



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

To the County Commission  
and  
Officeholders of St. Clair County, Missouri

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

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

Susan Montee, JD, CPA  
State Auditor

September 2009  
Report No. 2009-84

**ST. CLAIR COUNTY, MISSOURI**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 2008 and 2007**

**ST. CLAIR COUNTY, MISSOURI**

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## **INDEPENDENT AUDITORS' REPORT**

St. Clair County Commission  
St. Clair County  
Osceola, Missouri

We have audited the accompanying financial statements of St. Clair County, Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's financial statements as identified 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 misstatements. 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 in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which 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 in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of St. Clair County, Missouri, as of December 31, 2008 and 2007, or the changes in financial position for the years then ended.

St. Clair County Commission  
St. Clair County  
Osceola, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of St. Clair County, Missouri, as of and for the years ended December 31, 2008 and 2007, and the receipts, disbursements and budgetary results of the governmental funds for the years ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2009, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.  
June 12, 2009

ST. CLAIR COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2008

FUND	Cash and Investment Balances			Cash and Investment Balances
	January 1	Receipts	Disbursements	December 31
General Revenue Fund	\$ 647,422	\$ 3,780,018	\$ 3,828,767	\$ 598,673
Special Road and Bridge Fund	282,018	1,094,588	1,059,090	317,516
Assessment Fund	37,911	138,452	126,657	49,706
Lake Patrol Fund	6,179	125	5,026	1,278
Law Enforcement Training Fund	1,800	3,401	4,180	1,021
Law Library Fund	360	5,707	3,713	2,354
Prosecuting Attorney Training Fund	4,107	811	1,913	3,005
Recorder's Maintenance Fund	53,449	9,233	8,862	53,820
Circuit Clerk Passport and Interest Fund	53,315	6,649	721	59,243
Sheriff Commissary Fund	19,692	26,211	30,036	15,867
Prosecuting Attorney Administrative				
Cost Fund	11,220	11,500	1,260	21,460
Tax Maintenance Fund	30,043	15,033	5,847	39,229
Election Services Fund	9,912	1,508	105	11,315
Sheriff Drug Fund	1,373	2	372	1,003
Sheriff Revolving Fund	5,600	2,932	5,033	3,499
HAVA Fund	159	2,387	2,515	31
Sheriff Civil Fees Fund	16,526	28,455	24,837	20,144
Local Emergency Planning				
Commission Fund	6,797	4,211	3,591	7,417
Domestic Violence Fund	1,335	1,014	1,250	1,099
Justice Assistance Grant Fund	-	41,608	41,608	-
Deputy Sheriff Salary Fund	-	1,831	1,421	410
US Marshall Federal Sharing Fund	-	12,456	-	12,456
<b>TOTAL</b>	<b>\$ 1,189,218</b>	<b>\$ 5,188,132</b>	<b>\$ 5,156,804</b>	<b>\$ 1,220,546</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2007

