



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ste. Genevieve County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ste. Genevieve 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

December 2009
Report No. 2009-140

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

**THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, 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 Ste. Genevieve, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Ste. Genevieve (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the basic financial statements of the Primary Government as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the Primary Government which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, is required to be reported with the financial data of the primary government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government, as of December 31, 2008 and 2007, and the changes in its financial position, for the years then ended in conformity with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. In accordance with accounting principles generally accepted in the United States of America as applicable to the modified cash basis of accounting, the Health Department of Ste. Genevieve County, the Ste. Genevieve County SB40 and the Ste. Genevieve County Memorial Hospital, have issued separate reporting entity financial statements. For information on these component units, please contact the Ste. Genevieve County Health Department at 573-883-7411, the Ste. Genevieve County SB40 at 573-883-6500 and the Ste. Genevieve County Memorial Hospital at 573-883-7787.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As described in Note XI, the Primary Government has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments*," GASB Statement No. 37, "*Basic Financial Statements for State and Local Governments: Omnibus*" and GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*," as of and for the years ended December 31, 2008, and December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Primary Government, as of December 31, 2008 and 2007 for the years then ended in conformity with the basis of accounting described in Note I.

Primary Government has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 9, 2009, on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Non-GAAP Budget Basis and Actual and related notes on pages 30 through 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The combining and individual non-major funds financial statements on pages 39 through 48 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 49 through 53 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

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

September 9, 2009

FINANCIAL STATEMENTS

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 3,344,462.73	\$ 2,862,652.53	\$ 169,391.47	\$ -	\$ (312,418.73)
Road and Bridge	1,369,395.32	-	-	-	(1,369,395.32)
Financial Administration	188,753.74	-	-	-	(188,753.74)
Other Offices and Grants	458,563.33	-	-	-	(458,563.33)
Administration of Justice and Law Enforcement	3,855,852.50	-	78,495.95	-	(3,777,356.55)
Consulting	139,295.10	-	-	-	(139,295.10)
Fees, Licenses and Permits	-	987,518.46	-	-	987,518.46
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	15,768.50	-	98,512.69	-	82,744.19
Debt Service:					
Principal	195,000.00	-	-	-	(195,000.00)
Interest and Fiscal Charges	121,548.93	-	-	-	(121,548.93)
Capital Outlay:					
Construction of Hospital	339,228.85	-	-	-	(339,228.85)
Property, Equipment and Buildings	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 10,027,869.00	\$ 3,850,170.99	\$ 346,400.11	\$ -	(5,831,297.90)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,605,445.05
Sales Tax	2,418,688.52
Investment Income	96,029.44
Miscellaneous	1,534,041.13
TOTAL GENERAL REVENUES	5,654,204.14
CHANGE IN NET ASSETS	(177,093.76)
NET ASSETS, BEGINNING OF YEAR	2,009,861.91
NET ASSETS, END OF YEAR	\$ 1,832,768.15

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 2,956,639.71	\$ 2,758,437.57	\$ 250,289.49	\$ -	\$ 52,087.35
Road and Bridge	1,094,567.70	797,234.21	-	-	(297,333.49)
Financial Administration	182,869.78	-	-	-	(182,869.78)
Other Offices and Grants	385,258.19	-	-	-	(385,258.19)
Consulting	128,256.47	-	-	-	(128,256.47)
Permits and Fees	-	192,266.49	-	-	192,266.49
Administration of Justice and Law Enforcement	3,408,398.27	-	79,325.93	-	(3,329,072.34)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	17,492.93	-	134,394.36	-	116,901.43
Debt Service:					
Principal	355,000.00	-	-	-	(355,000.00)
Interest and Fiscal Charges	254,091.18	-	-	-	(254,091.18)
Capital Outlay:					
Construction of Hospital	357,934.12	-	-	-	(357,934.12)
Property, Equipment and Buildings	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,140,508.35	\$ 3,747,938.27	\$ 464,009.78	\$ -	(4,928,560.30)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,429,401.46
Sales Tax	2,032,290.07
Investment Income	141,961.47
Miscellaneous	1,375,566.50
TOTAL GENERAL REVENUES	4,979,219.50
CHANGE IN NET ASSETS	50,659.20
NET ASSETS, BEGINNING OF YEAR	1,959,202.71
NET ASSETS, END OF YEAR	\$ 2,009,861.91

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	DECEMBER 31, 2008							
	General	Special Road and Bridge	Assessment Fund	Community Center Sales Tax Fund	Law Enforcement Sales Tax Fund	Mental Health Services	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 9,901.66	\$ 15,603.82	\$ 120,988.04	\$ 463,470.70	\$ 100.00	\$ 201,738.87	\$ 391,362.70	\$ 1,203,165.79
Investments	-	885.07	200,885.07	-	-	402,655.21	25,177.01	629,602.36
TOTAL ASSETS	<u>9,901.66</u>	<u>16,488.89</u>	<u>321,873.11</u>	<u>463,470.70</u>	<u>100.00</u>	<u>604,394.08</u>	<u>416,539.71</u>	<u>1,832,768.15</u>
FUND BALANCES								
Unreserved:				-				-
General Fund	9,901.66	-		-	-	-	-	9,901.66
Special Revenue Funds	-	16,488.89	321,873.11	463,470.70	100.00	604,394.08	416,539.71	1,822,866.49
TOTAL FUND BALANCES	<u>9,901.66</u>	<u>16,488.89</u>	<u>321,873.11</u>	<u>463,470.70</u>	<u>100.00</u>	<u>604,394.08</u>	<u>416,539.71</u>	<u>1,832,768.15</u>
TOTAL FUND BALANCES	<u>\$ 9,901.66</u>	<u>\$ 16,488.89</u>	<u>\$ 321,873.11</u>	<u>\$ 463,470.70</u>	<u>\$ 100.00</u>	<u>\$ 604,394.08</u>	<u>\$ 416,539.71</u>	<u>\$ 1,832,768.15</u>

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	DECEMBER 31, 2007							
	General	Special Road and Bridge	Assessment Fund	Community Center Sales Tax Fund	Law Enforcement Sales Tax Fund	Mental Health Services	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 147,981.54	\$ 301,519.20	\$ 184,933.89	\$ 225,450.80	\$ -	\$ 389,305.79	\$ 155,970.69	\$ 1,405,161.91
Investments		100,000.00	100,000.00	-	-	400,000.00	4,700.00	604,700.00
								-
TOTAL ASSETS	<u>147,981.54</u>	<u>401,519.20</u>	<u>284,933.89</u>	<u>225,450.80</u>	<u>-</u>	<u>789,305.79</u>	<u>160,670.69</u>	<u>2,009,861.91</u>
FUND BALANCES								
Unreserved:								
General Fund	147,981.54	-					-	147,981.54
Special Revenue Funds	-	401,519.20	284,933.89	225,450.80	-	789,305.79	160,670.69	1,861,880.37
TOTAL FUND BALANCES	<u>147,981.54</u>	<u>401,519.20</u>	<u>284,933.89</u>	<u>225,450.80</u>	<u>-</u>	<u>789,305.79</u>	<u>160,670.69</u>	<u>2,009,861.91</u>
TOTAL FUND BALANCES	<u>\$ 147,981.54</u>	<u>\$ 401,519.20</u>	<u>\$ 284,933.89</u>	<u>\$ 225,450.80</u>	<u>\$ -</u>	<u>\$ 789,305.79</u>	<u>\$ 160,670.69</u>	<u>\$ 2,009,861.91</u>

See accompanying notes to the financial statements.

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

	DECEMBER 31, 2008							Total Governmental Funds
	General	Special Road and Bridge	Assessment Fund	Community Center Sales Tax Fund	Law Enforcement Sales Tax Fund	Mental Health Services	Non-Major Governmental Funds	
REVENUES								
Property Tax	\$ 799,722.18	\$ 473,511.55	\$ -	\$ -	\$ -	\$ 332,211.32	\$ -	\$ 1,605,445.05
Sales Tax	820,766.00	-	-	820,682.90	777,239.62	-	-	2,418,688.52
Inter-Governmental Revenue	-	-	-	-	-	-	29,433.50	29,433.50
Charges for Services	2,127,188.89	-	-	-	4,687.32	-	730,776.32	2,862,652.53
Grants, Distributions and Reimbursements	169,391.47	-	98,512.69	-	78,495.95	-	-	346,400.11
Fees, Licenses and Permits	8,220.84	767,018.11	212,279.51	-	-	-	-	987,518.46
Interest	18,699.43	17,694.89	12,596.48	6,711.41	437.40	35,699.16	4,190.67	96,029.44
Other	293,115.50	145,369.31	3,923.62	114,538.92	27,176.27	3,600.66	916,883.35	1,504,607.63
TOTAL REVENUES	4,237,104.31	1,403,593.86	327,312.30	941,933.23	888,036.56	371,511.14	1,681,283.84	9,850,775.24
EXPENDITURES								
Current:								
General County Government	746,180.88	-	290,373.08	114,447.14	-	556,422.85	1,637,038.78	3,344,462.73
Road and Bridge	-	1,369,395.32	-	-	-	-	-	1,369,395.32
Financial Administration	188,753.74	-	-	-	-	-	-	188,753.74
Other Offices and Grants	458,563.33	-	-	-	-	-	-	458,563.33
Property Valuation and Recording	139,295.10	-	-	-	-	-	-	139,295.10
Supplies	-	-	-	-	-	-	-	-
Permits and Fees	-	-	-	-	-	-	-	-
Administration of Justice and Law	2,388,088.66	-	-	-	1,412,970.54	-	54,793.30	3,855,852.50
Continued Progress	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction	-	339,228.85	-	-	-	-	-	339,228.85
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,920,881.71	1,708,624.17	290,373.08	114,447.14	1,412,970.54	556,422.85	1,691,832.08	9,695,551.57
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	316,222.60	(305,030.31)	36,939.22	827,486.09	(524,933.98)	(184,911.71)	(10,548.24)	155,223.67
OTHER FINANCING SOURCES (USES)								
Transfers In	86,500.00	-	-	-	525,033.98	-	272,917.26	884,451.24
Transfers Out	(525,033.98)	(80,000.00)	-	(272,917.26)	-	-	(6,500.00)	(884,451.24)
Emergency Fund	(15,768.50)	-	-	-	-	-	-	(15,768.50)
Debt Service:								
Principal Payment	-	-	-	(195,000.00)	-	-	-	(195,000.00)
Interest and Fiscal Charges	-	-	-	(121,548.93)	-	-	-	(121,548.93)
TOTAL OTHER FINANCING SOURCES (USES)	(454,302.48)	(80,000.00)	-	(589,466.19)	525,033.98	-	266,417.26	(332,317.43)
NET CHANGE IN FUND BALANCE	(138,079.88)	(385,030.31)	36,939.22	238,019.90	100.00	(184,911.71)	255,869.02	(177,093.76)
FUND BALANCE - BEGINNING OF YEAR	147,981.54	401,519.20	284,933.89	225,450.80	-	789,305.79	160,670.69	2,009,861.91
FUND BALANCE - END OF YEAR	\$ 9,901.66	\$ 16,488.89	\$ 321,873.11	\$ 463,470.70	\$ 100.00	\$ 604,394.08	\$ 416,539.71	\$ 1,832,768.15

