



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Laclede County, Missouri

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

A handwritten signature in black ink that reads 'Thomas A. Schweich'.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-50

LACLEDE COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

Laclede County Commission
Laclede County
Lebanon, Missouri

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Laclede County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Laclede County, Missouri'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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note A, the basic financial statements of the Primary Government of Laclede County, Missouri and the Developmentally Disabled Board were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The financial statements do not include financial data for Laclede County Health Center, a legally separate component unit of the County. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units are not reasonably determinable.

Laclede County Commission
Laclede County
Lebanon, Missouri

In our opinion, because of the omission of the discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Laclede County, Missouri, as of December 31, 2010 and 2009, or the changes in financial position thereof for the years then ended.

Further, in our opinion, the basic financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Laclede County, Missouri, as of December 31, 2010 and 2009, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the years then ended, in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally 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. Laclede County, Missouri has not presented the Management Discussion and Analysis (MD&A) that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laclede County, Missouri's basic financial statements. The accompanying other financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

LACLEDE COUNTY, MISSOURI
 STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS
 December 31, 2010 and 2009

	<u>Primary Government</u>		<u>Component Unit</u>	
	Governmental		Developmentally	
	Activities		Disabled Board	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS				
Cash and cash equivalents	\$ 7,996,112	\$ 4,880,554	\$ 52,136	\$ 41,076
Investments	-	2,255,000	-	-
TOTAL ASSETS	<u>\$ 7,996,112</u>	<u>\$ 7,135,554</u>	<u>\$ 52,136</u>	<u>\$ 41,076</u>
NET ASSETS				
Unrestricted	<u>\$ 7,996,112</u>	<u>\$ 7,135,554</u>	<u>\$ 52,136</u>	<u>\$ 41,076</u>
TOTAL NET ASSETS	<u>\$ 7,996,112</u>	<u>\$ 7,135,554</u>	<u>\$ 52,136</u>	<u>\$ 41,076</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2010

Functions/Programs	Primary Government				Component Unit	
	Disbursements	Program Receipts			Net (Disbursements), Receipts, and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Developmentally Disabled Board
Primary Government						
Governmental Activities						
General government	\$ (2,212,305)	\$ 961,854	\$ 83,398	\$ -	\$ (1,167,053)	\$ -
Judicial	(607,474)	643,747	-	-	36,273	-
Public safety	(2,511,864)	590,105	45,106	16,490	(1,860,163)	-
Intergovernmental agreements	(343,252)	-	-	-	(343,252)	-
Highways and roads	(1,750,267)	15,639	37,490	-	(1,697,138)	-
Disaster recovery	(102,404)	-	412,704	-	310,300	-
Other	(151,366)	-	-	-	(151,366)	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>(7,678,932)</u>	<u>2,211,345</u>	<u>578,698</u>	<u>16,490</u>	<u>(4,872,399)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (7,678,932)</u>	<u>\$ 2,211,345</u>	<u>\$ 578,698</u>	<u>\$ 16,490</u>	<u>(4,872,399)</u>	<u>-</u>
Component Unit						
Developmentally Disabled Board	<u>\$ (287,753)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(287,753)</u>
TOTAL COMPONENT UNIT	<u>\$ (287,753)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(287,753)</u>
General Receipts:						
Ad valorem taxes					515,659	258,460
Sales tax					3,676,143	-
Motor vehicle sales and gas taxes					801,460	-
Telephone tax					407,517	-
Other taxes					166,638	39,490
Interest					109,987	863
Other receipts					55,553	-
Total General Receipts					<u>5,732,957</u>	<u>298,813</u>
Increase in Net Assets					860,558	11,060
Net Assets, Beginning of year					<u>7,135,554</u>	<u>41,076</u>
Net Assets, End of year					<u>\$ 7,996,112</u>	<u>\$ 52,136</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2009

Functions/Programs	Primary Government				Net (Disbursements), Receipts, and Changes in Net Assets Total Governmental Activities	Component Unit
	Disbursements	Program Receipts		Developmentally Disabled Board		
		Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
Primary Government						
Governmental Activities						
General government	\$ (1,909,932)	\$ 983,169	\$ 4,958	\$ -	\$ (921,805)	\$ -
Judicial	(586,791)	423,021	-	-	(163,770)	-
Public safety	(2,598,326)	680,003	51,158	5,463	(1,861,702)	-
Intergovernmental agreements	(307,422)	-	-	-	(307,422)	-
Highways and roads	(1,651,450)	1,574	39,284	-	(1,610,592)	-
Disaster recovery	(162,556)	-	221,743	-	59,187	-
Capital outlay	(25,000)	-	-	25,000	-	-
Other	(127,995)	-	-	-	(127,995)	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>(7,369,472)</u>	<u>2,087,767</u>	<u>317,143</u>	<u>30,463</u>	<u>(4,934,099)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (7,369,472)</u>	<u>\$ 2,087,767</u>	<u>\$ 317,143</u>	<u>\$ 30,463</u>	<u>(4,934,099)</u>	<u>-</u>
Component Unit						
Developmentally Disabled Board	\$ (263,166)	\$ -	\$ -	\$ -	-	(263,166)
TOTAL COMPONENT UNIT	<u>\$ (263,166)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(263,166)</u>
General Receipts:						
Ad valorem taxes					437,050	248,426
Sales tax					3,553,092	-
Motor vehicle sales tax					767,744	-
Telephone tax					421,812	-
Other taxes					150,525	37,857
Interest					84,246	57
Other receipts					84,692	-
Total General Receipts					<u>5,499,161</u>	<u>286,340</u>
Increase in Net Assets					565,062	23,174
Net Assets, Beginning of year, as restated					<u>6,570,492</u>	<u>17,902</u>
Net Assets, End of year					<u>\$ 7,135,554</u>	<u>\$ 41,076</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
 December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,855,601	\$ 415,945	\$ 1,036,384	\$ 2,017,852	\$ 1,097,372	\$ 1,556,700	\$ 7,979,854
TOTAL ASSETS	<u>\$ 1,855,601</u>	<u>\$ 415,945</u>	<u>\$ 1,036,384</u>	<u>\$ 2,017,852</u>	<u>\$ 1,097,372</u>	<u>\$ 1,556,700</u>	<u>\$ 7,979,854</u>
FUND BALANCES							
Fund Balances							
Unreserved, reported in:							
General Fund	\$ 1,855,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,855,601
Special Revenue Fund	-	415,945	1,036,384	2,017,852	1,097,372	1,556,700	6,124,253
TOTAL FUND BALANCES	<u>\$ 1,855,601</u>	<u>\$ 415,945</u>	<u>\$ 1,036,384</u>	<u>\$ 2,017,852</u>	<u>\$ 1,097,372</u>	<u>\$ 1,556,700</u>	<u>\$ 7,979,854</u>
Fund Balance Governmental Funds							\$ 7,979,854
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.							<u>16,258</u>
Net Assets of Governmental Activities							<u>\$ 7,996,112</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
 December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 690,003	\$ 401,019	\$ 522,431	\$ 1,032,793	\$ 640,907	\$ 1,579,991	\$ 4,867,144
Investments	1,000,000	-	500,000	500,000	255,000	-	2,255,000
TOTAL ASSETS	<u>\$ 1,690,003</u>	<u>\$ 401,019</u>	<u>\$ 1,022,431</u>	<u>\$ 1,532,793</u>	<u>\$ 895,907</u>	<u>\$ 1,579,991</u>	<u>\$ 7,122,144</u>
FUND BALANCES							
Fund Balances							
Unreserved, reported in:							
General Fund	\$ 1,690,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,690,003
Special Revenue Fund	-	401,019	1,022,431	1,532,793	895,907	1,579,991	5,432,141
TOTAL FUND BALANCES	<u>\$ 1,690,003</u>	<u>\$ 401,019</u>	<u>\$ 1,022,431</u>	<u>\$ 1,532,793</u>	<u>\$ 895,907</u>	<u>\$ 1,579,991</u>	<u>\$ 7,122,144</u>
Fund Balance Governmental Funds							\$ 7,122,144
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.							<u>13,410</u>
Net Assets of Governmental Activities							<u>\$ 7,135,554</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS

Year Ended December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes	\$ 2,506,870	\$ 795,588	\$ -	\$ -	\$ 1,837,137	\$ 427,822	\$ 5,567,417
Collector's commission	317,605	-	-	-	-	-	317,605
Licenses and permits	30,633	-	-	-	-	-	30,633
Intergovernmental receipts	107,972	37,490	-	412,704	-	37,022	595,188
Fees and charges	1,271,364	15,639	-	-	-	569,833	1,856,836
Interest	30,425	4,353	19,133	24,759	12,580	18,737	109,987
Other	12,100	36,966	5,442	-	-	7,316	61,824
TOTAL RECEIPTS	4,276,969	890,036	24,575	437,463	1,849,717	1,060,730	8,539,490
DISBURSEMENTS							
Current							
General government	1,786,375	-	-	-	-	428,778	2,215,153
Judicial	542,843	-	-	-	-	64,631	607,474
Public safety	1,590,608	-	10,622	-	-	496,510	2,097,740
Intergovernmental agreements	-	-	-	-	343,252	-	343,252
Highways and roads	-	1,750,267	-	-	-	-	1,750,267
Disaster recovery	-	-	-	102,404	-	-	102,404
Other	151,366	-	-	-	-	-	151,366
TOTAL DISBURSEMENTS	4,071,192	1,750,267	10,622	102,404	343,252	989,919	7,267,656
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	205,777	(860,231)	13,953	335,059	1,506,465	70,811	1,271,834
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	(40,179)	875,157	-	150,000	(1,305,000)	(94,102)	(414,124)
TOTAL OTHER FINANCING SOURCES (USES)	(40,179)	875,157	-	150,000	(1,305,000)	(94,102)	(414,124)

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS (CONTINUED)
 Year Ended December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	165,598	14,926	13,953	485,059	201,465	(23,291)	857,710
FUND BALANCE, January 1	<u>1,690,003</u>	<u>401,019</u>	<u>1,022,431</u>	<u>1,532,793</u>	<u>895,907</u>	<u>1,579,991</u>	<u>7,122,144</u>
FUND BALANCE, December 31	<u>\$ 1,855,601</u>	<u>\$ 415,945</u>	<u>\$ 1,036,384</u>	<u>\$ 2,017,852</u>	<u>\$ 1,097,372</u>	<u>\$ 1,556,700</u>	<u>\$ 7,979,854</u>

Excess of Receipts and Other Sources
Over Disbursements and Other (Uses)

\$ 857,710

Some of the amounts reported for Governmental activities in the
Statement of Activities are different because the Internal Service
Fund receipts and disbursements are included with Governmental activities.

2,848

Increase in Net Assets

\$ 860,558

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS

Year Ended December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes	\$ 2,355,458	\$ 761,513	\$ -	\$ -	\$ 1,775,279	\$ 437,973	\$ 5,330,223
Collector's commission	305,703	-	-	-	-	-	305,703
Licenses and permits	29,396	-	-	-	-	-	29,396
Intergovernmental receipts	42,112	39,284	-	221,743	-	44,467	347,606
Fees and charges	1,142,561	1,574	-	-	-	602,721	1,746,856
Interest	4,786	934	12,992	11,936	5,561	48,037	84,246
Other	39,110	42,599	-	-	-	8,795	90,504
TOTAL RECEIPTS	3,919,126	845,904	12,992	233,679	1,780,840	1,141,993	7,934,534
DISBURSEMENTS							
Current							
General government	1,575,677	-	-	-	-	332,090	1,907,767
Judicial	545,303	-	-	-	-	41,488	586,791
Public safety	1,554,744	-	96,737	-	-	504,147	2,155,628
Intergovernmental agreements	-	-	-	-	307,422	-	307,422
Highways and roads	-	1,651,450	-	-	-	-	1,651,450
Disaster recovery	-	79,999	-	82,557	-	-	162,556
Capital outlay	-	-	-	-	-	25,000	25,000
Other	127,995	-	-	-	-	-	127,995
TOTAL DISBURSEMENTS	3,803,719	1,731,449	96,737	82,557	307,422	902,725	6,924,609
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	115,407	(885,545)	(83,745)	151,122	1,473,418	239,268	1,009,925
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	(354,561)	1,117,631	-	100,000	(1,205,000)	(100,768)	(442,698)
TOTAL OTHER FINANCING SOURCES (USES)	(354,561)	1,117,631	-	100,000	(1,205,000)	(100,768)	(442,698)

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS (CONTINUED)
 Year Ended December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(239,154)	232,086	(83,745)	251,122	268,418	138,500	567,227
FUND BALANCE, January 1, as restated	<u>1,929,157</u>	<u>168,933</u>	<u>1,106,176</u>	<u>1,281,671</u>	<u>627,489</u>	<u>1,441,491</u>	<u>6,554,917</u>
FUND BALANCE, December 31	<u>\$ 1,690,003</u>	<u>\$ 401,019</u>	<u>\$ 1,022,431</u>	<u>\$ 1,532,793</u>	<u>\$ 895,907</u>	<u>\$ 1,579,991</u>	<u>\$ 7,122,144</u>

Excess of Receipts and Other Sources
 Over Disbursements and Other (Uses)

\$ 567,227

Some of the amounts reported for Governmental activities in the
 Statement of Activities are different because the Internal Service
 Fund receipts and disbursements are included with Governmental activities.

(2,165)

Increase in Net Assets

\$ 565,062

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENTS OF NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS
 December 31, 2010 and 2009

		Internal Service Fund	
		<u>2010</u>	<u>2009</u>
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 16,258	\$ 13,410
	TOTAL ASSETS	<u>\$ 16,258</u>	<u>\$ 13,410</u>
Net Assets			
Unrestricted		\$ 16,258	\$ 13,410
	TOTAL NET ASSETS	<u>\$ 16,258</u>	<u>\$ 13,410</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
 FUND – MODIFIED CASH BASIS
 Years ended December 31, 2010 and 2009

	Internal Service Fund	
	2010	2009
OPERATING RECEIPTS		
Charges for services	\$ 47,983	\$ 39,280
TOTAL OPERATING RECEIPTS	47,983	39,280
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	459,402	484,215
TOTAL OPERATING DISBURSEMENTS	459,402	484,215
OPERATING (LOSS)	(411,419)	(444,935)
NONOPERATING RECEIPTS		
Interest receipts	143	72
TOTAL NONOPERATING RECEIPTS	143	72
OTHER FINANCING SOURCES		
Operating transfers in	414,124	442,698
NET INCOME (LOSS)	2,848	(2,165)
NET ASSETS, January 1	13,410	15,575
NET ASSETS, December 31	\$ 16,258	\$ 13,410

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENTS OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
 Years ended December 31, 2010 and 2009

	Internal Service Fund	
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 47,983	\$ 39,280
Cash paid to suppliers	<u>(459,402)</u>	<u>(484,215)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	(411,419)	(444,935)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	<u>414,124</u>	<u>442,698</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	414,124	442,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>143</u>	<u>72</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>143</u>	<u>72</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,848	(2,165)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>13,410</u>	<u>15,575</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 16,258</u></u>	<u><u>\$ 13,410</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating (loss)	<u>\$ (411,419)</u>	<u>\$ (444,935)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u><u>\$ (411,419)</u></u>	<u><u>\$ (444,935)</u></u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS
 December 31, 2010

	Sheriff's Office Jail Fund	Sheriff's Office Inmate Security Fund	Sheriff's Office Commissary Fund	Sheriff's Office Bond Fund	Special Election Fund	Collector of Revenue Fund	Collector Tax Installment Fund	Land Sales Surplus Fund
ASSETS								
Cash and cash equivalents	\$ 266	\$ 6,181	\$ 47,147	\$ 1	\$ 917	\$ 13,693,749	\$ 617	\$ 7,047
TOTAL ASSETS	\$ 266	\$ 6,181	\$ 47,147	\$ 1	\$ 917	\$ 13,693,749	\$ 617	\$ 7,047
LIABILITIES								
Due to others	\$ -	\$ 6,181	\$ 47,147	\$ 1	\$ -	\$ -	\$ 617	\$ -
Due to other funds	266	-	-	-	-	1,189,545	-	-
Due to other governments	-	-	-	-	917	12,504,204	-	7,047
TOTAL LIABILITIES	\$ 266	\$ 6,181	\$ 47,147	\$ 1	\$ 917	\$ 13,693,749	\$ 617	\$ 7,047

See accompanying notes.

