



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor, in cooperation with Barry County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is written in a cursive style with a large, stylized "S" at the end.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-74

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

**THE COUNTY OF BARRY
CASSVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Barry, Missouri

We have audited the accompanying financial statements of the County of Barry ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's 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 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 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 more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from 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 effects of the matter 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 County of Barry, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Barry, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Barry has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. 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-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is not fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

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

September 7, 2011

FINANCIAL STATEMENTS

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	\$ 245,227.62	\$ 3,547,048.34	\$ 3,643,092.00	\$ 149,183.96
Assessment	445,192.85	411,077.00	377,565.04	478,704.81
Law Enforcement Training Fund	849.69	3,556.63	2,169.71	2,236.61
Pat Fund	180.67	880.62	920.11	141.18
Micro-Film Fund	88,974.91	27,344.11	28,416.00	87,903.02
PA Delinquent Tax Fund	5,193.67	2,868.15	7,198.17	863.65
Special Law Enforcement Fund	652.99	588.39	170.25	1,071.13
Liberty Common Road Fund	30,805.95	12,385.42	34,191.14	9,000.23
PA Bad Check Fund	1,243.02	27,774.58	27,248.01	1,769.59
Sheriff's Fund	85.56	50,014.08	50,000.00	99.64
Post Fund	1,798.57	1,555.45	1,537.71	1,816.31
LEPC Fund	7,062.50	15,006.17	13,263.09	8,805.58
Election Fund	4,250.89	8,816.00	6,513.25	6,553.64
Special Road District Fund	634,785.17	816,758.00	678,801.62	772,741.55
Sheriff's Revolving Fund	12,487.73	14,162.39	8,052.88	18,597.24
Capital Projects Fund	39.51	55,000.00	55,000.00	39.51
Senior Citizens Services Board	60,002.15	216,860.00	217,431.36	59,430.79
SB40	757,529.90	341,406.26	308,462.00	790,474.16
Law Enforcement Restitution Fund	-	6,221.66	-	6,221.66
TOTAL	\$ 2,296,363.35	\$ 5,559,323.25	\$ 5,460,032.34	\$ 2,395,654.26

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	\$ 220,983.00	\$ 3,575,960.62	\$ 3,551,716.00	\$ 245,227.62
Assessment	377,788.91	414,894.00	347,490.06	445,192.85
Law Enforcement Training Fund	403.00	3,302.69	2,856.00	849.69
Pat Fund	332.00	871.00	1,022.33	180.67
Micro-Film Fund	77,849.97	29,514.91	18,389.97	88,974.91
PA Delinquent Tax Fund	1,788.00	3,405.67	-	5,193.67
Special Law Enforcement Fund	45.00	1,932.99	1,325.00	652.99
Liberty Common Road Fund	32,256.27	12,121.68	13,572.00	30,805.95
PA Bad Check Fund	1,348.88	34,400.00	34,505.86	1,243.02
Sheriff's Fund	-	50,002.56	49,917.00	85.56
Post Fund	2,080.00	1,832.57	2,114.00	1,798.57
LEPC Fund	4,911.00	12,984.50	10,833.00	7,062.50
Election Fund	8,212.00	12,004.89	15,966.00	4,250.89
Emergency Road and Bridge	536,726.26	989,804.00	891,745.09	634,785.17
Sheriff's Revolving Fund	5,372.00	11,820.73	4,705.00	12,487.73
Capital Projects Fund	168.00	95,967.00	96,095.49	39.51
Senior Citizens Services Board	68,370.73	214,462.42	222,831.00	60,002.15
SB40	840,060.13	331,783.77	414,314.00	757,529.90
Law Enforcement Restitution Fund	-	-	-	-
TOTAL	\$ 2,178,695.15	\$ 5,797,066.00	\$ 5,679,397.80	\$ 2,296,363.35

