



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dade County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dade County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2012, 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

August 2013
Report No. 2013-080

DADE COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2012 and 2011

DADE COUNTY, MISSOURI

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INDEPENDENT AUDITORS' REPORT

Dade County Commission
Dade County
Greenfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dade County, Missouri, which comprise the cash and investment balances of each fund as of December 31, 2012 and 2011, the related receipts, disbursements and budgetary results for each fund for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements prepared using accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statements are prepared by Dade County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dade County, Missouri, as of December 31, 2012 and 2011, the changes in its financial position, or, where applicable, its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

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 December 31, 2012 and 2011, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting as described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013, on our consideration of Dade County, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dade County, Missouri's internal control over financial reporting and compliance.

Dade County Commission
Dade County
Greenfield, Missouri

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dade County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 3, 2013

DADE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2012

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 372,030	\$ 879,122	\$ 731,976	\$ 519,176
Special Road and Bridge	227,941	593,772	562,754	258,959
Assessment	30,626	117,337	119,932	28,031
Law Enforcement	5,459	492,331	449,093	48,697
Recorder User Fee	6,308	5,500	1,531	10,277
Law Enforcement Training	1,552	1,708	2,884	376
Sheriff's Revolving	2,066	6,160	7,977	249
Prosecuting Attorney Bad Check	5,833	4,738	1,271	9,300
Prosecuting Attorney Training	1,472	219	671	1,020
Prosecuting Attorney Delinquent Tax	2,215	561	-	2,776
Domestic Violence	175	90	196	69
Tax Maintenance	16,706	11,296	7,807	20,195
Election Services	1,374	1,881	1,647	1,608
TOTAL	<u>\$ 673,757</u>	<u>\$ 2,114,715</u>	<u>\$ 1,887,739</u>	<u>\$ 900,733</u>

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, 2011

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 245,106	\$ 896,424	\$ 769,500	\$ 372,030
Special Road and Bridge	265,537	1,020,631	1,058,227	227,941
Assessment	18,636	134,246	122,256	30,626
Law Enforcement	35,623	455,256	485,420	5,459
Recorder User Fee	8,539	4,462	6,693	6,308
Law Enforcement Training	504	1,748	700	1,552
Sheriff's Revolving	1,137	4,671	3,742	2,066
Prosecuting Attorney Bad Check	3,417	4,591	2,175	5,833
Prosecuting Attorney Training	1,340	218	86	1,472
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	40	135	-	175
Tax Maintenance	25,506	11,383	20,183	16,706
Election Services	337	1,431	394	1,374
TOTAL	<u>\$ 607,937</u>	<u>\$ 2,535,196</u>	<u>\$ 2,469,376</u>	<u>\$ 673,757</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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 135,000	\$ 147,683	\$ 12,683	\$ 135,000	\$ 138,472	\$ 3,472
Sales taxes	253,000	304,465	51,465	250,000	257,539	7,539
Other taxes	64,300	63,988	(312)	56,775	62,690	5,915
Intergovernmental	81,765	81,641	(124)	79,570	82,947	3,377
Charges for services	225,000	254,896	29,896	229,600	255,069	25,469
Interest	5,500	6,232	732	3,500	5,760	2,260
Other	-	8,217	8,217	-	18,475	18,475
Transfers in	12,000	12,000	-	25,000	75,472	50,472
TOTAL RECEIPTS	776,565	879,122	102,557	779,445	896,424	116,979
DISBURSEMENTS						
County Commission	78,230	77,745	485	78,280	77,476	804
County Clerk	58,511	56,716	1,795	58,111	56,550	1,561
Elections	72,460	71,264	1,196	17,108	15,448	1,660
Buildings and grounds	79,885	45,934	33,951	100,735	71,523	29,212
Employee fringe benefits	49,000	45,802	3,198	52,500	43,056	9,444
County Treasurer and Collector	80,823	91,054	(10,231)	77,823	77,207	616
Recorder of Deeds	45,295	44,352	943	46,550	43,622	2,928
Associate Circuit Court	20,990	19,302	1,688	19,640	18,427	1,213
Public Administrator	29,555	28,160	1,395	28,365	28,926	(561)
Insurance	22,000	7,215	14,785	22,000	19,350	2,650
University Extension	12,500	12,500	-	10,500	10,500	-
Local Emergency Planning Commission (LEPC)	4,495	2,552	1,943	10,000	5,982	4,018
Emergency Management	24,400	25,503	(1,103)	24,400	24,869	(469)
Other	141,468	30,377	111,091	137,467	89,064	48,403
Transfers out	180,500	173,500	7,000	188,800	187,500	1,300
Contingency Fund	40,000	-	40,000	40,000	-	40,000
TOTAL DISBURSEMENTS	940,112	731,976	208,136	912,279	769,500	142,779
RECEIPTS OVER (UNDER) DISBURSEMENTS	(163,547)	147,146	310,693	(132,834)	126,924	259,758
CASH AND INVESTMENT BALANCE, January 1	372,030	372,030	-	245,106	245,106	-
CASH AND INVESTMENT BALANCE, December 31	\$ 208,483	\$ 519,176	\$ 310,693	\$ 112,272	\$ 372,030	\$ 259,758

