Financial Statements

December 31, 2007 and 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity and Basis of Presentation

The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The County Revenue Fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

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

The County has not recorded capital assets or depreciation expense in the governmental activities as mandated by the Government Accounting Standards Board Statement (GASB) No. 34. Accounting principles generally accepted in the United States of America require asset capitalization and depreciation over the asset's estimated useful life and reported as a direct expense of each associated functional activity, which would increase capital assets, net assets, and expenses, and changes in net assets reported in the governmental and business-type activities. The County is required to report assets and liabilities, such as taxes receivables, allowance for bad debt, compensated absences, and long-term debt, such as bonds, capital leases, and certificates of participation, on the full accrual basis as opposed to the cash basis which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, the County did not produce certain information regarding its pension plan as required by the Government Accounting Standards Board (GASB) No. 27. The amount by which these departures would affect the related financial statements is not determinable.

C. Major Fund Designation

A major fund is any fund whose assets, liabilities, revenues, or expenditures constitute ten percent (10%) or more of the total for the Governmental fund type and five percent (5%) of the total for the Governmental fund type and the Business fund type, combined. A government that reports only governmental funds need only apply the 10% test; this condition applied to Shelby County for the year ended December 31, 2007 and 2006. Financial information is most useful when each major fund is presented separately rather than when fund combination are reported, such as the aggregation of the Prosecuting Attorney, Drug Enforcement, Sheriff's Criminal Forfeiture, Sheriff's Criminal Restitution, and special-purpose funds into a special revenue fund type. GASBS-34 financial reporting model requires the presentation of individual fund data for each of the major funds of the County.

The County maintains Fiduciary funds to account for assets held in a trustee capacity or as an agent on behalf of others. Agency funds account for assets the County holds for others in an agency capacity, such as property taxes collected for other political subdivisions and the assets of special benefit road districts. Fiduciary and Agency cash and investment balances are classified as Fiduciary Funds (Agency) under GASBS-34 standards.

The County maintains an unclaimed fees account, when unclaimed amounts are routinely deposited. The County holds cash balances as an agent and fund custodian.

D. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the year ended December 31, 2007 in the Special Road and Bridge Fund.

SHELBY COUNTY, MISSOURI

Notes to the Financial Statements

December 31, 2007 and 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Published Financial Statements

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

NOTE 2. CASH

Disclosures are provided below to comply with Statement No. 40 of the Governmental Accounting Standards Board, *Deposit and Investment Risk Disclosures*. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand deposits, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of County deposits, Section 110.020, RSMo, requires depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of the state funds and held by either the County or a financial institution other than the depository bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Shelby County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

The County's deposits at December 31, 2007 and 2006, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the County's custodial banks in the County's name.

The 911 Emergency Service Board's deposits at December 31, 2007 and 2006, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by a correspondent bank in the Board's name.

Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in the U.S. Treasury and agency obligations. At December 31, 2007 and 2006, the County had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

NOTE 3. RETIREMENT PLANS

A. 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.

1. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance 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 section 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System and County Sheriffs covered under sections 57.949 to 57.997, RSMo. The general administration and responsibility for the proper operation and investment of the fund are vested in a nine-person board of directors.

SHELBY COUNTY, MISSOURI

Notes to the Financial Statements

December 31, 2007 and 2006

NOTE 3. RETIREMENT PLANS (continued)

2. Pension Benefits

Any member who has attained the age of sixty-two (62) years may retire with normal annuity with eight or more years of creditable service as a county employee. Benefits are available no earlier than January 1, 1997. The normal annuity of a retired member, not also a member of the Local Government Employee's Retirement System, who served as an employee of a county shall be equal to one and one-half percent of the average final compensation of the retired member multiplied by the number of years of creditable service of the retired member, except that the annual annuity shall not exceed fifty percent of the member's average final compensation. The normal annuity of a member who is also a member of the Local Government Employee's Retirement System shall be equal to one percent of the average final compensation of the retired member multiplied by the number of years of creditable service. Members are always 100% vested in their own contributions. The County Employees' Retirement Fund has issued audited financial statements for the years ended December 31, 2007 and 2006. Copies of this audit report may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271 or by calling 573-632-9203.