See accompanying notes to the financial statements.

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

	DECEMBER 31, 2007							
	General	Special Road and Bridge	Assessment Fund	Community Center Sales Tax Fund	Law Enforcement Sales Tax Fund	Mental Health Services	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
Property Tax	\$ 719,550.96	\$ 414,747.88	\$ -	\$ -	\$ -	\$ 295,102.62	\$ -	\$ 1,429,401.46
Sales Tax	796,218.87	-	-	796,037.74	440,033.46	-	-	2,032,290.07
Inter-Governmental Revenue	-	-	-	-	-	-	29,651.50	29,651.50
Charges for Services	2,128,503.16	-	-	-	-	-	629,934.41	2,758,437.57
Grants, Distributions and Reimbursements	220,637.99	-	134,394.36	-	79,325.93	-	-	434,358.28
Fees, Licenses and Permits	4,641.04	797,234.21	187,625.45	-	-	-	-	989,500.70
Interest	34,419.96	34,282.82	15,099.27	6,123.90	503.27	44,863.16	6,669.09	141,961.47
Other	261,314.05	165,709.41	3,788.16	231,708.00	49,496.77	7,470.95	656,079.16	1,375,566.50
TOTAL REVENUES	4,165,286.03	1,411,974.32	340,907.24	1,033,869.64	569,359.43	347,436.73	1,322,334.16	9,191,167.55
EXPENDITURES								
Current:								
General County Government	674,441.21	-	272,908.93	108,109.42	-	360,620.21	1,540,559.94	2,956,639.71
Road and Bridge	-	1,094,567.70	-	-	-	-	-	1,094,567.70
Financial Administration	182,869.78	-	-	-	-	-	-	182,869.78
Other Offices and Grants	385,258.19	-	-	-	-	-	-	385,258.19
Property Valuation and Recording	128,256.47	-	-	-	-	-	-	128,256.47
Supplies	-	-	-	-	-	-	-	-
Permits and Fees	-	-	-	-	-	-	-	-
Administration of Justice and Law	2,115,302.09	-	-	-	1,251,176.46	-	41,919.72	3,408,398.27
Continued Progress	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction	-	357,934.12	-	-	-	-	-	357,934.12
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,486,127.74	1,452,501.82	272,908.93	108,109.42	1,251,176.46	360,620.21	1,582,479.66	8,513,924.24
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	679,158.29	(40,527.50)	67,998.31	925,760.22	(681,817.03)	(13,183.48)	(260,145.50)	677,243.31
OTHER FINANCING SOURCES (USES)								
Transfers In	79,125.09	-	-	-	681,817.03	-	286,695.56	1,047,637.68
Transfers Out	(681,817.03)	(72,625.09)	-	(286,695.56)	-	-	(6,500.00)	(1,047,637.68)
Emergency Fund	(17,492.93)	-	-	-	-	-	-	(17,492.93)
Debt Service:								
Principal Payment	-	-	-	(355,000.00)	-	-	-	(355,000.00)
Interest and Fiscal Charges	-	-	-	(254,091.18)	-	-	-	(254,091.18)
TOTAL OTHER FINANCING SOURCES (USES)	(620,184.87)	(72,625.09)	-	(895,786.74)	681,817.03	-	280,195.56	(626,584.11)
NET CHANGE IN FUND BALANCE	58,973.42	(113,152.59)	67,998.31	29,973.48	-	(13,183.48)	20,050.06	50,659.20
FUND BALANCE - BEGINNING OF YEAR	89,008.12	514,671.79	216,935.58	195,477.32	-	802,489.27	140,620.63	1,959,202.71
FUND BALANCE - END OF YEAR	\$ 147,981.54	\$ 401,519.20	\$284,933.89	\$ 225,450.80	\$ -	\$ 789,305.79	\$ 160,670.69	\$ 2,009,861.91

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

Total Fund Balance – Governmental Funds	\$ 1,832,768.15
There are no items of reconciliation.	<u>-</u>
Total Net Assets – Governmental Activities	<u>\$ 1,832,768.15</u>

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

Total Fund Balance – Governmental Funds	\$ 2,009,861.91
There are no items of reconciliation.	<u>-</u>
Total Net Assets – Governmental Activities	<u>\$ 2,009,861.91</u>

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Total Net Change in Fund Balances – Governmental Funds	\$ (177,093.76)
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ (177,093.76)</u>

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total Net Change in Fund Balances – Governmental Funds	\$ 50,659.20
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ 50,659.20</u>

See accompanying notes to the financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS

	<u>DECEMBER 31, 2008</u> <u>AGENCY FUNDS</u>	<u>DECEMBER 31, 2007</u> <u>AGENCY FUNDS</u>
ASSETS		
Cash and Cash Equivalents	\$ 256,105.71	\$ 393,613.32
Investments	<u>180,708.08</u>	<u>100,000.00</u>
TOTAL ASSETS	<u><u>436,813.79</u></u>	<u><u>493,613.32</u></u>
LIABILITIES		
Due to Other Funds	<u>436,813.79</u>	<u>493,613.32</u>
TOTAL LIABILITIES	<u><u>\$ 436,813.79</u></u>	<u><u>\$ 493,613.32</u></u>

See accompanying notes to financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ste. Genevieve, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1812 by an Act of the Missouri Territory. In addition to the three board members, there are eight 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 modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Primary Government.

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

The financial statements referred to above include only the primary government of Ste. Genevieve County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, is required to be reported with the financial data of the Primary Government.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services. The Primary Government does not have any such activities.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services. The Primary Government does not have any such activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the primary government at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Primary Government.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Primary Government has determined that the General Fund, Special Road and Bridge Fund, Assessment Fund, Community Center Sales Tax Fund, Law Enforcement Sales Tax Fund and Mental Health Services Fund are all major governmental funds. All other governmental funds are reported in one column labeled "Non-Major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The fund financial statements of the Primary Government are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the Primary Government:

Governmental Fund Types

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

The following are the Primary Government's governmental major funds:

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

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

Assessment Fund – The Assessment Fund is a special revenue fund used to account for receipts of the assessor's office for tax money, maps and related expenditures.

Community Center Sales Tax Fund – The Community Center Sales Tax Fund is used to collect sales tax revenue to be used for the funding of the Primary Government's Community Center.

Law Enforcement Sales Tax Fund – The Law Enforcement Sales Tax Fund is a special revenue fund used to account for the receipts of the Primary Government's sales taxes and related law enforcement expenditures.

Mental Health Fund – The Mental Health Fund is a special revenue fund used to account for county tax levies receipts and any other receipts and related expenditures to provide services.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

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

C. Basis of Accounting

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

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

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

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes

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

The assessed valuation of the tangible taxable property, included within the Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 253,526,660	\$ 245,079,670
Personal Property	92,434,190	85,555,932
Railroad and Utilities	19,625,124	19,430,880
	\$ 365,585,974	\$ 350,066,482

During 2008 and 2007, the County Commission approved a \$.5943 and \$.5769, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
General Revenue Fund	\$.2382	\$.2208
Special Road and Bridge Fund	.2628	.2628
Mental Health Fund	.0933	.0933
	\$.5943	\$.5769

E. Cash Deposits and Investments

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

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due from other funds” or “Due to other funds” on the Balance Sheet – Modified Cash Basis – Governmental Fund.

