



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stoddard County, Missouri

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

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

Susan Montee, JD, CPA
State Auditor

March 2010
Report No. 2010-38

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

**THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT
(The Primary Government)

To the County Commission
The County of Stoddard, Missouri

We were engaged to audit the accompanying statements of cash receipts, disbursements, and changes in cash of the County of Stoddard (the Primary Government), Missouri, as of December 31, 2008, and 2007. These financial statements are the responsibility of Stoddard County's management.

We were unable to test the variances in the financial statements and the amount recorded as payroll expense in the general ledger of the Primary Government, and financial statements of Stoddard County Sheltered Facility Board (a component unit) because of inadequate and insufficient explanations and documentation provided for audit examination. The Federal 941's were incorrectly prepared, and financial statements were not prepared for the component unit for the years ending 2008 and 2007. We were unable to satisfy ourselves about the accuracy of the variances in the Primary Government's account balances, and the accuracy of its reported payroll expenditures, and the lack of financial statements of the component unit by means of other auditing procedures.

As described in Note I, the financial statements referred to above include only the funds, agencies, departments, and offices that comprise the County's legal entity (Primary Government).

These financial statements do not include financial data for legally separate entities for which the County is financially accountable (Component Units), which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the primary government to form the County's financial reporting entity.

In addition, these Primary Government 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 of the omission of the financial statements of the County's component units and 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.

Because we were unable to test the variances in the financial statements, the amount recorded as payroll expense in the general ledger of the Primary Government, and financial statements of the component unit, and we were unable to apply other auditing procedures regarding the accuracy of the variances in the Primary Government's account balances and the accuracy of its reported payroll expenditures, and the financial position of the component unit as discussed in the second paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2010, on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is 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

February 16, 2010

FINANCIAL STATEMENTS

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2008

FUND	CASH JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH DECEMBER 31, 2008
General Revenue	\$ 3,793,880.14	\$ 3,974,687.10	\$ 3,510,317.81	\$ 4,258,249.43
Special Road & Bridge	1,157,005.60	1,718,422.92	1,836,583.69	1,038,844.83
Capital Improvements	1,190,965.59	450,885.45	1,568,001.80	73,849.24
Assessment	174,639.03	355,212.80	298,910.36	230,941.47
Drainage Districts	108,978.87	29,691.73	11,229.30	127,441.30
County Farm	34,494.87	-	-	34,494.87
Law Enforcement Training	6,439.19	2,661.50	4,519.20	4,581.49
Archives	5,350.29	12,550.00	13,700.57	4,199.72
Prosecuting Attorney Training	12,377.81	668.73	1,507.08	11,539.46
Prosecuting Attorney Administration	106,055.45	43,351.97	55,296.26	94,111.16
Sheriff's Commissary	41,250.13	47,152.65	31,848.14	56,554.64
Sheriff Civil Process	24,678.05	30,660.28	23,457.68	31,880.65
Use Tax	60.59	-	-	60.59
Collector Maintenance	69,120.30	49,669.00	3,089.14	115,700.16
Recorder Maintenance	46,313.19	27,335.00	31,001.69	42,646.50
Domestic Violence	4,080.22	3,334.00	4,000.00	3,414.22
Prosecuting Attorney Retirement	(101.00)	2,500.00	1,870.00	529.00
Law Enforcement Restitution	36,220.36	41,762.00	30,454.85	47,527.51
Prosecuting Attorney Delinquent Tax	5,307.20	2,399.88	1,987.67	5,719.41
County Retirement	(212.50)	208,146.25	207,968.74	(34.99)
Sheriff Donations Canine Technology	1,122.38	14,844.04	14,026.81	1,939.61
Election Services	5,565.26	5,912.11	5,762.14	5,715.23
Sheriff Revolving	13,232.09	9,120.00	9,599.82	12,752.27
Post Fund	5,117.86	1,417.52	3,022.95	3,512.43
Sheriff Deputy Supplement Surcharge	-	2,341.60	-	2,341.60
911 Services	189,142.34	352,250.90	317,869.61	223,523.63
Total	<u>\$ 7,031,083.31</u>	<u>\$ 7,386,977.43</u>	<u>\$ 7,986,025.31</u>	<u>\$ 6,432,035.43</u>

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2007

FUND	CASH		DISBURSEMENTS		CASH DECEMBER 31, 2007
	JANUARY 1, 2007 (RESTATED)	RECEIPTS 2007	2007		
General Revenue	\$ 3,161,717.84	\$ 3,915,487.28	\$ 3,283,324.98	\$ 3,793,880.14	
Special Road & Bridge	1,151,759.49	1,884,536.28	1,879,290.17	1,157,005.60	
Capital Improvements	941,143.37	464,469.31	214,647.09	1,190,965.59	
Assessment	197,256.07	328,582.71	351,199.75	174,639.03	
Drainage Districts	125,946.87	29,022.30	45,990.30	108,978.87	
County Farm	34,494.87	-	-	34,494.87	
Law Enforcement Training	9,265.68	2,938.58	5,765.07	6,439.19	
Archives	4,244.84	14,065.72	12,960.27	5,350.29	
Prosecuting Attorney Training	11,528.07	1,009.74	160.00	12,377.81	
Prosecuting Attorney Administration	67,654.51	53,545.30	15,144.36	106,055.45	
Sheriff's Commissary	23,558.72	49,961.77	32,270.36	41,250.13	
Sheriff Civil Process	14,811.60	29,799.82	19,933.37	24,678.05	
Use Tax	59.04	1.55	-	60.59	
Collector Maintenance	72,293.20	30,933.46	34,106.36	69,120.30	
Recorder Maintenance	53,229.44	23,362.89	30,279.14	46,313.19	
Domestic Violence	3,673.61	3,406.61	3,000.00	4,080.22	
Prosecuting Attorney Retirement	143.00	2,000.00	2,244.00	(101.00)	
Law Enforcement Restitution	4,847.33	41,889.53	10,516.50	36,220.36	
Prosecuting Attorney Delinquent Tax	4,489.96	1,554.24	737.00	5,307.20	
County Retirement	10.00	178,505.23	178,727.73	(212.50)	
Sheriff Donations Canine Technology	5,769.46	80,984.01	85,631.09	1,122.38	
Election Services	8,160.21	9,936.35	12,531.30	5,565.26	
Sheriff Revolving	6,902.36	7,245.66	915.93	13,232.09	
Post Fund	6,672.35	1,535.19	3,089.68	5,117.86	
Sheriff Deputy Supplement Surcharge	-	-	-	-	
911 Services	257,124.87	272,320.30	340,302.83	189,142.34	
Total	\$ 6,166,756.76	\$ 7,427,093.83	\$ 6,562,767.28	\$ 7,031,083.31	