3. Funding Policy

Contributions for CERF are provided by revenues collected by the counties, and for those employees not in LAGERS, a 2% salary employee contribution. The revenues collected, minus employee contributions, are considered employer contribution. These collections are stated by statute and are equivalent to the required contribution

SUPPLEMENTAL REPORTS

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**Independent Auditor'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**

Honorable Commissioners of
Shelby County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shelby County, Missouri ("the County") as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 15, 2008. We issued an adverse opinion in our report on the governmental activities, business type activities, each major fund, and the aggregate remaining funds, because the County did not capitalize infrastructure and other capital assets; did not report depreciation expense for those assets over their estimated useful lives, did not report compensated absences or allowance for doubtful accounts, and did not produce adequate disclosures regarding its pension plan, among other omissions. Except as discussed in the preceding sentence, 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 County'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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 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*.

This report is intended solely for the information and use of the County Commissioners, management of the County, 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.

Charles Buchanan, CPA, PC
St. Louis, Missouri
August 15, 2008

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**Independent Auditor's Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over Compliance
in Accordance with OMB Circular A-133**

Honorable Commissioners of
Shelby County, Missouri

We have audited the compliance of Shelby County, Missouri, ("the County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2006.

Internal Control Over Compliance

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

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 county'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 county's internal control.

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 county's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Charles Buchanan, CPA, PC
St. Louis, Missouri
August 15, 2008

Shelby County, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31,

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>2007</u>	<u>2006</u>
<u>U.S. Department of Justice</u>				
Passed through Missouri Sheriff's Association:				
Domestic Cannabis Eradication/Suppression Program	16.unk		\$ 1,020	\$ -
<u>U.S. Department of Transportation</u>				
Passed through Missouri Department of Public Safety:				
Hazardous Materials Emergency Preparedness (HMEP) Program	20.703	07-PT-02-78	1,040	13,484
Passed through Missouri Department of Highway & Transportation Commission:				
Off-System Bridge Program	20.205	BRO-B102 (18)	28,372	151,774
Total U.S. Department of Transportation			<u>29,412</u>	<u>165,258</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Missouri Division of Social Services:				
Juvenile Mentoring	93.658		22,112	20,100
<u>U. S. Department of Homeland Security</u>				
Passed through Missouri State Emergency Management Agency:				
State Domestic Preparedness Equipment Support Program	97.004		1,438	2,016
<u>U. S. Department of Housing and Urban Development</u>				
Passed through Missouri Department of Economic Development:				
Community Development Block Grant	14.228	2006-PF-022	411,055	390,662
Passed through Missouri Secretary of State:				
Help America Vote Act	90.401		12,173	-
Total U.S. Department of Housing and Urban Development			<u>423,228</u>	<u>390,662</u>
Total Expenditures of Federal Awards			<u>\$ 477,210</u>	<u>\$ 578,036</u>

Basis of Presentation:

The accompanying schedule of expenditures of federal awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirement 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 basic financial statements.

See Independent Auditor's Report and Notes to the Financial Statements

Shelby County, Missouri
Schedule of Findings and Questioned Costs
For the Years Ended December 31, 2007 and 2006

Section 1 - Summary of Auditor's Results

Financial Statements:

<u>Type Audit Report issued on Financial Statements of Auditee</u>	Adverse
<u>Internal Control Over Financial Reporting</u>	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

<u>Internal Control Over Major Programs:</u>	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
<u>Type Audit Report Issued on Compliance for Major Programs:</u>	Unqualified

Audit Findings

Audit findings required to be reported under OMB Circular A-133.	None
--	------

Major Programs

<u>CFDA #</u>	<u>Program Title</u>
14.228	Community Development Block Grant

<u>Dollar Threshold Used to Distinguish Between Type A and Type B Program</u>	\$300,000
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<u>Auditee Qualified as a Low-Risk Auditee</u>	No
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Section 2 - Financial Statement Findings

None

Section 3 - Federal Award Findings and Questioned Costs

<u>Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards</u>	None
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SHELBY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2003 and 2002, did not included audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