FUND	Cash and Investment Balances	Receipts	Disbursements	Cash and Investment Balances
	January 1			December 31
General Revenue Fund	\$ 1,028,548	\$ 3,573,146	\$ 3,954,272	\$ 647,422
Special Road and Bridge Fund	215,706	1,123,415	1,057,103	282,018
Assessment Fund	29,301	135,178	126,568	37,911
Lake Patrol Fund	6,558	299	678	6,179
Law Enforcement Training Fund	3,489	4,059	5,748	1,800
Law Library Fund	404	4,732	4,776	360
Prosecuting Attorney Training Fund	4,910	1,124	1,927	4,107
Recorder's Maintenance Fund	53,344	9,926	9,821	53,449
Circuit Clerk Passport and Interest Fund	51,161	6,649	4,495	53,315
Sheriff Commissary Fund	17,933	26,752	24,993	19,692
Prosecuting Attorney Administrative Cost Fund	-	12,671	1,451	11,220
Tax Maintenance Fund	39,175	13,348	22,480	30,043
Election Services Fund	7,811	3,064	963	9,912
Sheriff Drug Fund	1,001	18,430	18,058	1,373
Sheriff Revolving Fund	5,199	3,411	3,010	5,600
HAVA Fund	11,143	26,925	37,909	159
Sheriff Civil Fees Fund	21,828	20,308	25,610	16,526
Local Emergency Planning Commission Fund	6,496	2,684	2,383	6,797
Domestic Violence Fund	365	970	-	1,335
<b>TOTAL</b>	<b>\$ 1,504,372</b>	<b>\$ 4,987,091</b>	<b>\$ 5,302,245</b>	<b>\$ 1,189,218</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>GENERAL REVENUE FUND</u></b>						
<b>RECEIPTS</b>						
Property taxes	\$ 376,680	\$ 414,840	\$ 38,160	\$ 348,066	\$ 353,676	\$ 5,610
Sales taxes	275,000	263,950	(11,050)	280,000	274,841	(5,159)
Intergovernmental	199,916	223,732	23,816	244,409	257,694	13,285
Charges for services	2,488,150	2,493,233	5,083	2,507,825	2,280,508	(227,317)
Interest	46,416	43,306	(3,110)	51,000	45,472	(5,528)
Other	291,035	267,184	(23,851)	216,912	284,046	67,134
Transfers in	-	73,773	73,773	15,000	76,909	61,909
<b>TOTAL RECEIPTS</b>	<b>3,677,197</b>	<b>3,780,018</b>	<b>102,821</b>	<b>3,663,212</b>	<b>3,573,146</b>	<b>(90,066)</b>
<b>DISBURSEMENTS</b>						
County Commission	95,170	92,503	2,667	104,568	101,995	2,573
County Clerk	98,279	95,085	3,194	100,599	93,782	6,817
Elections	71,937	72,630	(693)	20,872	21,325	(453)
Buildings and grounds	156,343	107,598	48,745	209,971	50,526	159,445
County Treasurer	54,443	54,195	248	55,344	55,629	(285)
County Collector	98,480	94,860	3,620	110,020	103,546	6,474
Recorder of Deeds	69,255	67,838	1,417	69,369	68,022	1,347
Circuit Clerk	13,050	9,736	3,314	12,685	10,825	1,860
Court administration	23,873	7,898	15,975	17,086	6,410	10,676
Public Administrator	30,300	27,430	2,870	29,439	27,321	2,118
Sheriff	360,936	329,536	31,400	356,099	343,973	12,126
Jail	2,278,565	2,286,768	(8,203)	2,377,706	2,284,818	92,888
Prosecuting Attorney	94,755	86,889	7,866	99,259	96,126	3,133
Juvenile Officer	41,226	32,012	9,214	47,321	26,118	21,203
County Coroner	17,795	18,849	(1,054)	18,446	16,516	1,930
Public Defender	2,400	2,400	-	2,325	2,325	-
Emergency Management	2,600	481	2,119	100,928	68,517	32,411
Public health and welfare service	2,800	2,727	73	2,800	2,727	73
Debt service	265,462	166,609	98,853	265,462	265,462	-
Other	171,817	146,227	25,590	171,918	180,463	(8,545)
Transfers out	22,758	126,496	(103,738)	37,592	127,846	(90,254)
Emergency Fund	110,316	-	110,316	109,896	-	109,896
<b>TOTAL DISBURSEMENTS</b>	<b>4,082,560</b>	<b>3,828,767</b>	<b>253,793</b>	<b>4,319,705</b>	<b>3,954,272</b>	<b>365,433</b>
<b>(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(405,363)</b>	<b>(48,749)</b>	<b>356,614</b>	<b>(656,493)</b>	<b>(381,126)</b>	<b>275,367</b>
<b>CASH AND INVESTMENT BALANCE, January 1</b>	<b>647,422</b>	<b>647,422</b>	<b>-</b>	<b>1,028,548</b>	<b>1,028,548</b>	<b>-</b>
<b>CASH AND INVESTMENT BALANCE, December 31</b>	<b>\$ 242,059</b>	<b>\$ 598,673</b>	<b>\$ 356,614</b>	<b>\$ 372,055</b>	<b>\$ 647,422</b>	<b>\$ 275,367</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>SPECIAL ROAD AND BRIDGE FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 324,921	\$ 322,806	\$ (2,115)	\$ 301,428	\$ 299,652	\$ (1,776)
Intergovernmental	644,000	585,219	(58,781)	632,700	638,326	5,626
Charges for services	12,500	7,563	(4,937)	15,000	12,308	(2,692)
Interest	15,000	17,556	2,556	14,350	14,853	503
Other	168,500	161,444	(7,056)	129,900	158,276	28,376
<b>TOTAL RECEIPTS</b>	<b>1,164,921</b>	<b>1,094,588</b>	<b>(70,333)</b>	<b>1,093,378</b>	<b>1,123,415</b>	<b>30,037</b>
<b>DISBURSEMENTS</b>						
Salaries	282,090	311,371	(29,281)	287,916	279,354	8,562
Employee fringe benefits	84,315	77,600	6,715	90,909	87,826	3,083
Supplies	119,500	138,818	(19,318)	120,500	93,050	27,450
Insurance	19,950	12,630	7,320	20,000	16,892	3,108
Road and bridge materials	168,000	127,503	40,497	157,500	140,823	16,677
Equipment repairs	52,000	43,324	8,676	65,000	22,888	42,112
Rentals	1,000	1,750	(750)	-	-	-
Equipment purchases	200,000	141,541	58,459	260,000	219,002	40,998
Construction, repair, and maintenance	97,500	36,670	60,830	32,000	13,018	18,982
CART payments to special road district	180,000	164,935	15,065	180,000	179,902	98
Other	5,900	2,948	2,952	8,700	4,348	4,352
Transfers out	10,000	-	10,000	15,000	-	15,000
<b>TOTAL DISBURSEMENTS</b>	<b>1,220,255</b>	<b>1,059,090</b>	<b>161,165</b>	<b>1,237,525</b>	<b>1,057,103</b>	<b>180,422</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(55,334)</b>	<b>35,498</b>	<b>90,832</b>	<b>(144,147)</b>	<b>66,312</b>	<b>210,459</b>
<b>CASH AND INVESTMENT BALANCE, January 1</b>	<b>282,018</b>	<b>282,018</b>	<b>-</b>	<b>215,706</b>	<b>215,706</b>	<b>-</b>
<b>CASH AND INVESTMENT BALANCE, December 31</b>	<b>\$ 226,684</b>	<b>\$ 317,516</b>	<b>\$ 90,832</b>	<b>\$ 71,559</b>	<b>\$ 282,018</b>	<b>\$ 210,459</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>ASSESSMENT FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 129,245	\$ 124,006	\$ (5,239)	\$ 117,225	\$ 120,091	\$ 2,866
Interest	1,700	2,661	961	1,700	2,065	365
Other	2,800	885	(1,915)	3,800	1,355	(2,445)
Transfers in	22,759	10,900	(11,859)	37,592	11,667	(25,925)
TOTAL RECEIPTS	156,504	138,452	(18,052)	160,317	135,178	(25,139)
DISBURSEMENTS						
Assessor	144,186	126,657	17,529	156,504	126,568	29,936
TOTAL DISBURSEMENTS	144,186	126,657	17,529	156,504	126,568	29,936
EXCESS OF RECEIPTS OVER DISBURSEMENTS	12,318	11,795	(523)	3,813	8,610	4,797
CASH AND INVESTMENT BALANCE, January 1	37,911	37,911	-	29,301	29,301	-
CASH AND INVESTMENT BALANCE, December 31	\$ 50,229	\$ 49,706	\$ (523)	\$ 33,114	\$ 37,911	\$ 4,797
<b><u>LAKE PATROL FUND</u></b>						
RECEIPTS						
Interest	\$ 300	\$ 125	\$ (175)	\$ -	\$ 299	\$ 299
TOTAL RECEIPTS	300	125	(175)	-	299	299
DISBURSEMENTS						
Lake patrol	6,179	5,026	1,153	1,000	678	322
TOTAL DISBURSEMENTS	6,179	5,026	1,153	1,000	678	322
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(5,879)	(4,901)	978	(1,000)	(379)	621
CASH AND INVESTMENT BALANCE, January 1	6,179	6,179	-	6,558	6,558	-
CASH AND INVESTMENT BALANCE, December 31	\$ 300	\$ 1,278	\$ 978	\$ 5,558	\$ 6,179	\$ 621

