



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Dade County, Missouri

The Office of the State Auditor, in cooperation with Dade 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. 2011-81

**DADE COUNTY, MISSOURI**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2010 and 2009**

**DADE COUNTY, MISSOURI**

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## **INDEPENDENT AUDITORS' REPORT**

Dade County Commission  
Dade County  
Greenfield, Missouri

We have audited the accompanying financial statements of Dade County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dade County, Missouri, as of December 31, 2010 and 2009, or the changes in financial position for the years then ended.

Dade County Commission  
Dade County  
Greenfield, Missouri

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 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.

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 10, 2011

DADE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2010

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 343,467	\$ 845,739	\$ 944,100	\$ 245,106
Special Road and Bridge	173,365	625,925	533,753	265,537
Assessment	-	132,370	113,734	18,636
Law Enforcement	-	599,346	563,723	35,623
Recorder User Fee	16,332	4,416	12,209	8,539
Law Enforcement Training	210	1,890	1,596	504
Sheriff's Revolving	604	5,674	5,141	1,137
Prosecuting Attorney Bad Check	38	7,882	4,503	3,417
Prosecuting Attorney Training	1,421	242	323	1,340
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	40	75	75	40
Tax Maintenance	19,237	10,511	4,242	25,506
Election Services	1,278	382	1,323	337
911 Emergency Services	183,734	280,417	249,595	214,556
<b>TOTAL</b>	<b>\$ 741,941</b>	<b>\$ 2,514,869</b>	<b>\$ 2,434,317</b>	<b>\$ 822,493</b>

See accompanying notes.

DADE COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT  
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS  
Year Ended December 31, 2009

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 344,291	\$ 803,170	\$ 803,994	\$ 343,467
Special Road and Bridge	287,827	747,575	862,037	173,365
Assessment	2,926	137,516	140,442	-
Law Enforcement	(17,553)	572,278	554,725	-
Recorder User Fee	19,384	4,067	7,119	16,332
Law Enforcement Training	580	1,575	1,945	210
Sheriff's Revolving	1,284	3,802	4,482	604
Prosecuting Attorney Bad Check	4,850	8,074	12,886	38
Prosecuting Attorney Training	1,146	275	-	1,421
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	90	115	165	40
Tax Maintenance	21,302	10,384	12,449	19,237
Election Services	603	1,022	347	1,278
911 Emergency Services	148,782	278,921	234,969	183,734
TOTAL	<u>\$ 817,727</u>	<u>\$ 2,568,774</u>	<u>\$ 2,635,560</u>	<u>\$ 741,941</u>

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>GENERAL REVENUE FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 125,500	\$ 136,322	\$ 10,822	\$ 107,200	\$ 125,697	\$ 18,497
Sales taxes	270,000	256,374	(13,626)	283,500	270,223	(13,277)
Other taxes	60,000	62,383	2,383	50,300	60,790	10,490
Intergovernmental	67,000	90,188	23,188	73,000	74,843	1,843
Charges for services	243,900	253,293	9,393	244,450	246,366	1,916
Interest	14,881	8,820	(6,061)	3,700	709	(2,991)
Other	1,250	21,359	20,109	1,425	4,542	3,117
Transfers in	15,000	17,000	2,000	15,000	20,000	5,000
<b>TOTAL RECEIPTS</b>	<b>797,531</b>	<b>845,739</b>	<b>48,208</b>	<b>778,575</b>	<b>803,170</b>	<b>24,595</b>
<b>DISBURSEMENTS</b>						
County Commission	78,530	77,540	990	79,730	79,620	110
County Clerk	60,615	60,595	20	61,315	57,891	3,424
Elections	46,280	48,668	(2,388)	23,650	20,593	3,057
Buildings and grounds	96,595	71,268	25,327	116,960	54,145	62,815
Employee fringe benefit	49,529	52,040	(2,511)	53,280	55,138	(1,858)
County Treasurer and Collector	79,203	78,816	387	77,953	82,882	(4,929)
Recorder of Deeds	47,450	45,144	2,306	47,495	44,729	2,766
Associate Circuit Court	30,640	27,980	2,660	28,640	24,581	4,059
Public Administrator	28,565	27,465	1,100	29,965	27,438	2,527
Insurance	21,500	19,844	1,656	13,500	20,953	(7,453)
University Extension	10,500	10,500	-	10,500	10,500	-
Local Emergency Planning Commission (LEPC)	5,000	21,858	(16,858)	3,605	3,219	386
Emergency Management	24,400	24,815	(415)	24,400	23,461	939
Other	97,700	74,567	23,133	99,277	39,777	59,500
Transfers out	283,700	303,000	(19,300)	238,000	259,067	(21,067)
<b>TOTAL DISBURSEMENTS</b>	<b>960,207</b>	<b>944,100</b>	<b>16,107</b>	<b>908,270</b>	<b>803,994</b>	<b>104,276</b>
RECEIPTS (UNDER) DISBURSEMENTS	(162,676)	(98,361)	64,315	(129,695)	(824)	128,871
CASH AND INVESTMENT BALANCE, January 1	343,467	343,467	-	344,291	344,291	-
CASH AND INVESTMENT BALANCE, December 31	\$ 180,791	\$ 245,106	\$ 64,315	\$ 214,596	\$ 343,467	\$ 128,871