SHELBY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2003 and 2002, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SUPPLEMENTAL INFORMATION

Shelby County, Missouri
Combining Balance Sheet
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2007

	Assessment Fund	911 Fund	Prosecuting Atty Training Fund	Prosecuting Atty Bad Check Fund	Prosecuting Atty Income Tax Fund	Law Library	Children's Trust Fund	Emergency Chemical Fund	Hazardous Materials Fund	Election Service Fund	Circuit Clerk Time Payment	D.A.R.E. Fund	Circuit Clerk Interest	Circuit Clerk Sound Recording Fund	Subtotal
Assets															
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets-cash	62,011	220,491	2,393	28,412	2,752	6,447	3,971	9,368	6,921	4,232	3,448	374	20,079	2,422	373,321
Restricted assets-investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	62,011	220,491	2,393	28,412	2,752	6,447	3,971	9,368	6,921	4,232	3,448	374	20,079	2,422	373,321
Fund balances															
Reserved for debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	62,011	220,491	2,393	28,412	2,752	6,447	3,971	9,368	6,921	4,232	3,448	374	20,079	2,422	373,321
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ 62,011	\$ 220,491	\$ 2,393	\$ 28,412	\$ 2,752	\$ 6,447	\$ 3,971	\$ 9,368	\$ 6,921	\$ 4,232	\$ 3,448	\$ 374	\$ 20,079	\$ 2,422	\$ 373,321

Shelby County, Missouri
Combining Balance Sheet
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2007

			Recorders									Community					
			Preservation	County	Recorders	Associate Judge		Law				Elections	Law	Safe Return	CDBG	Inmate	Collectors
			& Storage	Recorder's	Technology	Circuit Clerk	Sheriffs	Enforcement	Surplus Fund	Post Fund	HAVA Fund	Improvement	Enforcement	Project	Pwsd	Security	Tax
			Fund	Account	Fund	Civil/Criminal	Civil Fund	Training Fund					Restitution	Grant Fund	Fund	Fund	Maintenance
	Subtotal	Circuit Clerk											Fund				Fund
		Passport															
<u>Assets</u>																	Total Non-
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Major
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Governmental
Restricted assets-cash	373,321	4,740	4,780	3,615	3,402	-	5,730	2,564	374	-	4	11,554	651	-	76	12,259	Funds
Restricted assets-investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	373,321	4,740	4,780	3,615	3,402	-	5,730	2,564	374	-	4	11,554	651	-	76	12,259	423,070
<u>Fund balances</u>																	
Reserved for debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	373,321	4,740	4,780	3,615	3,402	-	5,730	2,564	374	-	4	11,554	651	-	76	12,259	423,070
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ 373,321	\$ 4,740	\$ 4,780	\$ 3,615	\$ 3,402	\$ -	\$ 5,730	\$ 2,564	\$ 374	\$ -	\$ 4	\$ 11,554	\$ 651	\$ -	\$ 76	\$ 12,259	\$ 423,070

Shelby County, Missouri
Combining Statement of Revenues, Expenditures, & Changes In Fund Balances
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2007