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

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

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

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

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (continued)

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the Primary Government's deposits was \$1,832,768.15 and \$2,009,861.91, the bank balance was \$2,370,857.72 and \$2,511,451.89 respectively. As of December 31, 2008 and 2007, 100% of the Primary Government'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	\$ 1,203,165.79
Investments	629,602.36
Restricted Cash	-
Total Deposits & Investments as of December 31, 2008	\$ 1,832,768.15

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	\$ 1,405,161.91
Investments	604,700.00
Restricted Cash	-
Total Deposits & Investments as of December 31, 2007	\$ 2,009,861.91

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the year end December 31, 2008 & 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Primary Government or its agent but not in the government's name. The Primary Government does not have a policy for custodial credit risk relating to investments.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

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

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The Primary Government's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

III. LONG-TERM DEBT

The County entered into an agreement as lessee along with the Community Center Foundation of Ste. Genevieve County, for \$7,520,000 Certificates of Participation, Series 1998. This Series requires bi-annual interest and principal payments on 2/1 and 8/1. Principal payments vary from \$70,000 - \$330,000. The term of the Series ranges from February 1, 1999 to February 1, 2018. The interest rate is variable ranging from 4.00% to 5.250%. This Series was entered into for the Ste. Genevieve Community Center Project.

On March 1, 2007, the Series 2007 A & B Hospital Revenue Bonds were issued in the original amount of \$11,625,000 to finance the renovation of the existing ER department, power plant and a new imaging center as well as to refund the proceeds of the Series 2006 Hospital Revenue Bonds. The bonds are secured by the net revenues of the Ste. Genevieve County Memorial Hospital who also pays the payments. Interest on the bonds range from 4.1% to 4.85%, principal and interest are due each March 1, through maturity at March 1, 2037. The County is only responsible for these debt payments should the Hospital not be able to make them.

On April 2, 2004, Series 2004 Hospital Revenue Bonds were issued in the original amount of \$1,150,000 to finance the purchase of a clinical practice. The bonds are secured by the net revenues of the Hospital. Interest on the bonds is fixed at 3.74%, payable in monthly principal and interest installments, through maturity on April 2, 2011. The County is only responsible for these debt payments should the Hospital not be able to make them.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT (continued)

Long-term debt at December 31, 2007 consists of the following:

Ste. Genevieve County, Missouri Insured Leasehold Revenue Bonds, Series 1998
(Ste. Genevieve Community Center Project)

BEGINNING BALANCE 12/31/2006	ADDITIONS	PAYMENTS	ENDING BALANCE 12/31/2007
\$ 5,805,000.00	\$ -	\$ (355,000.00)	\$ 5,450,000.00

Principal and interest due on long-term debt obligations are as follows:

2008	\$ 395,000.00	\$ 271,850.00	\$ 666,850.00
2009	425,000.00	252,827.50	677,827.50
2010	445,000.00	232,077.50	677,077.50
2011	475,000.00	209,787.50	684,787.50
2012	495,000.00	185,726.25	680,726.25
2013-2017	2,885,000.00	516,825.00	3,401,825.00
2018	330,000.00	8,662.50	338,662.50
	<u>\$ 5,450,000.00</u>	<u>\$ 1,677,756.25</u>	<u>\$ 7,127,756.25</u>

During May 2008, the Series 1998 Certificates of Participation were refunded through obtaining \$5,320,000 Certificates of Participation Series 2008. Annual principal payments are made on February 1 through maturity on February 1, 2018. Principal payments range from \$510,000 to \$615,000. Bi-annual interest payments are made on February 1 and August 1. Interest rates vary from 3.1% to 4.15%.

Long-term debt at December 31, 2008 consists of the following:

Ste. Genevieve County, Missouri Insured Leasehold Revenue Bonds, Series 1998
(Ste. Genevieve Community Center Project)

BEGINNING BALANCE 12/31/2007	ADDITIONS	PAYMENTS	REFUNDING	ENDING BALANCE 12/31/2008
\$ 5,450,000.00	\$ -	\$ (195,000.00)	\$ (5,255,000.00)	\$ -

COP (Refunding) Series 2008

BEGINNING BALANCE 12/31/2007	ADDITIONS	PAYMENTS	REFUNDING	ENDING BALANCE 12/31/2008
\$ -	\$ -	\$ -	\$ 5,320,000.00	\$ 5,320,000.00

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT (concluded)

Principal and interest due on long-term debt obligations are as follows:

2009	\$	510,000.00	\$	194,698.98	\$	704,698.98
2010		465,000.00		167,110.00		632,110.00
2011		480,000.00		151,532.50		631,532.50
2012		500,000.00		135,842.50		635,842.50
2013		510,000.00		118,922.50		628,922.50
2014-2018		<u>2,855,000.00</u>		<u>292,866.25</u>		<u>3,147,866.25</u>
	\$	<u>5,320,000.00</u>	\$	<u>1,060,972.73</u>	\$	<u>6,380,972.73</u>

IV. INTERFUND TRANSFERS

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

	2008		2007	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	\$ 86,500.00	\$ 525,033.98	\$ 79,125.09	\$ 681,817.03
Road and Bridge Fund	-	80,000.00	-	72,625.09
Assessment Fund	-	-	-	-
Community Center Sales Tax Fund	-	272,917.26	-	286,695.56
Law Enforcement Sales Tax Fund	525,033.98	-	681,817.03	-
Mental Health Services Fund	-	-	-	-
School Fund Principal	-	-	-	-
NON-MAJOR FUNDS	<u>272,917.26</u>	<u>6,500.00</u>	<u>286,695.56</u>	<u>6,500.00</u>
TOTAL	<u>\$ 884,451.24</u>	<u>\$ 884,451.24</u>	<u>\$ 1,047,637.68</u>	<u>\$ 1,047,637.68</u>

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

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

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employees whose position requires the actual performance of duties not less than (1,000) one thousand hours per year in each County of the State, except for any City not within a County and County of the first classification having a charter form of government.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

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

A. Plan Description (concluded)

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

B. Pension Benefits

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

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, 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, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately \$46,361.25 and \$35,080.00, respectively, for the years then ended.

THE COUNTY OF STE. GENEVIEVE
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(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Ste. Genevieve 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 Policy

Ste. Genevieve County's full time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate is 1.4% (general) and 3.9% (police) of annual covered payroll for 2008. The 2007 rate was 2.4 % (general) and 4.9% (police). 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.

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$215,775 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 \$209,744 was equal to the required and actual contributions. The required contribution was determined as part of February 28, 2005 and/or February 28, 2006 annual valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on 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.

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

C. Annual Pension Cost (concluded)

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. The amortization period at February 29, 2008 was 15 years.

THREE YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	\$ 227,356	100%	\$ 0
6/30/2007	209,744	100%	0
6/30/2008	215,775	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
2/28/2006	4,554,337	3,935,482	(618,855)	116%	2,859,535	0%
2/28/2007	4,964,758	4,016,474	(948,284)	124%	2,549,235	0%
2/29/2008	5,349,511	4,381,446	(968,065)	122%	3,165,598	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 contact the LAGERS office in Jefferson City.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

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

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DECEMBER 31, 2008 & 2007

VIII. POST EMPLOYMENT BENEFITS

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

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government is not involved in litigation at December 31, 2008.

B. Compensated Absences

The County provides employees with up to five weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The Primary Government has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

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

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF STE. GENEVIEVE
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X. RISK MANAGEMENT (concluded)

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.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2008, and December 31, 2007, the Primary Government has implemented GASB Statement No. 34, "*Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments.*" GASB 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments. The Primary Government's implementation was prepared on the modified cash basis of accounting. Therefore, significant assets (i.e. capital assets) and significant liabilities (i.e. general obligation bonds) are not presented in the financial statements of the Primary Government.

In addition, for the years ended December 31, 2008, and December 31, 2007, the Primary Government has implemented GASB Statement No. 37, "*Basic Financial Statements for State and Local Governments: Omnibus*" and GASB Statement No. 38, "*Certain Financial Statement Note Disclosures.*"

At December 31, 2008, there was no effect on fund balance as a result of implementing these GASB Statements.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
GENERAL FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 800,335.63	\$ 800,335.63	\$ 799,722.18	\$ (613.45)	\$ 772,500.00	\$ 772,500.00	\$ 719,550.96	\$ (52,949.04)
Sales Tax	825,000.00	825,000.00	820,766.00	(4,234.00)	775,000.00	775,000.00	796,218.87	21,218.87
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	2,177,582.00	2,177,582.00	2,127,188.89	(50,393.11)	2,100,362.00	2,100,362.00	2,128,503.16	28,141.16
Grants, Distributions and Reimbursements	287,956.50	287,956.50	169,391.47	(118,565.03)	216,904.00	216,904.00	220,637.99	3,733.99
Fees, Licenses and Permits	4,356.00	4,356.00	8,220.84	3,864.84	3,310.00	3,310.00	4,641.04	1,331.04
Interests	30,000.00	30,000.00	18,699.43	(11,300.57)	25,000.00	25,000.00	34,419.96	9,419.96
Other	267,529.31	267,529.31	293,115.50	25,586.19	249,150.00	249,150.00	261,314.05	12,164.05
TOTAL REVENUES	4,392,759.44	4,392,759.44	4,237,104.31	(155,655.13)	4,142,226.00	4,142,226.00	4,165,286.03	23,060.03
EXPENDITURES								
Current:								
General County Government	758,149.28	758,149.28	746,180.88	(11,968.40)	658,985.87	658,985.87	674,441.21	15,455.34
Financial Administration	195,370.72	195,370.72	188,753.74	(6,616.98)	187,500.75	187,500.75	182,869.78	(4,630.97)
Other Offices and Grants	462,952.29	462,952.29	458,563.33	(4,388.96)	352,819.13	352,819.13	385,258.19	32,439.06
Health and Welfare	-	-	-	-	-	-	-	-
Property Valuation and Recording	140,642.43	140,642.43	139,295.10	(1,347.33)	129,368.84	129,368.84	128,256.47	(1,112.37)
Administration of Justice and Law	2,448,299.48	2,448,299.48	2,388,088.66	(60,210.82)	2,191,721.64	2,191,721.64	2,115,302.09	(76,419.55)
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,005,414.20	4,005,414.20	3,920,881.71	(84,532.49)	3,520,396.23	3,520,396.23	3,486,127.74	(34,268.49)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	387,345.24	387,345.24	316,222.60	(71,122.64)	621,829.77	621,829.77	679,158.29	57,328.52
OTHER FINANCING SOURCES (USES)								
Transfers In	86,500.00	86,500.00	86,500.00	-	88,133.45	88,133.45	79,125.09	(9,008.36)
Transfers Out	(482,853.36)	(482,853.36)	(525,033.98)	(42,180.62)	(657,918.77)	(657,918.77)	(681,817.03)	(23,898.26)
Emergency Fund	(134,377.79)	(134,377.79)	(15,768.50)	118,609.29	(125,823.79)	(125,823.79)	(17,492.93)	108,330.86
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(530,731.15)	(530,731.15)	(454,302.48)	76,428.67	(695,609.11)	(695,609.11)	(620,184.87)	75,424.24
NET CHANGE IN FUND BALANCE	(143,385.91)	(143,385.91)	(138,079.88)	5,306.03	(73,779.34)	(73,779.34)	58,973.42	132,752.76
FUND BALANCE - BEGINNING OF YEAR	147,981.54	147,981.54	147,981.54	-	89,008.12	89,008.12	89,008.12	-
FUND BALANCE - END OF YEAR	\$ 4,595.63	\$ 4,595.63	\$ 9,901.66	\$ 5,306.03	\$ 15,228.78	\$ 15,228.78	\$ 147,981.54	\$ 132,752.76

