

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2009

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INDEPENDENT AUDITORS' REPORT

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Taney County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the business-type activities of the Primary Government of Taney County, the Developmentally Disabled Board, and the Dorgan-Weaver Housing corporation, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2009, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Taney County Commission
Taney County
Forsyth, Missouri

Further, in our opinion, the basic financial statements of the Taney County Regional Sewer District and the Taney County Health Center present fairly, in all material respects, the financial position of the Taney County Regional Sewer District and the Taney County Health Center as of December 31, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information, and schedule of funding progress and employer contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taney County, Missouri's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note A.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009**

Our discussion and analysis of Taney County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2009, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The overall net assets of the County decreased by \$3,383,223.
- The fund balance for the General Fund decreased by \$2,794,192. Using the modified cash basis does not take into consideration capital improvements.
- The fund balance for the Road and Bridge Trust Fund increased by \$1,565,533.
- The Road and Bridge Fund decreased \$2,049,190.
- The decrease in the General Fund balance can be attributed to the final payments on capital improvements, mainly the judicial facility.
- The Road and Bridge department has also continued to do some capital improvements. This department will be looking to reduce operating expense in the next year because we are not anticipating more capital improvements.
- These funds have also experienced a decrease in revenue because of the economy.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the County's modified cash basis of accounting.

Report Components

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the County government. Fund financial statements also report the County operations in more detail than the government-wide statements by providing information about the County's major funds. These statements tell how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: This Management's Discussion and Analysis and the budgetary comparison schedules represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Other Financial Information: This part of the annual report includes optional financial information, which includes the combining statements for the County's nonmajor funds and reports required by the Federal Government. This other financial information is provided to address certain needs of various users of the County's annual report.

Basis of Accounting

The County has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing receipts, disbursements, and their related assets and liabilities. Under the County's modified cash basis of accounting, receipts and disbursements and the related assets are recorded when they result from cash transactions. The modification to the cash basis relates to the presentation of investments.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenue (such as accounts receivable for revenue billed or services provided not yet collected) and liabilities and their related expenses (such as accounts payable for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Government-wide Statement of Net Assets and the Statement of Activities

Our financial analysis of the County as a whole begins on page 9. The government-wide financial statements are presented on pages 13-16. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?". The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

The statements report the County's net assets and changes in them. Over time, increases and decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other non-financial factors, however, such as changes in the County tax base, and the condition of the County's facilities, to assess the overall health of the County.

The Statement of Activities is presented by its governmental functions which include general government, judicial, public safety, public works, health and welfare, highway and roads, other activities and transfer station. The Statement of Activities shows the net cost of these functions before considering the general receipts of the County.

Fund Financial Statements

Our analysis of the County's funds begins on page 11. The fund financial statements begin on page 17 and provide detailed information about the County's funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for County programs.

- **Governmental Funds** – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.
- **Proprietary Funds** – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. The Internal Service Fund is used to account for charges made to other units of government for dental insurance premiums and certain other employee benefits.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets – Modified Cash Basis

	December 31,	
	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 18,256,768	\$ 21,639,991
TOTAL ASSETS	<u>\$ 18,256,768</u>	<u>\$ 21,639,991</u>
NET ASSETS		
Unrestricted	\$ 18,256,768	\$ 21,639,991
TOTAL NET ASSETS	<u>\$ 18,256,768</u>	<u>\$ 21,639,991</u>

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

Changes in Net Assets – Modified Cash Basis

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 5,591,476	\$ 5,915,463
Operating grants and contributions	1,417,739	106,975
Capital grants and contributions	105,226	430,244
<u>General Receipts</u>		
Sales tax receipts	14,687,116	15,735,092
Motor vehicle sales tax	244,308	256,497
Gas tax	834,465	825,454
Telephone tax	507,994	502,847
Other taxes	129,110	133,512
Interest	458,445	1,177,603
Other receipts	303,854	348,601
TOTAL RECEIPTS	24,279,733	25,432,288
DISBURSEMENTS		
General government	6,124,622	5,568,943
Judicial	1,163,162	1,200,426
Public safety	4,450,447	4,646,262
Public works	267,614	177,143
Highway and roads	9,252,981	13,392,323
Airport	1,144,093	991,286
Debt service	1,301,145	1,272,479
Other	3,004,420	7,695,348
Transfer station	954,472	1,103,046
TOTAL DISBURSEMENTS	27,662,956	36,047,256
(DECREASE) IN NET ASSETS	\$ (3,383,223)	\$ (10,614,968)

Overall receipts of the County decreased by \$1,152,562 from the prior year. Tax revenues were down \$1,050,409, which represents an 8.4% decrease from the prior year. Overall disbursements of the County were down \$8,384,300.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The General Fund balance decreased by \$2,794,192 for the year ended December 31, 2009.
- The Road and Bridge Fund balance decreased by \$2,049,190 for the year ended December 31, 2009.
- The Road and Bridge Trust Fund increased by \$1,565,533, which increased the fund balance to \$4,990,215 as of December 31, 2009.
- The General Fund had a decrease in receipts in sales tax. There were also significant payments made on the final payments to finish the judicial facility.
- The Road and Bridge Fund along with the Road and Bridge Trust Fund as a combined total decreased a total of \$483,657. Management has been actively using these funds to pay for capital improvements in the past few years. Most if not all of those projects are nearly finished. It will be important to look at the operating expenses in these two funds in the next year.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 8,630,700	\$ 8,630,700	\$ 8,285,480
Commissions	507,500	507,500	608,306
Licenses and permits	50,500	50,500	89,462
Intergovernmental receipts	568,846	568,846	435,002
Fees and charges	3,618,000	3,618,000	2,591,819
Other	306,850	306,850	410,576
TOTAL RECEIPTS	\$ 13,682,396	\$ 13,682,396	\$ 12,420,645
DISBURSEMENTS			
General government	\$ 5,113,999	\$ 5,113,999	\$ 5,177,717
Judicial	1,076,778	1,076,778	1,113,506
Public safety	4,317,712	4,317,712	3,908,740
Public works	389,582	389,582	267,614
Other	13,742,456	13,742,456	3,004,420
Airport	1,630,707	1,630,707	1,144,093
Debt service	1,400,000	1,400,000	1,301,145
TOTAL DISBURSEMENTS	\$ 27,671,234	\$ 27,671,234	\$ 15,917,235