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 38,230.00	\$ 39,207.00	\$ 42,900.00	\$ 38,970.00
Sales Taxes	1,732,006.00	1,743,524.00	1,839,850.00	1,732,006.00
Intergovernmental	877,252.00	847,511.00	907,005.00	833,950.33
Charges for Services	676,150.00	679,117.00	728,000.00	685,369.00
Interest	2,252.00	3,043.00	7,800.00	3,033.00
Other	117,500.00	234,646.34	72,423.00	262,381.62
Transfers In	-	-	-	20,250.67
TOTAL RECEIPTS	3,443,390.00	3,547,048.34	3,597,978.00	3,575,960.62
DISBURSEMENTS				
County Commission	138,577.00	93,566.00	93,750.00	93,256.00
County Clerk	70,915.00	70,905.00	71,005.00	70,905.00
Elections	78,452.00	77,756.00	61,010.00	58,157.00
Buildings and Grounds	170,486.00	178,043.00	167,511.00	173,459.00
Employee Fringe Benefits	481,010.00	486,072.00	506,342.00	498,019.00
County Treasurer	46,825.00	46,719.00	46,825.00	46,613.00
Collector	105,650.00	105,811.00	108,250.00	105,522.00
Recorder of Deeds	39,540.00	39,540.00	39,595.00	39,495.00
Circuit Clerk	39,650.00	32,860.00	35,300.00	34,039.00
Associate Circuit Court	-	-	-	-
Court Administration	7,146.00	7,118.00	35,300.00	5,762.00
Public Administrator	18,200.00	18,200.00	18,200.00	18,200.00
Public Safety	679,888.00	665,780.00	777,905.00	675,553.00
Jail	382,570.00	410,739.00	391,315.00	372,932.00
Prosecuting Attorney	273,697.00	270,896.00	271,797.00	266,428.00
Juvenile Officer	177,729.00	184,564.00	174,827.00	174,742.00
Coroner	25,200.00	22,125.00	120,700.00	21,219.00
Other	548,056.00	589,413.00	583,280.00	501,309.00
Health and Welfare	297,000.00	235,565.00	11,430.00	285,052.00
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	107,420.00	107,420.00	111,054.00	111,054.00
TOTAL DISBURSEMENTS	3,688,011.00	3,643,092.00	3,625,396.00	3,551,716.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(244,621.00)	(96,043.66)	(27,418.00)	24,244.62
CASH AND INVESTMENT BALANCES, JANUARY 1	245,227.62	245,227.62	220,983.00	220,983.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 606.62	\$ 149,183.96	\$ 193,565.00	\$ 245,227.62

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 378,748.00	\$ 387,685.00	\$ 405,422.00	\$ 396,142.00	\$ -	\$ -	\$ -	-
Charges for Services	12,900.00	18,448.00	15,578.00	14,736.00	-	-	-	-
Interest	2,100.00	4,854.00	14,500.00	3,908.00	-	-	-	-
Other	-	90.00	-	108.00	3,400.00	3,556.63	5,000.00	3,302.69
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	393,748.00	411,077.00	435,500.00	414,894.00	3,400.00	3,556.63	5,000.00	3,302.69
DISBURSEMENTS								
Assesor	484,269.00	377,565.04	481,814.00	347,490.06	4,250.00	2,169.71	-	-
Tuition	-	-	-	-	-	-	5,000.00	2,856.00
TOTAL DISBURSEMENTS	484,269.00	377,565.04	481,814.00	347,490.06	4,250.00	2,169.71	5,000.00	2,856.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(90,521.00)	33,511.96	(46,314.00)	67,403.94	(850.00)	1,386.92	-	446.69
CASH AND INVESTMENT BALANCES, JANUARY 1	445,192.85	445,192.85	377,788.91	377,788.91	849.69	849.69	403.00	403.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 354,671.85</u>	<u>\$ 478,704.81</u>	<u>\$ 331,474.91</u>	<u>\$ 445,192.85</u>	<u>\$ (0.31)</u>	<u>\$ 2,236.61</u>	<u>\$ 403.00</u>	<u>\$ 849.69</u>

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PAT FUND				MICRO-FILM FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 900.00	\$ 880.62	\$ 1,400.00	\$ 871.00	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	800.00	835.00	1,500.00	659.00
Other	-	-	-	-	25,000.00	26,509.11	25,000.00	28,855.91
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	900.00	880.62	1,400.00	871.00	25,800.00	27,344.11	26,500.00	29,514.91
DISBURSEMENTS								
Prosecuting Attorney	1,725.00	920.11	1,725.00	1,022.33	-	-	-	-
Mico-film Expenses	-	-	-	-	110,000.00	28,416.00	104,250.00	18,389.97
TOTAL DISBURSEMENTS	1,725.00	920.11	1,725.00	1,022.33	110,000.00	28,416.00	104,250.00	18,389.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	(825.00)	(39.49)	(325.00)	(151.33)	(84,200.00)	(1,071.89)	(77,750.00)	11,124.94
CASH AND INVESTMENT BALANCES, JANUARY 1	180.67	180.67	332.00	332.00	88,974.91	88,974.91	77,849.97	77,849.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ (644.33)</u>	<u>\$ 141.18</u>	<u>\$ 7.00</u>	<u>\$ 180.67</u>	<u>\$ 4,774.91</u>	<u>\$ 87,903.02</u>	<u>\$ 99.97</u>	<u>\$ 88,974.91</u>