See accompanying Independent Auditor's Report.

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

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	ORIGINAL	FINAL		(UNDER)
			FINAL BUDGET				FINAL BUDGET	
Current:								
General County Government:								
County Commission	\$ 133,689.10	\$ 133,689.10	\$ 133,090.58	\$ (598.52)	\$ 124,795.36	\$ 124,795.36	\$ 129,635.36	\$ 4,840.00
County Clerk	161,464.79	161,464.79	158,926.60	(2,538.19)	124,494.55	124,494.55	124,897.79	403.24
Elections	60,000.00	60,000.00	48,910.57	(11,089.43)	30,537.33	30,537.33	31,629.09	1,091.76
Buildings and Grounds	105,819.89	105,819.89	98,920.44	(6,899.45)	99,300.11	99,300.11	102,296.71	2,996.60
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Other Expenses	297,175.50	297,175.50	306,332.69	9,157.19	279,858.52	279,858.52	285,982.26	6,123.74
	<u>758,149.28</u>	<u>758,149.28</u>	<u>746,180.88</u>	<u>(11,968.40)</u>	<u>658,985.87</u>	<u>658,985.87</u>	<u>674,441.21</u>	<u>15,455.34</u>
Financial Administration:								
Collector	112,652.44	112,652.44	113,695.86	1,043.42	118,251.32	118,251.32	116,738.79	(1,512.53)
Treasurer	82,718.28	82,718.28	75,057.88	(7,660.40)	69,249.43	69,249.43	66,130.99	(3,118.44)
	<u>195,370.72</u>	<u>195,370.72</u>	<u>188,753.74</u>	<u>(6,616.98)</u>	<u>187,500.75</u>	<u>187,500.75</u>	<u>182,869.78</u>	<u>(4,630.97)</u>
Other Offices and Grants:								
Other Offices and Grants	462,952.29	462,952.29	458,563.33	(4,388.96)	352,819.13	352,819.13	385,258.19	32,439.06
	<u>462,952.29</u>	<u>462,952.29</u>	<u>458,563.33</u>	<u>(4,388.96)</u>	<u>352,819.13</u>	<u>352,819.13</u>	<u>385,258.19</u>	<u>32,439.06</u>
Health and Welfare:								
Non-Institutional Care	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying Independent Auditor's Report.

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

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Property Valuation and Recording:								
Recorder of Deeds	140,642.43	140,642.43	139,295.10	(1,347.33)	129,368.84	129,368.84	128,256.47	(1,112.37)
Administration of Justice and Law Enforcement:								
Associate Circuit	9,856.00	9,856.00	11,520.52	1,664.52	11,056.00	11,056.00	10,382.70	(673.30)
Circuit Clerk	6,050.00	6,050.00	5,263.74	(786.26)	5,000.00	5,000.00	5,820.17	820.17
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	12,951.52	12,951.52	15,398.58	2,447.06	12,590.66	12,590.66	12,909.47	318.81
Dispatch	-	-	-	-	-	-	-	-
Circuit Judges and Court Reporters	-	-	-	-	-	-	-	-
Jail	2,104,103.93	2,104,103.93	2,035,090.11	(69,013.82)	1,871,367.68	1,871,367.68	1,800,067.28	(71,300.40)
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	63,419.80	63,419.80	63,419.80	-	63,419.80	63,419.80	63,419.80	-
Medical Examiner	37,487.17	37,487.17	35,692.17	(1,795.00)	44,103.12	44,103.12	31,057.97	(13,045.15)
Sheriffs Office	-	-	-	-	-	-	-	-
Drug Task Force	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	191,752.77	191,752.77	199,322.36	7,569.59	162,000.56	162,000.56	169,912.32	7,911.76
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	22,678.29	22,678.29	22,381.38	(296.91)	22,183.82	22,183.82	21,732.38	(451.44)
	2,448,299.48	2,448,299.48	2,388,088.66	(60,210.82)	2,191,721.64	2,191,721.64	2,115,302.09	(76,419.55)
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment & Buildings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,005,414.20	\$ 4,005,414.20	\$ 3,920,881.71	\$ (84,532.49)	\$ 3,520,396.23	\$ 3,520,396.23	\$ 3,486,127.74	\$ (34,268.49)

See accompanying Independent Auditor's Report.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE
ROAD AND BRIDGE FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	ORIGINAL	FINAL		(UNDER)
			FINAL BUDGET				FINAL BUDGET	
REVENUES								
Property Tax	\$ 411,900.00	\$ 411,900.00	\$ 473,511.55	\$ 61,611.55	\$ 411,900.00	\$ 411,900.00	\$ 414,747.88	\$ 2,847.88
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	779,000.00	779,000.00	767,018.11	(11,981.89)	775,458.25	775,458.25	797,234.21	21,775.96
Interests	34,000.00	34,000.00	17,694.89	(16,305.11)	35,000.00	35,000.00	34,282.82	(717.18)
Other	399,064.84	399,064.84	145,369.31	(253,695.53)	180,400.00	180,400.00	165,709.41	(14,690.59)
TOTAL REVENUES	1,623,964.84	1,623,964.84	1,403,593.86	(220,370.98)	1,402,758.25	1,402,758.25	1,411,974.32	9,216.07
EXPENDITURES								
Current:								
Salaries	312,867.20	312,867.20	311,374.40	(1,492.80)	302,261.36	302,261.36	292,091.45	(10,169.91)
Employee Fringe Benefits	72,396.41	72,396.41	80,878.92	8,482.51	70,596.44	70,596.44	72,203.59	1,607.15
Supplies	365,000.00	365,000.00	377,437.26	12,437.26	475,000.00	475,000.00	284,540.39	(190,459.61)
Property and Equipment Insurance	55,000.00	55,000.00	52,146.00	(2,854.00)	50,000.00	50,000.00	46,934.00	(3,066.00)
Equipment Repairs	50,000.00	50,000.00	110,740.41	60,740.41	50,000.00	50,000.00	58,036.23	8,036.23
Rentals	-	-	50.00	50.00	694.54	694.54	50.00	(644.54)
Maintenance of Roads:								
Highway and Roads	-	-	-	-	-	-	-	-
Other	421,166.00	421,166.00	436,768.33	15,602.33	407,250.00	407,250.00	340,712.04	(66,537.96)
Capital Outlay:								
Construction of Roads and Bridges	436,072.82	436,072.82	339,228.85	(96,843.97)	325,000.00	325,000.00	357,934.12	32,934.12
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,712,502.43	1,712,502.43	1,708,624.17	(3,878.26)	1,680,802.34	1,680,802.34	1,452,501.82	(228,300.52)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(88,537.59)	(88,537.59)	(305,030.31)	(216,492.72)	(278,044.09)	(278,044.09)	(40,527.50)	237,516.59
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(130,000.00)	(130,000.00)	(80,000.00)	50,000.00	(81,633.45)	(81,633.45)	(72,625.09)	9,008.36
TOTAL OTHER FINANCING SOURCES (USES)	(130,000.00)	(130,000.00)	(80,000.00)	50,000.00	(81,633.45)	(81,633.45)	(72,625.09)	9,008.36
NET CHANGE IN FUND BALANCE	(218,537.59)	(218,537.59)	(385,030.31)	(166,492.72)	(359,677.54)	(359,677.54)	(113,152.59)	246,524.95
FUND BALANCE - BEGINNING OF YEAR	401,519.20	401,519.20	401,519.20	-	514,671.79	514,671.79	514,671.79	-
FUND BALANCE - END OF YEAR	\$ 182,981.61	\$ 182,981.61	\$ 16,488.89	\$ (166,492.72)	\$ 154,994.25	\$ 154,994.25	\$ 401,519.20	\$ 246,524.95