	Assessment Fund	911 Fund	Prosecuting Atty Training Fund	Prosecuting Atty Bad Check Fund	Prosecuting Atty Income Tax Fund	Law Library	Children's Trust Fund	Emergency Chemical Fund	Hazardous Materials Fund	Election Service Fund	Circuit Clerk Time Payment	D.A.R.E. Fund	Circuit Clerk Interest	Circuit Clerk Sound Recording Fund	Subtotal
Revenues															
Property & other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	247,577	-	-	-	-	-	-	-	-	-	-	-	-	247,577
Charges for services	-	-	563	5,893	-	3,610	-	-	-	453	1,199	483	-	-	12,201
Interest income	4,571	9,447	112	1,656	78	34	229	499	409	260	-	-	7,974	152	25,421
Intergovernmental	104,767	-	-	-	1,327	-	267	448	1,438	-	-	-	-	12	108,259
Miscellaneous	1,392	707	-	-	-	-	-	-	-	-	-	-	-	-	2,099
Total revenues	<u>110,730</u>	<u>257,731</u>	<u>675</u>	<u>7,549</u>	<u>1,405</u>	<u>3,644</u>	<u>496</u>	<u>947</u>	<u>1,847</u>	<u>713</u>	<u>1,199</u>	<u>483</u>	<u>7,974</u>	<u>164</u>	<u>395,557</u>
Expenditures															
General county government	-	-	-	-	-	-	697	395	1,040	1,757	-	-	-	-	3,889
Road & bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property valuation, assessment & recording	129,299	-	-	-	-	-	-	-	-	-	-	-	-	-	129,299
Administration of justice & law	-	225,701	12	4,821	-	2,275	-	-	-	-	-	352	1,730	686	235,577
<i>Capital outlay:</i>															
Property, equipment, & buildings	-	1,120	-	-	-	-	-	-	-	-	-	-	-	-	1,120
<i>Debt service:</i>															
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and paying agent fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>129,299</u>	<u>226,821</u>	<u>12</u>	<u>4,821</u>	<u>-</u>	<u>2,275</u>	<u>697</u>	<u>395</u>	<u>1,040</u>	<u>1,757</u>	<u>-</u>	<u>352</u>	<u>1,730</u>	<u>686</u>	<u>369,885</u>
Excess of revenues over (under) expenditures	<u>(18,569)</u>	<u>30,910</u>	<u>663</u>	<u>2,728</u>	<u>1,405</u>	<u>1,369</u>	<u>(201)</u>	<u>552</u>	<u>807</u>	<u>(1,044)</u>	<u>1,199</u>	<u>131</u>	<u>6,244</u>	<u>(522)</u>	<u>25,672</u>
Other financing sources (uses):															
Proceeds from loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in	19,371	-	-	-	-	-	-	-	-	-	-	-	-	-	19,371
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>19,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,371</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>802</u>	<u>30,910</u>	<u>663</u>	<u>2,728</u>	<u>1,405</u>	<u>1,369</u>	<u>(201)</u>	<u>552</u>	<u>807</u>	<u>(1,044)</u>	<u>1,199</u>	<u>131</u>	<u>6,244</u>	<u>(522)</u>	<u>45,043</u>
Cash balances, beginning of year	61,209	189,581	1,730	25,684	1,347	5,078	4,172	8,816	6,114	5,276	2,249	243	13,835	2,944	328,278
Cash balances, end of year	<u>\$ 62,011</u>	<u>\$ 220,491</u>	<u>\$ 2,393</u>	<u>\$ 28,412</u>	<u>\$ 2,752</u>	<u>\$ 6,447</u>	<u>\$ 3,971</u>	<u>\$ 9,368</u>	<u>\$ 6,921</u>	<u>\$ 4,232</u>	<u>\$ 3,448</u>	<u>\$ 374</u>	<u>\$ 20,079</u>	<u>\$ 2,422</u>	<u>\$ 373,321</u>

Shelby County, Missouri
Combining Statement of Revenues, Expenditures, & Changes In Fund Balances
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2007