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<b>SPECIAL ROAD AND BRIDGE FUND</b>						
<b>RECEIPTS</b>						
Property taxes	\$ 507,888	\$ 520,219	\$ 12,331	\$ 547,474	\$ 502,059	\$ (45,415)
Intergovernmental	527,000	99,404	(427,596)	35,600	234,843	199,243
Interest	74,688	4,702	(69,986)	4,923	9,390	4,467
Other	-	1,600	1,600	-	1,283	1,283
<b>TOTAL RECEIPTS</b>	<b>1,109,576</b>	<b>625,925</b>	<b>(483,651)</b>	<b>587,997</b>	<b>747,575</b>	<b>159,578</b>
<b>DISBURSEMENTS</b>						
Salaries	3,800	-	3,800	3,830	2,621	1,209
Employee fringe benefits	830	-	830	827	153	674
Supplies	500	462	38	1,000	207	793
Road and bridge materials	75,500	25,872	49,628	68,000	4,580	63,420
Construction, repair, and maintenance	1,002,000	257,515	744,485	570,000	565,328	4,672
Distributions to townships and road districts	-	231,500	(231,500)	-	277,375	(277,375)
Other	3,050	1,404	1,646	800	1,773	(973)
Transfers out	15,000	17,000	(2,000)	15,000	10,000	5,000
<b>TOTAL DISBURSEMENTS</b>	<b>1,100,680</b>	<b>533,753</b>	<b>566,927</b>	<b>659,457</b>	<b>862,037</b>	<b>(202,580)</b>
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,896	92,172	83,276	(71,460)	(114,462)	(43,002)
CASH AND INVESTMENT BALANCE, January 1	173,365	173,365	-	287,827	287,827	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 182,261</u>	<u>\$ 265,537</u>	<u>\$ 83,276</u>	<u>\$ 216,367</u>	<u>\$ 173,365</u>	<u>\$ (43,002)</u>
<b>ASSESSMENT FUND</b>						
<b>RECEIPTS</b>						
Intergovernmental	\$ 89,121	\$ 87,982	\$ (1,139)	\$ 104,250	\$ 102,514	\$ (1,736)
Charges for services	900	945	45	750	914	164
Interest	450	124	(326)	493	493	-
Other	100	2,319	2,219	-	-	-
Transfers in	41,000	41,000	-	22,500	33,595	11,095
<b>TOTAL RECEIPTS</b>	<b>131,571</b>	<b>132,370</b>	<b>799</b>	<b>127,993</b>	<b>137,516</b>	<b>9,523</b>
<b>DISBURSEMENTS</b>						
Assessor	127,131	113,734	13,397	130,585	140,442	(9,857)
<b>TOTAL DISBURSEMENTS</b>	<b>127,131</b>	<b>113,734</b>	<b>13,397</b>	<b>130,585</b>	<b>140,442</b>	<b>(9,857)</b>
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,440	18,636	14,196	(2,592)	(2,926)	(334)
CASH AND INVESTMENT BALANCE, January 1	-	-	-	2,926	2,926	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 4,440</u>	<u>\$ 18,636</u>	<u>\$ 14,196</u>	<u>\$ 334</u>	<u>\$ -</u>	<u>\$ (334)</u>