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	GENERAL FUND			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ 25,700.00	\$ -	\$ 24,970.00	25,639.73
Sales taxes	2,700,000.00	2,545,498.24	2,547,000.00	2,667,431.82
Intergovernmental	477,769.00	543,576.05	532,800.00	465,553.02
Charges for services	508,500.00	746,277.41	459,150.00	488,338.81
Interest	124,500.00	-	74,000.00	124,298.28
Other	61,080.00	82,601.40	63,600.00	87,263.62
Transfers in	56,793.59	56,734.00	57,021.04	56,962.00
TOTAL RECEIPTS	3,954,342.59	3,974,687.10	3,758,541.04	3,915,487.28
DISBURSEMENTS				
County Commission	93,850.00	93,427.56	93,850.00	93,251.40
County Clerk	112,975.80	97,223.92	109,260.00	101,825.01
Elections	155,241.60	134,454.22	116,940.00	100,180.29
Buildings and grounds	235,992.65	212,537.54	225,451.60	211,469.95
Employee fringe benefits	550,017.00	460,430.27	429,125.00	388,850.23
County Treasurer	206,694.47	184,115.71	189,652.41	170,944.49
Collector	-	-	-	-
Recorder of Deeds	124,142.60	120,182.63	122,020.00	119,154.51
Circuit Clerk	79,000.00	63,382.00	25,250.00	21,366.51
Associate Circuit Court	-	-	26,000.00	23,641.41
Court Administration	14,500.00	4,959.34	47,000.00	33,103.43
Public Administrator	75,420.00	72,437.43	71,920.00	70,427.79
Sheriff	943,829.46	689,091.03	839,413.22	797,205.62
Jail	-	238,447.80	-	-
Prosecuting Attorney	171,429.40	168,262.59	175,548.72	165,410.78
Juvenile Officer	393,063.54	380,432.91	388,172.54	358,916.36
Coroner	36,700.00	22,455.50	34,700.00	33,497.90
Building Improvements	1,500,000.00	-	1,500,000.00	71,934.18
Emergency Management	25,050.00	25,627.77	23,800.00	22,268.16
Other	200,937.30	235,849.59	198,290.00	168,570.96
Health and Welfare	7,600.00	7,000.00	6,600.00	6,000.00
Transfers out	312,550.00	300,000.00	325,306.00	325,306.00
Emergency fund	118,650.00	-	112,756.23	-
TOTAL DISBURSEMENTS	5,357,643.82	3,510,317.81	5,061,055.72	3,283,324.98
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,403,301.23)	464,369.29	(1,302,514.68)	632,162.30
CASH, JANUARY 1	3,793,880.14	3,793,880.14	3,161,717.84	3,161,717.84
CASH, DECEMBER 31	<u>\$ 2,390,578.91</u>	<u>\$ 4,258,249.43</u>	<u>\$ 1,859,203.16</u>	<u>\$ 3,793,880.14</u>

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	SPECIAL ROAD & BRIDGE FUND			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	1,540,000.00	1,712,910.60	1,340,000.00	1,850,471.89
Charges for services	-	-	-	-
Interest	25,000.00	5,512.32	25,000.00	34,064.39
Other	-	-	-	-
Transfers in	-	-	-	-
TOTAL RECEIPTS	<u>1,565,000.00</u>	<u>1,718,422.92</u>	<u>1,365,000.00</u>	<u>1,884,536.28</u>
DISBURSEMENTS				
Salaries	-	-	-	-
Employee fringe benefits	-	-	-	-
Materials and Supplies	14,500.00	476.43	12,000.00	4,738.63
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	1,557,005.60	1,779,373.26	1,651,759.49	1,817,589.54
Transfers out	56,734.00	56,734.00	56,962.00	56,962.00
TOTAL DISBURSEMENTS	<u>1,628,239.60</u>	<u>1,836,583.69</u>	<u>1,720,721.49</u>	<u>1,879,290.17</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(63,239.60)	(118,160.77)	(355,721.49)	5,246.11
CASH, JANUARY 1	1,157,005.60	1,157,005.60	1,151,759.49	1,151,759.49
CASH, DECEMBER 31	<u>\$ 1,093,766.00</u>	<u>\$ 1,038,844.83</u>	<u>\$ 796,038.00</u>	<u>\$ 1,157,005.60</u>

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	CAPITAL IMPROVEMENTS FUND			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	25,000.00	19,814.09	9,500.00	52,361.31
Other	-	131,071.36	100,000.00	112,108.00
Transfers in	312,000.00	300,000.00	311,800.00	300,000.00
TOTAL RECEIPTS	337,000.00	450,885.45	421,300.00	464,469.31
DISBURSEMENTS				
Salaries	-	-	-	-
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	280,522.50	1,568,001.80	278,807.50	214,647.09
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
TOTAL DISBURSEMENTS	280,522.50	1,568,001.80	278,807.50	214,647.09
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	56,477.50	(1,117,116.35)	142,492.50	249,822.22
CASH, JANUARY 1	1,190,965.59	1,190,965.59	941,143.37	941,143.37
CASH, DECEMBER 31	\$ 1,247,443.09	\$ 73,849.24	\$ 1,083,635.87	\$ 1,190,965.59

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	ASSESSMENT FUND				DRAINAGE DISTRICTS FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,300.00	\$ 26,691.73	\$ 29,625.00	\$ 22,298.14
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	372,104.00	344,290.24	330,100.00	302,174.52	3,000.00	3,000.00	3,000.00	3,000.00
Charges for services	8,000.00	10,922.56	-	8,236.25	-	-	-	-
Interest	6,000.00	-	9,500.00	6,615.94	3,217.00	-	673.00	3,724.16
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	11,556.00	11,556.00	-	-	-	-
TOTAL RECEIPTS	386,104.00	355,212.80	351,156.00	328,582.71	29,517.00	29,691.73	33,298.00	29,022.30
DISBURSEMENTS								
Salaries	197,444.12	197,741.48	193,004.00	190,575.26	-	-	-	-
Employee fringe benefits	67,000.00	67,802.81	66,086.04	56,410.65	-	-	-	-
Materials and Supplies	37,700.00	16,825.08	35,200.00	25,357.74	-	-	-	-
Services and Other	80,000.00	16,540.99	82,500.00	78,856.10	81,751.37	11,229.30	81,751.37	45,990.30
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	382,144.12	298,910.36	376,790.04	351,199.75	81,751.37	11,229.30	81,751.37	45,990.30
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	3,959.88	56,302.44	(25,634.04)	(22,617.04)	(52,234.37)	18,462.43	(48,453.37)	(16,968.00)
CASH, JANUARY 1	174,639.03	174,639.03	197,256.07	197,256.07	108,978.87	108,978.87	125,946.87	125,946.87
CASH, DECEMBER 31	\$ 178,598.91	\$ 230,941.47	\$ 171,622.03	\$ 174,639.03	\$ 56,744.50	\$ 127,441.30	\$ 77,493.50	\$ 108,978.87