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>LAW ENFORCEMENT</b>						
<b><u>TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 3,200	\$ 3,355	\$ 155	\$ 5,000	\$ 2,669	\$ (2,331)
Interest	256	46	(210)	-	128	128
Other	-	-	-	-	1,262	1,262
TOTAL RECEIPTS	3,456	3,401	(55)	5,000	4,059	(941)
DISBURSEMENTS						
Sheriff	5,000	4,180	820	6,500	5,748	752
TOTAL DISBURSEMENTS	5,000	4,180	820	6,500	5,748	752
DEFICIT OF RECEIPTS OVER DISBURSEMENTS	(1,544)	(779)	765	(1,500)	(1,689)	(189)
CASH AND INVESTMENT BALANCE, January 1	1,800	1,800	-	3,489	3,489	-
CASH AND INVESTMENT BALANCE, December 31	\$ 256	\$ 1,021	\$ 765	\$ 1,989	\$ 1,800	\$ (189)
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 5,653	\$ 653	\$ 4,200	\$ 4,671	\$ 471
Interest	60	54	(6)	-	61	61
TOTAL RECEIPTS	5,060	5,707	647	4,200	4,732	532
DISBURSEMENTS						
Law library	5,000	3,713	1,287	2,177	2,352	(175)
Transfer out	-	-	-	2,023	2,424	(401)
TOTAL DISBURSEMENTS	5,000	3,713	1,287	4,200	4,776	(576)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	60	1,994	1,934	-	(44)	(44)
CASH AND INVESTMENT BALANCE, January 1	360	360	-	404	404	-
CASH AND INVESTMENT BALANCE, December 31	\$ 420	\$ 2,354	\$ 1,934	\$ 404	\$ 360	\$ (44)