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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 605,000	\$ 586,359	\$ (18,641)	\$ 1,051,226	\$ 1,014,510	\$ (36,716)
Interest	250	3,613	3,363	700	83	(617)
Other	-	3,800	3,800	-	6,038	6,038
TOTAL RECEIPTS	605,250	593,772	(11,478)	1,051,926	1,020,631	(31,295)
DISBURSEMENTS						
Salaries	2,000	3,714	(1,714)	2,000	1,798	202
Employee fringe benefits	675	652	23	475	-	475
Supplies	2,250	888	1,362	6,950	7,476	(526)
Road and bridge materials	105,500	60,334	45,166	80,386	72,021	8,365
Construction, repair, and maintenance	520,000	485,166	34,834	975,000	961,682	13,318
Other	1,000	-	1,000	1,000	250	750
Transfers out	12,000	12,000	-	25,000	15,000	10,000
TOTAL DISBURSEMENTS	643,425	562,754	80,671	1,090,811	1,058,227	32,584
RECEIPTS OVER (UNDER) DISBURSEMENTS	(38,175)	31,018	69,193	(38,885)	(37,596)	1,289
CASH AND INVESTMENT BALANCE, January 1	227,941	227,941	-	265,537	265,537	-
CASH AND INVESTMENT BALANCE, December 31	\$ 189,766	\$ 258,959	\$ 69,193	\$ 226,652	\$ 227,941	\$ 1,289
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 84,485	\$ 84,731	\$ 246	\$ 93,710	\$ 88,432	\$ (5,278)
Charges for services	940	1,414	474	930	15,185	14,255
Interest	210	354	144	120	298	178
Other	820	838	18	819	831	12
Transfers in	34,000	30,000	(4,000)	29,500	29,500	-
TOTAL RECEIPTS	120,455	117,337	(3,118)	125,079	134,246	9,167
DISBURSEMENTS						
Assessor	123,975	119,932	4,043	127,694	122,256	5,438
TOTAL DISBURSEMENTS	123,975	119,932	4,043	127,694	122,256	5,438
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,520)	(2,595)	925	(2,615)	11,990	14,605
CASH AND INVESTMENT BALANCE, January 1	30,626	30,626	-	18,636	18,636	-
CASH AND INVESTMENT BALANCE, December 31	\$ 27,106	\$ 28,031	\$ 925	\$ 16,021	\$ 30,626	\$ 14,605