LACLEDE COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS (CONTINUED)

December 31, 2010

	Unclaimed Fee Fund	Fines and Forfeitures Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Prosecuting Attorney Restitution Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS							
Cash and cash equivalents	\$ 6,812	\$ 129,973	\$ 270,417	\$ 14,885	\$ 3,459	\$ 6,527	\$ 14,187,998
TOTAL ASSETS	<u>\$ 6,812</u>	<u>\$ 129,973</u>	<u>\$ 270,417</u>	<u>\$ 14,885</u>	<u>\$ 3,459</u>	<u>\$ 6,527</u>	<u>\$ 14,187,998</u>
LIABILITIES							
Due to others	\$ 6,812	\$ -	\$ 210,535	\$ -	\$ 1,621	\$ 6,131	\$ 279,045
Due to other funds	-	-	40,933	12,348	1,753	396	1,245,241
Due to other governments	-	129,973	18,949	2,537	85	-	12,663,712
TOTAL LIABILITIES	<u>\$ 6,812</u>	<u>\$ 129,973</u>	<u>\$ 270,417</u>	<u>\$ 14,885</u>	<u>\$ 3,459</u>	<u>\$ 6,527</u>	<u>\$ 14,187,998</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS
 December 31, 2009

	Sheriff's Office Jail Fund	Sheriff's Office Inmate Security Fund	Sheriff's Office Commissary Fund	Sheriff's Office Forfeiture Fund	Sheriff's Office Bond Fund	Collector's Protest Fund	Collector of Revenue Fund
ASSETS							
Cash and cash equivalents	\$ 11,702	\$ 2,625	\$ 58,743	\$ 5,144	\$ 2	\$ 66	\$ 14,056,695
TOTAL ASSETS	<u>\$ 11,702</u>	<u>\$ 2,625</u>	<u>\$ 58,743</u>	<u>\$ 5,144</u>	<u>\$ 2</u>	<u>\$ 66</u>	<u>\$ 14,056,695</u>
LIABILITIES							
Due to others	\$ -	\$ 2,625	\$ 58,743	\$ 5,144	\$ 2	\$ 66	\$ -
Due to other funds	-	-	-	-	-	-	1,176,495
Due to other governments	11,702	-	-	-	-	-	12,880,200
TOTAL LIABILITIES	<u>\$ 11,702</u>	<u>\$ 2,625</u>	<u>\$ 58,743</u>	<u>\$ 5,144</u>	<u>\$ 2</u>	<u>\$ 66</u>	<u>\$ 14,056,695</u>

See accompanying notes.

LACLEDE COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS (CONTINUED)
 December 31, 2009

	Collector Tax Installment Fund	Special Election Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Fines and Forfeitures Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Total
ASSETS								
Cash and cash equivalents	\$ 124	\$ 857	\$ 11,220	\$ 10,927	\$ 133,919	\$ 404,004	\$ 17,486	\$ 14,713,514
TOTAL ASSETS	\$ 124	\$ 857	\$ 11,220	\$ 10,927	\$ 133,919	\$ 404,004	\$ 17,486	\$ 14,713,514
LIABILITIES								
Due to others	\$ 124	\$ -	\$ 11,220	\$ 10,927	\$ -	\$ 328,521	\$ -	\$ 417,372
Due to other funds	-	-	-	-	-	51,876	14,612	1,242,983
Due to other governments	-	857	-	-	133,919	23,607	2,874	13,053,159
TOTAL LIABILITIES	\$ 124	\$ 857	\$ 11,220	\$ 10,927	\$ 133,919	\$ 404,004	\$ 17,486	\$ 14,713,514

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Laclede County, Missouri (the County) is a county of the 3rd class and operates under a three member County Commission.

The accounting methods and procedures adopted by the primary government of Laclede County, Missouri, and the Developmentally Disabled Board conform to the modified cash basis of accounting as applied to governmental entities. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is a primary government, which is governed by a three member county commission. As required by accounting principles generally accepted in the United States of America, the County has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The financial statements of Laclede County Health Center are not included in these financial statements as required by accounting principles generally accepted in the United States of America. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Component Unit

Developmentally Disabled Board

The Developmentally Disabled Board, which is governed by a board of directors appointed by the County Commission, provides disability services to the residents of Laclede County. The Developmentally Disabled Board is included in the financial statements of the County as a component unit due to its financial relationship with the County.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements display information about the primary government and its component unit. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Assets, the governmental activities are consolidated and presented on the modified cash basis of accounting.

The government-wide Statement of Activities presents a comparison between direct disbursements and program receipts for each function of the County's governmental activities. Direct disbursements are those that are specifically associated with a program or a function. Program receipts include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital disbursements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

FUND FINANCIAL STATEMENTS

Separate fund financial statements report information on the County's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

The County reports the following major governmental funds:

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

Road and Bridge Fund: The Road and Bridge Fund of the County is used to account for resources restricted for highway and road disbursements.

Law Enforcement Sales Tax Fund: The Law Enforcement Sales Tax Fund is used to account for sales tax receipts designated for law enforcement disbursements.

Capital Improvement Fund: The Capital Improvement Fund is used to account for the resources designated for capital improvements.

County Development Tax Fund: The County Development Tax Fund is used to account for sales taxes designated for road improvements within the County.

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County also reports the following fund types:

The Internal Service Fund accounts for the health insurance benefits of the County on a cost reimbursement basis.

Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The agency funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities and the fund financial statements for the County and the Developmentally Disabled Board, are presented using the modified cash basis of accounting. This basis recognizes assets, net assets/fund equity, receipts, and disbursements when they result from cash transactions. The modification to cash basis relates to the presentation of investments. 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 the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Also as a result of the modified cash basis, capital assets and long-term debt of the County and Developmentally Disabled Board are not presented in the financial statements.

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

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

The unreserved and undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislations.
- b. Unrestricted net assets – All other net assets that do not meet the definition of “restricted”.

It is the County’s policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is made for purposes for which both restricted and unrestricted net assets are available.

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2010, and 2009 was \$14,057 and \$12,803 respectively.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund portion of this pool is displayed as “Cash and investments”. In addition, investments are separately held by several of the County’s funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2010 and 2009, all bank balances on deposit are entirely insured or collateralized with securities.

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE B – CASH AND INVESTMENTS (continued)

The County’s investments at December 31, 2009, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	1/21/2010	<u>\$ 2,255,000</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all certificates of deposit are entirely insured or collateralized with securities. The County had no certificates of deposit as of December 31, 2010.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

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

Funding Policy

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

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

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

The 2010 and 2009 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	2010	2009
Real estate	\$ 273,461,890	\$ 268,854,560
Personal property	93,233,368	92,359,774
	\$ 366,695,258	\$ 361,214,334

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

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

	<u>2010</u>	<u>2009</u>
TAX LEVY		
General Fund	\$.1466	\$.1298
Developmentally Disabled Board	.0655	.0663
	<u>\$.2121</u>	<u>\$.1961</u>

The legal debt margin at December 31, 2010 and 2009, is computed as follows:

	<u>2010</u>	<u>2009</u>
Constitutional debt limit	\$ 36,669,526	\$ 36,121,433
General obligation bonds payable	(39,000)	(43,000)
LEGAL DEBT MARGIN	<u>\$ 36,630,526</u>	<u>\$ 36,078,433</u>

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

NOTE F – LONG-TERM DEBT

In 1999, the County issued \$78,000 in Limited General Obligation Bonds. The bonds bear interest at 6.5% with principal and interest payments due on March 1 of each year. The annual debt service requirements to amortize the principal of the Limited General Obligation Bonds outstanding at December 31, 2010, are listed in the table below.