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>PROSECUTING ATTORNEY</b>						
<b><u>TRAINING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 950	\$ 648	\$ (302)	\$ 850	\$ 923	\$ 73
Interest	200	163	(37)	190	201	11
TOTAL RECEIPTS	1,150	811	(339)	1,040	1,124	84
DISBURSEMENTS						
Prosecuting Attorney	2,000	1,913	87	2,000	1,927	73
TOTAL DISBURSEMENTS	2,000	1,913	87	2,000	1,927	73
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(850)	(1,102)	(252)	(960)	(803)	157
CASH AND INVESTMENT BALANCE, January 1	4,107	4,107	-	4,910	4,910	-
CASH AND INVESTMENT BALANCE, December 31	\$ 3,257	\$ 3,005	\$ (252)	\$ 3,950	\$ 4,107	\$ 157
<b><u>RECORDERS MAINTENANCE FUND</u></b>						
RECEIPTS						
Charges for services	\$ 4,800	\$ 4,278	\$ (522)	\$ 5,000	\$ 4,724	\$ (276)
Interest	2,800	2,379	(421)	2,900	2,357	(543)
Other	2,800	2,576	(224)	3,040	2,845	(195)
TOTAL RECEIPTS	10,400	9,233	(1,167)	10,940	9,926	(1,014)
DISBURSEMENTS						
Recorder of Deeds	14,020	8,862	5,158	14,245	9,821	4,424
TOTAL DISBURSEMENTS	14,020	8,862	5,158	14,245	9,821	4,424
EXCESS (DEFICIT) RECEIPTS OVER DISBURSEMENTS	(3,620)	371	3,991	(3,305)	105	3,410
CASH AND INVESTMENT BALANCE, January 1	53,449	53,449	-	53,344	53,344	-
CASH AND INVESTMENT BALANCE, December 31	\$ 49,829	\$ 53,820	\$ 3,991	\$ 50,039	\$ 53,449	\$ 3,410

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>CIRCUIT CLERK PASSPORT AND INTEREST FUND</u></b>						
RECEIPTS						
Charges for services	\$ 3,010	\$ 2,510	\$ (500)	\$ 3,000	\$ 2,730	\$ (270)
Interest	3,500	4,139	639	1,400	3,919	2,519
TOTAL RECEIPTS	6,510	6,649	139	4,400	6,649	2,249
DISBURSEMENTS						
Circuit Clerk	17,500	721	16,779	28,228	4,495	23,733
TOTAL DISBURSEMENTS	17,500	721	16,779	28,228	4,495	23,733
EXCESS OF RECEIPTS OVER DISBURSEMENTS	(10,990)	5,928	16,918	(23,828)	2,154	25,982
CASH AND INVESTMENT BALANCE, January 1	53,315	53,315	-	51,161	51,161	-
CASH AND INVESTMENT BALANCE, December 31	\$ 42,325	\$ 59,243	\$ 16,918	\$ 27,333	\$ 53,315	\$ 25,982
<b><u>SHERIFF'S COMMISSARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ 26,000	\$ 25,509	\$ (491)	\$ 20,000	\$ 26,020	\$ 6,020
Interest	700	702	2	-	732	732
TOTAL RECEIPTS	26,700	26,211	(489)	20,000	26,752	6,752
DISBURSEMENTS						
Sheriff	40,423	30,036	10,387	33,000	24,993	8,007
TOTAL DISBURSEMENTS	40,423	30,036	10,387	33,000	24,993	8,007
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(13,723)	(3,825)	9,898	(13,000)	1,759	14,759
CASH AND INVESTMENT BALANCE, January 1	19,692	19,692	-	17,933	17,933	-
CASH AND INVESTMENT BALANCE, December 31	\$ 5,969	\$ 15,867	\$ 9,898	\$ 4,933	\$ 19,692	\$ 14,759

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>PROSECUTING ATTORNEY</b>						
<b><u>ADMINISTRATIVE COST FUND</u></b>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 10,832	\$ 832	\$ 9,000	\$ 12,345	\$ 3,345
Interest	650	668	18	937	326	(611)
TOTAL RECEIPTS	10,650	11,500	850	9,937	12,671	2,734
DISBURSEMENTS						
Prosecuting Attorney	11,588	1,260	10,328	1,050	1,451	(401)
TOTAL DISBURSEMENTS	11,588	1,260	10,328	1,050	1,451	(401)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(938)	10,240	11,178	8,887	11,220	2,333
CASH AND INVESTMENT BALANCE, January 1	11,220	11,220	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ 10,282	\$ 21,460	\$ 11,178	\$ 8,887	\$ 11,220	\$ 2,333
<b><u>TAX MAINTENANCE FUND</u></b>						
RECEIPTS						
Charges for services	\$ 11,000	\$ 13,449	\$ 2,449	\$ 11,000	\$ 11,830	\$ 830
Interest	1,000	1,584	584	1,000	1,518	518
TOTAL RECEIPTS	12,000	15,033	3,033	12,000	13,348	1,348
DISBURSEMENTS						
County Collector	22,300	5,847	16,453	41,500	22,480	19,020
Transfer out	500	-	500	-	-	-
TOTAL DISBURSEMENTS	22,800	5,847	16,953	41,500	22,480	19,020
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(10,800)	9,186	19,986	(29,500)	(9,132)	20,368
CASH AND INVESTMENT BALANCE, January 1	30,043	30,043	-	39,175	39,175	-
CASH AND INVESTMENT BALANCE, December 31	\$ 19,243	\$ 39,229	\$ 19,986	\$ 9,675	\$ 30,043	\$ 20,368