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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Sales taxes	\$ 225,000	\$ 230,227	\$ 5,227	\$ 215,000	\$ 228,483	\$ 13,483
Intergovernmental	45,500	45,600	100	45,624	45,528	(96)
Charges for services	39,000	63,650	24,650	40,000	53,328	13,328
Interest	1,000	1,199	199	400	1,482	1,082
Other	10,045	8,155	(1,890)	9,950	8,907	(1,043)
Transfers in	143,500	143,500	-	158,000	117,528	(40,472)
TOTAL RECEIPTS	464,045	492,331	28,286	468,974	455,256	(13,718)
DISBURSEMENTS						
Sheriff	325,313	334,596	(9,283)	319,171	347,132	(27,961)
Prosecuting Attorney	67,080	65,816	1,264	67,650	66,020	1,630
Juvenile Officer	22,709	17,851	4,858	20,871	20,217	654
Coroner	11,975	10,959	1,016	11,975	10,785	1,190
Fringe benefits	40,193	19,871	20,322	44,193	41,266	2,927
TOTAL DISBURSEMENTS	467,270	449,093	18,177	463,860	485,420	(21,560)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,225)	43,238	46,463	5,114	(30,164)	(35,278)
CASH AND INVESTMENT						
BALANCE, January 1	5,459	5,459	-	35,623	35,623	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2,234	\$ 48,697	\$ 46,463	\$ 40,737	\$ 5,459	\$ (35,278)
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 4,500	\$ 5,489	\$ 989	\$ 4,000	\$ 4,451	\$ 451
Interest	-	11	11	-	11	11
TOTAL RECEIPTS	4,500	5,500	1,000	4,000	4,462	462
DISBURSEMENTS						
Recorder of Deeds	8,500	1,531	6,969	6,000	6,693	(693)
TOTAL DISBURSEMENTS	8,500	1,531	6,969	6,000	6,693	(693)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,000)	3,969	7,969	(2,000)	(2,231)	(231)
CASH AND INVESTMENT						
BALANCE, January 1	6,308	6,308	-	8,539	8,539	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2,308	\$ 10,277	\$ 7,969	\$ 6,539	\$ 6,308	\$ (231)

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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,500	\$ 1,708	\$ 208	\$ 1,600	\$ 1,743	\$ 143
Interest	-	-	-	-	5	5
TOTAL RECEIPTS	1,500	1,708	208	1,600	1,748	148
DISBURSEMENTS						
Sheriff	2,500	2,884	(384)	1,750	700	1,050
TOTAL DISBURSEMENTS	2,500	2,884	(384)	1,750	700	1,050
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,000)	(1,176)	(176)	(150)	1,048	1,198
CASH AND INVESTMENT						
BALANCE, January 1	1,552	1,552	-	504	504	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 552	\$ 376	\$ (176)	\$ 354	\$ 1,552	\$ 1,198
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 2,500	\$ 6,160	\$ 3,660	\$ 3,500	\$ 4,671	\$ 1,171
TOTAL RECEIPTS	2,500	6,160	3,660	3,500	4,671	1,171
DISBURSEMENTS						
Sheriff	2,500	7,977	(5,477)	4,000	3,742	258
TOTAL DISBURSEMENTS	2,500	7,977	(5,477)	4,000	3,742	258
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	(1,817)	(1,817)	(500)	929	1,429
CASH AND INVESTMENT						
BALANCE, January 1	2,066	2,066	-	1,137	1,137	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 2,066	\$ 249	\$ (1,817)	\$ 637	\$ 2,066	\$ 1,429

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,					
	2012			2011		
	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	\$ 3,500	\$ 4,568	\$ 1,068	\$ 5,600	\$ 4,591	\$ (1,009)
Interest	-	170	170	-	-	-
TOTAL RECEIPTS	3,500	4,738	1,238	5,600	4,591	(1,009)
DISBURSEMENTS						
Prosecuting Attorney	3,000	1,271	1,729	3,000	2,175	825
TOTAL DISBURSEMENTS	3,000	1,271	1,729	3,000	2,175	825
RECEIPTS OVER DISBURSEMENTS	500	3,467	2,967	2,600	2,416	(184)
CASH AND INVESTMENT BALANCE, January 1	5,833	5,833	-	3,417	3,417	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 6,333</u>	<u>\$ 9,300</u>	<u>\$ 2,967</u>	<u>\$ 6,017</u>	<u>\$ 5,833</u>	<u>\$ (184)</u>
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 200	\$ 218	\$ 18	\$ 225	\$ 217	\$ (8)
Interest	-	1	1	-	1	1
TOTAL RECEIPTS	200	219	19	225	218	(7)
DISBURSEMENTS						
Prosecuting Attorney	1,500	671	829	1,200	86	1,114
TOTAL DISBURSEMENTS	1,500	671	829	1,200	86	1,114
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,300)	(452)	848	(975)	132	1,107
CASH AND INVESTMENT BALANCE, January 1	1,472	1,472	-	1,340	1,340	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 172</u>	<u>\$ 1,020</u>	<u>\$ 848</u>	<u>\$ 365</u>	<u>\$ 1,472</u>	<u>\$ 1,107</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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX FUND</u>						
RECEIPTS						
Other	\$ -	\$ 561	\$ 561	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	561	561	-	-	-
DISBURSEMENTS						
Delinquent Tax Expenses	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	561	561	-	-	-
CASH AND INVESTMENT						
BALANCE, January 1	2,215	2,215	-	2,215	2,215	-
CASH AND INVESTMENT BALANCE, December 31	\$ 2,215	\$ 2,776	\$ 561	\$ 2,215	\$ 2,215	\$ -
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 50	\$ 90	\$ 40	\$ 75	\$ 135	\$ 60
TOTAL RECEIPTS	50	90	40	75	135	60
DISBURSEMENTS						
Domestic violence shelter	135	196	(61)	75	-	75
TOTAL DISBURSEMENTS	135	196	(61)	75	-	75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(85)	(106)	(21)	-	135	135
CASH AND INVESTMENT						
BALANCE, January 1	175	175	-	40	40	-
CASH AND INVESTMENT BALANCE, December 31	\$ 90	\$ 69	\$ (21)	\$ 40	\$ 175	\$ 135