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

It is the County's practice to budget monies that are available for use in the capital improvements even though we do not expect to spend those monies. Therefore the difference between the budgeted and the actual will be the amount that can be carried forward to be used as capital improvements for the next year. The County's actual operating expenses have been decreased in 2009.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2010 budget cycle will include revenues and expenses based on expectations of the 2010 economy. Management is anticipating a slower economy and will reflect that by budgeting for somewhat less revenues in 2010. All of the different funds have a balance to carry forward, some more than others. The anticipated decrease in revenues will make 2010 a year when some funds will spend more funds for operations than are brought in. The difference will cause a smaller balance to take forward in 2011. This will be a time when we look to find ways to function even more efficiently.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

You may contact the Auditor's office at PO Box 1407, Forsyth, MO 65653 for more information. The phone number to contact is 417-546-7201.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
 December 31, 2009

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation
ASSETS					
Cash and investments	<u>\$ 17,561,655</u>	<u>\$ 695,113</u>	<u>\$ 18,256,768</u>	<u>\$ 1,696,190</u>	<u>\$ 43,915</u>
TOTAL ASSETS	<u><u>\$ 17,561,655</u></u>	<u><u>\$ 695,113</u></u>	<u><u>\$ 18,256,768</u></u>	<u><u>\$ 1,696,190</u></u>	<u><u>\$ 43,915</u></u>
NET ASSETS					
Unrestricted	<u>\$ 17,561,655</u>	<u>\$ 695,113</u>	<u>\$ 18,256,768</u>	<u>\$ 1,696,190</u>	<u>\$ 43,915</u>
TOTAL NET ASSETS	<u><u>\$ 17,561,655</u></u>	<u><u>\$ 695,113</u></u>	<u><u>\$ 18,256,768</u></u>	<u><u>\$ 1,696,190</u></u>	<u><u>\$ 43,915</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF NET ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT AND HEALTH CENTER
December 31, 2009

	Component Units	
	Taney County Regional Sewer District	Taney County Health Center
ASSETS		
Cash and investments - unrestricted	\$ 26,924,239	\$ 872,592
Ad valorem taxes receivable, net	-	1,042,333
Accounts receivable	90,604	132,174
Prepaid expenses	-	5,571
Restricted cash and investments	1,567,720	-
Deferred Bond Issuance Costs	202,033	9,329
Capital Assets:		
Non-depreciable	5,470,565	200,000
Depreciable, net	43,558,784	2,441,763
TOTAL ASSETS	77,813,945	4,703,762
LIABILITIES		
Current		
Accounts payable	100,716	11,631
Accrued expenses	64,660	72,302
Deposits payable	85,978	-
Accrued interest payable	282,410	-
Current maturities of long-term debt	790,000	42,485
TOTAL CURRENT LIABILITIES	1,323,764	126,418
Noncurrent		
Arbitrage payable	61,668	-
Certificates of participation debt	-	750,892
Compensated absences	-	105,096
Revenue bonds payable	11,710,000	-
TOTAL NONCURRENT LIABILITIES	11,771,668	855,988
TOTAL LIABILITIES	13,095,432	982,406
NET ASSETS		
Invested in capital assets, net of related debt	36,529,349	1,857,715
Restricted for debt service	1,420,074	-
Unrestricted	26,769,090	1,863,641
TOTAL NET ASSETS	\$ 64,718,513	\$ 3,721,356

See accompanying notes.

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

Functions/Programs	Primary Government						Componet Units		
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Assets			Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total		
Primary Government									
Governmental Activities									
General government	\$ (6,124,622)	\$ 2,806,048	\$ -	\$ 95,198	\$ (3,223,376)	\$ -	\$ (3,223,376)		
Judicial	(1,163,162)	444,406	6,983	-	(711,773)	-	(711,773)		
Public safety	(4,450,447)	841,462	10,686	10,028	(3,588,271)	-	(3,588,271)		
Public works	(267,614)	-	-	-	(267,614)	-	(267,614)		
Highway and roads	(9,252,981)	-	1,400,070	-	(7,852,911)	-	(7,852,911)		
Airport	(1,144,093)	613,823	-	-	(530,270)	-	(530,270)		
Debt service	(1,301,145)	-	-	-	(1,301,145)	-	(1,301,145)		
Other	(3,004,420)	-	-	-	(3,004,420)	-	(3,004,420)		
TOTAL GOVERNMENTAL ACTIVITIES	(26,708,484)	4,705,739	1,417,739	105,226	(20,479,780)	-	(20,479,780)		
Business-Type Activities									
Transfer station	(954,472)	885,737	-	-	-	(68,735)	(68,735)		
TOTAL BUSINESS-TYPE ACTIVITIES	(954,472)	885,737	-	-	-	(68,735)	(68,735)		
TOTAL PRIMARY GOVERNMENT	\$ (27,662,956)	\$ 5,591,476	\$ 1,417,739	\$ 105,226	(20,479,780)	(68,735)	(20,548,515)		
Component Units									
Developmentally Disabled Board	\$ (1,024,991)	\$ 7,572	\$ -	\$ 60,090			\$ (957,329)	\$ -	
Dorgan-Weaver Housing Corp.	(61,469)	66,892	-	-			-	5,423	
TOTAL COMPONENT UNITS	\$ (1,086,460)	\$ 74,464	\$ -	\$ 60,090			(957,329)	5,423	
General Receipts and Transfers:									
Ad valorem taxes					-	-	810,119	-	
Sales taxes					14,687,116	-	14,687,116	-	
Motor vehicle sales taxes					244,308	-	244,308	-	
Gas taxes					834,465	-	834,465	-	
Telephone taxes					507,994	-	507,994	-	
Other taxes					129,110	-	129,110	-	
Interest					438,229	20,216	458,445	41,126	
Other receipts					303,854	-	303,854	16,705	
Transfers					20,366	(20,366)	-	-	
Total General Receipts and Transfers					17,165,442	(150)	17,165,292	867,950	
Increase (Decrease) in Net Assets					(3,314,338)	(68,885)	(3,383,223)	(89,379)	
Net Assets, Beginning of year					20,875,993	763,998	21,639,991	1,785,569	
Net Assets, End of year					\$ 17,561,655	\$ 695,113	\$ 18,256,768	\$ 1,696,190	

See accompanying notes.