See accompanying Independent Auditor's Report.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - BUDGET AND ACTUAL
ASSESSMENT FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER	BUDGETED AMOUNTS		ACTUAL	OVER
	ORIGINAL	FINAL		(UNDER)	ORIGINAL	FINAL		(UNDER)
			FINAL BUDGET				FINAL BUDGET	
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	111,888.00	111,888.00	98,512.69	(13,375.31)	111,096.00	111,096.00	134,394.36	23,298.36
Fees, Licenses and Permits	217,000.00	217,000.00	212,279.51	(4,720.49)	190,300.00	190,300.00	187,625.45	(2,674.55)
Interest	15,000.00	15,000.00	12,596.48	(2,403.52)	12,000.00	12,000.00	15,099.27	3,099.27
Other	2,300.00	2,300.00	3,923.62	1,623.62	2,300.00	2,300.00	3,788.16	1,488.16
TOTAL REVENUES	346,188.00	346,188.00	327,312.30	(18,875.70)	315,696.00	315,696.00	340,907.24	25,211.24
EXPENDITURES								
Assessment Fund	326,532.05	326,532.05	290,373.08	(36,158.97)	271,486.57	271,486.57	272,908.93	1,422.36
TOTAL EXPENDITURES	326,532.05	326,532.05	290,373.08	(36,158.97)	271,486.57	271,486.57	272,908.93	1,422.36
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,655.95	19,655.95	36,939.22	17,283.27	44,209.43	44,209.43	67,998.31	23,788.88
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	19,655.95	19,655.95	36,939.22	17,283.27	44,209.43	44,209.43	67,998.31	23,788.88
FUND BALANCE - BEGINNING OF YEAR	408,357.39	408,357.39	284,933.89	(123,423.50)	216,935.58	216,935.58	216,935.58	-
FUND BALANCE - END OF YEAR	\$ 428,013.34	\$ 428,013.34	\$ 321,873.11	\$ (106,140.23)	\$ 261,145.01	\$ 261,145.01	\$ 284,933.89	\$ 23,788.88

See accompanying Independent Auditor's Report.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - BUDGET AND ACTUAL
COMMUNITY CENTER SALES TAX FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	820,000.00	820,000.00	820,682.90	682.90	780,000.00	780,000.00	796,037.74	16,037.74
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	4,750.00	4,750.00	6,711.41	1,961.41	5,000.00	5,000.00	6,123.90	1,123.90
Other	250,000.00	250,000.00	114,538.92	(135,461.08)	250,000.00	250,000.00	231,708.00	(18,292.00)
TOTAL REVENUES	1,074,750.00	1,074,750.00	941,933.23	(132,816.77)	1,035,000.00	1,035,000.00	1,033,869.64	(1,130.36)
EXPENDITURES								
Community Center	117,075.00	117,075.00	114,447.14	(2,627.86)	97,577.00	97,577.00	108,109.42	10,532.42
TOTAL EXPENDITURES	117,075.00	117,075.00	114,447.14	(2,627.86)	97,577.00	97,577.00	108,109.42	10,532.42
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	957,675.00	957,675.00	827,486.09	(130,188.91)	937,423.00	937,423.00	925,760.22	(11,662.78)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(320,000.00)	(320,000.00)	(272,917.26)	(47,082.74)	(313,050.00)	(313,050.00)	(286,695.56)	26,354.44
Debt Service:								
Principle	(395,000.00)	(395,000.00)	(195,000.00)	(200,000.00)	(355,000.00)	(355,000.00)	(355,000.00)	-
Interest	(250,000.00)	(250,000.00)	(121,548.93)	(128,451.07)	(275,000.00)	(275,000.00)	(254,091.18)	20,908.82
TOTAL OTHER FINANCING SOURCES (USES)	(965,000.00)	(965,000.00)	(589,466.19)	(375,533.81)	(943,050.00)	(943,050.00)	(895,786.74)	47,263.26
NET CHANGE IN FUND BALANCE	(7,325.00)	(7,325.00)	238,019.90	245,344.90	(5,627.00)	(5,627.00)	29,973.48	35,600.48
FUND BALANCE - BEGINNING OF YEAR	408,357.39	408,357.39	225,450.80	(182,906.59)	195,477.32	195,477.32	195,477.32	-
FUND BALANCE - END OF YEAR	\$ 401,032.39	\$ 401,032.39	\$ 463,470.70	\$ 62,438.31	\$ 189,850.32	\$ 189,850.32	\$ 225,450.80	\$ 35,600.48

See accompanying Independent Auditor's Report.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - BUDGET AND ACTUAL
LAW ENFORCEMENT SALES TAX FUND - UNAUDITED - FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER)
	ORIGINAL	FINAL		FINAL BUDGET	ORIGINAL	FINAL		FINAL BUDGET
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	800,000.00	800,000.00	777,239.62	(22,760.38)	400,000.00	400,000.00	440,033.46	40,033.46
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	4,687.32	4,687.32	-	-	-	-
Grants, Distributions and Reimbursements	69,443.00	69,443.00	78,495.95	9,052.95	76,500.00	76,500.00	79,325.93	2,825.93
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	1,000.00	1,000.00	437.40	(562.60)	1,000.00	1,000.00	503.27	(496.73)
Other	28,000.00	28,000.00	27,176.27	(823.73)	16,500.00	16,500.00	49,496.77	32,996.77
TOTAL REVENUES	898,443.00	898,443.00	888,036.56	(10,406.44)	494,000.00	494,000.00	569,359.43	75,359.43
EXPENDITURES								
Law Enforcement Sales Tax	1,359,353.36	1,359,353.36	1,412,970.54	53,617.18	1,203,987.77	1,203,987.77	1,251,176.46	47,188.69
TOTAL EXPENDITURES	1,359,353.36	1,359,353.36	1,412,970.54	53,617.18	1,203,987.77	1,203,987.77	1,251,176.46	47,188.69
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(460,910.36)	(460,910.36)	(524,933.98)	(64,023.62)	(709,987.77)	(709,987.77)	(681,817.03)	28,170.74
OTHER FINANCING SOURCES (USES)								
Transfers In	453,853.36	453,853.36	525,033.98	71,180.62	628,918.77	628,918.77	681,817.03	52,898.26
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	453,853.36	453,853.36	525,033.98	71,180.62	628,918.77	628,918.77	681,817.03	52,898.26
NET CHANGE IN FUND BALANCE	(7,057.00)	(7,057.00)	100.00	7,157.00	(81,069.00)	(81,069.00)	-	81,069.00
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	-	-	-	-
FUND BALANCE - END OF YEAR	\$ (7,057.00)	\$ (7,057.00)	\$ 100.00	\$ 7,157.00	\$ (81,069.00)	\$ (81,069.00)	\$ -	\$ 81,069.00

See accompanying Independent Auditor's Report.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND - BUDGET AND ACTUAL
MENTAL HEALTH SERVICES FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 317,300.00	\$ 317,300.00	\$ 332,211.32	\$ 14,911.32	\$ 308,148.48	\$ 308,148.48	\$ 295,102.62	\$ (13,045.86)
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	45,000.00	45,000.00	35,699.16	(9,300.84)	47,000.00	47,000.00	44,863.16	(2,136.84)
Other	6,600.00	6,600.00	3,600.66	(2,999.34)	3,537.15	3,537.15	7,470.95	3,933.80
TOTAL REVENUES	368,900.00	368,900.00	371,511.14	2,611.14	358,685.63	358,685.63	347,436.73	(11,248.90)
EXPENDITURES								
Mental Health Services	443,800.00	643,800.00	556,422.85	87,377.15	452,800.00	452,800.00	360,620.21	(92,179.79)
TOTAL EXPENDITURES	443,800.00	643,800.00	556,422.85	87,377.15	452,800.00	452,800.00	360,620.21	(92,179.79)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(74,900.00)	(274,900.00)	(184,911.71)	89,988.29	(94,114.37)	(94,114.37)	(13,183.48)	80,930.89
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(74,900.00)	(274,900.00)	(184,911.71)	89,988.29	(94,114.37)	(94,114.37)	(13,183.48)	80,930.89
FUND BALANCE - BEGINNING OF YEAR	789,305.79	789,305.79	789,305.79	-	802,489.27	802,489.27	802,489.27	-
FUND BALANCE - END OF YEAR	<u>\$ 714,405.79</u>	<u>\$ 514,405.79</u>	<u>\$ 604,394.08</u>	<u>\$ 89,988.29</u>	<u>\$ 708,374.90</u>	<u>\$ 708,374.90</u>	<u>\$ 789,305.79</u>	<u>\$ 80,930.89</u>

See accompanying Independent Auditor's Report.