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	COUNTY FARM FUND				LAW ENFORCEMENT TRAINING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000.00	2,661.50	3,000.00	2,797.40
Interest	-	-	-	-	150.00	-	100.00	141.18
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	3,150.00	2,661.50	3,100.00	2,938.58
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	34,494.00	-	34,400.00	-	8,000.00	4,519.20	8,000.00	5,765.07
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	34,494.00	-	34,400.00	-	8,000.00	4,519.20	8,000.00	5,765.07
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(34,494.00)	-	(34,400.00)	-	(4,850.00)	(1,857.70)	(4,900.00)	(2,826.49)
CASH, JANUARY 1	34,494.87	34,494.87	34,494.87	34,494.87	6,439.19	6,439.19	9,265.68	9,265.68
CASH, DECEMBER 31	\$ 0.87	\$ 34,494.87	\$ 94.87	\$ 34,494.87	\$ 1,589.19	\$ 4,581.49	\$ 4,365.68	\$ 6,439.19

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	ARCHIVES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	100.00	-	-	315.72	-	-	-	-
Charges for services	-	-	-	-	700.00	668.73	700.00	663.49
Interest	-	-	-	-	250.00	-	100.00	346.25
Other	12,550.00	12,550.00	-	-	-	-	-	-
Transfers in	-	-	13,750.00	13,750.00	-	-	-	-
TOTAL RECEIPTS	<u>12,650.00</u>	<u>12,550.00</u>	<u>13,750.00</u>	<u>14,065.72</u>	<u>950.00</u>	<u>668.73</u>	<u>800.00</u>	<u>1,009.74</u>
DISBURSEMENTS								
Salaries	11,856.00	10,520.00	11,485.50	10,276.50	-	-	-	-
Employee fringe benefits	1,025.00	804.00	879.00	786.11	-	-	-	-
Materials and Supplies	5,000.00	2,376.57	5,500.00	1,897.66	-	-	-	-
Services and Other	-	-	-	-	5,000.00	1,507.08	5,000.00	160.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>17,881.00</u>	<u>13,700.57</u>	<u>17,864.50</u>	<u>12,960.27</u>	<u>5,000.00</u>	<u>1,507.08</u>	<u>5,000.00</u>	<u>160.00</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(5,231.00)	(1,150.57)	(4,114.50)	1,105.45	(4,050.00)	(838.35)	(4,200.00)	849.74
CASH, JANUARY 1	<u>5,350.29</u>	<u>5,350.29</u>	<u>4,244.84</u>	<u>4,244.84</u>	<u>12,377.81</u>	<u>12,377.81</u>	<u>11,528.07</u>	<u>11,528.07</u>
CASH, DECEMBER 31	<u>\$ 119.29</u>	<u>\$ 4,199.72</u>	<u>\$ 130.34</u>	<u>\$ 5,350.29</u>	<u>\$ 8,327.81</u>	<u>\$ 11,539.46</u>	<u>\$ 7,328.07</u>	<u>\$ 12,377.81</u>

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

THE COUNTY OF STODDARD
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	PROSECUTING ATTORNEY ADMINISTRATION FUND				SHERIFF COMMISSARY FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	52,000.00	43,351.97	53,000.00	51,307.32	55,000.00	47,152.65	46,000.00	49,152.49
Interest	1,500.00	-	200.00	2,237.98	750.00	-	50.00	809.28
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	53,500.00	43,351.97	53,200.00	53,545.30	55,750.00	47,152.65	46,050.00	49,961.77
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	66,000.00	55,296.26	65,000.00	15,144.36	55,000.00	31,848.14	45,000.00	32,270.36
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	66,000.00	55,296.26	65,000.00	15,144.36	55,000.00	31,848.14	45,000.00	32,270.36
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(12,500.00)	(11,944.29)	(11,800.00)	38,400.94	750.00	15,304.51	1,050.00	17,691.41
CASH, JANUARY 1	106,055.45	106,055.45	67,654.51	67,654.51	41,250.13	41,250.13	23,558.72	23,558.72
CASH, DECEMBER 31	<u>\$ 93,555.45</u>	<u>\$ 94,111.16</u>	<u>\$ 55,854.51</u>	<u>\$ 106,055.45</u>	<u>\$ 42,000.13</u>	<u>\$ 56,554.64</u>	<u>\$ 24,608.72</u>	<u>\$ 41,250.13</u>

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	SHERIFF CIVIL PROCESS FUND				USE TAX FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000.00	30,660.28	23,800.00	29,322.00	-	-	-	-
Interest	350.00	-	100.00	477.82	-	-	-	1.55
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>35,350.00</u>	<u>30,660.28</u>	<u>23,900.00</u>	<u>29,799.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.55</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	35,000.00	23,457.68	27,000.00	19,933.37	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	60.59	-	59.04	-
TOTAL DISBURSEMENTS	<u>35,000.00</u>	<u>23,457.68</u>	<u>27,000.00</u>	<u>19,933.37</u>	<u>60.59</u>	<u>-</u>	<u>59.04</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	350.00	7,202.60	(3,100.00)	9,866.45	(60.59)	-	(59.04)	1.55
CASH, JANUARY 1	24,678.05	24,678.05	14,811.60	14,811.60	60.59	60.59	59.04	59.04
CASH, DECEMBER 31	<u>\$ 25,028.05</u>	<u>\$ 31,880.65</u>	<u>\$ 11,711.60</u>	<u>\$ 24,678.05</u>	<u>\$ -</u>	<u>\$ 60.59</u>	<u>\$ -</u>	<u>\$ 60.59</u>