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>ELECTION SERVICES FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ 1,000	\$ 1,051	\$ 51	\$ 1,700	\$ 2,646	\$ 946
Interest	300	457	157	325	418	93
TOTAL RECEIPTS	1,300	1,508	208	2,025	3,064	1,039
DISBURSEMENTS						
Election	1,000	105	895	1,700	194	1,506
Transfers out	-	-	-	-	769	(769)
TOTAL DISBURSEMENTS	1,000	105	895	1,700	963	737
EXCESS OF RECEIPTS OVER DISBURSEMENTS	300	1,403	1,103	325	2,101	1,776
CASH AND INVESTMENT BALANCE, January 1	9,912	9,912	-	7,811	7,811	-
CASH AND INVESTMENT BALANCE, December 31	\$ 10,212	\$ 11,315	\$ 1,103	\$ 8,136	\$ 9,912	\$ 1,776
<b><u>SHERIFF DRUG FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ -	\$ -	\$ -	\$ 24,534	\$ -	\$ (24,534)
Interest	-	2	2	-	-	-
Transfer in	-	-	-	2,000	18,430	16,430
TOTAL RECEIPTS	-	2	2	26,534	18,430	(8,104)
DISBURSEMENTS						
Drug buy operations	2,000	372	1,628	26,534	18,058	8,476
TOTAL DISBURSEMENTS	2,000	372	1,628	26,534	18,058	8,476
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(2,000)	(370)	1,630	-	372	372
CASH AND INVESTMENT BALANCE, January 1	1,373	1,373	-	1,001	1,001	-
CASH AND INVESTMENT BALANCE, December 31	\$ (627)	\$ 1,003	\$ 1,630	\$ 1,001	\$ 1,373	\$ 372

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SHERIFF'S REVOLVING FUND</u></b>						
RECEIPTS						
Charges for services	\$ 3,000	\$ 2,735	\$ (265)	\$ 600	\$ 3,216	\$ 2,616
Interest	190	197	7	-	195	195
TOTAL RECEIPTS	3,190	2,932	(258)	600	3,411	2,811
DISBURSEMENTS						
Sheriff	8,000	5,033	2,967	5,000	3,010	1,990
TOTAL DISBURSEMENTS	8,000	5,033	2,967	5,000	3,010	1,990
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(4,810)	(2,101)	2,709	(4,400)	401	4,801
CASH AND INVESTMENT BALANCE, January 1	5,600	5,600	-	5,199	5,199	-
CASH AND INVESTMENT BALANCE, December 31	\$ 790	\$ 3,499	\$ 2,709	\$ 799	\$ 5,600	\$ 4,801
<b><u>HAVA FUND</u></b>						
RECEIPTS						
Intergovernmental	\$ -	\$ 918	\$ 918	\$ 25,265	\$ 2,327	\$ (22,938)
Interest	-	4	4	470	565	95
Transfer in	1,600	1,465	(135)	768	24,033	23,265
TOTAL RECEIPTS	1,600	2,387	787	26,503	26,925	422
DISBURSEMENTS						
Election	1,600	2,515	(915)	37,645	37,909	(264)
TOTAL DISBURSEMENTS	1,600	2,515	(915)	37,645	37,909	(264)
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	-	(128)	(128)	(11,142)	(10,984)	158
CASH AND INVESTMENT BALANCE, January 1	159	159	-	11,143	11,143	-
CASH AND INVESTMENT BALANCE, December 31	\$ 159	\$ 31	\$ (128)	\$ 1	\$ 159	\$ 158

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
RECEIPTS						
Charges for services	\$ 20,000	\$ 27,686	\$ 7,686	\$ 15,000	\$ 19,512	\$ 4,512
Interest	800	769	(31)	-	796	796
TOTAL RECEIPTS	20,800	28,455	7,655	15,000	20,308	5,308
DISBURSEMENTS						
Sheriff	35,776	24,837	10,939	27,000	25,610	1,390
TOTAL DISBURSEMENTS	35,776	24,837	10,939	27,000	25,610	1,390
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,976)	3,618	18,594	(12,000)	(5,302)	6,698
CASH AND INVESTMENT BALANCE, January 1	16,526	16,526	-	21,828	21,828	-
CASH AND INVESTMENT BALANCE, December 31	\$ 1,550	\$ 20,144	\$ 18,594	\$ 9,828	\$ 16,526	\$ 6,698
<b><u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u></b>						
RECEIPTS						
Interest	\$ 325	\$ 279	\$ (46)	\$ 525	\$ 324	\$ (201)
Other	2,350	3,932	1,582	3,725	2,360	(1,365)
TOTAL RECEIPTS	2,675	4,211	1,536	4,250	2,684	(1,566)
DISBURSEMENTS						
LEPC	4,000	3,591	409	6,000	2,383	3,617
TOTAL DISBURSEMENTS	4,000	3,591	409	6,000	2,383	3,617
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,325)	620	1,945	(1,750)	301	2,051
CASH AND INVESTMENT BALANCE, January 1	6,797	6,797	-	6,496	6,496	-
CASH AND INVESTMENT BALANCE, December 31	\$ 5,472	\$ 7,417	\$ 1,945	\$ 4,746	\$ 6,797	\$ 2,051