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

	<u>General Fund</u>	<u>Road and Bridge Trust Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 10,256,890	\$ 4,990,215	\$ 326,237	\$ 1,984,612	\$ 17,557,954
TOTAL ASSETS	<u>\$ 10,256,890</u>	<u>\$ 4,990,215</u>	<u>\$ 326,237</u>	<u>\$ 1,984,612</u>	<u>\$ 17,557,954</u>
FUND BALANCES					
Fund Balances					
Unreserved, reported in:					
General Fund	\$ 10,256,890	\$ -	\$ -	\$ -	\$ 10,256,890
Special Revenue Funds	-	4,990,215	326,237	1,984,612	7,301,064
TOTAL FUND BALANCES	<u>\$ 10,256,890</u>	<u>\$ 4,990,215</u>	<u>\$ 326,237</u>	<u>\$ 1,984,612</u>	<u>\$ 17,557,954</u>
Fund Balance Governmental Funds					\$ 17,557,954
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.					<u>3,701</u>
Net Assets of Governmental Activities					<u>\$ 17,561,655</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2009

	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 8,285,480	\$ 6,523,261	\$ 1,086,258	\$ 507,994	\$ 16,402,993
Collector's commission	608,306	-	-	-	608,306
Licenses and permits	89,462	-	-	-	89,462
Intergovernmental receipts	435,002	1,375,746	-	44,335	1,855,083
Fees and charges	2,591,819	-	-	1,084,034	3,675,853
Other	410,576	135,545	120,159	75,803	742,083
TOTAL RECEIPTS	12,420,645	8,034,552	1,206,417	1,712,166	23,373,780
DISBURSEMENTS					
Current					
General government	5,177,717	-	-	920,321	6,098,038
Judicial	1,113,506	-	-	49,656	1,163,162
Public safety	3,908,740	-	-	522,390	4,431,130
Public works	267,614	-	-	-	267,614
Airport	1,144,093	-	-	-	1,144,093
Other	3,004,420	-	-	-	3,004,420
Highway and roads	-	6,527,315	2,685,504	-	9,212,819
Debt service	1,301,145	-	-	-	1,301,145
TOTAL DISBURSEMENTS	15,917,235	6,527,315	2,685,504	1,492,367	26,622,421
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,496,590)	1,507,237	(1,479,087)	219,799	(3,248,641)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	702,398	58,296	(570,103)	(241,439)	(50,848)
TOTAL OTHER FINANCING SOURCES (USES)	702,398	58,296	(570,103)	(241,439)	(50,848)
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(2,794,192)	1,565,533	(2,049,190)	(21,640)	(3,299,489)
FUND BALANCE, January 1	13,051,082	3,424,682	2,375,427	2,006,252	20,857,443
FUND BALANCE, December 31	<u>\$ 10,256,890</u>	<u>\$ 4,990,215</u>	<u>\$ 326,237</u>	<u>\$ 1,984,612</u>	<u>\$ 17,557,954</u>
(Deficit) of Receipts and Other Sources Over Disbursements and Other Uses					\$ (3,299,489)
Some of the amounts reported for Governmental activities in the Statement of Activities are different because the Internal Service Fund receipts and disbursements are included with Governmental activities.					(14,849)
(Decrease) in Net Assets					<u>\$ (3,314,338)</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 December 31, 2009

	Enterprise Fund	Internal Service Fund
	<u>Transfer Station Fund</u>	<u>Employee Benefits Fund</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 695,113	\$ 3,701
TOTAL ASSETS	<u>\$ 695,113</u>	<u>\$ 3,701</u>
Net Assets		
Unrestricted	\$ 695,113	\$ 3,701
TOTAL NET ASSETS	<u>\$ 695,113</u>	<u>\$ 3,701</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
OPERATING RECEIPTS		
Charges for services	\$ 885,737	\$ -
TOTAL OPERATING RECEIPTS	885,737	-
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	11,172	87,718
Salaries and employee benefits	191,326	-
Supplies	46,386	-
Telephone and utilities	2,459	-
Repair and maintenance	65,611	-
Landfill services	635,295	-
Other	2,223	-
TOTAL OPERATING DISBURSEMENTS	954,472	87,718
OPERATING (LOSS)	(68,735)	(87,718)
NONOPERATING RECEIPTS		
Interest receipts	20,216	519
Other receipts	-	1,136
TOTAL NONOPERATING RECEIPTS	20,216	1,655
(LOSS) BEFORE OPERATING TRANSFERS	(48,519)	(86,063)
Operating transfers in (out)	(20,366)	71,214
NET (LOSS)	(68,885)	(14,849)
NET ASSETS, January 1	763,998	18,550
NET ASSETS, December 31	\$ 695,113	\$ 3,701

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 885,737	\$ -
Cash paid to suppliers	(763,146)	(86,582)
Cash paid to employees	(191,326)	-
	NET CASH (USED)	
	BY OPERATING ACTIVITIES	(86,582)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20,216	519
	NET CASH PROVIDED BY	
	INVESTING ACTIVITIES	519
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	(20,366)	71,214
	NET CASH PROVIDED (USED) BY	
	NONCAPITAL FINANCING ACTIVITIES	71,214
	NET (DECREASE) IN	
	CASH AND CASH EQUIVALENTS	(14,849)
CASH AND CASH EQUIVALENTS, Beginning of year	763,998	18,550
CASH AND CASH EQUIVALENTS, End of year	\$ 695,113	\$ 3,701
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating (loss)	\$ (68,735)	\$ (87,718)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Other receipts	-	1,136
	NET CASH (USED)	
	BY OPERATING ACTIVITIES	(86,582)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2009

	Sheriff's Office Prisoner Fund	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Collector of Revenue Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Prosecuting Attorney Restitution Fund	Fines and Forfeitures Fund	Criminal Cost Fund
ASSETS										
Cash and investments	\$ 20	\$ 110	\$ 139	\$ 12	\$ 39,639,063	\$ 123,021	\$ 35,978	\$ 26,128	\$ 85,570	\$ 764
TOTAL ASSETS	<u>\$ 20</u>	<u>\$ 110</u>	<u>\$ 139</u>	<u>\$ 12</u>	<u>\$ 39,639,063</u>	<u>\$ 123,021</u>	<u>\$ 35,978</u>	<u>\$ 26,128</u>	<u>\$ 85,570</u>	<u>\$ 764</u>
LIABILITIES										
Due to others	\$ 20	\$ -	\$ -	\$ 12	\$ 272,211	\$ 123,021	\$ 35,978	\$ 26,128	\$ -	\$ -
Due to other governments	-	110	139	-	39,366,852	-	-	-	85,570	764
TOTAL LIABILITIES	<u>\$ 20</u>	<u>\$ 110</u>	<u>\$ 139</u>	<u>\$ 12</u>	<u>\$ 39,639,063</u>	<u>\$ 123,021</u>	<u>\$ 35,978</u>	<u>\$ 26,128</u>	<u>\$ 85,570</u>	<u>\$ 764</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (CONTINUED)
 December 31, 2009