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THE COUNTY OF STODDARD
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	COLLECTOR MAINTENANCE FUND				RECORDER MAINTENANCE FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	29,000.00	46,496.10	28,000.00	28,555.24	22,000.00	27,335.00	22,000.00	21,720.00
Interest	2,000.00	-	500.00	2,378.22	1,000.00	-	250.00	1,642.89
Other	-	3,172.90	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>31,000.00</u>	<u>49,669.00</u>	<u>28,500.00</u>	<u>30,933.46</u>	<u>23,000.00</u>	<u>27,335.00</u>	<u>22,250.00</u>	<u>23,362.89</u>
DISBURSEMENTS								
Salaries	12,480.00	1,901.09	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	30,300.00	1,188.05	70,300.00	34,106.36	-	-	-	-
Services and Other	-	-	-	-	47,865.80	31,001.69	54,964.19	30,279.14
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>42,780.00</u>	<u>3,089.14</u>	<u>70,300.00</u>	<u>34,106.36</u>	<u>47,865.80</u>	<u>31,001.69</u>	<u>54,964.19</u>	<u>30,279.14</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(11,780.00)	46,579.86	(41,800.00)	(3,172.90)	(24,865.80)	(3,666.69)	(32,714.19)	(6,916.25)
CASH, JANUARY 1	69,120.30	69,120.30	72,293.20	72,293.20	46,313.19	46,313.19	53,229.44	53,229.44
CASH, DECEMBER 31	<u>\$ 57,340.30</u>	<u>\$ 115,700.16</u>	<u>\$ 30,493.20</u>	<u>\$ 69,120.30</u>	<u>\$ 21,447.39</u>	<u>\$ 42,646.50</u>	<u>\$ 20,515.25</u>	<u>\$ 46,313.19</u>

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	DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY RETIREMENT FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500.00	3,334.00	3,500.00	3,256.00	-	-	-	-
Interest	70.00	-	70.00	150.61	-	-	-	-
Other	-	-	-	-	2,500.00	2,500.00	2,000.00	2,000.00
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>3,570.00</u>	<u>3,334.00</u>	<u>3,570.00</u>	<u>3,406.61</u>	<u>2,500.00</u>	<u>2,500.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,000.00	4,000.00	3,000.00	3,000.00	2,399.00	1,870.00	2,143.00	2,244.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,000.00</u>	<u>4,000.00</u>	<u>3,000.00</u>	<u>3,000.00</u>	<u>2,399.00</u>	<u>1,870.00</u>	<u>2,143.00</u>	<u>2,244.00</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(430.00)	(666.00)	570.00	406.61	101.00	630.00	(143.00)	(244.00)
CASH, JANUARY 1	4,080.22	4,080.22	3,673.61	3,673.61	(101.00)	(101.00)	143.00	143.00
CASH, DECEMBER 31	<u>\$ 3,650.22</u>	<u>\$ 3,414.22</u>	<u>\$ 4,243.61</u>	<u>\$ 4,080.22</u>	<u>\$ -</u>	<u>\$ 529.00</u>	<u>\$ -</u>	<u>\$ (101.00)</u>

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THE COUNTY OF STODDARD
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	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50,000.00	41,762.00	3,500.00	41,567.50	3,000.00	2,399.88	2,550.00	1,414.86
Interest	150.00	-	25.00	322.03	-	-	25.00	139.38
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>50,150.00</u>	<u>41,762.00</u>	<u>3,525.00</u>	<u>41,889.53</u>	<u>3,000.00</u>	<u>2,399.88</u>	<u>2,575.00</u>	<u>1,554.24</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	50,000.00	30,454.85	8,000.00	10,516.50	3,000.00	1,987.67	4,000.00	737.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>50,000.00</u>	<u>30,454.85</u>	<u>8,000.00</u>	<u>10,516.50</u>	<u>3,000.00</u>	<u>1,987.67</u>	<u>4,000.00</u>	<u>737.00</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	150.00	11,307.15	(4,475.00)	31,373.03	-	412.21	(1,425.00)	817.24
CASH, JANUARY 1	36,220.36	36,220.36	4,847.33	4,847.33	5,307.20	5,307.20	4,489.96	4,489.96
CASH, DECEMBER 31	<u>\$ 36,370.36</u>	<u>\$ 47,527.51</u>	<u>\$ 372.33</u>	<u>\$ 36,220.36</u>	<u>\$ 5,307.20</u>	<u>\$ 5,719.41</u>	<u>\$ 3,064.96</u>	<u>\$ 5,307.20</u>

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	COUNTY EMPLOYEE RETIREMENT FUND				SHERIFF DONATIONS CANINE TECHNOLOGY FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,640.00	8,640.00	7,798.05	77,973.05
Charges for services	48,560.00	39,712.00	47,000.00	45,786.60	-	-	-	-
Interest	100.00	954.28	75.00	124.54	50.00	-	20.00	57.52
Other	134,212.50	167,479.97	136,000.00	132,594.09	20,000.00	6,204.04	10,000.00	2,953.44
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	182,872.50	208,146.25	183,075.00	178,505.23	28,690.00	14,844.04	17,818.05	80,984.01
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	182,660.00	207,968.74	183,085.00	178,727.73	-	-	17,798.05	-
Materials and Supplies	-	-	-	-	20,000.00	14,026.81	-	85,631.09
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	182,660.00	207,968.74	183,085.00	178,727.73	20,000.00	14,026.81	17,798.05	85,631.09
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	212.50	177.51	(10.00)	(222.50)	8,690.00	817.23	20.00	(4,647.08)
CASH, JANUARY 1	(212.50)	(212.50)	10.00	10.00	1,122.38	1,122.38	5,769.46	5,769.46
CASH, DECEMBER 31	\$ (0.00)	\$ (34.99)	\$ -	\$ (212.50)	\$ 9,812.38	\$ 1,939.61	\$ 5,789.46	\$ 1,122.38

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	ELECTION SERVICES FUND				SHERIFF REVOLVING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,500.00	5,912.11	6,750.00	9,255.48	-	-	-	-
Charges for services	-	-	-	-	14,000.00	9,120.00	3,000.00	7,000.00
Interest	100.00	-	50.00	680.87	200.00	-	20.00	245.66
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>10,600.00</u>	<u>5,912.11</u>	<u>6,800.00</u>	<u>9,936.35</u>	<u>14,200.00</u>	<u>9,120.00</u>	<u>3,020.00</u>	<u>7,245.66</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,000.00	5,762.14	10,000.00	12,531.30	14,000.00	9,599.82	4,000.00	915.93
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,000.00</u>	<u>5,762.14</u>	<u>10,000.00</u>	<u>12,531.30</u>	<u>14,000.00</u>	<u>9,599.82</u>	<u>4,000.00</u>	<u>915.93</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	2,600.00	149.97	(3,200.00)	(2,594.95)	200.00	(479.82)	(980.00)	6,329.73
CASH, JANUARY 1	5,565.26	5,565.26	8,160.21	8,160.21	13,232.09	13,232.09	6,902.36	6,902.36
CASH, DECEMBER 31	<u>\$ 8,165.26</u>	<u>\$ 5,715.23</u>	<u>\$ 4,960.21</u>	<u>\$ 5,565.26</u>	<u>\$ 13,432.09</u>	<u>\$ 12,752.27</u>	<u>\$ 5,922.36</u>	<u>\$ 13,232.09</u>