			Recorders Preservation & Storage Fund	County Recorder's Account	Recorders Technology Fund	Assoc.Judge Circuit Clerk Civil/Criminal	Sheriffs Civil Fund	Law Enforcement Training Fund	Surplus Fund	Post Fund	Elections Improvement HAVA Fund	Community Law Enforcement Restitution Fund	Safe Return Project Grant Fund	CDBG Pwsd Fund	Inmate Security Fund	Collectors Tax Maintenance Fund	Total Non- Major Governmental Funds
Revenues	Subtotal	Circuit Clerk Passport															
Property & other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	247,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247,577
Charges for services	12,201	330	3,273	54,298	1,811	25,228	9,485	2,228	-	-	-	6,997	-	-	76	5,690	121,617
Interest income	25,421	-	724	-	-	-	383	125	-	-	704	539	118	-	-	359	28,373
Intergovernmental	108,259	-	-	-	-	-	-	-	-	1,035	440	-	173	411,005	-	-	520,912
Miscellaneous	2,099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,099
Total revenues	395,557	330	3,997	54,298	1,811	25,228	9,868	2,353	-	1,035	1,144	7,536	291	411,005	76	6,049	920,578
Expenditures																	
General county government	3,889	-	-	55,622	-	-	-	-	-	1,035	924	-	-	-	-	-	61,470
Road & bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property valuation, assessment & recording	129,299	-	2,670	-	-	-	-	-	-	-	-	-	-	-	-	1,495	133,464
Administration of justice & law	235,577	-	-	-	-	25,228	4,763	1,755	-	-	-	4,304	846	-	-	-	272,473
Capital outlay:																	
Property, equipment, & buildings	1,120	-	6,729	-	2,051	-	4,178	-	-	-	11,248	-	5,930	411,005	-	-	442,261
Debt service:																	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and paying agent fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	369,885	-	9,399	55,622	2,051	25,228	8,941	1,755	-	1,035	12,172	4,304	6,776	411,005	-	1,495	909,668
Excess of revenues over (under) expenditures	25,672	330	(5,402)	(1,324)	(240)	-	927	598	-	-	(11,028)	3,232	(6,485)	-	76	4,554	10,910
Other financing sources (uses):																	
Proceeds from loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in	19,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,371
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,371
Excess of revenues and other sources over (under) expenditures and other uses	45,043	330	(5,402)	(1,324)	(240)	-	927	598	-	-	(11,028)	3,232	(6,485)	-	76	4,554	30,281
Cash balances, beginning of year	328,278	4,410	10,182	4,939	3,642	-	4,803	1,966	374	-	11,032	8,322	7,136	-	-	7,705	392,789
Cash balances, end of year	\$ 373,321	\$ 4,740	\$ 4,780	\$ 3,615	\$ 3,402	\$ -	\$ 5,730	\$ 2,564	\$ 374	\$ -	\$ 4	\$ 11,554	\$ 651	\$ -	\$ 76	\$ 12,259	\$ 423,070

Shelby County, Missouri
Combining Balance Sheet
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2006

	Assessment Fund	911 Fund	Prosecuting Atty Training Fund	Prosecuting Atty Bad Check Fund	Prosecuting Atty Income Tax Fund	Law Library	Children's Trust Fund	Emergency Chemical Fund	Hazardous Materials Fund	Election Service Fund	Circuit Clerk Time Payment	D.A.R.E. Fund	Circuit Clerk Interest	Circuit Clerk Sound Recording Fund	Subtotal
Assets															
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets-cash	61,209	189,581	1,729	25,684	1,347	5,078	4,173	8,816	6,114	5,276	2,249	243	13,835	2,944	328,278
Restricted assets-investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	61,209	189,581	1,729	25,684	1,347	5,078	4,173	8,816	6,114	5,276	2,249	243	13,835	2,944	328,278
Fund balances															
Reserved for debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserved	61,209	189,581	1,729	25,684	1,347	5,078	4,173	8,816	6,114	5,276	2,249	243	13,835	2,944	328,278
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ 61,209	\$ 189,581	\$ 1,729	\$ 25,684	\$ 1,347	\$ 5,078	\$ 4,173	\$ 8,816	\$ 6,114	\$ 5,276	\$ 2,249	\$ 243	\$ 13,835	\$ 2,944	\$ 328,278

See Independent Auditor's Report and Notes to the Financial Statements

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Shelby County, Missouri
Combining Statement of Revenues, Expenditures, & Changes In Fund Balances
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2006