	Circuit Clerk Fund	DSS Supplemental Fund	Prosecuting Attorney Witness Fee Fund	Recorder's User Fee Fund	Protest Tax Account Fund	Flood Control Fund	Prosecuting Attorney Bad Check Fund	Juvenile Restitution Fund	Total
ASSETS									
Cash and investments	\$ 513,181	\$ 3,320	\$ 9,270	\$ 199,706	\$ 297,562	\$ 52,013	\$ 10,529	\$ 335	\$ 40,996,721
TOTAL ASSETS	<u>\$ 513,181</u>	<u>\$ 3,320</u>	<u>\$ 9,270</u>	<u>\$ 199,706</u>	<u>\$ 297,562</u>	<u>\$ 52,013</u>	<u>\$ 10,529</u>	<u>\$ 335</u>	<u>\$ 40,996,721</u>
LIABILITIES									
Due to others	\$ -	\$ -	\$ 9,270	\$ -	\$ 297,562	\$ -	\$ 10,529	\$ 335	\$ 775,066
Due to other governments	513,181	3,320	-	199,706	-	52,013	-	-	40,221,655
TOTAL LIABILITIES	<u>\$ 513,181</u>	<u>\$ 3,320</u>	<u>\$ 9,270</u>	<u>\$ 199,706</u>	<u>\$ 297,562</u>	<u>\$ 52,013</u>	<u>\$ 10,529</u>	<u>\$ 335</u>	<u>\$ 40,996,721</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Taney County, Missouri (the County) is a county of the 1st class and operates under a three member County Commission.

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

Financial Reporting Entity

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

The County is a primary government, which is governed by a three member county commission. As required by accounting principles generally accepted in the United States of America, the County has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Component Units

Taney County Health Center

The Taney County Health Center, which is governed by an elected Board of Directors, provides public health services to the residents of Taney County. The Taney County Health Center is included in the financial statements of the County as a component unit due to its financial relationship with the County.

The Taney County Health Center issues separate financial statements. The Taney County Health Center's financial statements may be obtained by contacting the Center at (417) 546-4725.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

The Taney County Regional Sewer District (the District) is a public utility responsible for the construction, operation and maintenance of sanitary sewer facilities in the unincorporated portion of Taney County, Missouri. The District is a component unit of Taney County (the County) government, and members of the District's Board of Trustees are appointed by the County Commission.

The Capital Improvement Sales Tax revenues are provided by a countywide sales tax of one-half of one percent. Sales tax revenues are collected and accounted for by the County on behalf of the District. The tax revenues are used for construction and improvement of wastewater collection and treatment and facilities benefiting the County as a whole and repayment of long-term debt for which the tax receipts are pledged.

The Taney County Regional Sewer District issues separate financial statements that may be obtained by calling (417) 546-7220.

Taney County Board for the Developmentally Disabled

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

The Taney County Board for the Developmentally Disabled issued separate financial statements that may be obtained by calling (417) 335-4135.

Dorgan-Weaver Housing Corporation

The Dorgan-Weaver Housing Corporation, which is governed by an appointed Board of Directors, provides housing to developmentally disabled residents of Taney County. The Dorgan-Weaver Housing Corporation is included in the financial statements of the County as a component unit due to its financial relationship with the Taney County Board for the Developmentally Disabled.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

Road and Bridge Fund: The Road and Bridge Fund is used to account for motor vehicle and gas tax receipts designated for highway and road improvements.

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

The Transfer Station Fund accounts for the County waste collection operations.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities and the fund financial statements for the Primary Government of Taney County, the Developmentally Disabled Board, and the Dorgan-Weaver Housing Corporation are presented using the modified cash basis of accounting. This basis recognizes assets, net assets/fund equity, receipts, and disbursements when they result from cash transactions. The cash basis has been modified to include investments of the County. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Also, as a result of the modified cash basis, capital assets and long-term debt of the Primary Government of Taney County and the Developmentally Disabled Board are not presented in the financial statements.

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

The Taney County Health Center and the Taney County Regional Sewer District's basic financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

The unreserved and undesignated fund balances for Governmental Fund Types represent the amount available for budgeting future operations.

Government-Wide Statements

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

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

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

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences is not expected to be liquidated with expendable available financial resources.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents. All other deposits are considered to be investments.

Net Patient Service Revenue

The Taney County Health Center has agreements with third-party payors that provide for payments to the Health Center at amounts different from its established rates. Services rendered to Medicaid program beneficiaries are reimbursed prospectively at the Medicaid per diem rate in effect with no settlement made on the difference between the interim per diem rates paid and actual costs.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE B – CASH AND INVESTMENTS

PRIMARY GOVERNMENT

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

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

Investment Type	Maturity	Carrying Value	Fair Value
Taney County			
Certificates of Deposit	1/8/2010 - 12/17/2012	\$ 21,812,000	\$ 21,817,414
Fannie Mae US Domestic Notes	3/2/2011	1,499,250	1,504,219
FHLB	11/13/2012 - 12/17/2012	1,002,377	992,344
FHLB US Domestic Bonds	6/11/2010	2,054,724	2,035,625
FHLB Global Bonds	1/8/2010 - 11/19/2012	8,080,040	8,058,437
FHLB Callable Notes	3/17/2010	999,250	988,960
Fannie Mae Global Notes	4/26/2012	998,600	996,250
FNMA Callable Notes	4/9/2012	755,484	753,281
Freddie Mac Domestic Notes	1/26/2011 - 1/20/2012	2,000,625	2,001,296
Freddie Mac Global Notes	8/16/2010	1,047,352	1,026,615
		40,249,702	40,174,441
Less: Investments held for the			
Taney County Regional Sewer District		(26,012,702)	(26,012,702)
Total Investments Primary Government		\$ 14,237,000	\$ 14,161,739

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all certificates of deposit are entirely insured or collateralized with securities.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

The County also holds investments in several U.S. Government agency obligations. These investments are stated at historical cost.