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	POST FUND				SHERIFF DEPUTY SUPPLEMENT SURCHARGE FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,400.00	1,417.52	1,600.00	1,361.34	-	-	-	-
Interest	100.00	-	75.00	173.85	-	-	-	-
Other	-	-	-	-	-	2,341.60	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>1,500.00</u>	<u>1,417.52</u>	<u>1,675.00</u>	<u>1,535.19</u>	<u>-</u>	<u>2,341.60</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	6,000.00	3,022.95	6,000.00	3,089.68	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>6,000.00</u>	<u>3,022.95</u>	<u>6,000.00</u>	<u>3,089.68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,500.00)	(1,605.43)	(4,325.00)	(1,554.49)	-	2,341.60	-	-
CASH, JANUARY 1	5,117.86	5,117.86	6,672.35	6,672.35	-	-	-	-
CASH, DECEMBER 31	<u>\$ 617.86</u>	<u>\$ 3,512.43</u>	<u>\$ 2,347.35</u>	<u>\$ 5,117.86</u>	<u>\$ -</u>	<u>\$ 2,341.60</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	911 SERVICES			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-
Other Taxes	242,767.00	269,701.18	248,100.00	259,507.40
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	5,000.00	5,300.32	8,000.00	9,599.76
Other	-	77,249.40	-	3,213.14
Transfers in	-	-	-	-
TOTAL RECEIPTS	<u>247,767.00</u>	<u>352,250.90</u>	<u>256,100.00</u>	<u>272,320.30</u>
DISBURSEMENTS				
Salaries	65,500.00	61,278.44	66,500.00	67,239.42
Employee Benefits	15,800.00	14,120.84	15,800.00	13,769.94
Office Expense	71,900.00	54,903.53	74,500.00	67,496.15
Capital Outlay	75,500.00	76,898.35	60,500.00	74,626.15
Travel	5,000.00	2,952.02	4,500.00	4,025.66
Professional Expense	2,000.00	487.50	2,000.00	1,700.00
Contract Labor	107,550.00	107,228.93	117,100.00	111,445.51
Other	5,000.00	-	5,000.00	-
TOTAL DISBURSEMENTS	<u>348,250.00</u>	<u>317,869.61</u>	<u>345,900.00</u>	<u>340,302.83</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(100,483.00)	34,381.29	(89,800.00)	(67,982.53)
CASH, JANUARY 1	<u>189,142.34</u>	<u>189,142.34</u>	<u>257,124.87</u>	<u>257,124.87</u>
CASH, DECEMBER 31	<u>\$ 88,659.34</u>	<u>\$ 223,523.63</u>	<u>\$ 167,324.87</u>	<u>\$ 189,142.34</u>

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 REGULATORY BASIS - AGENCY FUNDS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007		
	CASH AND CASH EQUIVALENTS	INVESTMENTS	DUE TO OTHERS	CASH AND CASH EQUIVALENTS	INVESTMENTS	DUE TO OTHERS
AGENCY FUND						
General School	\$ 13,947.00	\$ -	\$ 13,947.00	\$ 21,761.17	\$ -	\$ 21,761.17
Tax Sale Surplus	21,208.18	-	21,208.18	12,539.32	-	12,539.32
Combined Accumulated Interest	218,040.20	-	218,040.20	22,770.56	-	22,770.56
Commercial Prop Surcharge	21,022.70	-	21,022.70	10,169.48	-	10,169.48
Total	<u>\$ 274,218.08</u>	<u>\$ -</u>	<u>\$ 274,218.08</u>	<u>\$ 67,240.53</u>	<u>\$ -</u>	<u>\$ 67,240.53</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stoddard, Missouri (“County”), is governed by a three-member board of commissioners and was established in 1849 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator 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 Government.

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

The financial statements referred to above do not include financial data for the County’s legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County Government. In addition, 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 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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds, Comparative Statement of Receipts, Disbursements and Changes in Cash – Budget and Actual – All Governmental Funds, and Statements 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 various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

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

Fiduciary Fund Types

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the regulatory basis of accounting.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

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.

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

D. 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. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

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.

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 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 230,606,843	\$ 221,160,508
Personal Property	115,058,548	109,560,697
Railroad and Utilities	39,037,154	39,955,495
	\$ 384,702,545	\$ 370,676,700

During 2008 and 2007, the County Commission approved a \$0.0800 and \$0.1800 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purpose of County taxation, as follows:

	2008	2007
Health	\$ 0.0000	\$ 0.1000
Senate Bill 40	0.0800	0.0800
	\$ 0.0800	\$ 0.1800

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The legal debt margin at December 31, 2008 and December 31, 2007 is computed as follows:

	2008	2007
Constitutional Debt Limit	\$ 38,470,254	\$ 37,067,670
General Obligation Bonds	-	(1,375,000)
LEGAL DEBT MARGIN	\$ 38,470,254	\$ 35,692,670

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 a general law of the State of Missouri. The borrowing authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

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 classified as "Due from other funds" or "Due to other funds" on the Balance Sheet –Cash Basis – Governmental Fund.

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

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

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

II. DEPOSITS AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$6,432,035.43 and \$7,031,083.31, and the bank balance was \$7,179,846.51 and \$5,193,241.02, respectively. As of December 31, 2007, 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, 2008, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 6,432,035.43
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2008	\$ <u>6,432,035.43</u>

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

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 7,031,083.31
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2007	\$ <u>7,031,083.31</u>

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

II. DEPOSITS AND INVESTMENTS (concluded)

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, 2008 and 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the 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 investments 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 deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2008 and 2007.

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

III. LONG-TERM DEBT

On August 1, 2000 the County issued Certificates of Participation (COP's) in the amount of \$2,215,000. The maturity of the COP's is March 1, 2015 and the interest rate ranges from 5.550% - 6.100%. The UMB Bank is the holder of this COP's. The total balance of this debt was paid in full as of April 8, 2008.