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,					
	2012			2011		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
TAX MAINTENANCE FUND						
RECEIPTS						
Charges for services	\$ -	\$ 11,296	\$ 11,296	\$ -	\$ 11,383	\$ 11,383
Interest income	-	-	-	-	-	-
TOTAL RECEIPTS	-	11,296	11,296	-	11,383	11,383
DISBURSEMENTS						
Collector	-	7,807	(7,807)	-	183	(183)
Transfers out	-	-	-	-	20,000	(20,000)
TOTAL DISBURSEMENTS	-	7,807	(7,807)	-	20,183	(20,183)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	3,489	3,489	-	(8,800)	(8,800)
CASH AND INVESTMENT						
BALANCE, January 1	16,706	16,706	-	25,506	25,506	-
CASH AND INVESTMENT BALANCE, December 31	\$ 16,706	\$ 20,195	\$ 3,489	\$ 25,506	\$ 16,706	\$ (8,800)
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	\$ -	\$ 1,881	\$ 1,881	\$ -	\$ 1,431	\$ 1,431
TOTAL RECEIPTS	-	1,881	1,881	-	1,431	1,431
DISBURSEMENTS						
Elections	-	1,647	(1,647)	-	394	(394)
TOTAL DISBURSEMENTS	-	1,647	(1,647)	-	394	(394)
RECEIPTS OVER DISBURSEMENTS	-	234	234	-	1,037	1,037
CASH AND INVESTMENT						
BALANCE, January 1	1,374	1,374	-	337	337	-
CASH AND INVESTMENT BALANCE, December 31	\$ 1,374	\$ 1,608	\$ 234	\$ 337	\$ 1,374	\$ 1,037

See accompanying notes.

DADE COUNTY, MISSOURI

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

December 31, 2012

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Recorder's Fund	Prosecuting Attorney's Restitution Fund	Clerk's Special Election Fund	Total
ASSETS								
Cash and investments	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568
TOTAL ASSETS	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568
LIABILITIES								
Due to other governments	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568
TOTAL LIABILITIES	\$ 1,937	\$ 31,419	\$ 10	\$ 3,962,141	\$ 4,450	\$ 303	\$ 308	\$ 4,000,568

See accompanying notes.

DADE COUNTY, MISSOURI

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

December 31, 2011

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
ASSETS					
Cash and investments	\$ 955	\$ 20,707	\$ 8,765	\$ 3,873,821	\$ 7,122
TOTAL ASSETS	<u>\$ 955</u>	<u>\$ 20,707</u>	<u>\$ 8,765</u>	<u>\$ 3,873,821</u>	<u>\$ 7,122</u>
LIABILITIES					
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 7,122
Due to other governments	955	20,707	8,765	3,873,821	-
TOTAL LIABILITIES	<u>\$ 955</u>	<u>\$ 20,707</u>	<u>\$ 8,765</u>	<u>\$ 3,873,821</u>	<u>\$ 7,122</u>

See accompanying notes.