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	P A DELINQENT TAX FUND				SPECIAL LAW ENFORCEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	28.85	36.00	31.00	1.00	5.39	1.00	1.00
Other	3,000.00	2,839.30	3,000.00	3,374.67	1,900.00	583.00	2,000.00	1,931.99
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,030.00	2,868.15	3,036.00	3,405.67	1,901.00	588.39	2,001.00	1,932.99
DISBURSEMENTS								
Miscellaneous	8,000.00	7,198.17	7,400.00	-	2,554.00	170.25	-	-
Law Enforcement Special	-	-	-	-	-	-	2,000.00	1,325.00
TOTAL DISBURSEMENTS	8,000.00	7,198.17	7,400.00	-	2,554.00	170.25	2,000.00	1,325.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,970.00)	(4,330.02)	(4,364.00)	3,405.67	(653.00)	418.14	1.00	607.99
CASH AND INVESTMENT BALANCES, JANUARY 1	5,193.67	5,193.67	1,788.00	1,788.00	652.99	652.99	45.00	45.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 223.67</u>	<u>\$ 863.65</u>	<u>\$ (2,576.00)</u>	<u>\$ 5,193.67</u>	<u>\$ (0.01)</u>	<u>\$ 1,071.13</u>	<u>\$ 46.00</u>	<u>\$ 652.99</u>

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LIBERTY COMMON ROAD FUND				P A BAD CHECK FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 627.00	\$ 661.71	\$ 793.00	\$ 627.00	\$ -	\$ -	\$ -	\$ -
Sales Taxes	7,203.00	7,250.08	7,652.00	7,203.00	-	-	-	-
Intergovernmental	3,900.00	4,256.50	4,381.00	4,075.00	-	-	-	-
Charges for Services	-	-	-	-	34,000.00	27,655.99	39,000.00	34,299.00
Interest	220.00	217.13	192.00	216.00	95.00	118.59	850.00	101.00
Other	11,950.00	-	-	0.68	-	-	-	-
TOTAL RECEIPTS	23,273.00	12,385.42	13,018.00	12,121.68	34,095.00	27,774.58	39,850.00	34,400.00
DISBURSEMENTS								
Expenses	42,625.00	34,191.14	44,774.00	13,572.00	-	-	-	-
Bad Check Expenses	-	-	-	-	35,150.00	27,248.01	41,175.00	34,505.86
TOTAL DISBURSEMENTS	42,625.00	34,191.14	44,774.00	13,572.00	35,150.00	27,248.01	41,175.00	34,505.86
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,352.00)	(21,805.72)	(31,756.00)	(1,450.32)	(1,055.00)	526.57	(1,325.00)	(105.86)
CASH AND INVESTMENT BALANCES, JANUARY 1	30,805.95	30,805.95	32,256.27	32,256.27	1,243.02	1,243.02	1,348.88	1,348.88
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 11,453.95	\$ 9,000.23	\$ 500.27	\$ 30,805.95	\$ 188.02	\$ 1,769.59	\$ 23.88	\$ 1,243.02

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SHERIFF'S FUND				POST FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	3,807.63	-	-	-	-	-	-
Interest	37.00	41.30	-	37.00	16.00	17.74	20.00	17.00
Other	50,000.00	46,165.15	50,000.00	49,965.56	1,800.00	1,537.71	2,300.00	1,815.57
TOTAL RECEIPTS	50,037.00	50,014.08	50,000.00	50,002.56	1,816.00	1,555.45	2,320.00	1,832.57
DISBURSEMENTS								
Car Fuel	50,000.00	50,000.00	50,000.00	49,917.00	-	-	-	-
Training	-	-	-	-	3,615.00	1,537.20	4,400.00	2,114.00
TOTAL DISBURSEMENTS	50,000.00	50,000.00	50,000.00	49,917.00	7,230.00	1,537.71	4,400.00	2,114.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	37.00	14.08	-	85.56	(5,414.00)	17.74	(2,080.00)	(281.43)
CASH AND INVESTMENT BALANCES, JANUARY 1	85.56	85.56	-	-	1,798.57	1,798.57	2,080.00	2,080.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 122.56	\$ 99.64	\$ -	\$ 85.56	\$ (3,615.43)	\$ 1,816.31	\$ -	\$ 1,798.57