DEBT	2008				
	BALANCE AT 12/31/2007	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2008	INTEREST PAID DURING YEAR
2000 COP's	\$ 1,375,000.00	\$ -	\$ 1,375,000.00	\$ -	\$ 52,243.89
TOTAL	\$ 1,375,000.00	\$ -	\$ 1,375,000.00	\$ -	\$ 52,243.89

DEBT	2007				
	BALANCE AT 12/31/2006	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2007	INTEREST PAID DURING YEAR
2000 COP's	\$ 1,515,000.00	\$ -	\$ 140,000.00	\$ 1,375,000.00	\$ 88,807.50
TOTAL	\$ 1,515,000.00	\$ -	\$ 140,000.00	\$ 1,375,000.00	\$ 88,807.50

2007 AMORTIZATIONS

Series 2000 Certificates of Participation Schedule

YEAR	PRINCIPLE	INTEREST	TOTAL
2008	\$ 150,000.00	\$ 80,522.50	\$ 230,522.50
2009	160,000.00	71,525.00	231,525.00
2010	170,000.00	61,937.50	231,937.50
2011	180,000.00	51,760.00	231,760.00
2012	190,000.00	40,717.50	230,717.50
2013-2017	525,000.00	48,952.50	573,952.50
TOTAL	\$ 1,375,000.00	\$ 355,415.00	\$ 1,730,415.00

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

IV. INTERFUND TRANSFERS

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

	2008		2007	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS				
General Revenue	\$ 56,734.00	\$ 300,000.00	\$ 56,962.00	\$ 325,306.00
Special Road & Bridge	-	56,734.00	-	56,962.00
Capital Improvements	300,000.00	-	300,000.00	-
NON-MAJOR FUNDS	-	-	25,306.00	-
TOTAL	\$ 356,734.00	\$ 356,734.00	\$ 382,268.00	\$ 382,268.00

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Stoddard County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Stoddard County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2008 are 5.2% (general) and 4.5% police, for 2007 they are 5.7% (general) and 3.7 (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$91,085 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. For 2007, the political subdivision's annual pension cost of \$88,151 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2005 and/or February 28, 2006 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2007 and 2008. The amortization period at February 28, 2008 and February 29, 2007 was 15 years.

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2007 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three Year Trend Information- 2008

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	\$ 82,441	100%	\$ 0
6/30/2007	88,151	100	0
6/30/2008	91,085	100	0

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

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

C. Annual Pension Cost (concluded)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	\$ 2,951,575	\$ 2,392,646	\$ (558,929)	123%	\$ 1,645,554	0%
2/28/2007	3,339,132	2,660,445	(678,687)	126	1,763,351	0
2/28/2008	3,813,759	2,931,547	(882,212)	130	1,741,042	0

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

Three Year Trend Information - 2007

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2005	\$ 37,228	100%	\$ 0
6/30/2006	82,441	100	0
6/30/2007	88,151	100	0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2005	\$ 2,755,672	\$ 2,179,640	\$ (576,032)	126%	\$ 1,458,919	0%
2/28/2006	2,951,575	2,392,646	(558,929)	123%	1,645,554	0%
2/28/2007	3,339,132	2,660,445	(678,687)	126%	1,763,351	0%

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

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

D. County Employees' Retirement Fund (CERF)

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

1. Plan Description

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

2. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County 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.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

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

D. County Employees' Retirement Fund (CERF) (concluded)

3. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the County collected and remitted to CERF, employee contributions of approximately for \$208,146.25 and \$178,505.23, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

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

VII. POST EMPLOYMENT BENEFITS

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

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation at December 31, 2008.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable. If an employee does not incur a sick day for six months, they are awarded an additional day off. These have not been subjected to auditing procedures.

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

IX. RISK MANAGEMENT

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

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

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

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

SCHEDULE OF STATE FINDINGS

During the audit we noted the expenditures for the Special Road & Bridge, Capital Improvements, P.A. Retirement Fund, Law Enforcement Restitution, County Employee Retirement, Sheriff Donations Canine Technology Fund, and Election Services all exceeded their budget.

FEDERAL COMPLIANCE SECTION



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

To the County Commission
The County of Stoddard, Missouri

We were engaged to audit the financial statements of the County of Stoddard (“County”), Missouri, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated February 16, 2010. 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 issued a disclaimer of opinion on the financial statements of the County due to the incorrect preparation of Federal 941’s and insufficient responses to significant fluctuations in fund financials, and on our inability to obtain the Stoddard County Sheltered Facilities Board’s, which is a component unit of the County of Stoddard, financial statements for the fiscal years ending December 31, 2008, and 2007. 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.

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

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

Internal Control Over Financial Reporting (concluded)

We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. (FS 08/07-01, FS 08/07-02, FS 08/07-03, FS 08/07-04, FS 08/07-05, FS 08/07-06, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03).

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above we considered items FS 08/07-04, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03 to be material weaknesses.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item SA 08/07-01.

We noted certain matters that we reported to management of the County in a separate letter dated February 16, 2010.

The County's response 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 response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

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

February 16, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To The County Commission
The County of Stoddard, Missouri

Compliance

We were engaged to audit the compliance of the County of Stoddard ("County"), Missouri, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The 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.

We were unable to conduct 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

We were unable to obtain sufficient documentation supporting the compliance of the County with Highway Planning and Construction, and Community Development Block Grants regarding their compliance with the OMB Circular A-133's Matrix of Compliance Requirements, nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures.

Because of the effects of such noncompliance, with the requirements of the Highway Planning and Construction, and Community Development Block Grants regarding their compliance with the OMB Circular A-133's Matrix of Compliance Requirements, we were unable to apply other auditing procedures regarding the accuracy of its major federal programs for the years ending December 31, 2008, and 2007. The scope of our work was not sufficient to express, and we do not express, an opinion on the County's compliance with the requirements described in OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 08/07-01.

Internal Control Over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 08/07-01, FS 08/07-02, FS 08/07-03, FS 08/07-05 and FS 08/07-06 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items FS 08/07-04, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03 to be material weaknesses.

The County's response 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 response and, accordingly, we express no opinion on it.

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

Daniel Jones & Associates

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

February 16, 2010

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	12/31/2008 EXPENDITURES	12/31/2007 EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Economic Development:				
Community Development Block Grants State's Program	14.228		\$ 25,247.50	\$ 471,815.76
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
State Department of Public Safety:				
Local Law Enforcement Block Grants Program	16.592			7,798.05
Cape Girardeau County:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	MOSMART	40,245.15	39,249.43
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:	20.205	BRO-103(37)		1,412.83
		BRO-103(46)		178,974.91
		BRO-103(49)	592.47	184,735.59
		BRO-103(50)		176,684.60
		BRO-103(51)	67,543.31	123,195.76
		BRO-103(52)	292,852.50	22,469.12
		BRO-103(53)	7,980.83	28,327.90
		BRO-48	327,615.00	
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011			3,811.66
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401			7,218.45
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
State Domestic Preparedness Equipment Support Program	97.004			70,175.00
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 762,076.76</u>	<u>\$ 1,315,869.06</u>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2008 & 2007

NOTE 1 – BASIS OF PRESENTATION

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

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

	2008	<u>X</u>	Yes	___	No
	2007	<u>X</u>	Yes	___	No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

	2008	<u>X</u>	Yes	___	None Reported
	2007	<u>X</u>	Yes	___	None Reported
3. Any noncompliance material to financial statements noted?