	Assessment Fund	911 Fund	Prosecuting Atty Training Fund	Prosecuting Atty Bad Check Fund	Prosecuting Atty Income Tax Fund	Law Library	Children's Trust Fund	Emergency Chemical Fund	Hazardous Materials Fund	Election Service Fund	Circuit Clerk Time Payment	D.A.R.E. Fund	Circuit Interest	Circuit Clerk Sound Recording Fund	Subtotal
Revenues															
Property & other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	236,023	-	-	-	-	-	-	-	-	-	-	-	-	236,023
Fines, fees, licenses, and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	483	5,605	-	3,489	-	-	-	709	1,013	90	-	-	11,389
Interest income	4,335	9,650	67	953	61	-	183	333	273	242	-	-	1,849	121	18,067
Intergovernmental	100,597	-	-	-	-	-	261	2,016	1,437	-	-	-	-	12	104,323
Miscellaneous	1,742	926	-	-	-	-	-	-	-	-	-	-	-	-	2,668
Total revenues	<u>106,674</u>	<u>246,599</u>	<u>550</u>	<u>6,558</u>	<u>61</u>	<u>3,489</u>	<u>444</u>	<u>2,349</u>	<u>1,710</u>	<u>951</u>	<u>1,013</u>	<u>90</u>	<u>1,849</u>	<u>133</u>	<u>372,470</u>
Expenditures															
General county government	-	-	-	-	-	-	6	57	28	573	-	-	-	-	664
Road & bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property valuation, assesment & recording	110,200	-	-	-	-	-	-	-	-	-	-	-	-	6	110,206
Administration of justice & law	-	230,881	6	3,450	-	3,108	-	-	-	-	-	255	5,571	-	243,271
<i>Capital outlay:</i>															
Property, equipment, & buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Debt service:</i>															
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and paying agent fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>110,200</u>	<u>230,881</u>	<u>6</u>	<u>3,450</u>	<u>-</u>	<u>3,108</u>	<u>6</u>	<u>57</u>	<u>28</u>	<u>573</u>	<u>-</u>	<u>255</u>	<u>5,571</u>	<u>6</u>	<u>354,141</u>
Excess of revenues over (under) expenditures	<u>(3,526)</u>	<u>15,718</u>	<u>544</u>	<u>3,108</u>	<u>61</u>	<u>381</u>	<u>438</u>	<u>2,292</u>	<u>1,682</u>	<u>378</u>	<u>1,013</u>	<u>(165)</u>	<u>(3,722)</u>	<u>127</u>	<u>18,329</u>
Other financing sources (uses):															
Proceeds from loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in	24,566	-	-	-	-	-	-	-	-	-	-	-	-	-	24,566
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>24,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,566</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>21,040</u>	<u>15,718</u>	<u>544</u>	<u>3,108</u>	<u>61</u>	<u>381</u>	<u>438</u>	<u>2,292</u>	<u>1,682</u>	<u>378</u>	<u>1,013</u>	<u>(165)</u>	<u>(3,722)</u>	<u>127</u>	<u>42,895</u>
Net assets, beginning of year	40,169	173,863	1,185	22,576	1,286	4,697	3,735	6,524	4,432	4,898	1,236	408	17,557	2,817	285,383
Net assets, end of year	<u>\$ 61,209</u>	<u>\$ 189,581</u>	<u>\$ 1,729</u>	<u>\$ 25,684</u>	<u>\$ 1,347</u>	<u>\$ 5,078</u>	<u>\$ 4,173</u>	<u>\$ 8,816</u>	<u>\$ 6,114</u>	<u>\$ 5,276</u>	<u>\$ 2,249</u>	<u>\$ 243</u>	<u>\$ 13,835</u>	<u>\$ 2,944</u>	<u>\$ 328,278</u>

Shelby County, Missouri
Combining Statement of Revenues, Expenditures, & Changes In Fund Balances
Non-Major Governmental Funds
Cash Basis
For the Year Ended December 31, 2006