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

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District’s deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all bank balances on deposit are entirely insured or collateralized.

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

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of Deposit	1/8/2010 - 12/17/2012	\$ 7,575,000
Fannie Mae US Domestic Notes	3/2/2011	1,499,250
FHLB	11/13/2012 - 12/17/2012	1,002,377
FHLB US Domestic Bonds	6/11/2010	2,054,724
FHLB Global Bonds	1/8/2010 - 11/19/2012	8,080,040
FHLB Callable Notes	3/17/2010	999,250
Fannie Mae Global Notes	4/26/2012	998,600
FNMA Callable Notes	4/9/2012	755,484
Freddie Mac Domestic Notes	1/26/2011 - 1/20/2012	2,000,625
Freddie Mac Global Notes	8/16/2010	1,047,352
		<u>\$ 26,012,702</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all certificates of deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

The District also holds investments in several U.S. Government agency obligations. These investments are stated at historical cost.

TANEY COUNTY HEALTH CENTER

At December 31, 2009, substantially all of the Health Department’s deposits were covered by federal depository insurance or collateralized by securities subject to joint custody safekeeping receipts issued by custodial financial institutions.

At December 31, 2009, the Health Department had bank balances as follows:

	<u>Carrying Amounts</u>	<u>Bank Balance</u>
Petty cash accounts	\$ 395	\$ -
Checking	17,532	83,993
Money market accounts	532,657	532,657
Certificates of deposit	<u>322,008</u>	<u>322,008</u>
TOTAL	<u>\$ 872,592</u>	<u>\$ 938,658</u>

Custodial credit risk for deposits is the risk that, in the event of bank failure, a government’s deposits may not be returned to it. At December 31, 2009, all the Organization’s deposits were either covered by federal depository insurance or collateralized through securities held by the Organization’s custodial bank in the Organization’s name.

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

State statutes require that the Board’s deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all bank balances on deposit are entirely insured or collateralized.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE B – CASH AND INVESTMENTS (continued)

Investments of the Board as of December 31, 2009, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	6/2/2010	\$ 244,423
Certificate of Deposit	3/9/2010	248,756
Certificate of Deposit	4/17/2010	484,933
Certificate of Deposit	11/25/2010	186,676
Certificate of Deposit	11/25/2010	186,676
		<u>\$ 1,351,464</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board's deposits be collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all certificates of deposit were insured or collateralized with securities.

Interest Rate Risk

The Board's certificates of deposit are held to maturity to minimize interest rate risk.

Dorgan-Weaver Housing Corporation

Investments of the Corporation as of December 31, 2009, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/18/2010	<u>\$ 8,333</u>

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, 2009, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

Taney County's full-time employees hired before February 25, 2002, and not a member of LAGERS are required by state statute to contribute 4% of annual payroll to the pension plan. Non-LAGERS members hired after February 25, 2002, contribute 6% and LAGERS members hired after February 25, 2002, contribute 4%. LAGERS members hired before February 25, 2002, do not contribute to CERF. 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 – PENSION PLAN – LAGERS

Plan Description

Taney County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Status

Taney County's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 10.3% (general), and 10.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE E – PENSION PLAN – LAGERS (continued)

Annual Pension Cost

For 2009, the political subdivision's annual pension cost of \$1,094,632 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009, included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2009 was 16 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 877,227	100%	\$ -
6/30/2008	966,508	100%	-
6/30/2009	1,094,632	100%	-

The actuarial valuation revealed the following relating to the financial position of the Plan:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2009	\$ 8,637,078	\$ 12,210,193	\$ 3,573,115	71%	\$ 10,162,602	35%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

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

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

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

ASSESSED VALUATION	
Real estate	\$ 811,712,842
Personal property	153,570,114
Railroad and utilities	<u>3,498,127</u>
	<u><u>\$ 968,781,083</u></u>
TAX LEVY	
General Fund	<u><u>\$ -</u></u>

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

Constitutional debt limit	\$ 96,878,108
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 96,878,108</u></u>

- (1) 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 G – LONG-TERM DEBT – TANEY COUNTY REGIONAL SEWER DISTRICT

2004 Water Pollution Control Revenue Bonds:

During 2004, the District entered into an agreement with the Missouri Leveraged State Water Pollution Control Revolving Fund Program to sell \$15,590,000 in Wastewater System Revenue Bonds, Series 2004C. The bonds bear interest at 3.0% to 5.25%.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE G – LONG-TERM DEBT – TANEY COUNTY REGIONAL SEWER DISTRICT (continued)

The interest paid is offset by an interest subsidy from the State of Missouri’s 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2009, are due as follows:

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2010	\$ 790,000	\$ 552,970	\$ 89,250	\$ 1,432,220
2011	800,000	528,320	83,609	1,411,929
2012	800,000	502,320	77,897	1,380,217
2013	810,000	474,945	72,185	1,357,130
2014	820,000	446,010	66,402	1,332,412
2015	840,000	410,250	60,547	1,310,797
2016	865,000	367,625	54,550	1,287,175
2017	885,000	323,875	48,374	1,257,249
2018	910,000	279,000	42,055	1,231,055
2019	940,000	231,575	35,557	1,207,132
2020	965,000	181,568	28,846	1,175,414
2021	995,000	130,119	21,956	1,147,075
2022	1,025,000	78,375	14,851	1,118,226
2023	1,055,000	26,375	7,533	1,088,908
	<u>\$ 12,500,000</u>	<u>\$ 4,533,327</u>	<u>\$ 703,612</u>	<u>\$ 17,736,939</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2009:

	Balance December 31, 2008	New Obligations	Retired	Balance December 31, 2009
2004 SRF Revenue Bonds Payable	<u>\$ 13,280,000</u>	<u>\$ -</u>	<u>\$ 780,000</u>	<u>\$ 12,500,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE H – LONG-TERM DEBT – PRIMARY GOVERNMENT

On November 15, 2006, the County issued Lease Certificates of Participation Series 2006 for the construction of a new judicial facility. The County intends to make principal and interest payments on the lease from revenues generated from the 1/8 cent law enforcement sales tax passed by voters on November 8, 2005. The sales tax will continue until December 31, 2022.