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Sales taxes	\$ 215,000	\$ 215,311	\$ 311	\$ 230,000	\$ 213,807	\$ (16,193)
Intergovernmental	47,000	56,402	9,402	45,500	60,212	14,712
Charges for services	21,500	34,203	12,703	21,500	21,547	47
Interest	1,500	480	(1,020)	19	1,933	1,914
Other	45,000	30,950	(14,050)	35,600	49,307	13,707
Transfers in	262,000	262,000	-	207,500	225,472	17,972
TOTAL RECEIPTS	592,000	599,346	7,346	540,119	572,278	32,159
DISBURSEMENTS						
Sheriff	372,579	417,315	(44,736)	356,601	405,362	(48,761)
Prosecuting Attorney	90,240	94,442	(4,202)	92,270	93,196	(926)
Juvenile Officer	21,818	15,886	5,932	14,649	20,483	(5,834)
Coroner	11,750	12,081	(331)	12,700	11,939	761
Fringe benefits	49,254	23,999	25,255	45,886	23,745	22,141
TOTAL DISBURSEMENTS	545,641	563,723	(18,082)	522,106	554,725	(32,619)
RECEIPTS OVER DISBURSEMENTS	46,359	35,623	(10,736)	18,013	17,553	(460)
CASH AND INVESTMENT BALANCE, January 1						
	-	-	-	(17,553)	(17,553)	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 46,359	\$ 35,623	\$ (10,736)	\$ 460	\$ -	\$ (460)
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 4,000	\$ 4,416	\$ 416	\$ 4,900	\$ 4,067	\$ (833)
TOTAL RECEIPTS	4,000	4,416	416	4,900	4,067	(833)
DISBURSEMENTS						
Recorder of Deeds	14,000	12,209	1,791	15,000	7,119	7,881
TOTAL DISBURSEMENTS	14,000	12,209	1,791	15,000	7,119	7,881
RECEIPTS (UNDER) DISBURSEMENTS						
	(10,000)	(7,793)	2,207	(10,100)	(3,052)	7,048
CASH AND INVESTMENT BALANCE, January 1						
	16,332	16,332	-	19,384	19,384	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 6,332	\$ 8,539	\$ 2,207	\$ 9,284	\$ 16,332	\$ 7,048

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Other	\$ 1,500	\$ 1,890	\$ 390	\$ 1,400	\$ 1,575	\$ 175
TOTAL RECEIPTS	1,500	1,890	390	1,400	1,575	175
DISBURSEMENTS						
Sheriff	1,700	1,596	104	1,900	1,945	(45)
TOTAL DISBURSEMENTS	1,700	1,596	104	1,900	1,945	(45)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(200)	294	494	(500)	(370)	130
CASH AND INVESTMENT						
BALANCE, January 1	210	210	-	580	580	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 10	\$ 504	\$ 494	\$ 80	\$ 210	\$ 130
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 5,674	\$ 5,674	\$ -	\$ 3,802	\$ 3,802
TOTAL RECEIPTS	-	5,674	5,674	-	3,802	3,802
DISBURSEMENTS						
Sheriff	-	5,141	(5,141)	-	4,482	(4,482)
TOTAL DISBURSEMENTS	-	5,141	(5,141)	-	4,482	(4,482)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	533	533	-	(680)	(680)
CASH AND INVESTMENT						
BALANCE, January 1	604	604	-	1,284	1,284	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 604	\$ 1,137	\$ 533	\$ 1,284	\$ 604	\$ (680)