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 5,000	\$ 2,535	\$ 7,535
2012	5,000	2,210	7,210
2013	5,000	1,885	6,885
2014	5,000	1,560	6,560
2015	6,000	1,235	7,235
2016	6,000	845	6,845
2017	7,000	455	7,455
	<u>\$ 39,000</u>	<u>\$ 10,725</u>	<u>\$ 49,725</u>

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE F – LONG-TERM DEBT (continued)

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a tractor at a total cost of \$34,537. The agreement requires annual payments of \$8,061, which includes interest at 5.25%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a grader at a total cost of \$202,866. The agreement requires annual payments of \$10,113 through 2013 with a balloon payment of \$157,833 due in 2014. The payments include interest at 3.15%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a grader at a total cost of \$202,866. The agreement requires annual payments of \$13,859 through 2013 with a balloon payment of \$161,579 due in 2014. The payments include interest at 3.15%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of two backhoes at a total cost of \$150,000. The agreement requires annual payments of \$23,064 through 2011 with a balloon payment of \$92,000 due in 2012. The payments include interest at 3.40%.

In 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of two graders at a total cost of \$412,000. The agreement requires annual payments of \$29,190 through 2014 with a balloon payment of \$318,000 due in 2015. The payments include interest at 3.00%.

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

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

Year Ended December 31,	2006 Tractor Lease	2009 Grader Lease	2009 Grader Lease	2009 Backhoe Lease	2010 Graders Lease	Total
2011	\$ 8,061	\$ 10,113	\$ 13,859	\$ 23,064	\$ 29,190	\$ 84,287
2012	-	10,113	13,859	92,000	29,190	145,162
2013	-	10,113	13,859	-	29,190	53,162
2014	-	157,833	161,579	-	29,190	348,602
2015	-	-	-	-	318,000	318,000
TOTAL MINIMUM LEASE PAYMENTS	8,061	188,172	203,156	115,064	434,760	949,213
LESS AMOUNT REPRESENTING INTEREST	(945)	(20,843)	(21,968)	(6,808)	(51,950)	(102,514)
PRINCIPAL BALANCE, DECEMBER 31, 2010	<u>\$ 7,116</u>	<u>\$ 167,329</u>	<u>\$ 181,188</u>	<u>\$ 108,256</u>	<u>\$ 382,810</u>	<u>\$ 846,699</u>

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE F – LONG-TERM DEBT (continued)

The following table is the change in long-term debt for the years ended December 31, 2010 and 2009:

	Balance			Balance			Balance
	December 31, 2008	Additions	Retirements	December 31, 2009	Additions	Retirements	December 31, 2010
Capital Lease Obligations							
2006 Tractor Lease	\$ 21,766	\$ -	\$ 7,133	\$ 14,633	\$ -	\$ 7,517	\$ 7,116
2009 Grader Lease	-	202,866	13,859	189,007	-	21,678	167,329
2009 Grader Lease	-	202,866	13,859	189,007	-	7,819	181,188
2009 Backhoe Lease	-	150,000	23,064	126,936	-	18,680	108,256
2010 Graders Lease	-	-	-	-	412,000	29,190	382,810
1997 Limited General Obligation Bonds	47,000	-	4,000	43,000	-	4,000	39,000
Compensated Absences	13,402	-	599	12,803	1,254	-	14,057
	<u>\$ 82,168</u>	<u>\$ 555,732</u>	<u>\$ 62,514</u>	<u>\$ 575,386</u>	<u>\$ 413,254</u>	<u>\$ 88,884</u>	<u>\$ 899,756</u>

NOTE G – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

LACLEDE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Fund	\$ (40,179)	\$ (354,561)
Road and Bridge Fund	875,157	1,117,631
E-911 Fund	(40,996)	(43,132)
Capital Improvement Fund	150,000	100,000
County Development Tax Fund	(1,305,000)	(1,205,000)
Assessment Fund	(28,161)	(34,174)
Sheriff Discretionary Fund	(18,745)	(13,232)
Prosecuting Attorney Bad Check Fund	-	(3,896)
Health Insurance Fund	414,124	442,698
Sheriff Revolving Fund	(5,000)	(5,000)
Tax Maintenance Fund	(1,200)	(1,200)
Family Access Fund	-	(134)
	\$ -	\$ -

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

NOTE I – RESTATEMENT

Fund Balance/Net Assets have been restated as of January 1, 2009, as follows:

Circuit Clerk Time Payment Fund

Fund Balance, as previously stated, December 31, 2008	\$ -
Cash and cash equivalents	9,651
Fund Balance, as restated, January 1, 2009	\$ 9,651

Governmental Activities

Net Assets, as previously stated, December 31, 2008	\$ 6,560,841
Cash and cash equivalents	9,651
Net Assets, as restated, January 1, 2009	\$ 6,570,492

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE J – SUBSEQUENT EVENT

In March 2011, the County approved financing for a new motor grader in the amount of \$198,388 with interest at 3.38%.