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

BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget 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. During the year December 31, 2007, there was an instance of non-compliance because the actual expenditures exceeded the budgeted expenditures in the Assessment, Community Center Sales Tax and Law Enforcement Sales Tax Funds. Also, the Law Enforcement Sales Tax Fund was deficit budgeted. During the year ended December 31, 2008, the Law Enforcement Sales Tax Fund's actual expenditures exceeded the budgeted expenditures and it was deficit budgeted.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

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

SUPPLEMENTARY INFORMATION

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

	Law Enforcement Training Fund	P.A. Training Fund	Capital Improvement Sales Tax	Law Enforcement Restitution Fund	911 Emergency Fund	Victims of Domestic Violence Fund	P. A. Bad Check Fund	C.A.F.A Fund	P. A. Delinquent Fund	Sheriff Revolving Fund	Recorders Fund	Community Center Operating Fund
ASSETS												
Cash and Cash Equivalents	\$ 5,639.22	\$ 3,939.84	\$ 6,388.86	\$ 28,659.77	\$ 28,697.21	\$ 1,000.41	\$ 579.83	\$24,925.96	\$ 2,118.96	\$ 10,363.24	\$ 25,998.87	\$ 823.32
Investments	-	-	-	-	-	-	-	-	-	-	20,177.01	-
TOTAL ASSETS	<u>5,639.22</u>	<u>3,939.84</u>	<u>6,388.86</u>	<u>28,659.77</u>	<u>28,697.21</u>	<u>1,000.41</u>	<u>579.83</u>	<u>24,925.96</u>	<u>2,118.96</u>	<u>10,363.24</u>	<u>46,175.88</u>	<u>823.32</u>
LIABILITIES AND FUND BALANCES												
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>5,639.22</u>	<u>3,939.84</u>	<u>6,388.86</u>	<u>28,659.77</u>	<u>28,697.21</u>	<u>1,000.41</u>	<u>579.83</u>	<u>24,925.96</u>	<u>2,118.96</u>	<u>10,363.24</u>	<u>46,175.88</u>	<u>823.32</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,639.22</u>	<u>\$ 3,939.84</u>	<u>\$ 6,388.86</u>	<u>\$ 28,659.77</u>	<u>\$ 28,697.21</u>	<u>\$ 1,000.41</u>	<u>\$ 579.83</u>	<u>\$24,925.96</u>	<u>\$ 2,118.96</u>	<u>\$ 10,363.24</u>	<u>\$ 46,175.88</u>	<u>\$ 823.32</u>

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

	Sheriff Fees Fund	Election Services Fund	K-9 Fund	Inmate Security Fund	Capital Improvement	Fees (Land Tax Sale)	Senior Citizen's Services	SurTax	Total
ASSETS									
Cash and Cash Equivalents	\$ 33,509.28	\$ 6,930.30	\$ 818.98	\$ 5,780.37	\$ 149,811.05	\$ 2,767.16	\$ 44,459.48	\$ 8,150.59	\$ 391,362.70
Investments	-	-	-	-	-	5,000.00	-	-	25,177.01
TOTAL ASSETS	<u>33,509.28</u>	<u>6,930.30</u>	<u>818.98</u>	<u>5,780.37</u>	<u>149,811.05</u>	<u>7,767.16</u>	<u>44,459.48</u>	<u>8,150.59</u>	<u>416,539.71</u>
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>33,509.28</u>	<u>6,930.30</u>	<u>818.98</u>	<u>5,780.37</u>	<u>149,811.05</u>	<u>7,767.16</u>	<u>44,459.48</u>	<u>8,150.59</u>	<u>416,539.71</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,509.28</u>	<u>\$ 6,930.30</u>	<u>\$ 818.98</u>	<u>\$ 5,780.37</u>	<u>\$ 149,811.05</u>	<u>\$ 7,767.16</u>	<u>\$ 44,459.48</u>	<u>\$ 8,150.59</u>	<u>\$ 416,539.71</u>

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

	Law Enforcement Training Fund	P.A. Training Fund	Capital Improvement Sales Tax	Law Enforcement Restitution Fund	911 Emergency Fund	Victims of Domestic Violence Fund	P. A. Bad Check Fund	C.A.F.A Fund	P. A. Delinquent Fund	Sheriff Revolving Fund	Recorders Fund
REVENUES											
Property Tax	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	29,433.50	-	-	-	-	-	-	-
Charges for Services	10,522.92	1,665.79	-	-	378,936.29	1,666.00	17,811.64	-	2,111.87	4,532.00	15,517.00
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-
Interest	76.77	81.19	237.77	633.77	760.89	5.86	2.85	119.67	6.21	216.23	1,069.41
Contributions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	216,123.20	-	5,948.00	24,437.77	-	-	-
TOTAL REVENUES	10,599.69	1,746.98	237.77	30,067.27	595,820.38	1,671.86	23,762.49	24,557.44	2,118.08	4,748.23	16,586.41
EXPENDITURES											
General Government	-	1,247.99	3,091.92	-	580,827.19	1,431.59	18,372.34	-	131.00	-	4,382.47
Administration of Justice and Law	12,186.87	-	-	21,769.02	-	-	-	-	-	2,630.00	-
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:											
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal Payment	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	12,186.87	1,247.99	3,091.92	21,769.02	580,827.19	1,431.59	18,372.34	-	131.00	2,630.00	4,382.47
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,587.18)	498.99	(2,854.15)	8,298.25	14,993.19	240.27	5,390.15	24,557.44	1,987.08	2,118.23	12,203.94
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(6,500.00)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(6,500.00)	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,587.18)	498.99	(2,854.15)	8,298.25	14,993.19	240.27	(1,109.85)	24,557.44	1,987.08	2,118.23	12,203.94
FUND BALANCES - BEGINNING OF YEAR	7,226.40	3,440.85	9,243.01	20,361.52	13,704.02	760.14	1,689.68	368.52	131.88	8,245.01	33,971.94
FUND BALANCES - END OF YEAR	5,639.22	3,939.84	6,388.86	28,659.77	28,697.21	1,000.41	579.83	24,925.96	2,118.96	10,363.24	46,175.88

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

	Community Center Operating Fund	Sheriff Fees Fund	Election Services Fund	K-9 Fund	Inmate Security Fund	Capital Improvement	Fees (Land Tax Sale)	Senior Citizen's Services	SurTax	Total
REVENUES										
Property Tax	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	29,433.50
Charges for Services	267,721.99	30,290.82	-	-	-	-	-	-	-	730,776.32
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Interest	4.31	577.97	145.71	2.78	64.36	184.92	-	-	-	4,190.67
Contributions	-	-	-	-	-	-	-	-	-	-
Other	164,505.16	457.85	6,690.59	1,624.00	3,774.00	149,626.13	3,267.24	131,461.68	208,967.73	916,883.35
TOTAL REVENUES	432,231.46	31,326.64	6,836.30	1,626.78	3,838.36	149,811.05	3,267.24	131,461.68	208,967.73	1,681,283.84
EXPENDITURES										
General Government	704,325.40	-	7,021.67	-	-	-	2,587.14	108,345.10	205,274.97	1,637,038.78
Administration of Justice and Law	-	17,009.26	-	1,198.15	-	-	-	-	-	54,793.30
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	704,325.40	17,009.26	7,021.67	1,198.15	-	-	2,587.14	108,345.10	205,274.97	1,691,832.08
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	#####	14,317.38	(185.37)	428.63	3,838.36	149,811.05	680.10	23,116.58	3,692.76	(10,548.24)
OTHER FINANCING SOURCES (USES)										
Transfers In	272,917.26	-	-	-	-	-	-	-	-	272,917.26
Transfers Out	-	-	-	-	-	-	-	-	-	(6,500.00)
TOTAL OTHER FINANCING SOURCES (USES)	272,917.26	-	-	-	-	-	-	-	-	266,417.26
NET CHANGE IN FUND BALANCES	823.32	14,317.38	(185.37)	428.63	3,838.36	149,811.05	680.10	23,116.58	3,692.76	255,869.02
FUND BALANCES - BEGINNING OF YEAR	-	19,191.90	7,115.67	390.35	1,942.01	-	7,087.06	21,342.90	4,457.83	160,670.69
FUND BALANCES - END OF YEAR	823.32	33,509.28	6,930.30	818.98	5,780.37	149,811.05	7,767.16	44,459.48	8,150.59	416,539.71

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

	<u>Law Enforcement Training Fund</u>	<u>P.A. Training Fund</u>	<u>Capital Improvement Sales Tax</u>	<u>Law Enforcement Restitution Fund</u>	<u>911 Emergency Fund</u>	<u>Victims of Domestic Violence Fund</u>	<u>P. A. Bad Check Fund</u>	<u>C.A.F.A Fund</u>	<u>P. A. Delinquent Fund</u>	<u>Sheriff Revolving Fund</u>
ASSETS										
Cash and Cash Equivalents	\$ 7,226.40	\$ 3,440.85	\$ 9,243.01	\$ 20,361.52	\$ 13,704.02	\$ 760.14	\$ 1,689.68	\$ 368.52	\$ 131.88	\$ 8,245.01
Investments	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>7,226.40</u>	<u>3,440.85</u>	<u>9,243.01</u>	<u>20,361.52</u>	<u>13,704.02</u>	<u>760.14</u>	<u>1,689.68</u>	<u>368.52</u>	<u>131.88</u>	<u>8,245.01</u>
LIABILITIES AND FUND BALANCES				-						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>7,226.40</u>	<u>3,440.85</u>	<u>9,243.01</u>	<u>20,361.52</u>	<u>13,704.02</u>	<u>760.14</u>	<u>1,689.68</u>	<u>368.52</u>	<u>131.88</u>	<u>8,245.01</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,226.40</u>	<u>\$ 3,440.85</u>	<u>\$ 9,243.01</u>	<u>\$ 20,361.52</u>	<u>\$ 13,704.02</u>	<u>\$ 760.14</u>	<u>\$ 1,689.68</u>	<u>\$ 368.52</u>	<u>\$ 131.88</u>	<u>\$ 8,245.01</u>