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ELECTION FUND				SHERIFF'S REVOLVING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	5,652.00	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	54.00	250.00	56.00	80.00	143.39	-	78.00
Other	4,000.00	8,762.00	2,500.00	11,948.89	12,000.00	14,019.00	10,000.00	11,742.73
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,030.00	8,816.00	8,402.00	12,004.89	12,080.00	14,162.39	10,000.00	11,820.73
DISBURSEMENTS								
Expenses	8,000.00	6,513.25	16,600.00	15,966.00	24,000.00	8,052.88	15,000.00	4,705.00
Transfers	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,000.00	6,513.25	16,600.00	15,966.00	24,000.00	8,052.88	15,000.00	4,705.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,970.00)	2,302.75	(8,198.00)	(3,961.11)	(11,920.00)	6,109.51	(5,000.00)	7,115.73
CASH AND INVESTMENT BALANCES, JANUARY 1	4,250.89	4,250.89	8,212.00	8,212.00	12,487.73	12,487.73	5,372.00	5,372.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 280.89	\$ 6,553.64	\$ 14.00	\$ 4,250.89	\$ 567.73	\$ 18,597.24	\$ 372.00	\$ 12,487.73

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	EMERGENCY ROAD AND BRIDGE FUND				LEPC FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 143,043.00	\$ 144,215.00	\$ 143,134.00	\$ 143,043.00				
Intergovernmental	207,797.00	311,100.00	494,708.00	399,100.00	\$ 12,100.00	\$ 14,891.69	\$ 12,900.00	\$ 12,936.00
Interest	5,774.00	6,614.00	4,608.00	4,194.00	200.00	114.48	300.00	48.00
Other	600,000.00	354,829.00	600,000.00	443,467.00	-	-	-	0.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	956,614.00	816,758.00	1,242,450.00	989,804.00	12,300.00	15,006.17	13,200.00	12,984.50
DISBURSEMENTS								
Expense	-	-	-	-	11,700.00	13,263.09	16,700.00	10,833.00
Salaries	24,000.00	14,498.00	23,000.00	-	-	-	-	-
Fringe Benefits	4,050.00	2,486.00	1,525,000.00	-	-	-	-	-
Supplies	-	-	18,900.00	-	-	-	-	-
Road & Bridge Construction	1,547,500.00	620,317.00	-	770,812.42	-	-	-	-
Other	15,500.00	41,500.62	-	100,682.00	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers	-	-	-	20,250.67	-	-	-	-
TOTAL DISBURSEMENTS	1,591,050.00	678,801.62	1,566,900.00	891,745.09	11,700.00	13,263.09	16,700.00	10,833.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(634,436.00)	137,956.38	(324,450.00)	98,058.91	600.00	1,743.08	(3,500.00)	2,151.50
CASH AND INVESTMENT BALANCES, JANUARY 1	634,785.17	634,785.17	536,726.26	536,726.26	7,062.50	7,062.50	4,911.00	4,911.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 349.17	\$ 772,741.55	\$ 212,276.26	\$ 634,785.17	\$ 7,662.50	\$ 8,805.58	\$ 1,411.00	\$ 7,062.50

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CAPITAL PROJECTS FUND				SENIOR CITIZENS SERVICES BOARD			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 213,500.00	\$ 216,312.00	\$ 196,000.00	\$ 213,830.42
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	55,000.00	-	-	600.00	548.00	1,000.00	632.00
Other	110,000.00	-	225,450.00	95,967.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	110,000.00	55,000.00	225,450.00	95,967.00	214,100.00	216,860.00	197,000.00	214,462.42
DISBURSEMENTS								
Expenses	110,000.00	55,000.00	225,450.00	96,095.49	214,100.00	217,431.36	226,124.00	222,831.00
TOTAL DISBURSEMENTS	110,000.00	55,000.00	225,450.00	96,095.49	214,100.00	217,431.36	226,124.00	222,831.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	(128.49)	-	(571.36)	(29,124.00)	(8,368.58)
CASH AND INVESTMENT BALANCES, JANUARY 1	39.51	39.51	168.00	168.00	60,002.15	60,002.15	68,370.73	68,370.73
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 39.51	\$ 39.51	\$ 168.00	\$ 39.51	\$ 60,002.15	\$ 59,430.79	\$ 39,246.73	\$ 60,002.15