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 6,700	\$ 7,882	\$ 1,182	\$ 6,700	\$ 8,074	\$ 1,374
TOTAL RECEIPTS	6,700	7,882	1,182	6,700	8,074	1,374
DISBURSEMENTS						
Prosecuting Attorney	6,000	4,503	1,497	8,600	12,886	(4,286)
TOTAL DISBURSEMENTS	6,000	4,503	1,497	8,600	12,886	(4,286)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	700	3,379	2,679	(1,900)	(4,812)	(2,912)
CASH AND INVESTMENT						
BALANCE, January 1	38	38	-	4,850	4,850	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 738	\$ 3,417	\$ 2,679	\$ 2,950	\$ 38	\$ (2,912)
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 270	\$ 242	\$ (28)	\$ 265	\$ 275	\$ 10
TOTAL RECEIPTS	270	242	(28)	265	275	10
DISBURSEMENTS						
Prosecuting Attorney	1,421	323	1,098	600	-	600
TOTAL DISBURSEMENTS	1,421	323	1,098	600	-	600
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,151)	(81)	1,070	(335)	275	610
CASH AND INVESTMENT						
BALANCE, January 1	1,421	1,421	-	1,146	1,146	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 270	\$ 1,340	\$ 1,070	\$ 811	\$ 1,421	\$ 610

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 75	\$ 75	\$ -	\$ 120	\$ 115	\$ (5)
TOTAL RECEIPTS	75	75	-	120	115	(5)
DISBURSEMENTS						
Domestic violence shelter	110	75	35	190	165	25
TOTAL DISBURSEMENTS	110	75	35	190	165	25
RECEIPTS (UNDER)						
DISBURSEMENTS	(35)	-	35	(70)	(50)	20
CASH AND INVESTMENT						
BALANCE, January 1	40	40	-	90	90	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 5	\$ 40	\$ 35	\$ 20	\$ 40	\$ 20
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 10,504	\$ 10,504	\$ -	\$ 10,309	\$ 10,309
Interest income	-	7	-	-	75	75
TOTAL RECEIPTS	-	10,511	10,504	-	10,384	10,384
DISBURSEMENTS						
Collector	-	4,242	(4,242)	-	2,449	(2,449)
Transfers out	-	-	-	-	10,000	(10,000)
TOTAL DISBURSEMENTS	-	4,242	(4,242)	-	12,449	(12,449)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	6,269	6,262	-	(2,065)	(2,065)
CASH AND INVESTMENT						
BALANCE, January 1	19,237	19,237	-	21,302	21,302	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 19,237	\$ 25,506	\$ 6,262	\$ 21,302	\$ 19,237	\$ (2,065)

See accompanying notes.

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

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 377	\$ 377	\$ -	\$ 1,018	\$ 1,018
Interest	-	5	5	-	4	4
TOTAL RECEIPTS	-	382	382	-	1,022	1,022
DISBURSEMENTS						
Elections	-	1,323	(1,323)	-	347	(347)
TOTAL DISBURSEMENTS	-	1,323	(1,323)	-	347	(347)
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	-	(941)	(941)	-	675	675
CASH AND INVESTMENT BALANCE, January 1						
	1,278	1,278	-	603	603	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 1,278	\$ 337	\$ (941)	\$ 603	\$ 1,278	\$ 675
<u>911 EMERGENCY SERVICES FUND</u>						
RECEIPTS						
Sales taxes	\$ 273,445	\$ 274,897	\$ 1,452	\$ 292,000	\$ 273,445	\$ (18,555)
Charges for services	70	174	104	75	68	(7)
Interest	3,550	1,955	(1,595)	4,000	3,560	(440)
Other	1,800	3,391	1,591	1,850	1,848	(2)
TOTAL RECEIPTS	278,865	280,417	1,552	297,925	278,921	(19,004)
DISBURSEMENTS						
Salaries	180,000	164,339	15,661	187,203	168,613	18,590
Contractual services	7,500	9,649	(2,149)	11,000	9,928	1,072
Insurance	33,133	26,410	6,723	33,759	28,194	5,565
Office expenditures	3,200	2,514	686	3,273	2,035	1,238
Equipment	25,500	24,903	597	22,113	21,174	939
Building	12,000	13,000	(1,000)	9,000	9,000	-
Training	2,250	2,191	59	2,200	1,975	225
Other	12,314	6,589	5,725	13,323	3,050	10,273
TOTAL DISBURSEMENTS	275,897	249,595	26,302	281,871	243,969	37,902
RECEIPTS OVER DISBURSEMENTS						
	2,968	30,822	27,854	16,054	34,952	18,898
CASH AND INVESTMENT BALANCE, January 1						
	183,734	183,734	-	148,782	148,782	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 186,702	\$ 214,556	\$ 27,854	\$ 164,836	\$ 183,734	\$ 18,898

See accompanying notes.