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

	Recorders Fund	Community Center Operating Fund	Sheriff Fees Fund	Election Services Fund	K-9 Fund	Inmate Security Fund	Fees (Land Tax Sale)	Senior Citizen's Services	SurTax	Total
ASSETS										
Cash and Cash Equivalents	\$ 33,971.94	\$ -	\$ 19,191.90	\$ 7,115.67	\$ 390.35	\$ 1,942.01	\$ 2,387.06	\$ 21,342.90	\$ 4,457.83	\$ 155,970.69
Investments	-	-	-	-	-	-	4,700.00	-	-	4,700.00
TOTAL ASSETS	<u>33,971.94</u>	<u>-</u>	<u>19,191.90</u>	<u>7,115.67</u>	<u>390.35</u>	<u>1,942.01</u>	<u>7,087.06</u>	<u>21,342.90</u>	<u>4,457.83</u>	<u>160,670.69</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>33,971.94</u>	<u>-</u>	<u>19,191.90</u>	<u>7,115.67</u>	<u>390.35</u>	<u>1,942.01</u>	<u>7,087.06</u>	<u>21,342.90</u>	<u>4,457.83</u>	<u>160,670.69</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,971.94</u>	<u>\$ -</u>	<u>\$ 19,191.90</u>	<u>\$ 7,115.67</u>	<u>\$ 390.35</u>	<u>\$ 1,942.01</u>	<u>\$ 7,087.06</u>	<u>\$ 21,342.90</u>	<u>\$ 4,457.83</u>	<u>\$ 160,670.69</u>

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

	Law Enforcement Training Fund	P.A. Training Fund	Capital Improvement Sales Tax	Law Enforcement Restitution Fund	911 Emergency Fund	Victims of Domestic Violence Fund	P. A. Bad Check Fund	C.A.F.A Fund	P. A. Delinquent Fund	Sheriff Revolving Fund
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	29,651.50	-	-	-	-	-	-
Charges for Services	11,374.36	2,018.58	-	-	314,532.76	1,511.00	20,972.06	-	547.38	3,762.00
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Interest	78.46	145.65	555.62	593.73	1,613.90	25.49	220.82	16.16	7.86	295.83
Contributions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	182,806.83	-	-	-	-	-
TOTAL REVENUES	11,452.82	2,164.23	555.62	30,245.23	498,953.49	1,536.49	21,192.88	16.16	555.24	4,057.83
EXPENDITURES										
General Government	-	1,177.40	3,472.71	-	508,739.18	1,743.44	19,533.32	-	646.15	-
Administration of Justice and Law	4,408.62	-	-	14,243.51	-	-	-	-	-	62.00
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,408.62	1,177.40	3,472.71	14,243.51	508,739.18	1,743.44	19,533.32	-	646.15	62.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,044.20	986.83	(2,917.09)	16,001.72	(9,785.69)	(206.95)	1,659.56	16.16	(90.91)	3,995.83
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(6,500.00)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(6,500.00)	-	-	-
NET CHANGE IN FUND BALANCES	7,044.20	986.83	(2,917.09)	16,001.72	(9,785.69)	(206.95)	(4,840.44)	16.16	(90.91)	3,995.83
FUND BALANCES - BEGINNING OF YEAR	182.20	2,454.02	12,160.10	4,359.80	23,489.71	967.09	6,530.12	352.36	222.79	4,249.18
FUND BALANCES - END OF YEAR	\$ 7,226.40	\$ 3,440.85	\$ 9,243.01	\$ 20,361.52	\$ 13,704.02	\$ 760.14	\$ 1,689.68	\$ 368.52	\$ 131.88	\$ 8,245.01

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

	Recorders Fund	Community Center Operating Fund	Sheriff Fees Fund	Election Services Fund	K-9 Fund	Inmate Security Fund	Fees (Land Tax Sale)	Senior Citizen's Services	SurTax	Total
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	29,651.50
Charges for Services	10,909.00	243,213.78	19,161.49	-	-	1,932.00	-	-	-	629,934.41
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Interest	1,314.69	168.44	1,055.65	543.49	23.29	10.01	-	-	-	6,669.09
Contributions	-	-	-	-	-	-	-	-	-	-
Other	6,135.00	165,887.82	4,396.00	3,602.12	563.92	-	1,889.09	113,662.84	177,135.54	656,079.16
TOTAL REVENUES	18,358.69	409,270.04	24,613.14	4,145.61	587.21	1,942.01	1,889.09	113,662.84	177,135.54	1,322,334.16
EXPENDITURES										
General Government	14,616.68	697,212.68	-	12,594.98	-	-	4,440.67	98,519.74	177,862.99	1,540,559.94
Administration of Justice and Law	-	-	22,099.67	-	1,105.92	-	-	-	-	41,919.72
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	14,616.68	697,212.68	22,099.67	12,594.98	1,105.92	-	4,440.67	98,519.74	177,862.99	1,582,479.66
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,742.01	#####	2,513.47	(8,449.37)	(518.71)	1,942.01	(2,551.58)	15,143.10	(727.45)	(260,145.50)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	286,695.56	-	-	-	-	-	-	-	286,695.56
Transfers Out	-	-	-	-	-	-	-	-	-	(6,500.00)
TOTAL OTHER FINANCING SOURCES (USES)	-	286,695.56	-	-	-	-	-	-	-	280,195.56
NET CHANGE IN FUND BALANCES	3,742.01	(1,247.08)	2,513.47	(8,449.37)	(518.71)	1,942.01	(2,551.58)	15,143.10	(727.45)	20,050.06
FUND BALANCES - BEGINNING OF YEAR	30,229.93	1,247.08	16,678.43	15,565.04	909.06	-	9,638.64	6,199.80	5,185.28	140,620.63
FUND BALANCES - END OF YEAR	\$ 33,971.94	\$ -	\$ 19,191.90	\$ 7,115.67	\$ 390.35	\$ 1,942.01	\$ 7,087.06	\$ 21,342.90	\$ 4,457.83	\$ 160,670.69

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - DECEMBER 31, 2008

	TAX MAINTENANCE FUND	ASSOCIATE CIRCUIT DIV. III INT. FUND	LAW LIBRARY FUND	CIRCUIT CLERK INT. FUND	UNCLAIMED FEES	SCHOOL FUND PRINCIPAL	RECORDER	COLLECTOR	PROSECUTING ATTORNEY	SHERIFF	CIRCUIT CLERK	TOTAL
ASSETS												
Cash and Cash Equivalents	\$ 14,989.37	\$ 720.87	\$ 8,650.41	\$ 679.23	\$ 12.00	\$ 10,408.46	\$ 10,819.25	\$ 2,126.45	\$ 311.31	\$ 19,402.51	\$ 187,985.85	\$ 256,105.71
Investments	-	-	-	-	-	180,708.08	-	-	-	-	-	180,708.08
TOTAL ASSETS	<u>14,989.37</u>	<u>720.87</u>	<u>8,650.41</u>	<u>679.23</u>	<u>12.00</u>	<u>191,116.54</u>	<u>10,819.25</u>	<u>2,126.45</u>	<u>311.31</u>	<u>19,402.51</u>	<u>187,985.85</u>	<u>436,813.79</u>
LIABILITIES AND FUND BALANCES												
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	14,989.37	720.87	8,650.41	679.23	12.00	191,116.54	10,819.25	2,126.45	311.31	19,402.51	187,985.85	436,813.79
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,989.37</u>	<u>\$ 720.87</u>	<u>\$ 8,650.41</u>	<u>\$ 679.23</u>	<u>\$ 12.00</u>	<u>\$ 191,116.54</u>	<u>\$ 10,819.25</u>	<u>\$ 2,126.45</u>	<u>\$ 311.31</u>	<u>\$ 19,402.51</u>	<u>\$ 187,985.85</u>	<u>\$ 436,813.79</u>

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - DECEMBER 31, 2007

	TAX MAINTENANCE FUND	ASSOCIATE CIRCUIT DIV. III INT. FUND	LAW LIBRARY FUND	CIRCUIT CLERK INT. FUND	SCHOOL FUND PRINCIPAL	RECORDER	COLLECTOR	PROSECUTING ATTORNEY	SHERIFF	CIRCUIT CLERK	TOTAL
ASSETS											
Cash and Cash Equivalents	\$ 19,494.19	\$ 715.29	\$ 9,012.71	\$ 621.36	\$ 122,790.24	\$ 13,402.75	\$ 34,266.32	\$ 946.28	\$ 36,503.71	\$ 155,860.47	\$ 393,613.32
Investments	-	-	-	-	100,000.00	-	-	-	-	-	100,000.00
TOTAL ASSETS	19,494.19	715.29	9,012.71	621.36	222,790.24	13,402.75	34,266.32	946.28	36,503.71	155,860.47	493,613.32
LIABILITIES AND FUND BALANCES											
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	19,494.19	715.29	9,012.71	621.36	222,790.24	13,402.75	34,266.32	946.28	36,503.71	155,860.47	493,613.32
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,494.19	\$ 715.29	\$ 9,012.71	\$ 621.36	\$ 222,790.24	\$ 13,402.75	\$ 34,266.32	\$ 946.28	\$ 36,503.71	\$ 155,860.47	\$ 493,613.32

STATE COMPLIANCE SECTION

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2007, the actual expenditures exceeded the budgeted expenditures in the Assessment, Community Center Sales Tax and Law Enforcement Sales Tax Funds. The Law Enforcement Sales Tax Fund was deficit budgeted.

- B. For the year ended December 31, 2008, the Law Enforcement Sales Tax Fund's actual expenditures exceeded the budgeted expenditures and was deficit budgeted.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the County Commission
The County of Ste. Genevieve, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Ste. Genevieve, (the Primary Government), State of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the basic financial statements of the County's primary government, and have issued our modified cash basis report thereon dated September 9, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Over Financial Reporting (concluded)

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02 and 07/08-03, described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated September 9, 2009.