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DOMESTIC VIOLENCE FUND</u></b>						
RECEIPTS						
Charges for services	\$ 1,050	\$ 1,014	\$ (36)	\$ 375	\$ 970	\$ 595
TOTAL RECEIPTS	1,050	1,014	(36)	375	970	595
DISBURSEMENTS						
Transfer out	375	1,250	(875)	375	-	375
TOTAL DISBURSEMENTS	375	1,250	(875)	375	-	375
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	675	(236)	(911)	-	970	970
CASH AND INVESTMENT BALANCE, January 1	1,335	1,335	-	365	365	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2,010	\$ 1,099	\$ (911)	\$ 365	\$ 1,335	\$ 970
<b><u>JUSTICE ASSISTANCE GRANT FUND</u></b>						
RECEIPTS						
Transfer in	\$ 24,707	\$ 41,608	\$ 16,901			
TOTAL RECEIPTS	24,707	41,608	16,901			
DISBURSEMENTS						
Justice assistance	24,705	41,608	(16,903)			
TOTAL DISBURSEMENTS	24,705	41,608	(16,903)			
EXCESS OF RECEIPTS OVER DISBURSEMENTS	2	-	(2)			
CASH AND INVESTMENT BALANCE, January 1	-	-	-			
CASH AND INVESTMENT BALANCE, December 31	\$ 2	\$ -	\$ (2)			

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND  
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –  
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2008			2007		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>DEPUTY SHERIFF SALARY FUND</u></b>						
RECEIPTS						
Charges for services	\$ -	\$ 1,830	\$ 1,830			
Interest	-	1	1			
TOTAL RECEIPTS	-	1,831	1,831			
DISBURSEMENTS						
Deputy sheriff	-	1,421	(1,421)			
TOTAL DISBURSEMENTS	-	1,421	(1,421)			
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	410	410			
CASH AND INVESTMENT BALANCE, January 1	-	-	-			
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 410	\$ 410			
<b><u>US MARSHALL FEDERAL SHARING FUND</u></b>						
RECEIPTS						
Interest	\$ -	\$ 24	\$ 24			
Other	-	12,432	12,432			
TOTAL RECEIPTS	-	12,456	12,456			
DISBURSEMENTS						
Sheriff	-	-	-			
TOTAL DISBURSEMENTS	-	-	-			
EXCESS OF RECEIPTS OVER DISBURSEMENTS	-	12,456	12,456			
CASH AND INVESTMENT BALANCE, January 1	-	-	-			
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 12,456	\$ 12,456			

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Sheriff Fund	Jail Inmate Fund	Interest of Common Schools Fund	Collector's Fund	Collector's Surtax Fund	Circuit Clerk Fund	Recorder's Fund	County Employee Retirement Fund	Inmate Security Fund	School Building Fund	County Interest Fund	Total
<b>ASSETS</b>												
Cash and investments	\$ 459	\$ 13,487	\$ 33,775	\$ 3,945,517	\$ 1,591	\$ 19,161	\$ -	\$ 1,035	\$ 7,026	\$ 6	\$ 5,734	\$ 4,027,792
<b>TOTAL ASSETS</b>	<b>\$ 459</b>	<b>\$ 13,487</b>	<b>\$ 33,775</b>	<b>\$ 3,945,517</b>	<b>\$ 1,591</b>	<b>\$ 19,161</b>	<b>\$ -</b>	<b>\$ 1,035</b>	<b>\$ 7,026</b>	<b>\$ 6</b>	<b>\$ 5,734</b>	<b>\$ 4,027,792</b>
<b>LIABILITIES</b>												
Due to others	\$ 459	\$ 13,487	\$ -	\$ -	\$ -	\$ 19,161	\$ -	\$ 1,035	\$ 7,026	\$ 6	\$ 5,734	\$ 46,909
Due to other governments	-	-	33,775	3,945,517	1,591	-	-	-	-	-	-	3,980,883
<b>TOTAL LIABILITIES</b>	<b>\$ 459</b>	<b>\$ 13,487</b>	<b>\$ 33,775</b>	<b>\$ 3,945,517</b>	<b>\$ 1,591</b>	<b>\$ 19,161</b>	<b>\$ -</b>	<b>\$ 1,035</b>	<b>\$ 7,026</b>	<b>\$ 6</b>	<b>\$ 5,734</b>	<b>\$ 4,027,792</b>

See accompanying notes.