DADE COUNTY, MISSOURI

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

December 31, 2010

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
<b>ASSETS</b>					
Cash and investments	\$ 955	\$ 14,748	\$ 4	\$ 3,690,641	\$ 7,086
<b>TOTAL ASSETS</b>	<u>\$ 955</u>	<u>\$ 14,748</u>	<u>\$ 4</u>	<u>\$ 3,690,641</u>	<u>\$ 7,086</u>
<b>LIABILITIES</b>					
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 7,086
Due to other governments	955	14,748	4	3,690,641	-
<b>TOTAL LIABILITIES</b>	<u>\$ 955</u>	<u>\$ 14,748</u>	<u>\$ 4</u>	<u>\$ 3,690,641</u>	<u>\$ 7,086</u>

See accompanying notes.

DADE COUNTY, MISSOURI  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS  
(CONTINUED)  
December 31, 2010

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's User Fee Fund	Prosecuting Attorney's Restitution Fund	Total
<b>ASSETS</b>					
Cash and investments	\$ 765	\$ 760	\$ 5,190	\$ 653	\$ 3,720,802
<b>TOTAL ASSETS</b>	<u>\$ 765</u>	<u>\$ 760</u>	<u>\$ 5,190</u>	<u>\$ 653</u>	<u>\$ 3,720,802</u>
<b>LIABILITIES</b>					
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 7,086
Due to other governments	765	760	5,190	653	3,713,716
<b>TOTAL LIABILITIES</b>	<u>\$ 765</u>	<u>\$ 760</u>	<u>\$ 5,190</u>	<u>\$ 653</u>	<u>\$ 3,720,802</u>

See accompanying notes.

DADE COUNTY, MISSOURI

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

December 31, 2009

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
<b>ASSETS</b>					
Cash and investments	\$ 955	\$ 21,868	\$ 4	\$ 3,732,177	\$ 3,516
<b>TOTAL ASSETS</b>	<u>\$ 955</u>	<u>\$ 21,868</u>	<u>\$ 4</u>	<u>\$ 3,732,177</u>	<u>\$ 3,516</u>
<b>LIABILITIES</b>					
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 3,516
Due to other governments	955	21,868	4	3,732,177	-
<b>TOTAL LIABILITIES</b>	<u>\$ 955</u>	<u>\$ 21,868</u>	<u>\$ 4</u>	<u>\$ 3,732,177</u>	<u>\$ 3,516</u>

See accompanying notes.

DADE COUNTY, MISSOURI

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

December 31, 2009

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's User Fee Fund	Prosecuting Attorney's Restitution Fund	Flood Control Fund	Total
<b>ASSETS</b>						
Cash and investments	\$ 7,190	\$ 609	\$ 4,726	\$ 445	\$ 50,370	\$ 3,821,860
TOTAL ASSETS	<u>\$ 7,190</u>	<u>\$ 609</u>	<u>\$ 4,726</u>	<u>\$ 445</u>	<u>\$ 50,370</u>	<u>\$ 3,821,860</u>
<b>LIABILITIES</b>						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,516
Due to other governments	7,190	609	4,726	445	50,370	3,818,344
TOTAL LIABILITIES	<u>\$ 7,190</u>	<u>\$ 609</u>	<u>\$ 4,726</u>	<u>\$ 445</u>	<u>\$ 50,370</u>	<u>\$ 3,821,860</u>

See accompanying notes

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

### Reporting Entity

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

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

### Basis of Presentation

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

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:
  - a. Sheriff Revolving Fund
  - b. Tax Maintenance Fund
  - c. Election Services Fund
10. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash and Investments

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

NOTE B – INVESTMENTS

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

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	2/3/2010	\$ 172,188
Certificate of Deposit	3/12/2010	212,081
Certificate of Deposit	10/28/2010	78,045
		<u>\$ 462,314</u>

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

NOTE B – INVESTMENTS (continued)

The County’s investments at December 31, 2010, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/3/2011	\$ 176,188
Certificate of Deposit	3/12/2011	216,503
Certificate of Deposit	2/4/2012	115,764
		<u>\$ 508,455</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, 2010 and 2009, all certificates of deposit are entirely insured or collateralized with securities.