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SB40				LAW ENFORCEMENT RESTITUTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 300,000.00	\$ 307,750.00	\$ 300,000.00	\$ 304,426.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	6,209.87	-	-
Interest	20,000.00	20,709.26	25,000.00	19,209.00	-	11.79	-	-
Other	-	12,947.00	-	8,148.77	-	-	-	-
TOTAL RECEIPTS	320,000.00	341,406.26	325,000.00	331,783.77	-	6,221.66	-	-
DISBURSEMENTS								
Operating expenses	628,794.00	308,462.00	628,794.00	414,314.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	628,794.00	308,462.00	628,794.00	414,314.00	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(308,794.00)	32,944.26	(303,794.00)	(82,530.23)	-	6,221.66	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	757,529.90	757,529.90	840,060.13	840,060.13	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 448,735.90	\$ 790,474.16	\$ 536,266.13	\$ 757,529.90	\$ -	\$ 6,221.66	\$ -	\$ -

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	Overplus	County Common	Flood Control	Forest Reserve	Unclaimed Fees	Shelter Home
ASSETS						
Cash and Cash Equivalents	\$ 76,196.11	\$ 41,505.43	\$ -	\$ 48,096.08	\$ 1,138.98	\$ 2,733.79
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	76,196.11	41,505.43	-	48,096.08	1,138.98	2,733.79
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	76,196.11	41,505.43	-	48,096.08	1,138.98	2,733.79
TOTAL LIABILITIES AND FUND BALANCES	\$ 76,196.11	\$ 41,505.43	\$ -	\$ 48,096.08	\$ 1,138.98	\$ 2,733.79
	General Revenue Tax Litigation Fund	SRD Tax Litigation Fund	R.E. Tax Litigation Fund	Drug Court P I Fund	EATS Tax Escrow	PILOTS Escrow
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 13,216.52	\$ 349,523.32	\$ 389,544.83
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	13,216.52	349,523.32	389,544.83
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	13,216.52	349,523.32	389,544.83
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 13,216.52	\$ 349,523.32	\$ 389,544.83
	Recorder	Juvenile	Collector	Sheriff	Drug Task Force	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 24,801.25	\$ 1,920.69	\$ 15,446,856.25	\$ 10,138.67	\$ 99,036.83	\$ 53.34
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	24,801.25	1,920.69	15,446,856.25	10,138.67	99,036.83	53.34
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	24,801.25	1,920.69	15,446,856.25	10,138.67	99,036.83	53.34
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,801.25	\$ 1,920.69	\$ 15,446,856.25	\$ 10,138.67	\$ 99,036.83	\$ 53.34
	Total Fiduciary Funds					
ASSETS						
Cash and Cash Equivalents	\$ 16,504,762.09					
Investments						
Other Investments	-					
Total Investments	-					
Total Assets	16,504,762.09					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-					
UNRESERVED FUND BALANCES	16,504,762.09					
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,504,762.09					

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

	2009					
	Overplus	County Common	Flood Control	Forest Reserve	Unclaimed Fees	Shelter Home
ASSETS						
Cash and Cash Equivalents	\$ 122,520.08	\$ 120,308.29	\$ 26,678.22	\$ 25,529.27	\$ 1,250.94	\$ 1,786.43
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	122,520.08	120,308.29	26,678.22	25,529.27	1,250.94	1,786.43
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	122,520.08	120,308.29	26,678.22	25,529.27	1,250.94	1,786.43
TOTAL LIABILITIES AND FUND BALANCES	\$ 122,520.08	\$ 120,308.29	\$ 26,678.22	\$ 25,529.27	\$ 1,250.94	\$ 1,786.43
	General Revenue Tax Litigation Fund	SRD Tax Litigation Fund	R.E. Tax Litigation Fund	Drug Court P I Fund	EATS Tax Escrow	PILOTS Escrow
ASSETS						
Cash and Cash Equivalents	\$ 54,465.50	\$ 54,473.26	\$ 39,033.14	\$ 3,584.05	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	54,465.50	54,473.26	39,033.14	3,584.05	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	54,465.50	54,473.26	39,033.14	(3,584.05)	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,465.50	\$ 54,473.26	\$ 39,033.14	\$ (3,584.05)	\$ -	\$ -
	Recorder	Juvenile	Collector	Sheriff	Drug Task Force	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 19,730.00	\$ 8,355.84	\$ 15,220,227.39	\$ 14,898.42	\$ 844.19	\$ 3,878.29
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	19,730.00	8,355.84	15,220,227.39	14,898.42	844.19	3,878.29
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	19,730.00	8,355.84	15,220,227.39	1,786.43	844.19	3,878.29
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,730.00	\$ 8,355.84	\$ 15,220,227.39	\$ 1,786.43	\$ 844.19	\$ 3,878.29
	Total Fiduciary Funds					
ASSETS						
Cash and Cash Equivalents	\$ 15,717,563.31					
Investments						
Other Investments	-					
Total Investments	-					
Total Assets	15,717,563.31					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-					
UNRESERVED FUND BALANCES	15,717,563.31					
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,717,563.31					