REQUIRED SUPPLEMENTARY INFORMATION

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
Property taxes	\$ 455,411	\$ 455,411	\$ 515,659	\$ 60,248
County sales tax	1,685,516	1,685,516	1,839,006	153,490
Surtax	95,000	95,000	98,877	3,877
Payment in lieu of taxes	35,000	35,000	40,136	5,136
Other	10,700	10,700	13,192	2,492
	<u>2,281,627</u>	<u>2,281,627</u>	<u>2,506,870</u>	<u>225,243</u>
Collector's Commission				
Collection commissions	299,500	299,500	317,605	18,105
Licenses and Permits				
Beverage licenses	20,000	20,000	24,095	4,095
Other	7,100	7,100	6,538	(562)
	<u>27,100</u>	<u>27,100</u>	<u>30,633</u>	<u>3,533</u>
Intergovernmental Revenues				
Federal	67,845	74,845	107,972	33,127
Fees and Charges				
Court	263,600	263,600	514,988	251,388
Public administrator	66,000	66,000	70,216	4,216
County clerk	1,000	1,000	1,129	129
Recorder of deeds	191,711	191,711	184,163	(7,548)
Sheriff fees	526,770	526,770	445,825	(80,945)
Phone and vending	46,000	46,000	41,331	(4,669)
Election reimbursement	2,900	2,900	12,668	9,768
Prosecuting Attorney	1,000	1,000	1,044	44
	<u>1,098,981</u>	<u>1,098,981</u>	<u>1,271,364</u>	<u>172,383</u>
Other				
Interest income	16,007	16,007	30,425	14,418
Miscellaneous	13,395	13,395	12,100	(1,295)
	<u>29,402</u>	<u>29,402</u>	<u>42,525</u>	<u>13,123</u>
TOTAL RECEIPTS	<u>3,804,455</u>	<u>3,811,455</u>	<u>4,276,969</u>	<u>465,514</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
DISBURSEMENTS				
Current				
General Government				
University extension	45,308	45,308	45,308	-
Collector of revenue	103,422	103,422	98,280	5,142
Treasurer	59,152	59,152	57,987	1,165
Recorder of deeds	114,095	114,095	111,559	2,536
County commission	113,549	113,549	112,547	1,002
Employee fringe benefits	252,000	252,000	207,116	44,884
Purchasing	10,807	10,807	9,055	1,752
Postage	67,214	67,214	57,954	9,260
County clerk	238,548	238,548	219,675	18,873
Insurance	95,000	95,000	75,859	19,141
Surveyor	8,000	8,000	8,000	-
Custodian	794,070	794,070	783,035	11,035
	<u>1,901,165</u>	<u>1,901,165</u>	<u>1,786,375</u>	<u>114,790</u>
Judicial				
Court	136,060	136,060	90,187	45,873
Circuit clerk	54,513	54,513	52,591	1,922
Coroner	24,100	24,100	24,100	-
Public administrator	101,325	101,325	98,479	2,846
Prosecuting attorney	279,294	279,294	277,486	1,808
	<u>595,292</u>	<u>595,292</u>	<u>542,843</u>	<u>52,449</u>
Public Safety				
Sheriff	775,830	769,830	736,785	33,045
Jail	773,553	773,553	741,879	31,674
Emergency management	108,303	115,303	111,944	3,359
	<u>1,657,686</u>	<u>1,658,686</u>	<u>1,590,608</u>	<u>68,078</u>
Other				
	<u>582,977</u>	<u>582,977</u>	<u>151,366</u>	<u>431,611</u>
TOTAL DISBURSEMENTS	<u>4,737,120</u>	<u>4,738,120</u>	<u>4,071,192</u>	<u>666,928</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS				
	(932,665)	(926,665)	205,777	1,132,442
OTHER FINANCING SOURCES (USES)				
Operating transfers in	647,142	647,142	629,945	(17,197)
Operating transfers (out)	(700,000)	(700,000)	(670,124)	29,876
TOTAL OTHER FINANCING SOURCES (USES)	<u>(52,858)</u>	<u>(52,858)</u>	<u>(40,179)</u>	<u>12,679</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)				
	(985,523)	(979,523)	165,598	1,145,121
FUND BALANCE, January 1				
	<u>1,684,146</u>	<u>1,690,293</u>	<u>1,690,003</u>	<u>(290)</u>
FUND BALANCE, December 31				
	<u>\$ 698,623</u>	<u>\$ 710,770</u>	<u>\$ 1,855,601</u>	<u>\$ 1,144,831</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
Property taxes	\$ 425,000	\$ 425,000	\$ 437,050	\$ 12,050
County sales tax	1,600,000	1,600,000	1,777,813	177,813
Surtax	90,000	90,000	94,787	4,787
Payment in lieu of taxes	35,000	35,000	34,187	(813)
Other	10,850	10,850	11,621	771
	<u>2,160,850</u>	<u>2,160,850</u>	<u>2,355,458</u>	<u>194,608</u>
Collector's Commission				
Collection commissions	284,000	284,000	305,703	21,703
Licenses and Permits				
Beverage licenses	21,000	21,000	21,825	825
Other	6,600	6,600	7,571	971
	<u>27,600</u>	<u>27,600</u>	<u>29,396</u>	<u>1,796</u>
Intergovernmental Revenues				
Federal	40,463	40,463	42,112	1,649
Fees and Charges				
Court	456,175	456,175	268,652	(187,523)
Public administrator	60,000	60,000	84,216	24,216
County clerk	1,000	1,000	1,084	84
Recorder of deeds	204,537	204,537	198,523	(6,014)
Sheriff fees	568,347	568,347	537,895	(30,452)
Phone and vending	37,853	37,853	46,046	8,193
Election reimbursement	3,300	3,300	3,162	(138)
Prosecuting Attorney	2,000	2,000	2,983	983
	<u>1,333,212</u>	<u>1,333,212</u>	<u>1,142,561</u>	<u>(190,651)</u>
Other				
Interest	12,100	12,100	4,786	(7,314)
Miscellaneous	13,745	13,745	39,110	25,365
	<u>25,845</u>	<u>25,845</u>	<u>43,896</u>	<u>18,051</u>
TOTAL RECEIPTS	<u>3,871,970</u>	<u>3,871,970</u>	<u>3,919,126</u>	<u>47,156</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
DISBURSEMENTS				
Current				
General Government				
University extension	47,693	47,693	47,693	-
Collector of revenue	102,422	102,422	97,649	4,773
Treasurer	59,621	59,621	58,045	1,576
Recorder of deeds	111,264	111,400	111,400	-
County commission	114,084	114,084	113,470	614
Employee fringe benefits	252,000	252,277	212,547	39,730
Purchasing	11,375	11,375	8,779	2,596
Postage	72,647	72,647	27,809	44,838
County clerk	152,548	152,548	141,921	10,627
Insurance	95,000	95,000	73,607	21,393
Surveyor	17,000	17,000	8,000	9,000
Custodian	705,600	705,600	674,757	30,843
	<u>1,741,254</u>	<u>1,741,667</u>	<u>1,575,677</u>	<u>165,990</u>
Judicial				
Court	124,500	124,500	99,811	24,689
Circuit clerk	54,938	54,938	52,918	2,020
Coroner	24,600	24,600	24,236	364
Public administrator	100,007	100,007	97,630	2,377
Prosecuting attorney	273,144	276,763	270,708	6,055
	<u>577,189</u>	<u>580,808</u>	<u>545,303</u>	<u>35,505</u>
Public Safety				
Sheriff	744,759	744,759	725,861	18,898
Jail	764,553	764,553	743,776	20,777
Emergency management	90,002	90,002	85,107	4,895
	<u>1,599,314</u>	<u>1,599,314</u>	<u>1,554,744</u>	<u>44,570</u>
Other				
	<u>590,041</u>	<u>590,041</u>	<u>127,995</u>	<u>462,046</u>
TOTAL DISBURSEMENTS	<u>4,507,798</u>	<u>4,511,830</u>	<u>3,803,719</u>	<u>708,111</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS				
	(635,828)	(639,860)	115,407	755,267
OTHER FINANCING SOURCES (USES)				
Operating transfers in	629,856	633,752	633,886	134
Operating transfers (out)	(1,000,000)	(1,005,424)	(988,447)	16,977
TOTAL OTHER FINANCING SOURCES (USES)	<u>(370,144)</u>	<u>(371,672)</u>	<u>(354,561)</u>	<u>17,111</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)				
	(1,005,972)	(1,011,532)	(239,154)	772,378
FUND BALANCE, January 1	<u>1,929,157</u>	<u>1,929,157</u>	<u>1,929,157</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 923,185</u>	<u>\$ 917,625</u>	<u>\$ 1,690,003</u>	<u>\$ 772,378</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 733,200	\$ 733,200	\$ 795,588	\$ 62,388
Intergovernmental receipts	44,500	44,500	37,490	(7,010)
Charges for services	850	850	15,639	14,789
Interest	900	900	4,353	3,453
Other receipts	33,025	33,025	36,966	3,941
TOTAL RECEIPTS	<u>812,475</u>	<u>812,475</u>	<u>890,036</u>	<u>77,561</u>
DISBURSEMENTS				
Highways and roads	<u>1,894,794</u>	<u>1,894,794</u>	<u>1,750,267</u>	<u>144,527</u>
TOTAL DISBURSEMENTS	<u>1,894,794</u>	<u>1,894,794</u>	<u>1,750,267</u>	<u>144,527</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,082,319)	(1,082,319)	(860,231)	222,088
OTHER FINANCING SOURCES (USES)				
Operating transfers in	950,000	950,000	950,000	-
Operating transfers (out)	<u>(81,000)</u>	<u>(81,000)</u>	<u>(74,843)</u>	<u>6,157</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>869,000</u>	<u>869,000</u>	<u>875,157</u>	<u>6,157</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(213,319)	(213,319)	14,926	228,245
FUND BALANCE, January 1	<u>401,019</u>	<u>401,019</u>	<u>401,019</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 187,700</u></u>	<u><u>\$ 187,700</u></u>	<u><u>\$ 415,945</u></u>	<u><u>\$ 228,245</u></u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 784,800	\$ 784,800	\$ 761,513	\$ (23,287)
Intergovernmental receipts	25,000	25,000	39,284	14,284
Charges for services	5,500	5,500	1,574	(3,926)
Interest	1,000	1,000	934	(66)
Other receipts	17,100	23,106	42,599	19,493
TOTAL RECEIPTS	833,400	839,406	845,904	6,498
DISBURSEMENTS				
Highways and roads	2,005,553	2,011,559	1,651,450	360,109
Disaster recovery	-	-	79,999	(79,999)
TOTAL DISBURSEMENTS	2,005,553	2,011,559	1,731,449	280,110
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,172,153)	(1,172,153)	(885,545)	286,608
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,200,000	1,200,000	1,200,000	-
Operating transfers (out)	(94,000)	(94,000)	(82,369)	11,631
TOTAL OTHER FINANCING SOURCES (USES)	1,106,000	1,106,000	1,117,631	11,631
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(66,153)	(66,153)	232,086	298,239
FUND BALANCE, January 1	168,933	168,933	168,933	-
FUND BALANCE, December 31	<u>\$ 102,780</u>	<u>\$ 102,780</u>	<u>\$ 401,019</u>	<u>\$ 298,239</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Interest	\$ 12,000	\$ 12,000	\$ 19,133	\$ 7,133
Other receipts	-	-	5,442	5,442
TOTAL RECEIPTS	12,000	12,000	24,575	12,575
DISBURSEMENTS				
Public safety	30,000	30,000	10,622	19,378
TOTAL DISBURSEMENTS	30,000	30,000	10,622	19,378
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(18,000)	(18,000)	13,953	31,953
FUND BALANCE, January 1	1,022,431	1,022,431	1,022,431	-
FUND BALANCE, December 31	<u>\$ 1,004,431</u>	<u>\$ 1,004,431</u>	<u>\$ 1,036,384</u>	<u>\$ 31,953</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Interest	\$ 14,000	\$ 14,000	\$ 12,992	\$ (1,008)
TOTAL RECEIPTS	14,000	14,000	12,992	(1,008)
DISBURSEMENTS				
Public safety	120,000	120,000	96,737	23,263
TOTAL DISBURSEMENTS	120,000	120,000	96,737	23,263
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(106,000)	(106,000)	(83,745)	22,255
FUND BALANCE, January 1	1,106,176	1,106,176	1,106,176	-
FUND BALANCE, December 31	<u>\$ 1,000,176</u>	<u>\$ 1,000,176</u>	<u>\$ 1,022,431</u>	<u>\$ 22,255</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – CAPITAL IMPROVEMENT FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Intergovernmental receipts	\$ 676,865	\$ 676,865	\$ 412,704	\$ (264,161)
Interest	11,125	11,125	24,759	13,634
TOTAL RECEIPTS	687,990	687,990	437,463	(250,527)
DISBURSEMENTS				
Disaster recovery	559,729	559,729	102,404	457,325
TOTAL DISBURSEMENTS	559,729	559,729	102,404	457,325
EXCESS OF RECEIPTS OVER DISBURSEMENTS	128,261	128,261	335,059	206,798
OTHER FINANCING SOURCES				
Operating transfers in	150,000	150,000	150,000	-
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	278,261	278,261	485,059	206,798
FUND BALANCE, January 1	1,532,793	1,532,793	1,532,793	-
FUND BALANCE, December 31	<u>\$ 1,811,054</u>	<u>\$ 1,811,054</u>	<u>\$ 2,017,852</u>	<u>\$ 206,798</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – CAPITAL IMPROVEMENT FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Intergovernmental receipts	\$ 342,161	\$ 926,955	\$ 221,743	\$ (705,212)
Interest	6,125	6,125	11,936	5,811
TOTAL RECEIPTS	348,286	933,080	233,679	(699,401)
DISBURSEMENTS				
Disaster recovery	295,000	879,794	82,557	797,237
TOTAL DISBURSEMENTS	295,000	879,794	82,557	797,237
EXCESS OF RECEIPTS OVER DISBURSEMENTS	53,286	53,286	151,122	97,836
OTHER FINANCING SOURCES				
Operating transfers in	2,000	2,000	100,000	98,000
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	55,286	55,286	251,122	195,836
FUND BALANCE, January 1	1,281,671	1,281,671	1,281,671	-
FUND BALANCE, December 31	<u>\$ 1,336,957</u>	<u>\$ 1,336,957</u>	<u>\$ 1,532,793</u>	<u>\$ 195,836</u>