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.

NOTE D – PENSION PLAN – CERF

*STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

Dade 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 50.1300. 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

Dade 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. Dade 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.

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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

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

	<u>2010</u>	<u>2009</u>
ASSESSED VALUATION		
Real estate	\$ 61,649,410	\$ 61,253,460
Personal property	<u>34,739,700</u>	<u>33,920,831</u>
	<u>\$ 96,389,110</u>	<u>\$ 95,174,291</u>
TAX LEVY		
General Fund	<u>\$ .1400</u>	<u>\$ .1305</u>

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

	<u>2010</u>	<u>2009</u>
Constitutional debt limit	\$ 9,638,911	\$ 9,517,429
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 9,638,911</u>	<u>\$ 9,517,429</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 – 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.

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

NOTE G – LONG-TERM DEBT

In 2009, the County entered into a Promissory Note to purchase real property in the amount of \$32,500. The note bears interest at 4% with principal and interest payments made monthly in the amount of \$329.

In 2010, the County entered into a two year lease purchase agreement with Kansas State Bank to finance the purchase of two Ford Explorers at a cost of \$36,366. The lease bears interest at 4.35% with principal and interest payments made annually.

The debt service requirements to amortize the principal of the note and lease outstanding at December 31, 2010, are listed in the table below:

Year Ended December 31,	Real Property Lease	Ford Explorers Lease	Total Lease Payments
2011	\$ 3,949	\$ 18,587	\$ 22,536
2012	3,949	-	3,949
2013	3,949	-	3,949
2014	3,949	-	3,949
2015	3,949	-	3,949
2016	3,949	-	3,949
2017	3,949	-	3,949
2018	3,949	-	3,949
2019	655	-	655
	32,247	18,587	50,834
Portion Representing Interest	(4,776)	(808)	(5,584)
Minimum Future Lease/Loan Payments	<u>\$ 27,471</u>	<u>\$ 17,779</u>	<u>\$ 45,250</u>

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

NOTE G – LONG-TERM DEBT

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

	Balance December 31, 2008			Balance December 31, 2009			Balance December 31, 2010
	2008	Additions	Retirements	2009	Additions	Retirements	2010
Capital Lease Obligations							
Real Property	\$ -	\$ 32,500	\$ 2,241	\$ 30,259	\$ -	\$ 2,788	\$ 27,471
2008 Ford Explorers	-	-	-	-	36,366	18,587	17,779
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,259</u>	<u>\$ 36,366</u>	<u>\$ 21,375</u>	<u>\$ 45,250</u>

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	\$ (286,000)	\$ (239,067)
Special Road and Bridge Fund	(17,000)	(10,000)
Assessment Fund	41,000	33,595
Law Enforcement Fund	262,000	225,472
Tax Maintenance Fund	-	(10,000)
	<u>\$ -</u>	<u>\$ -</u>

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

DADE COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

NOTE I – RESTATEMENT OF BEGINNING CASH BALANCES

Beginning cash balances have been restated to remove court accounts and special election account no longer considered special revenue funds. Cash balance has also been restated to remove 911 Emergency Services board, which is considered a separate political subdivision. The restatement is as follows:

Ending Cash Balance, as previously stated, December 31, 2008	\$ 836,042
Law Library	(4,674)
Circuit Clerk Interest	(13,469)
Special Election	<u>(172)</u>
Cash Balance, as restated, January 1, 2009	<u><u>\$ 817,727</u></u>

NOTE J – CHANGE IN REPORTING ENTITY

The E-911 fund included within the report is affected by Missouri House Bill 1492 that revised the State statutes regarding emergency service boards. This Board is currently defined as a political subdivision of the state. Therefore, they will not subsequently be included in the scope of the County for reporting purposes. The change was effective as of August 28, 2010. In accordance with this consideration, the emergency service board should not be included as part of the Dade County reporting entity subsequent to December 31, 2010.