DADE COUNTY, MISSOURI

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

(continued)

December 31, 2011

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's Fund	Prosecuting Attorney's Restitution Fund	Clerk's Special Election Fund	Total
ASSETS						
Cash and investments	\$ 3,163	\$ 1,060	\$ 5,036	\$ 951	\$ 435	\$ 3,922,015
TOTAL ASSETS	<u>\$ 3,163</u>	<u>\$ 1,060</u>	<u>\$ 5,036</u>	<u>\$ 951</u>	<u>\$ 435</u>	<u>\$ 3,922,015</u>
LIABILITIES						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,122
Due to other governments	3,163	1,060	5,036	951	435	3,914,893
TOTAL LIABILITIES	<u>\$ 3,163</u>	<u>\$ 1,060</u>	<u>\$ 5,036</u>	<u>\$ 951</u>	<u>\$ 435</u>	<u>\$ 3,922,015</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, 2012

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. Tax Maintenance Fund
 - b. Election Services Fund
10. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. For the year ended December 31, 2011, actual disbursements exceeded budgeted disbursements for the Law Enforcement Fund and Recorder User Fee Fund. For the year ended December 31, 2012, actual disbursements exceeded budgeted disbursements in the Law Enforcement Training, Sheriff's Revolving, and Domestic Violence Funds.

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, 2012 and 2011, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – INVESTMENTS

The County's investments at December 31, 2011, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/12/2012	\$ 219,359
Certificate of Deposit	4/3/2012	178,280
		<u>\$ 397,639</u>

DADE COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

NOTE B – INVESTMENTS (continued)

The County’s investments at December 31, 2012, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificate of Deposit	3/12/2013	\$ 220,148
Certificate of Deposit	4/3/2013	179,421
		<u>\$ 399,569</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, 2012 and 2011, 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, 2012 and 2011, 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, 2121 Schotthill Woods Drive, Jefferson City, MO 65101 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 2% 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 6% 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, 2012

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

The 2012 and 2011 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>2012</u>	<u>2011</u>
ASSESSED VALUATION		
Real estate	\$ 63,020,910	\$ 62,203,830
Personal property	<u>38,423,800</u>	<u>35,997,111</u>
	<u>\$ 101,444,710</u>	<u>\$ 98,200,941</u>
TAX LEVY		
General Revenue Fund	<u>\$.1400</u>	<u>\$.1400</u>

The legal debt margin at December 31, 2012 and December 31, 2011, is computed as follows:

	<u>2012</u>	<u>2011</u>
Constitutional debt limit	\$ 10,144,471	\$ 9,820,094
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 10,144,471</u>	<u>\$ 9,820,094</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, 2012

NOTE G – LONG-TERM DEBT

The following is the changes in long-term debt for the years ended December 31, 2012 and 2011:

	Balance December 31, 2010			Balance December 31, 2011			Balance December 31, 2012
	2010	Additions	Retirements	2011	Additions	Retirements	2012
Capital Lease Obligations							
Real Property	\$ 27,471	\$ -	\$ 27,471	\$ -	\$ -	\$ -	\$ -
2008 Ford Explorers	17,779	-	17,779	-	-	-	-
	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ 45,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2012 and 2011, consisted of the following:

	Transfers In (Out)	
	2012	2011
General Revenue Fund	\$ (161,500)	\$ (112,028)
Special Road and Bridge Fund	(12,000)	(15,000)
Assessment Fund	30,000	29,500
Law Enforcement Fund	143,500	117,528
Tax Maintenance Fund	-	(20,000)
	<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 Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



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

Dade County Commission
Dade County
Greenfield, Missouri

We have audited, 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, the financial statements of Dade County, Missouri, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Dade County, Missouri's financial statements, and have issued our report thereon, dated June 3, 2013. In our report, our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differs from accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dade County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dade County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. They are identified as items 12-1 and 12-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dade 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*.

Dade County, Missouri's Response to Findings and Other Matters

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of the County in a separate letter dated June 3, 2013.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dade County, Missouri's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dade County, Missouri's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Davis, Lynn; Moots, PC



DAVIS, LYNN &
MOOTS, P.C.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Dade County Commission
Dade County
Greenfield, Missouri

Compliance

We have audited Dade County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the years ended December 31, 2012 and 2011. Dade County, Missouri's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Dade County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Dade County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, the Dade County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2012 and 2011.