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

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Barry, Missouri ("County"), 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 Commissioners, 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 regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

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

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social 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 County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

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. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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 County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

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

C. Basis of Accounting

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

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and 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.

As a result of the use of this regulatory 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.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County 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 included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
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.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	<u>2010</u>	<u>2009</u>
Real Estate	\$ 310,486,577	\$ 304,936,717
Personal Property	116,501,935	119,888,521
Railroad and Utilities	<u>15,378,760</u>	<u>14,378,846</u>
	<u>\$ 442,367,272</u>	<u>\$ 439,204,084</u>

During 2010 and 2009, the County Commission approved a \$0.1200 and \$0.1200, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	<u>2010</u>	<u>2009</u>
General Revenue Fund	\$ 0.0000	\$ 0.0000
Senior Services	0.0500	0.0500
Developmentally Disabled	<u>0.0700</u>	<u>0.0700</u>
	<u>\$ 0.1200</u>	<u>\$ 0.1200</u>

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. 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 eliminated due to reporting the financial statements on the regulatory basis of accounting.

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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was \$2,395,654.26 and \$2,296,363.35, and the bank balance was \$16,647,014.10 and \$14,151,738.38, respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 1,653,914.87
Investments	741,739.39
Total Deposits & Investments as of December 31, 2010	<u>\$ 2,395,654.26</u>

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 1,586,741.45
Investments	709,621.90
Total Deposits & Investments as of December 31, 2009	<u>\$ 2,296,363.35</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 and 2009.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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 County or its agent but not in the government's name. The County 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 County 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 County 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 County 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 County 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 County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2010 and 2009.

III. LONG-TERM DEBT

The County 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 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
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	9,000.00	6,227.50	15,227.50
2015-2019	55,000.00	22,383.75	77,383.75
2020-2022	42,000.00	5,052.50	47,052.50
	<u>\$ 138,000.00</u>	<u>\$ 63,450.00</u>	<u>\$ 201,450.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

III. LONG-TERM DEBT (continued)

Balance – December 31, 2008	\$ 145,000.00
Additions	-
Payments	<u>(7,000.00)</u>
Balance – December 31, 2009	<u>\$ 138,000.00</u>

NID AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
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	9,000.00	6,227.50	15,227.50
2015	10,000.00	5,698.75	15,698.75
2016-2020	58,000.00	19,152.50	77,152.50
2021-2022	29,000.00	2,585.00	31,585.00
	<u>\$ 131,000.00</u>	<u>\$ 55,342.50</u>	<u>\$ 186,342.50</u>

Balance – December 31, 2009	\$ 138,000.00
Additions	-
Payments	<u>(7,000.00)</u>
Balance – December 31, 2010	<u>\$ 131,000.00</u>

On October 27, 2008, the County entered into a promissory note with Security Bank of Southwest Missouri for a total principal amount of \$200,000. However, the County 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%. On December 31, 2009, the County renewed the one year promissory note at a rate of 3.25%.

LOAN AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	\$ 117,000.00	\$ 4,022.56	\$ 121,022.56
	<u>\$ 117,000.00</u>	<u>\$ 4,022.56</u>	<u>\$ 121,022.56</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2008	\$ 83,000.00
Additions	34,000.00
Payments	<u>-</u>
Balance – December 31, 2009	<u>\$ 117,000.00</u>

LOAN AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	<u>\$ 119,202.56</u>	<u>\$ 936.59</u>	<u>\$ 120,139.15</u>
	<u>\$ 119,202.56</u>	<u>\$ 936.59</u>	<u>\$ 120,139.15</u>
Balance – December 31, 2009	\$ 117,000.00		
Additions	55,000.00		
Payments	<u>(52,797.44)</u>		
Balance – December 31, 2010	<u>\$ 119,202.56</u>		

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	\$ -	\$ -	\$ 20,250.67	\$ -
Emerg. Road and Bridge Fund	-	-	-	20,250.67
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,250.67</u>	<u>\$ 20,250.67</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

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

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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

B. Contributions (concluded)

During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately \$80,490.53 and \$77,416.20, respectively, for the years then ended.