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit management'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

September 9, 2009

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2007, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

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

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, 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.

THE COUNTY OF STE. GENEVIEVE
STE. GENEVIEVE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

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

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. FOLLOW-UP PRIOR YEAR FINDINGS

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



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Ste. Genevieve County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ste. Genevieve 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

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

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

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

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

Ste. Genevieve County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants

September 9, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

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

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

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

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

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

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

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

07/08-02 **Management’s Response:** The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

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

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

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

Management’s Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- A. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors’ responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- B. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- C. SAS 114, *The Auditor’s Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors’ responsibility to communicate information about audit planning, the client’s accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

As stated in our engagement letter dated May 27, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Ste. Genevieve County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Ste. Genevieve County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Ste. Genevieve County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Ste. Genevieve County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 13, 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 Ste. Genevieve County are described in Note I to the financial statements. New accounting policies adopted during the years ended December 31, 2008, and December 31, 2007, were GASB Statements No. 34, 37 and 38. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 9, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

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

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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

Board of Trustees
Ste. Genevieve County Senate Bill 40
of Missouri

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the Ste. Genevieve County Senate Bill 40 of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The SB 40 has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2009, on our consideration of the Ste. Genevieve County Senate Bill 40 of Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to auditing procedures applied in the audit of the basic financial statements and , in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

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

September 29, 2009



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

Board of Trustees
Ste. Genevieve County Senate Bill 40 of Missouri

We have audited the basic financial statements of the Ste. Genevieve County Senate Bill 40 of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 29, 2009, which was modified because the SB 40 prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ste. Genevieve County Senate Bill 40 of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ste. Genevieve County Senate Bill 40's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ste. Genevieve County Senate Bill 40's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, and 07/08-03, described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ste. Genevieve County Senate Bill 40 of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Ste. Genevieve County Senate Bill 40 in a separate letter dated September 29, 2009.

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

This report is intended solely for the information and use of management, others within the organization, Board of Trustees and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

September 29, 2009

FINANCIAL STATEMENTS

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

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$ 133,548.52	\$ 147,191.92
Investments	-	-
Total Assets	<u>133,548.52</u>	<u>147,191.92</u>

LIABILITIES AND FUND BALANCE

Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Unrestricted	\$ <u>133,548.52</u>	\$ <u>147,191.92</u>
Total Fund Balance	<u>133,548.52</u>	<u>147,191.92</u>
Total Liabilities and Fund Balance	<u>133,548.52</u>	<u>147,191.92</u>

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

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

	<u>2008</u>	<u>2007</u>
REVENUES		
Property Tax Revenues	\$ 233,187.75	\$ 210,495.39
	<u>233,187.75</u>	<u>210,495.39</u>
TOTAL REVENUES	233,187.75	210,495.39
EXPENDITURES		
General Administration	1,292.37	4,005.26
SGI (Workshop)	157,852.08	119,018.00
Treasurer Bond	417.50	417.50
D & O Liability	1,476.00	1,476.00
Mental Health Trust Fund	11,104.15	12,929.47
ISL	5,000.00	5,000.00
Ste. Genevieve Group Homes	56,842.39	15,190.00
Adult Day Care Program	-	15,000.00
Targeted Case Management	13,086.42	-
Transportation	-	2,040.00
	<u>247,070.91</u>	<u>175,076.23</u>
TOTAL EXPENDITURES	247,070.91	175,076.23
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(13,883.16)	35,419.16
OTHER FINANCING SOURCES (USES)		
Interest	239.76	269.34
Miscellaneous	-	-
Rents	-	-
Donations	-	-
	<u>239.76</u>	<u>269.34</u>
TOTAL OTHER FINANCING SOURCES (USES)	239.76	269.34
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	(13,643.40)	35,688.50
FUND BALANCE - BEGINNING OF YEAR	<u>147,191.92</u>	<u>111,503.42</u>
FUND BALANCE - END OF YEAR	<u>\$ 133,548.52</u>	<u>\$ 147,191.92</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note I, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the cash basis of accounting, these financial statements present financial accountability of the SB 40.

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

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

B. Basis of Presentation

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

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

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the SB 40 utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the SB 40's name at third-party banking institutions. Details of these cash balances are presented in Note II.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the SB 40 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The SB 40's investment policy does not include custodial credit risk requirements. The SB 40's deposits were not exposed to custodial credit risk at year end.

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

The SB 40's deposits, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the District's deposits was \$133,548.52 with respective bank balances totaling \$134,764.71. At December 31, 2007, the carrying amount of the District's deposits was \$147,191.92 with respective bank balances totaling \$151,129.62. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

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

II. DEPOSITS AND INVESTMENTS (concluded)

The Deposits held at December 31, 2008 and reported at cost, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	Cost
Deposits:		
Checking and Money Market Accounts	N/A	\$ 96,634.94
Checking and Money Market Accounts	N/A	36,913.58
TOTAL DEPOSITS		\$ 133,548.52

The Deposits held at December 31, 2007 and reported cost, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	Cost
Deposits:		
Checking and Money Market Accounts	N/A	147,191.92
Checking and Money Market Accounts	N/A	-
TOTAL DEPOSITS		\$ 147,191.92

III. TAXES

Property Taxes

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

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$359,326,772 and \$344,083,170 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .0650 and .0650 respectively.

IV. RISK MANAGEMENT

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

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

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

V. LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property Tax Revenues	\$ 212,470.00	\$ 233,187.75	\$ 20,717.75
TOTAL REVENUES	<u>212,470.00</u>	<u>233,187.75</u>	<u>20,717.75</u>
 EXPENDITURES			
General Administration	20,600.00	1,292.37	(19,307.63)
SGI (Workshop)	157,852.08	157,852.08	-
Treasurer Bond	500.00	417.50	(82.50)
D & O Liability	1,600.00	1,476.00	(124.00)
Mental Health Trust Fund	13,000.00	11,104.15	(1,895.85)
ISL	5,000.00	5,000.00	-
Ste. Genevieve Group Homes	60,705.80	56,842.39	(3,863.41)
Adult Day Care Program	-	-	-
Targeted Case Management	100,000.00	13,086.42	(86,913.58)
Transportation	-	-	-
TOTAL EXPENDITURES	<u>359,257.88</u>	<u>247,070.91</u>	<u>(86,913.58)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(146,787.88)	(13,883.16)	107,631.33
 OTHER FINANCING SOURCES (USES)			
Interest	300.00	239.76	(60.24)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>300.00</u>	<u>239.76</u>	<u>(60.24)</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(146,487.88)	(13,643.40)	107,571.09
FUND BALANCE BEGINNING OF YEAR	<u>147,191.92</u>	<u>147,191.92</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 704.04</u>	<u>\$ 133,548.52</u>	<u>\$ 107,571.09</u>

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

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property Tax Revenues	\$ 210,000.00	210,495.39	\$ 495.39
TOTAL REVENUES	<u>210,000.00</u>	<u>210,495.39</u>	<u>495.39</u>
 EXPENDITURES			
General Administration	11,600.00	4,005.26	(7,594.74)
SGI (Workshop)	119,018.00	119,018.00	-
Treasurer Bond	500.00	417.50	(82.50)
D & O Liability	1,500.00	1,476.00	(24.00)
Mental Health Trust Fund	15,000.00	12,929.47	(2,070.53)
ISL	5,000.00	5,000.00	-
Ste. Genevieve Group Homes	42,500.00	15,190.00	(27,310.00)
Adult Day Care Program	23,000.00	15,000.00	(8,000.00)
Targeted Case Management	100,000.00	-	(100,000.00)
Transportation	3,120.00	2,040.00	(1,080.00)
TOTAL EXPENDITURES	<u>321,238.00</u>	<u>175,076.23</u>	<u>(146,161.77)</u>
 REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(111,238.00)	35,419.16	146,657.16
 OTHER FINANCING SOURCES (USES)			
Interest	350.00	269.34	(80.66)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>350.00</u>	<u>269.34</u>	<u>(80.66)</u>
 REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(110,888.00)	35,688.50	146,576.50
 FUND BALANCE BEGINNING OF YEAR	<u>111,503.42</u>	<u>111,503.42</u>	<u>-</u>
 FUND BALANCE END OF YEAR	<u>\$ 615.42</u>	<u>\$ 147,191.92</u>	<u>\$ 146,576.50</u>

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senate Bill 40 assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

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

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senate Bill 40's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

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

I. FINANCIAL STATEMENT FINDINGS (continued)

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

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

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

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

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

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

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



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Ste. Genevieve County, Missouri

In planning and performing our audit of the financial statements of the governmental of Ste. Genevieve County Senate Bill 40 as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Senate Bill 40'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 Senate Bill 40's internal control. Accordingly, we do not express an opinion on the effectiveness of the Senate Bill 40's internal control.

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

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

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

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

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

Ste. Genevieve County Senate Bill 40's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants

September 29, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senate Bill 40 assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

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

07/08-02 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senate Bill 40's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

07/08-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

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

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

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

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- A. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- B. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- C. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

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

As stated in our engagement letter dated May 29, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

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

In planning and performing our audit, we considered Ste. Genevieve County Senate Bill 40's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Senate Bill 40's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Ste. Genevieve County Senate Bill 40's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Ste. Genevieve County Senate Bill 40's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Ste. Genevieve County Senate Bill 40's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 29, 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 Ste. Genevieve County Senate Bill 40 are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 29, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.