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – COUNTY DEVELOPMENT TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,685,516	\$ 1,685,516	\$ 1,837,137	\$ 151,621
Interest	7,000	7,000	12,580	5,580
TOTAL RECEIPTS	1,692,516	1,692,516	1,849,717	157,201
DISBURSEMENTS				
Intergovernmental agreements	1,130,383	1,130,383	343,252	787,131
TOTAL DISBURSEMENTS	1,130,383	1,130,383	343,252	787,131
EXCESS OF RECEIPTS OVER DISBURSEMENTS				
	562,133	562,133	1,506,465	944,332
OTHER FINANCING (USES)				
Operating transfers (out)	(1,305,000)	(1,305,000)	(1,305,000)	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)				
	(742,867)	(742,867)	201,465	944,332
FUND BALANCE, January 1	895,907	895,907	895,907	-
FUND BALANCE, December 31	\$ 153,040	\$ 153,040	\$ 1,097,372	\$ 944,332

LACLEDE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – COUNTY DEVELOPMENT TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,775,279	\$ 175,279
Interest	6,000	6,000	5,561	(439)
TOTAL RECEIPTS	<u>1,606,000</u>	<u>1,606,000</u>	<u>1,780,840</u>	<u>174,840</u>
DISBURSEMENTS				
Intergovernmental agreements	<u>991,805</u>	<u>991,805</u>	<u>307,422</u>	<u>684,383</u>
TOTAL DISBURSEMENTS	<u>991,805</u>	<u>991,805</u>	<u>307,422</u>	<u>684,383</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	614,195	614,195	1,473,418	859,223
OTHER FINANCING (USES)				
Operating transfers (out)	<u>(1,205,000)</u>	<u>(1,205,000)</u>	<u>(1,205,000)</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(590,805)	(590,805)	268,418	859,223
FUND BALANCE, January 1	<u>627,489</u>	<u>627,489</u>	<u>627,489</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 36,684</u></u>	<u><u>\$ 36,684</u></u>	<u><u>\$ 895,907</u></u>	<u><u>\$ 859,223</u></u>

LACLEDE COUNTY, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
Year Ended December 31, 2010 and 2009

Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 50, RSMo, the County adopts a budget for each fund.
- 2) Prior to January 15, the County Clerk, who serves as the Budget Officer, submits to the Commission a proposed budget for the fiscal year beginning on January 1. The budget includes estimated receipts and proposed disbursements for all County funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Commission, the budget document is available for public inspection.
- 4) Prior to February 1, the budget is legally enacted by a vote of the Commission.
- 5) Subsequent to its formal approval of the budget, the 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 included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material to the original appropriations, which were amended.
- 6) Budgets for County funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

OTHER FINANCIAL INFORMATION

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2010

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	Circuit Clerk Time Payment Fund
ASSETS									
Cash and cash equivalents	\$ 428,634	\$ 10,388	\$ 1,155	\$ 66,455	\$ 20,603	\$ 59,749	\$ 228,151	\$ 415,810	\$ 16,189
TOTAL ASSETS	<u>\$ 428,634</u>	<u>\$ 10,388</u>	<u>\$ 1,155</u>	<u>\$ 66,455</u>	<u>\$ 20,603</u>	<u>\$ 59,749</u>	<u>\$ 228,151</u>	<u>\$ 415,810</u>	<u>\$ 16,189</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 428,634	\$ 10,388	\$ 1,155	\$ 66,455	\$ 20,603	\$ 59,749	\$ 228,151	\$ 415,810	\$ 16,189
TOTAL FUND BALANCES	<u>\$ 428,634</u>	<u>\$ 10,388</u>	<u>\$ 1,155</u>	<u>\$ 66,455</u>	<u>\$ 20,603</u>	<u>\$ 59,749</u>	<u>\$ 228,151</u>	<u>\$ 415,810</u>	<u>\$ 16,189</u>

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (CONTINUED)
 December 31, 2010

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
ASSETS										
Cash and cash equivalents	\$ 11,368	\$ 40,362	\$ 23,396	\$ 7,362	\$ 168,127	\$ 8,295	\$ 11,806	\$ 38,369	\$ 481	\$ 1,556,700
TOTAL ASSETS	<u>\$ 11,368</u>	<u>\$ 40,362</u>	<u>\$ 23,396</u>	<u>\$ 7,362</u>	<u>\$ 168,127</u>	<u>\$ 8,295</u>	<u>\$ 11,806</u>	<u>\$ 38,369</u>	<u>\$ 481</u>	<u>\$ 1,556,700</u>
FUND BALANCES										
Fund Balance										
Unreserved	\$ 11,368	\$ 40,362	\$ 23,396	\$ 7,362	\$ 168,127	\$ 8,295	\$ 11,806	\$ 38,369	\$ 481	\$ 1,556,700
TOTAL FUND BALANCES	<u>\$ 11,368</u>	<u>\$ 40,362</u>	<u>\$ 23,396</u>	<u>\$ 7,362</u>	<u>\$ 168,127</u>	<u>\$ 8,295</u>	<u>\$ 11,806</u>	<u>\$ 38,369</u>	<u>\$ 481</u>	<u>\$ 1,556,700</u>