VI. OTHER RETIREMENT PLAN

Barry County does not participate in the Missouri Local Government Employees' Retirement System. Contributions to a voluntary plan are paid by a voluntary deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Great West who administers the 401a Plan. Employee contributions were \$12,220.46 and \$12,914.70 for the years ended December 31, 2010 and 2009, respectively.

VII. POST EMPLOYMENT BENEFITS

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

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2010 and 2009.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County 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.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate 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.

X. 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.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2010, funds were deficit budgeted for the following: law enforcement training fund, PAT fund, special law enforcement fund and POST fund.
- B. For the year ended December 31, 2009, funds were deficit budgeted for the following: PA delinquent tax fund.
- C. For the year ended December 31, 2010, there was no budget for the Law Enforcement Restitution fund.
- D. For the year ended December 31, 2010, expenses exceeded those budgeted for the Senior Citizens' Service Board and LEPC fund.

FEDERAL COMPLIANCE SECTION



**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 County of Barry ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 7, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from 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 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03, FS 10/09-04, FS 10/09-05 and SA 10/09-01) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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*.

We noted certain matters that we reported to management of the County in a separate letter dated September 7, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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 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

September 7, 2011



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Barry
Cassville, Missouri

Compliance

We have audited the County of Barry's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. 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.

As described in item SA 10/09-01 in the accompanying schedule of findings and questioned costs, Barry County did not comply with requirements regarding reporting requirements that are applicable to its ARRA JAG Program and the overall preparation of the schedule of expenditures of federal awards. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program and preparation of the schedule of expenditures of federal awards.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item SA 10/09-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit management's response and, accordingly, we express no opinion on the response.

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

September 7, 2011

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD:
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	EXPENDITURES DECEMBER 31, 2010	EXPENDITURES DECEMBER 31, 2009
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services				
ARRA - Homeless Prevention and Rapid Re-housing	14.257		\$ 87,477.00	\$ 29,336.00
DEPARTMENT OF INTERIOR				
Direct Program				
PILT - Payment in Lieu of Taxes	15.226		76,622.00	75,069.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community				
Policing Grants	16.710		-	128,130.00
	16.710	2007CKWX0283	8,403.17	-
	16.710	2009-SB-B9-2106	18,467.60	-
Passed Through:				
State Department of Public Safety:				
Edward Byrne Memorial Formula Grant Program	16.738	2006-JAG-20	-	87,342.00
	16.738	2007-JAG-INT-006	21,671.27	15,436.00
	16.738	2008-JAG1-023	78,755.95	-
Cape Girardeau County:				
Memorial State and Local Law Enf. Asst.	16.580	DDBX0163	-	38,767.00
Discretionary Grants Program		09JAGDTF003	-	25,713.00
		DPS2008	-	8,634.00
		2008-DD-BX-016	10,098.26	-
		2009-DD-BX-001	26,465.56	-
		2009SB892106	-	18,244.00
ARRA - Edward Byrne Memorial Justice Asst. Grant	16.803	2009-JAG-RA-003	-	107,634.00
		2007-JAG-RA-003	169,801.29	-
		2009-JAG-RA-040	10,672.08	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B005-(17)	129,601.45	251,971.96
Department of Public Safety:				
Interagency Hazardous Materials Public				
Sector Training and Planning Grants	20.703	CEPF-HMEP	6,611.65	5,165.00
2009 DWI Enforcement	20.607	LKK040NHTSA	-	714.00
2010 DWI Enforcement	20.601	LKK073NHTSA	950.24	-
		10-154-AL-103	9,856.64	-
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011		6,415.16	-
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Requirements Payments	90.401		6,177.10	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State:				
Department of Health and Senior Services:				
Foster Care - Title IV-E	93.658	ERO172238	70,071.73	72,579.00
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
Public Assistance Grants (Presidentially Declared				
Disasters)	97.036	FEMA1676-DR-	-	2,774.00
Emergency Management Performance Grants	97.042	SEMS-SLA	4,323.00	6,476.41
Total Federal Expenditures			\$ 742,441.15	\$ 873,985.37

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Barry County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

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

NOTE 2 – SUBRECIPIENTS

The County did not provide federal awards to any subrecipients during the years ended December 31, 2010 and 2009.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	16.738	Department of Justice – Edward Byrne Memorial Formula Grant Program
2010/2009	16.803	Department of Justice – ARRA – Edward Byrne Memorial Justice Asst. Grant
2010/2009	20.205	Department of Transportation – Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

6. Auditee qualified as low-risk auditee? 2010 Yes X No

2009 Yes X No

II. FINANCIAL STATEMENT FINDINGS

10/09-01 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. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

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

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 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: 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.