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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  
Dade County  
Greenfield, Missouri

We have audited the financial statements of Dade County, Missouri as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 10, 2011. Our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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.

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 deficiencies 10-1 and 10-2 described in the accompanying schedule of findings and responses to be material weaknesses.

#### Compliance and Other Matters

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

We also noted certain other matters that we reported to management of Dade County, Missouri, in a separate letter dated June 10, 2011.

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

This report is intended solely for the information and use of the County Commission 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 10, 2011

## Financial Statement Findings

### 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 Investment Activity

*Condition:* Certificates of deposit are being held for various funds which are not included in the County's accounting software.

*Criteria:* The County should include all cash and investment accounts held with banking institutions in the County's accounting software.

*Effect:* Incomplete financial data is displayed monthly.

*Recommendation:* The County should account for all investment activity with its banking institutions in the County's software.

*Response:* The County will include investment activity held with its banking institutions for its various funds within the accounting software.



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Dade County Commission  
Dade County  
Greenfield, Missouri

In planning and performing our audit of the basic financial statements of Dade 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. Special Revenue Funds of the County

The County currently maintains a Sheriff's Revolving Fund, Election Services Fund, and a Tax Maintenance Fund for the benefit of the various offices of the County. Although the monies are to be used for the benefit of the various offices, 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 their respective funds. Expenditures from these funds should be budgeted and the approval process for expenditures out of these funds should follow the same procedures as with other County expenditures.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in the current year as a actual disbursements exceeded budgeted disbursements in the Law Enforcement Fund. The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2009 as actual disbursements exceeded budgeted disbursements in the Road and Bridge Fund, Assessment Fund , the Law Enforcement Fund, the Law Enforcement Training Fund, and the Prosecuting Attorney Bad Check Fund. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo)

3. Bank Reconciliations

Although bank reconciliations were performed for some bank accounts of the County, not all bank accounts were reconciled on a monthly basis to ensure all receipts, disbursements and reconciling items had been properly recorded in the County's financial records.

We Recommend:

The County perform monthly bank reconciliations on all of its accounts. A bank reconciliation is one of the most important internal control features that can be performed by County personnel. Reconciliations must be performed on a monthly basis. These reconciliations ensure that all accounting functions have been properly accomplished and that there are no errors or irregularities in the financial reports and statements. Bank reconciliations are performed by obtaining bank statement data from all banking institutions, adding to these statements any deposits that have been included on the County's financial statements that are not on the bank's statements, and deducting any County disbursements that have not cleared the bank as of the statement date. This amount is then compared to the County's financial statements to ensure that both sources agree. This procedure ensures that all County receipts have been properly deposited into the County's bank accounts and that all disbursement checks have been accounted for and properly recorded in the County's financial statements.

4. Sheriff Fees

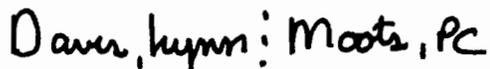
During the current year, the Sheriff's Department did not keep a detailed accounting for fees received, and consequently, monthly recordings into the County's software for fee revenue was not recorded until December. Upon further analytical examination, the fee revenue could not be explained as to its dollar variance between years. A detailed classification of revenue received monthly is crucial to the Department's accurate presentation of financial data.

We Recommend:

The Sheriff's Department keep a detailed accounting of fees received and submit this information monthly to the Clerk's Office to ensure accurate and complete financial data.

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 Dade 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 slanted style.

DAVIS, LYNN & MOOTS, P.C.  
June 10, 2011



DAVIS, LYNN &  
MOOTS, P.C.  
Certified Public  
Accountants

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County Commission  
Dade County  
Greenfield, Missouri

We have audited the basic financial statements of Dade County, Missouri for the years ended December 31, 2009 and 2010, and have issued our report thereon dated June 10, 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 the Primary Government of Dade 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 2009 or 2010.

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 and Investment Activity

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 10, 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.

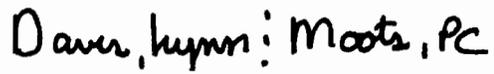
*Other Audit Findings or Issues*

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.

Dade County Commission  
Dade County  
Greenfield, Missouri  
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Dade 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 10, 2011