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2009

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Family Access Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	CDBG Fund	Circuit Clerk Time Payment Fund
ASSETS											
Cash and cash equivalents	\$ 370,863	\$ 7,596	\$ 325	\$ 62,017	\$ 37,409	\$ -	\$ 86,770	\$ 212,130	\$ 438,927	\$ -	\$ 13,086
TOTAL ASSETS	<u>\$ 370,863</u>	<u>\$ 7,596</u>	<u>\$ 325</u>	<u>\$ 62,017</u>	<u>\$ 37,409</u>	<u>\$ -</u>	<u>\$ 86,770</u>	<u>\$ 212,130</u>	<u>\$ 438,927</u>	<u>\$ -</u>	<u>\$ 13,086</u>
FUND BALANCES											
Fund Balance											
Unreserved	\$ 370,863	\$ 7,596	\$ 325	\$ 62,017	\$ 37,409	\$ -	\$ 86,770	\$ 212,130	\$ 438,927	\$ -	\$ 13,086
TOTAL FUND BALANCES	<u>\$ 370,863</u>	<u>\$ 7,596</u>	<u>\$ 325</u>	<u>\$ 62,017</u>	<u>\$ 37,409</u>	<u>\$ -</u>	<u>\$ 86,770</u>	<u>\$ 212,130</u>	<u>\$ 438,927</u>	<u>\$ -</u>	<u>\$ 13,086</u>

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (CONTINUED)
 December 31, 2009

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
ASSETS										
Cash and cash equivalents	\$ 10,603	\$ 86,869	\$ 25,238	\$ 8,304	\$ 174,698	\$ 9,825	\$ 10,566	\$ 20,576	\$ 4,189	\$ 1,579,991
TOTAL ASSETS	<u>\$ 10,603</u>	<u>\$ 86,869</u>	<u>\$ 25,238</u>	<u>\$ 8,304</u>	<u>\$ 174,698</u>	<u>\$ 9,825</u>	<u>\$ 10,566</u>	<u>\$ 20,576</u>	<u>\$ 4,189</u>	<u>\$ 1,579,991</u>
FUND BALANCES										
Fund Balance										
Unreserved	\$ 10,603	\$ 86,869	\$ 25,238	\$ 8,304	\$ 174,698	\$ 9,825	\$ 10,566	\$ 20,576	\$ 4,189	\$ 1,579,991
TOTAL FUND BALANCES	<u>\$ 10,603</u>	<u>\$ 86,869</u>	<u>\$ 25,238</u>	<u>\$ 8,304</u>	<u>\$ 174,698</u>	<u>\$ 9,825</u>	<u>\$ 10,566</u>	<u>\$ 20,576</u>	<u>\$ 4,189</u>	<u>\$ 1,579,991</u>

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2010

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	Circuit Clerk Time Payment Fund
RECEIPTS									
Taxes	\$ 20,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,517	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	-	-
Fees and charges	344,477	6,602	1,670	36,571	1,852	58,126	25,628	-	2,963
Interest	4,311	81	5	655	329	679	2,112	4,427	140
Other receipts	7,316	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	376,409	6,683	1,675	37,226	2,181	58,805	27,740	411,944	3,103
DISBURSEMENTS									
Current									
General government	290,477	-	845	31,588	-	-	-	-	-
Judicial	-	-	-	-	18,987	-	11,719	-	-
Public safety	-	3,891	-	-	-	67,081	-	394,065	-
TOTAL DISBURSEMENTS	290,477	3,891	845	31,588	18,987	67,081	11,719	394,065	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	85,932	2,792	830	5,638	(16,806)	(8,276)	16,021	17,879	3,103
OTHER FINANCING (USES)									
Operating transfers (out)	(28,161)	-	-	(1,200)	-	(18,745)	-	(40,996)	-
TOTAL OTHER FINANCING (USES)	(28,161)	-	-	(1,200)	-	(18,745)	-	(40,996)	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	57,771	2,792	830	4,438	(16,806)	(27,021)	16,021	(23,117)	3,103
FUND BALANCE, January 1	370,863	7,596	325	62,017	37,409	86,770	212,130	438,927	13,086
FUND BALANCE, December 31	\$ 428,634	\$ 10,388	\$ 1,155	\$ 66,455	\$ 20,603	\$ 59,749	\$ 228,151	\$ 415,810	\$ 16,189

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2010

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427,822
Intergovernmental receipts	-	-	22,513	-	-	-	14,509	-	-	37,022
Fees and charges	660	-	9,218	11,678	25,770	6,398	11,151	23,830	3,239	569,833
Interest	105	3,493	241	112	1,584	72	89	285	17	18,737
Other receipts	-	-	-	-	-	-	-	-	-	7,316
TOTAL RECEIPTS	765	3,493	31,972	11,790	27,354	6,470	25,749	24,115	3,256	1,060,730
DISBURSEMENTS										
Current										
General government	-	50,000	33,814	12,732	-	8,000	-	1,322	-	428,778
Judicial	-	-	-	-	33,925	-	-	-	-	64,631
Public safety	-	-	-	-	-	-	24,509	-	6,964	496,510
TOTAL DISBURSEMENTS	-	50,000	33,814	12,732	33,925	8,000	24,509	1,322	6,964	989,919
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	765	(46,507)	(1,842)	(942)	(6,571)	(1,530)	1,240	22,793	(3,708)	70,811
OTHER FINANCING (USES)										
Operating transfers (out)	-	-	-	-	-	-	-	(5,000)	-	(94,102)
TOTAL OTHER FINANCING (USES)	-	-	-	-	-	-	-	(5,000)	-	(94,102)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	765	(46,507)	(1,842)	(942)	(6,571)	(1,530)	1,240	17,793	(3,708)	(23,291)
FUND BALANCE, January 1	10,603	86,869	25,238	8,304	174,698	9,825	10,566	20,576	4,189	1,579,991
FUND BALANCE, December 31	\$ 11,368	\$ 40,362	\$ 23,396	\$ 7,362	\$ 168,127	\$ 8,295	\$ 11,806	\$ 38,369	\$ 481	\$ 1,556,700

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2009

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Family Access Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	CDBG Fund	Circuit Clerk Time Payment Fund
RECEIPTS											
Taxes	\$ 16,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 421,812	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	25,000	-
Fees and charges	368,315	6,124	1,476	38,480	3,985	-	59,720	35,334	-	-	3,404
Interest	1,662	34	2	303	204	1	376	1,174	2,444	-	31
Other receipts	8,795	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	394,933	6,158	1,478	38,783	4,189	1	60,096	36,508	424,256	25,000	3,435
DISBURSEMENTS											
Current											
General government	271,161	-	1,800	26,239	-	-	-	-	-	-	-
Judicial	-	-	-	-	1,049	-	-	29,760	-	-	-
Public safety	-	4,513	-	-	-	-	32,876	-	452,539	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	25,000	-
TOTAL DISBURSEMENTS	271,161	4,513	1,800	26,239	1,049	-	32,876	29,760	452,539	25,000	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	123,772	1,645	(322)	12,544	3,140	1	27,220	6,748	(28,283)	-	3,435
OTHER FINANCING (USES)											
Operating transfers (out)	(34,174)	-	-	(1,200)	-	(134)	(13,232)	(3,896)	(43,132)	-	-
TOTAL OTHER FINANCING (USES)	(34,174)	-	-	(1,200)	-	(134)	(13,232)	(3,896)	(43,132)	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	89,598	1,645	(322)	11,344	3,140	(133)	13,988	2,852	(71,415)	-	3,435
FUND BALANCE, January 1, as restated	281,265	5,951	647	50,673	34,269	133	72,782	209,278	510,342	-	9,651
FUND BALANCE, December 31	\$ 370,863	\$ 7,596	\$ 325	\$ 62,017	\$ 37,409	\$ -	\$ 86,770	\$ 212,130	\$ 438,927	\$ -	\$ 13,086