The lease agreement requires principal payments ranging from \$655,000 to \$1,500,000 plus interest ranging from 4.00% to 4.50%. Principal payments are due April 1 of each year with interest due semi-annually on April 1 and October 1.

The lease agreement provides for the cancellation of the lease should the County fail to appropriate funds on the annual renewal dates. However, the County does not foresee exercising its option to cancel.

The total annual minimum lease payments required at December 31, 2009, are as follows:

<u>Year Ended</u> <u>December 31,</u>	
2010	\$ 1,421,281
2011	1,446,381
2012	1,474,181
2013	1,494,681
2014	1,520,393
2015	1,545,844
2016	1,570,881
2017	1,597,656
2018	1,626,331
2019	1,649,831
2020	1,680,131
2021	1,710,994
2022	1,737,263
2023	<u>2,832,235</u>
TOTAL MINIMUM LEASE PAYMENTS	23,308,083
LESS AMOUNT REPRESENTING INTEREST	<u>(5,993,083)</u>
PRINCIPAL BALANCE, DECEMBER 31, 2009	<u><u>\$ 17,315,000</u></u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – LONG-TERM DEBT – PRIMARY GOVERNMENT (continued)

The following schedule presents the changes in the long-term debt for the year ended December 31, 2009:

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009
2006 Certificates of Participation	\$ 17,985,000	\$ -	\$ 670,000	\$ 17,315,000
Compensated absences	124,390	-	34,741	89,649
	<u>\$ 18,109,390</u>	<u>\$ -</u>	<u>\$ 704,741</u>	<u>\$ 17,404,649</u>

NOTE I – LONG-TERM DEBT – TANEY COUNTY HEALTH CENTER

The Health Department entered into a capital lease agreement (certificates of participation COPs) to build an addition to the existing building. A summary of changes of loans payable for the year ended December 31, 2009, follows. The interest rate on the capital lease is 4.85% until July 1, 2013, and then adjusts to the rate equal to (i) 65% of the sum of (a) 2.00% plus (b) the current prime rate as published in the Wall Street Journal; plus (ii) .20%. Payments are payable monthly.

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009
2008 COP's	\$ 833,828	\$ -	\$ 40,451	\$ 793,377
Compensated absences	75,714	29,382	-	105,096
	<u>\$ 909,542</u>	<u>\$ 29,382</u>	<u>\$ 40,451</u>	<u>\$ 898,473</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE I – LONG-TERM DEBT – TANEY COUNTY HEALTH CENTER (continued)

Debt service payments are as follows:

Year Ended December 31,	Principal	Interest	Total
2010	\$ 42,485	\$ 38,062	\$ 80,547
2011	44,622	35,925	80,547
2012	46,769	33,778	80,547
2013	49,219	31,328	80,547
2014	51,694	28,853	80,547
2015	54,295	26,252	80,547
2016	56,956	23,591	80,547
2017	59,890	20,657	80,547
2018	62,902	17,645	80,547
2019	66,066	14,481	80,547
2020	69,355	11,192	80,547
2021	72,878	7,669	80,547
2022	76,544	4,003	80,547
2023	39,702	570	40,272
	<u>\$ 793,377</u>	<u>\$ 294,006</u>	<u>\$ 1,087,383</u>

NOTE J – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED

During the year, the Board entered into an interest free \$300,000 loan with White River Electric Cooperative, Inc. with monthly payments of \$2,500. The loan is for a pump, tank and fire suppression system.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE J – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED (continued)

The following is a schedule of payments under the loan:

Year Ended December 31,	Principal
2010	\$ 30,000
2011	30,000
2012	30,000
2013	30,000
2014	30,000
2015-2018	102,500
	<u>\$ 252,500</u>

The summary of changes in the loan for the year ended December 31, 2009, is as follows:

Balance, December 31, 2008	\$ 282,500
Additions	-
Deletions	(30,000)
Balance, December 31, 2009	<u>\$ 252,500</u>

NOTE K – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2009, the Board had a mortgage payable of \$1,531,400. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE K – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION (continued)

The following represents the changes in the mortgage payable during the year ended December 31, 2009:

Balance, December 31, 2008	\$ 1,531,400
Additions	-
Reductions	-
Balance, December 31, 2009	<u>\$ 1,531,400</u>

NOTE L – 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.

NOTE M – 2002 BOND PROPOSITION

On April 2, 2002, the Taney County Regional Sewer District passed a \$30,000,000 bond issue for the purpose of extending and improving the sewerage system of the District. The Capital Improvement Sales Tax passed by voters on April 4, 2000, has been pledged for the repayment of these bonds. As of December 31, 2009, only \$15,590,000 of these bonds have been issued.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE N – PROFESSIONAL LIABILITY COVERAGE AND CLAIMS – TANEY COUNTY HEALTH CENTER

The Health Center pays fixed premiums for annual professional liability insurance coverage under an occurrence-basis policy. Under such a policy, incidents which occur during the policy term are covered claims. For covered claims, in general, the Health Center bears the risk of the excess, if any, over individual claim costs of \$2,000,000 with no annual aggregate limitations. The Health Center accrues the expense of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the Health Center’s own claims experience. Health Center management does not expect any claims to exceed the professional liability coverage limits; and accordingly, no accruals for claims have been included in these financial statements. Additionally, there were no claims filed during the year ended December 31, 2009, and the Health Center is not aware of any unasserted claims or unreported incidents at December 31, 2009.