	2008	<u>X</u>	Yes	___	No
	2007	<u>X</u>	Yes	___	No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2008	<u>X</u>	Yes	___	No
	2007	<u>X</u>	Yes	___	No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

	2008	<u>X</u>	Yes	___	No
	2007	<u>X</u>	Yes	___	No
3. Type of auditor's report issued on compliance for major programs:

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

	2008	<u>X</u>	Yes	___	No
	2007	<u>X</u>	Yes	___	No

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 08/07-02 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.

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

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

Cause: The County did not prepare the required documentation.

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

Management's Response: The proper office holder signs the voucher and sends the voucher to the clerk's office. The voucher and attached bill is then sent to the three member commission board for review before authorizing the bills payment. The signed voucher is then sent back to the deputy clerk, to be entered into the correct area of that office holders budget. While set policies and procedures in the clerk's office have never been written and given to the employees, we will be employing an individual with accounting expertise to assist Stoddard County in the formation of a set, internal control policy that will allow our documentation to be readily available when requested for audit. The county will review SAS Requirements with the State Auditor and comply with those requirements.

FS 08/07-03 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 controls established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

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

Management Response: While we do not have a written anti-fraud program in place, we feel that our system of vouchers, review, entry into our budget, and monthly review of income and expenses related to each office holder is sufficient. We will involve each office holder in a fraud-risk assessment of their office, then form written controls to their employees so that the employees will understand that acts of fraud or misrepresentation will not be tolerated.

FS 08/07-04
Same as
SA 08/07-02

Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of social security and medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management Response: We will be employing a CPA to train our county clerk staff in the proper manner of completing the federal 941 form.

FS 08/07-05

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 sufficient segregation of duties.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

Management's Response: Segregation of duties in a office of few employees is often times hard. When listening to the audit findings of various boards that we set on, the auditor always lists this as a problem. When hiring a CPA for assistance, we will develop a plan for periodic review to comply with SAS No. 55.

FS 08/07-06 Criteria: Minutes must be prepared in a timely manner in order for Commissioners and tax payers to access them. Minutes must also be prepared to assess their compliance with 610 RSMO, Sunshine Law of Missouri.

Condition: Several months of board minutes were not typed until requested for audit examination.

Effect: Neither tax payers or Commissioners had access to the County's minutes for several months.

Cause: County staff did not prepare the minutes.

Recommendation: Minutes should be presented to the Board of Commissioners by the next meeting in order for them to give their approval.

Management's Response: Minutes: this problem has been corrected and minutes are approved at each meeting.

FS 08/07-07 Criteria: All financial records must be closed in a timely manner after the end of the fiscal year.

Condition: A component unit of the County, Senate Bill 40 (SB 40), has not completed financial records for fiscal years ending December 31, 2008, and 2007.

Effect: No financial information is available to report to Federal and State oversight agencies. With no financial statements, we were unable to test any transactions in this fund.

Cause: The management of the SB 40 did not take steps to prepare financial statements or acquire outside services for their preparation.

Recommendation: The SB40 must take steps to ensure their completion of the financial records for fiscal years ending December 31, 2008, and 2007. This information must also be audited.

Management's Response: SB40 Board has a management team hired to take care of their accounting needs. They are audit on a yearly basis. The 2006 audit was presented in January 2010. The necessary documentation for the 2007 audit is at Jean & Co. CPA, Dexter, Missouri.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

III. FINANCIAL STATEMENT FINDINGS (concluded)

FS 08/07-08 Criteria: The County must provide relevant and accurate explanations and
Same as documentation for fluctuations in financial account balances.
SA 08/07-04

Condition: The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.

Effect: Erroneous and potentially fraudulent transactions may have been recorded in general accounts.

Cause: Turnover in the County Clerk position.

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provide relevant documentation for audit examination.

Management's Response: The employees at the county clerk's office have not had any formal accounting training. We feel the staff in place has the ability to do the work if given proper training. We feel the documentation was there, just not in a usable audit friendly system.

III. FOLLOW-UP PRIOR YEAR FINDINGS

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

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

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

A. Category of Internal Control Weakness

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

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

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 DECEMBER 31, 2008 & 2007

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

2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

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

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

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 08/07-01	Material Noncompliance	<p>Criteria: The County must document how they administer their Federal grants in accordance with the requirements set forth by the Office of Management and Budget, and the appropriate oversight agencies.</p> <p>Condition: The County was unable to provide support for how they met the criteria of the Matrix of Compliance Requirements for their Federal Programs.</p> <p>Effect: The County is not compliant with single audit requirements.</p> <p>Cause: Proper procedures have not been implemented to ensure compliance with single audit requirements.</p>

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 DECEMBER 31, 2008 & 2007

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

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		<p><u>Recommendation:</u> We recommend the County implement procedures to ensure compliance with single audit requirements. In addition relevant staff should consider training with regards to meeting and documenting their compliance with the Office of Management and Budget, and the appropriate oversight agencies.</p> <p><u>Management's Response:</u> We feel we are in compliance with the single audit requirements. For every BRO project and every water district project, we hire a licensed engineer. Every project is bid properly. All work is inspected, all payments are approved by the engineer and also approved by the funding agency. There has never been a problem with any of our projects. We will follow your recommendation and add it to our list of training with a qualified CPA who is familiar with the Matrix of Compliance requirements.</p>
SA 08/07-02 Same as FS 08/07/07-04	Material Noncompliance	<p><u>Criteria:</u> The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of Social Security and Medicare taxes.</p> <p><u>Condition:</u> During our audit, we noted that the Federal 941s were not completed correctly.</p>

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 DECEMBER 31, 2008 & 2007

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

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 08/07-03 Same as FS 08/07-08	Material Noncompliance	<p><u>Effect:</u> Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.</p> <p><u>Cause:</u> Management has not properly trained staff on how to complete the Federal 941 Form.</p> <p><u>Recommendation:</u> We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.</p> <p><u>Management's Response:</u> We will provide training and we are in the process to obtain outside help to train our employees.</p> <p><u>Criteria:</u> The County must provide relevant and accurate explanations and documentation for fluctuations in financial account balances.</p> <p><u>Condition:</u> The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.</p> <p><u>Effect:</u> Erroneous and potentially fraudulent transactions may have been recorded in general accounts.</p> <p><u>Cause:</u> Turnover in the County Clerk position.</p>

THE COUNTY OF STODDARD
 BLOOMFIELD, MISSOURI
 (the Primary Government)
 SCHEDULE OF FINDINGS & QUESTIONED COSTS
 DECEMBER 31, 2008 & 2007

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

C. Federal Award Findings and Questioned Costs (concluded)

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provided relevant documentation for audit examination.

Management's Response: Account balance: There should have been no problems with federal awards. No money is paid out until it is received by the county. The new County Clerk's program should eliminate any concerns you may have. Commissioner Frank Sifford answered several questions by phone and mail about account balances and has yet to receive a response concerning his answers.