Internal Control over Compliance

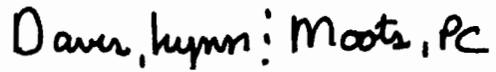
Management of the Dade County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

County Commission
Dade County
Greenfield, Missouri

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133. Accordingly, this report is not suitable for any other purpose.

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 3, 2013

DADE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2012 and 2011

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures Year Ended December 31,	
			2012	2011
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Direct				
Cooperative Agreement	12.000	N/A	\$ 45,600	\$ 45,528
TOTAL U.S. DEPARTMENT OF DEFENSE			45,600	45,528
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Social Services				
ARRA - Homeless Prevention and Rapid Rehousing Grant	14.257	ER16410015A	-	5,875
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	5,875
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Department of Transportation				
Highway Planning and Construction	20.205	BRO-029(8)	-	449,574
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	449,574
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Department of Public Safety				
Emergency Management Performance Grant	97.042	N/A	3,296	11,556
State Emergency Management Agency				
Disaster Grant - Public Assistance	97.036	FEMA 1961	-	27,059
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			3,296	38,615
<u>ELECTION ASSISTANCE COMMISSION</u>				
Secretary of the State				
Help America Vote Act Requirement Payments	90.401	N/A	1,398	-
TOTAL ELECTION ASSISTANCE COMMISSION			1,398	-
<u>GENERAL SERVICES ADMINISTRATION</u>				
Secretary of the State				
Federal Voting Equipment Maintenance and Security Grant	39.011	N/A	3,078	-
TOTAL GENERAL SERVICES ADMINISTRATION			3,078	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 53,372	\$ 539,592

N/A - Not Applicable

DADE COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dade County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

None

DADE COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Years ended December 31, 2012 and 2011

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified on the Basis of Accounting described in Note A</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported

Type of auditors' report issued on compliance for major program(s):	<u>Unmodified</u>	
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> No
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Identification of major program(s):

CFDA or Other	
<u>Identifying Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and and Type B program:	<u>\$ 300,000</u>
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Auditee qualified as a low -risk auditee?	<u> </u> Yes	<u> X </u> No
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Financial Statement Findings

12-1 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.

12-2 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.

DADE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2012 and 2011

Federal Award Findings and Questioned Costs

None

DADE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

There were no prior year audit findings.



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

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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, 2012 and 2011, 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 an 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 actual disbursements exceeded budgeted disbursements in the Law Enforcement Training Fund, Sheriff Revolving Fund, and Domestic Violence Fund. The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2011 as actual disbursements exceeded budgeted disbursements in the Law Enforcement Fund and the Recorder User Fee 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. Patient Protection and Affordable Care Act

In August 2010, the United States Congress passed H.R. 3590 Patient Protection and Affordable Care Act. The Act affects many sectors of the private-sector economy and government including establishing individual responsibilities regarding health coverage as well as employer responsibilities for providing health coverage. Employer responsibilities include: automatic enrollment for employees of larger employers, employer requirement to inform employees of coverage options, shared responsibilities for employers, reporting of employer health insurance coverage, offering of exchange-participating qualified health plans through cafeteria plans. The effective date for the employer responsibilities section of the Act is for months beginning after December 31, 2013. Due to the many provisions and complexity of the Act, governments may need to obtain outside counsel from its attorney and health insurance provider to determine the steps necessary to properly implement the provisions of this Act.

We Recommend:

Management become familiar with the requirements of the Act and consider obtaining outside counsel to comply with the new Act and avoid potential penalties and unwanted costs associated with this Act.

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.

Davis, Lynn; Moots, PC



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

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Dade County Commission
Dade County
Greenfield, Missouri

We have audited the basic financial statements of Dade County, Missouri, for the years ended December 31, 2011 and 2012, and have issued our report thereon dated June 3, 2013. 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 April 22, 2013, 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 April 22, 2013.

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 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 2011 or 2012.

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 3, 2013.

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.

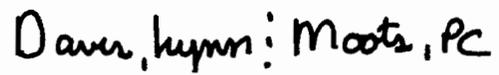
Other Audit Findings or Issues

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 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 3, 2013