Views of responsible officials and planned corrective actions: 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 statements. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, 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.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 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: 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.

Views of responsible officials and planned corrective actions: 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 statements. Each official has their own internal controls within their office.

10/09-03 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.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-03 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.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An amendment to SAS No. 55

Condition: Lack of segregation of duties in the Recorder's Office.

Context: During our audit, we noted a single employee has the ability to initiate, record, reconcile and monitor a single transaction.

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.

Views of responsible officials and planned corrective actions: 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.

10/09-05 Criteria: Monthly reconciliation of bank accounts.

Condition: Bank account reconciliations are not being properly prepared in the Recorder's Office, Collector's Office and the Drug Task Force Office.

Context: During our audit, we noted that the reconciliations of the Recorder's accounts are not being properly reconciled on a monthly basis due to including checks written in the following month of the month being reconciled for 2009 and 2010, the Collector's escrow account for 2010 and the JAG account for 2010.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Recorder's, Collector's and Drug Task Force account reconciliations are not being properly prepared.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-05 Recommendation: We recommend that these offices properly reconcile their accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: We agree with the finding and will implement the recommendation immediately.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Barry County, Missouri for the fiscal years ended December 31, 2010 and 2009. 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.

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 in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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*.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (concluded)

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.

C. Federal Award Findings and Questioned Costs

SA10/09-01 All Programs

Significant Information on the federal programs: The schedule of expenditures of federal
Deficiency awards contained errors.

Criteria: Section .310(b) of Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Condition: The County did not comply with OMB Circular A-133 section .310(b).

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule. Amounts reported were not supported by the documentation provided. Some of these errors were due to using revenues instead of expenditures while others were just errors.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans.

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 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.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02 Criteria: 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, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 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.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

FS 07/08-04 Criteria: Lack of segregation of duties in the Sheriff's office.

Status: It appears no corrective action plan was implemented in 2009 but was resolved in the 2010 year.

FS 07/08-05 Criteria: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Status: It appears this finding has been resolved in the current audit year.

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

Status: It appears this finding has been resolved in the current audit year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01 The schedule of expenditures of federal awards contained errors.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-01.



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 County of Barry ("County") as of and for the years ended December 31, 2010 and 2009, 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 was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

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, P.C.
Certified Public Accountants

September 7, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01 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. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

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

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 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: 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.

Views of responsible officials and planned corrective actions: 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 statements. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, 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.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 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: The County did not prepare the required documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

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.

Views of responsible officials and planned corrective actions: 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 statements. Each official has their own internal controls within their office.

10/09-03

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.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

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.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04

Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Recorder's Office.

Context: During our audit, we noted a single employee has the ability to initiate, record, reconcile and monitor a single transaction.

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.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

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

Views of responsible officials and planned corrective actions: 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.

10/09-05

Criteria: Monthly reconciliation of bank accounts.

Condition: Bank account reconciliations are not being properly prepared in the Recorder's Office, Collector's Office and the Drug Task Force Office.

Context: During our audit, we noted that the reconciliations of the Recorder's accounts are not being properly reconciled on a monthly basis due to including checks written in the following month of the month being reconciled for 2009 and 2010, the Collector's escrow account for 2010 and the JAG account for 2010.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Recorder's, Collector's and Drug Task Force account reconciliations are not being properly prepared.

Recommendation: We recommend that these offices properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: We agree with the finding and will implement the recommendation immediately.

SA 10/09-01

Criteria: Section .310(b) of Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Condition: The County did not comply with OMB Circular A-133 section .310(b).

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule. Amounts reported were not supported by the documentation provided. Some of these errors were due to using revenues instead of expenditures while others were just errors.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control*, *significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.
- b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.
- c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.
- d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2011. Professional standards also require that we communicate to you the following information related to our audit.

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 County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 7, 2011.

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.