ST. CLAIR COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2007

	Sheriff Fund	Jail Inmate Fund	Interest of Common Schools Fund	Collector's Fund	Collector's Surtax Fund	Circuit Clerk Fund	Recorder's Fund	County Employee Retirement Fund	Inmate Security Fund	School Building Fund	County Interest Fund	Total
<b>ASSETS</b>												
Cash and investments	\$ 17,267	\$ 17,440	\$ 47,861	\$ 3,807,206	\$ 2,046	\$ 18,207	\$ -	\$ 1	\$ 2,788	\$ 30	\$ 5,378	\$ 3,918,224
<b>TOTAL ASSETS</b>	<u>\$ 17,267</u>	<u>\$ 17,440</u>	<u>\$ 47,861</u>	<u>\$ 3,807,206</u>	<u>\$ 2,046</u>	<u>\$ 18,207</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2,788</u>	<u>\$ 30</u>	<u>\$ 5,378</u>	<u>\$ 3,918,224</u>
<b>LIABILITIES</b>												
Due to others	\$ 17,267	\$ 17,440	\$ -	\$ -	\$ -	\$ 18,207	\$ -	\$ 1	\$ 2,788	\$ 30	\$ 5,378	\$ 61,111
Due to other governments	-	-	47,861	3,807,206	2,046	-	-	-	-	-	-	3,857,113
<b>TOTAL LIABILITIES</b>	<u>\$ 17,267</u>	<u>\$ 17,440</u>	<u>\$ 47,861</u>	<u>\$ 3,807,206</u>	<u>\$ 2,046</u>	<u>\$ 18,207</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2,788</u>	<u>\$ 30</u>	<u>\$ 5,378</u>	<u>\$ 3,918,224</u>

See accompanying notes.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Clair County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, 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).

### Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of St. Clair County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

### Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements 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 funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. 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 and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Budgets 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 the second Monday in January, each elected officer and department director will transmit to the County Commission and 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 January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, 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 fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and 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.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:
  - Deputy Sheriff Salary Fund
  - U.S. Marshall Federal Sharing Funds
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

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 is 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.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and 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. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2008 and 2007, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2008 and 2007, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

St. Clair County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1200. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

ST. CLAIR COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2008

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

St. Clair County’s full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. St. Clair County’s full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2007 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2007</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 60,591,500	\$ 62,070,200
Personal property	<u>25,791,173</u>	<u>26,135,681</u>
	<u>\$ 86,382,673</u>	<u>\$ 88,205,881</u>
TAX LEVY		
General Fund	\$ .3411	\$ .3635
Special Road & Bridge Fund	<u>.2832</u>	<u>.2852</u>
	<u>\$ .6243</u>	<u>\$ .6487</u>

ST. CLAIR COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2008

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The legal debt margin at December 31, 2008, is computed as follows:

	<u>2007</u>	<u>2008</u>
Constitutional debt limit	\$ 8,638,267	\$ 8,820,588
General obligation bonds payable	<u>-</u>	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 8,638,267</u></u>	<u><u>\$ 8,820,588</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – LONG-TERM DEBT

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a mower tractor at a cost of \$26,921. The agreement requires annual payments of \$14,518, which includes interest at 8.0% until 2008.

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a wheel loader at a total cost of \$66,676. The agreement requires annual payments of \$14,559, which includes interest at 4.5% until 2010.

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of three vehicles at a total cost of \$91,807. The agreement requires yearly payments of \$32,402, which includes interest at 6.0% until 2008.

In June 2007, the County entered into a cancelable lease purchase agreement to finance the purchase of two road graders at a total cost of \$60,454. The agreement requires annual payments of \$13,390, which includes interest at 5.25% until 2011.

In April 2007, the County entered into a cancelable lease purchase agreement to finance the purchase of two road graders at a total cost of \$196,814. The agreement requires annual payments of \$43,591, which includes interest at 5.25%.

ST. CLAIR COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2008

NOTE F – LONG-TERM DEBT (continued)

In 2007, the County entered into a cancelable lease purchase agreement to finance the purchase of two vehicles at a total cost of \$22,482. The agreement requires yearly payments of \$11,566, which includes interest at 5.95 % until 2008.

In 2007, the County entered into a cancelable lease purchase agreement to finance the purchase of seven vehicles at a total cost of \$108,233. The agreement requires annual payments of \$38,164, which includes interest at 5.9% until 2009.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a backhoe at a total cost of \$76,844. The agreement requires yearly payments of \$27,583, which includes interest at 7.6% until 2010.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

The annual requirements to amortize the principal of the leases are as follows:

Year Ended December 31,	Wheel Loader Lease	Backhoe Lease	Two John Deere Graders Lease	Two John Deere Graders Lease	Ford Vehicles Lease	Total Lease Payments
2009	\$ 14,559	\$ 27,583	\$ 13,390	\$ 43,591	\$ 38,165	\$ 137,288
2010	14,559	27,583	13,390	43,591	-	99,123
2011	-	-	13,331	43,591	-	56,922
	29,118	55,165	40,111	130,773	38,165	293,332
Less Portion Representing Interest	(1,890)	(5,904)	(4,194)	(8,711)	(2,127)	(22,826)
Minimum Future Lease Payments	<u>\$ 27,228</u>	<u>\$ 49,261</u>	<u>\$ 35,917</u>	<u>\$ 122,062</u>	<u>\$ 36,038</u>	<u>\$ 270,506</u>

ST. CLAIR COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2008

NOTE F – LONG-TERM DEBT (continued)

The following is the change in long-term debt for the years ending December 31, 2008 and 2007.