NOTE O – CAPITAL ASSETS – TANEY COUNTY HEALTH CENTER

Capital asset activities for the year ended December 31, 2009, were as follows:

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009
Business-Type Activities				
Health Center				
Nondepreciable capital assets:				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in progress	882,612	81,537	964,149	-
Total Nondepreciable Capital Assets	<u>1,082,612</u>	<u>\$ 81,537</u>	<u>\$ 964,149</u>	200,000
Depreciable capital assets:				
Buildings and improvements	1,653,984	\$ 955,254	\$ -	2,609,238
Equipment and furniture	624,161	56,476	1,059	679,578
	<u>2,278,145</u>	<u>\$ 1,011,730</u>	<u>\$ -</u>	3,288,816
Less accumulated depreciation				
Buildings and improvements	346,288	\$ 66,488	\$ -	412,776
Equipment and furniture	361,624	73,712	1,059	434,277
	<u>361,624</u>	<u>\$ 73,712</u>	<u>\$ 1,059</u>	847,053
Total Depreciable Capital Assets, net	<u>1,916,521</u>			<u>2,441,763</u>
Total Capital Assets-Business-Type Activities, net	<u>\$ 2,999,133</u>			<u>\$ 2,641,763</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE P – CAPITAL ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009
Business-Type Activities				
Sewer				
Nondepreciable capital assets:				
Land	\$ 106,576	\$ -	\$ -	\$ 106,576
Construction in progress	19,304,608	4,391,674	18,332,293	5,363,989
Total Nondepreciable Capital Assets	19,411,184	<u>\$ 6,587,997</u>	<u>\$ -</u>	5,470,565
Depreciable capital assets:				
Sewer System	30,543,841	\$ 20,114,920	\$ -	50,658,761
Equipment	224,756	-	-	224,756
	30,768,597	<u>\$ 69,070</u>	<u>\$ -</u>	50,883,517
Less accumulated depreciation				
Sewer System	5,731,151	\$ 1,448,044	\$ -	7,179,195
Equipment	133,598	11,940	-	145,538
	5,864,749	<u>\$ 1,459,984</u>	<u>\$ -</u>	7,324,733
Total Depreciable Capital Assets, net	24,903,848			43,558,784
Total Capital Assets - Business-Type Activities, net	<u>\$ 44,315,032</u>			<u>\$ 49,029,349</u>

NOTE Q – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Transfers In (Out)
General Fund	\$ 702,398
Road and Bridge Trust Fund	58,296
Road and Bridge Fund	(570,103)
Assessment Fund	70,338
Tax Maintenance Fund	(70,000)
E-911 Fund	(241,777)
Employee Benefits Fund	71,214
Transfer Station Fund	(20,366)
	<u>\$ -</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE Q – INTERFUND TRANSFERS (continued)

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

NOTE R – JUDICIAL FACILITY RESERVE FUND

A Reserve Fund is established pursuant to the Indenture and is required to be funded on the date of initial delivery of the Series 2006 Certificates in an amount equal to \$1,926,000 (the “Reserve Requirement”). Money in the Reserve Fund may be used solely (a) to make up any deficiencies in the Certificate Payment Fund and, if the money in the Certificate Payment Fund is insufficient to pay the principal component or the interest component of Base Rentals as the same become due, the Trustee is required to transfer from the Reserve Fund to the Certificate Payment Fund an amount sufficient to make up such deficiency or (b) to make Base Rentals or to make deposits to the Certificate Payment Fund to make such payments, in the amounts and at the times specified in a written request of the County given to the Trustee. If the Trustee receives any such request, it must transfer the amount specified therein on the date or dates specified therein. As of December 31, 2009, the Reserve Account balance was \$1,926,087.

NOTE S – COMMITMENTS

At December 31, 2009, the County was committed to the following contracts:

- LS&C for Ozark Beach Sanitary Sewer Improvements in the amount of \$3,218,156.
- Tom Boyce for Coon Creek excavation in the amount of \$321,663.

NOTE T – COMMITMENTS – BOARD FOR THE DEVELOPMENTALLY DISABLED

At December 31, 2009, the Board was committed to Wehr Construction in the amount of \$1,000,000 for building additions and renovations at the Tantone Development building.

REQUIRED SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2009

Missouri Local Government Employees Retirement System (LAGERS)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2007	\$ 7,956,827	\$ 9,309,880	\$ 1,353,053	85%	\$ 7,492,510	18%
2/29/2008	9,618,259	10,577,588	959,329	91%	8,655,618	11%
2/28/2009	8,637,078	12,210,193	3,573,115	71%	10,162,602	35%

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

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 8,505,000	\$ 8,505,000	\$ 8,163,855	\$ (341,145)
Surtax	8,700	8,700	8,512	(188)
Payment in lieu of taxes	117,000	117,000	113,113	(3,887)
	<u>8,630,700</u>	<u>8,630,700</u>	<u>8,285,480</u>	<u>(345,220)</u>
Collector's Commission				
Collection commissions	507,500	507,500	608,306	100,806
Licenses and Permits				
Beverage licenses	50,000	50,000	88,502	38,502
ATV permits	500	500	960	460
	<u>50,500</u>	<u>50,500</u>	<u>89,462</u>	<u>38,962</u>
Intergovernmental Revenues				
Federal	315,200	315,200	182,033	(133,167)
Other	253,646	253,646	252,969	(677)
	<u>568,846</u>	<u>568,846</u>	<u>435,002</u>	<u>(133,844)</u>
Fees and Charges				
Court	73,500	73,500	83,544	10,044
Public administration	85,000	85,000	59,220	(25,780)
County clerk	1,000	1,000	802	(198)
Recorder of deeds	1,000,000	1,000,000	989,864	(10,136)
Tax sale publication	8,000	8,000	8,480	480
Planning and zoning	80,000	80,000	75,307	(4,693)
Sheriff fees	930,000	930,000	758,536	(171,464)
Phone and vending	1,500	1,500	641	(859)
Election reimbursement	-	-	294	294
Computer room	4,000	4,000	1,308	(2,692)
Airport	1,435,000	1,435,000	613,823	(821,177)
	<u>3,618,000</u>	<u>3,618,000</u>	<u>2,591,819</u>	<u>(1,026,181)</u>
Other				
Interest income	250,000	250,000	312,366	62,366
Miscellaneous	41,850	41,850	76,051	34,201
Sale of property	15,000	15,000	22,159	7,159
	<u>306,850</u>	<u>306,850</u>	<u>410,576</u>	<u>103,726</u>
TOTAL RECEIPTS	13,682,396	13,682,396	12,420,645	(1,261,751)
DISBURSEMENTS				
Current				
General Government				
University extension	47,642	47,642	47,386	256
Collector of revenue	230,881	230,881	227,036	3,845
Treasurer	86,930	86,930	85,504	1,426
Recorder of deeds	334,458	334,458	274,251	60,207
County commission	345,240	345,240	327,236	18,004
Employee fringe benefits	2,080,070	2,080,070	2,120,643	(40,573)
Information technology	446,795	446,795	417,941	28,854
Planning and zoning	268,783	268,783	323,258	(54,475)
Election and voter registration	50,300	50,300	14,798	35,502
County clerk	185,384	185,384	188,036	(2,652)
Auditor	178,459	178,459	176,169	2,290
Building and grounds	859,057	859,057	975,459	(116,402)
	<u>5,113,999</u>	<u>5,113,999</u>	<u>5,177,717</u>	<u>(63,718)</u>