			Recorders Preservation & Storage Fund	County Recorder's Account	Recorders Tech Fund	Associated Judge Circuit Clerk Civil/Criminal	Sheriffs Civil Fund	Law Enforcement Training Fund	Surplus Land	Post Fund	Elections Improvement HAVA Fund	CDBG Bridge Grant Fund	Community Law Enforcement Restitution Fund	Safe Return Fund	Collector Tax Maintenance	Total Non- Major Governmental Funds
Revenues	Subtotal	Circuit Clerk Passport														
Property & other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	236,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	236,023
Fines, fees, licenses, and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	11,389	3,360	3,061	53,358	1,801	33,253	8,309	2,012	-	-	-	-	5,867	-	6,903	129,313
Interest income	18,067	-	556	-	-	-	224	60	-	-	960	-	468	136	-	20,471
Intergovernmental	104,323	-	-	-	-	-	-	-	-	920	87,750	-	-	7,000	-	199,993
Miscellaneous	2,668	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,668
Total revenues	372,470	3,360	3,617	53,358	1,801	33,253	8,533	2,072	-	920	88,710	-	6,335	7,136	6,903	588,468
Expenditures																
General county government	664	-	-	-	-	-	-	-	-	920	93,634	-	-	-	7,580	102,798
Road & bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property valuation, assesment & recording	110,206	-	5,574	-	2,206	-	-	-	-	-	-	-	-	-	-	117,986
Administration of justice & law	243,271	-	-	53,073	-	33,253	6,994	1,158	-	-	-	-	5,012	-	-	342,761
<i>Capital outlay:</i>																
Property, equipment, & buildings	-	-	-	-	-	-	-	-	-	-	-	390,663	-	-	-	390,663
<i>Debt service:</i>																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and paying agent fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	354,141	-	5,574	53,073	2,206	33,253	6,994	1,158	-	920	93,634	390,663	5,012	-	7,580	954,208
Excess of revenues over (under) expenditures	18,329	3,360	(1,957)	285	(405)	-	1,539	914	-	-	(4,924)	(390,663)	1,323	7,136	(677)	(365,740)
Other financing sources (uses):																
Proceeds from loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in	24,566	-	-	-	-	-	-	-	-	-	-	390,663	-	-	-	415,229
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	24,566	-	-	-	-	-	-	-	-	-	-	390,663	-	-	-	415,229
Excess of revenues and other sources over (under) expenditures and other uses	42,895	3,360	(1,957)	285	(405)	-	1,539	914	-	-	(4,924)	-	1,323	7,136	(677)	49,489
Net assets, beginning of year	285,383	1,050	12,139	4,654	4,047	-	3,264	1,052	374	-	15,956	-	6,999	-	8,382	343,300
Net assets, end of year	\$ 328,278	\$ 4,410	\$ 10,182	\$ 4,939	\$ 3,642	\$ -	\$ 4,803	\$ 1,966	\$ 374	\$ -	\$ 11,032	\$ -	\$ 8,322	\$ 7,136	\$ 7,705	\$ 392,789

Shelby County, Missouri
Combining Statement of Fiduciary Net Assets
For the Year Ended December 31, 2007

	All School Districts' Cash Balances	School Fund Principal Account	Collector of Revenue	Unclaimed Fees	Total Statement of Fiduciary Net Assets
<u>Assets</u>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Restricted assets-cash	404	33,592	3,055,664	536	3,090,196
Restricted assets-investments	-	-	-	-	-
Total Assets	<u>404</u>	<u>33,592</u>	<u>3,055,664</u>	<u>536</u>	<u>3,090,196</u>
<u>Liabilities</u>					
Due to agencies and political subdivisions	404	33,592	3,055,664	536	3,090,196
Due to other funds	-	-	-	-	-
Due to others	-	-	-	-	-
Total Liabilities	<u>\$ 404</u>	<u>\$ 33,592</u>	<u>\$ 3,055,664</u>	<u>\$ 536</u>	<u>\$ 3,090,196</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Shelby County, Missouri
Combining Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2006

	All School Districts' Cash Balances	School Fund Principal Account	Collector of Revenue	Unclaimed Fees	Total Statement of Fiduciary Net Assets
<u>Assets</u>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Restricted assets-cash	404	33,592	2,277,811	536	2,312,343
Restricted assets-investments	-	-	-	-	-
Total assets	<u>404</u>	<u>33,592</u>	<u>2,277,811</u>	<u>536</u>	<u>2,312,343</u>
<u>Liabilities</u>					
Due to agencies and political subdivisions	404	33,592	2,277,811	536	2,312,343
Due to other funds	-	-	-	-	-
Due to others	-	-	-	-	-
Total liabilities	<u>\$ 404</u>	<u>\$ 33,592</u>	<u>\$ 2,277,811</u>	<u>\$ 536</u>	<u>\$ 2,312,343</u>