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

Follow-up Prior Year Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA-05/06-1	Other Information: Significant Deficiency	Resolved – The Commissioners will document current sole source providers.



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission
County of Stoddard

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

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

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

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

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

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

County of Stoddard'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 Board Members, 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
February 16, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- FS 08/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.
- Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.
- Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions which 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.
- Management's Response: The overall responsibility for designing and implementing internal control procedures would be the elected office holder. There has never been any clear cut objectives in Mr. White's office in regards to matters relating to internal control. The Stoddard County Commission will be seeking outside advice from a CPA regarding the establishment of internal control procedures in line with (SAS) N. 112.
- FS 08/07-02 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.
- Condition: Documentation of the County's internal controls has not been prepared.
- Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Management's Response: The proper office holder signs the voucher and sends the voucher to the clerk's office. The voucher and attached bill is then sent to the three member commission board for review before authorizing the bills payment. The signed voucher is then sent back to the deputy clerk, to be entered into the correct area of that office holders budget. While set policies and procedures in the clerk's office have never been written and given to the employees, we will be employing an individual with accounting expertise to assist Stoddard County in the formation of a set, internal control policy that will allow our documentation to be readily available when requested for audit. The county will review SAS Requirements with the State Auditor and comply with those requirements.

FS 08/07-03

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 controls established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Management Response: While we do not have a written anti-fraud program in place, we feel that our system of vouchers, review, entry into our budget, and monthly review of income and expenses related to each office holder is sufficient. We will involve each office holder in a fraud-risk assessment of their office, then form written controls to their employees so that the employees will understand that acts of fraud or misrepresentation will not be tolerated.

FS 08/07-05

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 sufficient segregation of duties.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Management's Response: Segregation of duties in a office of few employees is often times hard. When listening to the audit findings of various boards that we set on, the auditor always lists this as a problem. When hiring a CPA for assistance, we will develop a plan for periodic review to comply with SAS No. 55.

FS 08/07-06

Criteria: Minutes must be prepared in a timely manner in order for Commissioners and tax payers to access them. Minutes must also be prepared to assess their compliance with 610 RSMO, Sunshine Law of Missouri.

Condition: Several months of board minutes were not typed until requested for audit examination.

Effect: Neither tax payers or Commissioners had access to the County's minutes for several months.

Cause: County staff did not prepare the minutes.

Recommendation: Minutes should be presented to the Board of Commissioners by the next meeting in order for them to give their approval.

Management's Response: Minutes: this problem has been corrected and minutes are approved at each meeting.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 08/07-04

Same as

SA 08/07-02

Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of social security and medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management Response: We will be employing a CPA to train our county clerk staff in the proper manner of completing the federal 941 form.

FS 08/07-07

Criteria: All financial records must be closed in a timely manner after the end of the fiscal year.

Condition: A component unit of the County, Senate Bill 40 (SB 40), has not completed financial records for fiscal years ending December 31, 2008, and 2007.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (continued)

Effect: No financial information is available to report to Federal and State oversight agencies. With no financial statements, we were unable to test any transactions in this fund.

Cause: The management of the SB 40 did not take steps to prepare financial statements or acquire outside services for their preparation.

Recommendation: The SB40 must take steps to ensure their completion of the financial records for fiscal years ending December 31, 2008, and 2007. This information must also be audited.

Management's Response: SB40 Board has a management team hired to take care of their accounting needs. They are audit on a yearly basis. The 2006 audit was presented in January 2010. The necessary documentation for the 2007 audit is at Jean & Co. CPA, Dexter, Missouri.

FS 08/07-08
Same as
SA 08/07-03

Criteria: The County must provide relevant and accurate explanations and documentation for fluctuations in financial account balances.

Condition: The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.

Effect: Erroneous and potentially fraudulent transactions may have been recorded in general accounts.

Cause: Turnover in the County Clerk position.

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provide relevant documentation for audit examination.

Management's Response: The employees at the county clerk's office have not had any formal accounting training. We feel the staff in place has the ability to do the work if given proper training. We feel the documentation was there, just not in a usable audit friendly system.

SA 08/07-01

Criteria: The County must document how they administer their Federal grants in accordance with the requirements set forth by the Office of Management and Budget, and the appropriate oversight agencies.

Condition: The County was unable to provide support for how they met the criteria of the Matrix of Compliance Requirements for their Federal Programs.

Effect: The County is not compliant with single audit requirements.

Cause: Proper procedures have not been implemented to ensure compliance with single audit requirements.

Recommendation: We recommend the County implement procedures to ensure compliance with single audit requirements. In addition relevant staff should consider training with regards to meeting and documenting their compliance with the Office of Management and Budget, and the appropriate oversight agencies.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (concluded)

Management's Response: We feel we are in compliance with the single audit requirements. For every BRO project and every water district project, we hire a licensed engineer. Every project is bid properly. All work is inspected, all payments are approved by the engineer and also approved by the funding agency. There has never been a problem with any of our projects. We will follow your recommendation and add it to our list of training with a qualified CPA who is familiar with the Matrix of Compliance requirements.

SA 08/07-02
Same as
FS 08/07-04

Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of Social Security and Medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management's Response: We will provide training and we are in the process to obtain outside help to train our employees.

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Same as
FS 08/07-08

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Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provided relevant documentation for audit examination.

Management's Response: Account balance: There should have been no problems with federal awards. No money is paid out until it is received by the county. The new County Clerk's program should eliminate any concerns you may have. Commissioner Frank Sifford answered several questions by phone and mail about account balances and has yet to receive a response concerning his answers.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for audits of financial statements for periods ending on or after December 15, 2009. SAS No. 115 supersedes SAS No. 112 and was issued to eliminate differences within the AICPA's Audit and Attest Standards resulting from the issuance of Statements on Standards for Attestation Engagements (SSAE) No. 15, *An Examination of an Entity's Internal Control Over Financial Reporting That is Integrated With an Audit of Its Financial Statements*. SAS No. 115 aligns the definitions and related guidance for evaluating deficiencies in internal control with the definitions and guidance in SSAE No. 15.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 16, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Stoddard's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We were engaged to audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 19, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Stoddard are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ending December 31, 2008 and 2007.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

We noted no transactions entered into by the governmental unit during the year 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.

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered difficulty with the County in obtaining evidence that was sufficient to test compliance with single audit requirements. There were also difficulties in obtaining financial information for a component unit and appropriate evidence to describe material fluctuations in fund account balances. The timeliness of the audit was hindered by the turnover in County staff, and current staff's lack of experience with governmental fund accounting.

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 not corrected all such misstatements. In addition, as stated above, multiple misstatements were detected as a result of audit procedures and were left uncorrected by management and were considered 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 February 16, 2010.

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.