	Balance			Balance			Balance
	December 31, 2006	Additions	Retirements	December 31, 2007	Additions	Retirements	December 31, 2008
Capital Lease Obligations							
2006 Tractor Lease	\$ 26,921	\$ -	\$ 13,356	\$ 13,565	\$ -	\$ 13,565	\$ -
2006 Wheel Loader Lease	52,117	-	12,165	39,952	-	12,724	27,228
2006 Ford Vehicles Lease	59,408	-	28,840	30,568	-	30,568	-
2007 Two John Deere Graders Lease	-	60,454	13,390	47,064	-	11,147	35,917
2007 Two John Deere Graders Lease	-	196,814	43,591	153,223	-	31,161	122,062
2007 Ford Vehicles Lease	-	108,233	38,164	70,069	-	34,031	36,038
2007 Ford Vehicle Lease	-	22,482	11,566	10,916	-	10,916	-
2008 Backhoe Lease	-	-	-	-	76,844	27,583	49,261
	<u>\$ 138,446</u>	<u>\$ 387,983</u>	<u>\$ 161,072</u>	<u>\$ 365,357</u>	<u>\$ 76,844</u>	<u>\$ 171,695</u>	<u>\$ 270,506</u>

NOTE G – 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. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

ST. CLAIR COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2008

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2008 and 2007, consisted of the following:

	Transfers In (Out)	
	2008	2007
General Fund	\$ (53,079)	\$ (50,406)
Assessment Fund	10,900	11,667
Election Service Fund	-	(769)
Sheriff Drug Fund	-	18,430
Help America Vote Act Fund	1,465	24,033
Justice Assistance Grant Fund	41,608	-
Domestic Violence Fund	(1,250)	-
Super Now Fund	356	(531)
Law Library Fund	-	(2,424)
	\$ -	\$ -
	-	-

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.



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**INDEPENDENT AUDITORS' 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**

County Commission  
St. Clair County  
Osceola, Missouri

We have audited the financial statements of St. Clair County, Missouri as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 12, 2009. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, 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 of the financial statements of St. Clair County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with applicable accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 08-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also consider to be material weaknesses. However, we believe that the significant deficiencies described above are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of St. Clair County, Missouri, 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 also noted certain other matters that we reported to management of St. Clair County, Missouri, in a separate letter dated June 12, 2009.

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

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



DAVIS, LYNN & MOOTS, P.C.  
June 12, 2009

ST. CLAIR COUNTY  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES  
Years ended December 31, 2008 and 2007

08-1 Segregation of Duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Criteria:* Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

*Effect:* Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation:* We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.



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St. Clair County Commission  
St. Clair County  
Osceola, Missouri

In planning and performing our audit of the basic financial statements of St. Clair County, Missouri for the years ended December 31, 2008 and 2007, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

In addition to the material weaknesses discussed in the 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*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Law Library Fund

The County currently maintains a Law Library Fund. Although the monies are to be used for the benefit of the Prosecutor's office, these monies represent County funds. Therefore the same policies of the County regarding receipts and disbursements should be followed for these funds as with other funds of the County.

We Recommend:

The County require these funds to be deposited with the County treasurer in the Law Library Fund. The approval process for expenditures out of this fund should follow the same procedures as with other County expenditures.

2. Wire Transfers

The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. This is a necessary internal control procedure to prevent unauthorized wire transfers.

We Recommend:

The County include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County and to whom wire transfers are allowed.

3. New Bank Accounts

The County currently does not have a policy in place outlining the procedures required for opening new bank accounts. This policy should address what must be contained in the depository agreement regarding new bank accounts. The policy should also address the procedures necessary for County officials to perform when opening new bank accounts. This is a necessary internal control procedure to ensure all accounts are properly accounted for by the County Clerk's office. This would also help prevent unauthorized accounts from being opened under the County's identification.

We Recommend:

The County adopt policies addressing the procedures necessary for opening new bank accounts and modify the depository agreement as necessary with its banking institutions.

4. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo. in the current year as a deficit was budgeted in the Sheriff Drug Fund, and actual disbursements exceeded budgeted disbursements in the Prosecuting Attorney Administrative Cost Fund, HAVA Fund, Domestic Violence Fund, Law Library Fund and Justice Assistance Grant Fund. Also, the County did not adopt a budget for the Deputy Sheriff Salary and U.S. Marshall Federal Sharing Funds.

We Recommend:

The County adopt a budget for all funds of the County and amend the budget as necessary to ensure a deficit is not budgeted and actual disbursements do not exceed budgeted disbursements.

St. Clair County Commission  
St. Clair County  
Osceola, Missouri  
Page Three

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as St. Clair County's independent auditor and the courtesies and assistance extended to us by the County's employees.

*Davis, Lynn; Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 12, 2009



DAVIS, LYNN &  
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County Commission  
St. Clair County  
Osceola, Missouri

We have audited the basic financial statements of St. Clair County, Missouri for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 12, 2009. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 20, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 20, 2009.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by St. Clair County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

*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. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Investment Activity

*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 June 12, 2009.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County'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 County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

St. Clair County Commission  
St. Clair County  
Osceola, Missouri  
Page Three

This report is intended solely for the use of the County Commission and management of St. Clair County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Davis, Lynn & Moots, PC*

DAVIS, LYNN & MOOTS, P.C.  
June 12, 2009