LACLEDE COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2009

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,973
Intergovernmental receipts	-	-	4,958	-	-	-	14,509	-	-	44,467
Fees and charges	947	-	8,342	13,882	25,006	7,487	9,878	17,634	2,707	602,721
Interest	26	40,969	122	62	455	49	29	83	11	48,037
Other receipts	-	-	-	-	-	-	-	-	-	8,795
TOTAL RECEIPTS	973	40,969	13,422	13,944	25,461	7,536	24,416	17,717	2,718	1,141,993
DISBURSEMENTS										
Current										
General government	-	-	11,343	15,666	-	5,631	-	250	-	332,090
Judicial	259	-	-	-	10,420	-	-	-	-	41,488
Public safety	-	-	-	-	-	-	14,219	-	-	504,147
Capital outlay	-	-	-	-	-	-	-	-	-	25,000
TOTAL DISBURSEMENTS	259	-	11,343	15,666	10,420	5,631	14,219	250	-	902,725
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	714	40,969	2,079	(1,722)	15,041	1,905	10,197	17,467	2,718	239,268
OTHER FINANCING (USES)										
Operating transfers (out)	-	-	-	-	-	-	-	(5,000)	-	(100,768)
TOTAL OTHER FINANCING (USES)	-	-	-	-	-	-	-	(5,000)	-	(100,768)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	714	40,969	2,079	(1,722)	15,041	1,905	10,197	12,467	2,718	138,500
FUND BALANCE, January 1, as restated	9,889	45,900	23,159	10,026	159,657	7,920	369	8,109	1,471	1,441,491
FUND BALANCE, December 31	<u>\$ 10,603</u>	<u>\$ 86,869</u>	<u>\$ 25,238</u>	<u>\$ 8,304</u>	<u>\$ 174,698</u>	<u>\$ 9,825</u>	<u>\$ 10,566</u>	<u>\$ 20,576</u>	<u>\$ 4,189</u>	<u>\$ 1,579,991</u>



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

County Commission
Laclede County
Lebanon, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Laclede County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise Laclede County, Missouri's basic financial statements and have issued our report thereon dated June 27, 2011. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the Laclede County Health Center. In addition, our opinion was modified because the County 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 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 Laclede County, 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 Laclede County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

County Commission
Laclede County
Lebanon, Missouri

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. They are identified as items 10-1, 10-2 and 10-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laclede County, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Laclede County, Missouri, in a separate letter dated June 27, 2011.

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

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

LACLEDE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
Years ended December 31, 2010 and 2009

10-1 Segregation of Duties

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

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

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

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

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

10-2 Design of internal control system for preparation of the basic financial statements

Condition: The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However the County does not have the resources to have accounting professionals with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Criteria: A properly designed system of internal control, which includes preparation of financial statements in conformity with Governmental Accounting Standards, includes having accounting professionals as part of the system to perform that function.

Effect: The County employs the auditors that perform the annual audit of the financial statements to prepare the annual financial statements.

Recommendation: We recognize that the County may not have the resources to have an accounting professional with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, we recommend that management continue to increase their knowledge of financial reporting.

Response: The County does not have the resources to hire additional accounting personnel with the knowledge, experience and training solely to prepare governmental financial statements in conformity with Governmental Accounting Standards. The County does have personnel with sufficient knowledge to understand and take responsibility for the basic financial statements.

LACLEDE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (continued)
Years ended December 31, 2010 and 2009

10-3 Wire Transfers

Condition: The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

Criteria: The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

Effect: Risk is present that unauthorized wire transfers may be made.

Recommendation: The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

Response: The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.



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Laclede County Commission
Laclede County
Lebanon, Missouri

In planning and performing our audit of the basic financial statements of Laclede County, Missouri, for the years ended December 31, 2010 and 2009, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Tax Maintenance Fund, Law Library Fund, Prosecuting Attorney Delinquent Tax Fund, and Prosecuting Attorney Bad Check Fund

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

We Recommend:

The County require these funds to be deposited with the County Treasurer in the Tax Maintenance Fund, Law Library Fund, Prosecuting Attorney Delinquent Tax Fund, and Prosecuting Attorney Bad Check Fund. Disbursements from these funds should be budgeted and the approval process for disbursements out of these funds should follow the same procedures as with other County disbursements.

2. Receipt Books

Receipt books currently are not controlled at a central location. The County should control receipt books at administration. Receipt books should be logged out to departments. When the departments need a new receipt book, the old receipt book should be turned back into administration for reconciliation. In addition, receipt books used should be official County receipts books in numerical sequence. This is a necessary control procedure to ensure all receipts are properly accounted for.

We Recommend:

The County require all receipt books be controlled at administration and logged out to departments as necessary. The County should also require departments turn in the old receipt book before a new one is issued. In addition, receipt books used should be official County receipts books in numerical sequence.

3. Payroll Processing

The County utilizes direct deposit to employees for all payroll disbursements and the payroll is processed by one person who does the direct deposit without having someone not involved in the process review the direct deposit listing.

We Recommend:

The County assign someone not involved in the payroll process to review the listing for direct deposit payroll and initial the listing prior to the disbursement of funds. The approved listing should be retained to indicate the approval of the disbursement of funds.

4. Payroll Procedures

During our audit, we noted the Prosecuting Attorney's office wrote a check from their special funds account to a County employee for contract labor in the amount of \$599. The employee was performing their normal work assignment and should have completed a timesheet and turned it in to the County Clerk's office who prepares all County payroll. The employee is a retired employee who is receiving CERF benefits and has limitations on the number of hours permitted to work each year. The employee did not receive a Form 1099 since the check was below the required \$600 threshold required by the IRS.

We Recommend:

The County process all employee wages through the County Clerk's office who performs this function. The County Clerk's office ensures that proper taxes are withheld as well as monitors the number of hours retired employees receiving CERF benefits are working in order to comply with state and federal laws. We further recommend the County provide a training session for all Officeholders to ensure that each office is aware of state and federal laws regarding payroll procedures and understands the implications of not following these laws.

5. File Retention

During our audit, we noted the Sheriff's Department shredded all bank statements pertaining to the December 31, 2009, fiscal year. The County had a state compliance audit during 2010, therefore, the Sheriff's Department thought it was appropriate to dispose of the bank statements, according to the Secretary of State's retention guidelines. The Secretary of State guidelines state that banking records can be destroyed after completion of the audit plus one year. The County's audit report from the state was issued in December 2010, therefore, the Sheriff's Department should have retained the bank statements until at least December 2011. The Sheriff's Department was able to obtain copies from the bank during the course of the audit.

We Recommend:

All County offices become familiar with the Secretary of State's retention guidelines as well as federal retention requirements to ensure the County is retaining the appropriate documents the appropriate length of time.

6. GASB Statement Number 54 Implementation

In February 2009, the Governmental Accounting Standards Board issued *Statement of Governmental Accounting Standards No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes new fund balance classifications and the standards for classifications and note disclosures. The effective date is for periods beginning after June 15, 2010.

We Recommend:

The County's management become familiar with the requirements of GASB Statement No. 54 in order to assess the steps necessary to ensure successful implementation of this statement on the effective date.

7. New Bank Accounts

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

We Commend:

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

Laclede County Commission
Laclede County
Lebanon, Missouri
Page Four

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

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

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.
June 27, 2011



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County Commission
Laclede County
Lebanon, Missouri

We have audited the basic financial statements of Laclede County, Missouri, for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 27, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 24, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated February 24, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Laclede County, Missouri, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010 and 2009.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Unrecorded Cash Activity

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2011.

Management Consultations with Other Independent Accountants

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

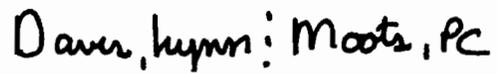
Other Audit Findings or Issues

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

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

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn; Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
June 27, 2011