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Court administration	-	-	37,506	(37,506)
Associate circuit #2	-	-	400	(400)
Circuit judge	65,548	65,548	56,064	9,484
Circuit clerk	113,308	113,308	98,862	14,446
Coroner	48,342	48,342	45,880	2,462
Court reporter	2,112	2,112	834	1,278
Child support	-	-	733	(733)
Public administrator	97,754	97,754	100,280	(2,526)
Juvenile	129,174	129,174	119,485	9,689
Prosecuting attorney	620,540	620,540	653,462	(32,922)
	<u>1,076,778</u>	<u>1,076,778</u>	<u>1,113,506</u>	<u>(36,728)</u>
Public Safety				
Sheriff	2,484,050	2,484,050	2,386,768	97,282
Jail	1,502,985	1,502,985	1,295,842	207,143
Animal control	144,482	144,482	152,821	(8,339)
Emergency management	186,195	186,195	73,309	112,886
	<u>4,317,712</u>	<u>4,317,712</u>	<u>3,908,740</u>	<u>408,972</u>
Other	13,742,456	13,742,456	3,004,420	10,738,036
Public Works				
Sewer	334,982	334,982	167,246	167,736
Industrial Development Board	54,600	54,600	100,368	(45,768)
	<u>389,582</u>	<u>389,582</u>	<u>267,614</u>	<u>121,968</u>
Airport				
Airport	1,630,707	1,630,707	1,144,093	486,614
Debt Service				
Principal and interest	1,400,000	1,400,000	1,301,145	98,855
TOTAL DISBURSEMENTS	<u>27,671,234</u>	<u>27,671,234</u>	<u>15,917,235</u>	<u>11,753,999</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(13,988,838)	(13,988,838)	(3,496,590)	10,492,248
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(186,575)	(186,575)	(198,317)	(11,742)
Operating transfers in	1,124,331	1,124,331	900,715	(223,616)
TOTAL OTHER FINANCING SOURCES (USES)	<u>937,756</u>	<u>937,756</u>	<u>702,398</u>	<u>(235,358)</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(13,051,082)	(13,051,082)	(2,794,192)	10,256,890
FUND BALANCE, January 1	<u>13,051,082</u>	<u>13,051,082</u>	<u>13,051,082</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,256,890</u>	<u>\$ 10,256,890</u>

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 6,800,000	\$ 6,800,000	\$ 6,523,261	\$ (276,739)
Intergovernmental receipts	1,100,000	1,100,000	1,375,746	275,746
Other receipts	145,000	145,000	135,545	(9,455)
TOTAL RECEIPTS	8,045,000	8,045,000	8,034,552	(10,448)
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	564,169	564,169	1,034,388	(470,219)
Computer related disbursements	17,000	17,000	6,345	10,655
Mileage and training	4,900	4,900	2,429	2,471
Professional services	132,700	132,700	76,407	56,293
Rental equipment	80,000	80,000	40,395	39,605
Telephone and utilities	55,500	55,500	50,901	4,599
Insurance	140,000	140,000	167,474	(27,474)
Repair and maintenance	414,000	414,000	395,280	18,720
Equipment	544,000	544,000	248,063	295,937
Road construction	600,000	600,000	636,468	(36,468)
Road supplies	4,031,000	4,031,000	2,771,413	1,259,587
Bridges	2,500,000	2,500,000	116,139	2,383,861
Other supplies	612,500	612,500	450,264	162,236
Trail construction	-	-	50,000	(50,000)
Other	1,884,672	1,884,672	481,349	1,403,323
TOTAL DISBURSEMENTS	11,580,441	11,580,441	6,527,315	5,053,126
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,535,441)	(3,535,441)	1,507,237	5,042,678
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	76,253	76,253
Operating transfers (out)	(13,475)	(13,475)	(17,957)	(4,482)
TOTAL OTHER FINANCING SOURCES (USES)	(13,475)	(13,475)	58,296	71,771
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(3,548,916)	(3,548,916)	1,565,533	5,114,449
FUND BALANCE, January 1	3,548,916	3,548,916	3,424,682	(124,234)
FUND BALANCE, December 31	\$ -	\$ -	\$ 4,990,215	\$ 4,990,215

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 952,000	\$ 952,000	\$ 1,086,258	\$ 134,258
Other receipts	270,000	270,000	120,159	(149,841)
TOTAL RECEIPTS	1,222,000	1,222,000	1,206,417	(15,583)
DISBURSEMENTS				
Highway and Roads	3,027,324	3,027,324	2,685,504	341,820
TOTAL DISBURSEMENTS	3,027,324	3,027,324	2,685,504	341,820
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS				
	(1,805,324)	(1,805,324)	(1,479,087)	326,237
OTHER FINANCING (USES)				
Operating transfers (out)	(570,103)	(570,103)	(570,103)	-
TOTAL OTHER FINANCING (USES)	(570,103)	(570,103)	(570,103)	-
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)				
	(2,375,427)	(2,375,427)	(2,049,190)	326,237
FUND BALANCE, January 1	2,375,427	2,375,427	2,375,427	-
FUND BALANCE, December 31	\$ -	\$ -	\$ 326,237	\$ 326,237

OTHER FINANCIAL INFORMATION

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

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
ASSETS									
Cash and investments	\$ 23,917	\$ 7,135	\$ 5,934	\$ 770,624	\$ 148,507	\$ 66,881	\$ 156,414	\$ 2,759	\$ 279,970
TOTAL ASSETS	<u>\$ 23,917</u>	<u>\$ 7,135</u>	<u>\$ 5,934</u>	<u>\$ 770,624</u>	<u>\$ 148,507</u>	<u>\$ 66,881</u>	<u>\$ 156,414</u>	<u>\$ 2,759</u>	<u>\$ 279,970</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 23,917	\$ 7,135	\$ 5,934	\$ 770,624	\$ 148,507	\$ 66,881	\$ 156,414	\$ 2,759	\$ 279,970
TOTAL FUND BALANCES	<u>\$ 23,917</u>	<u>\$ 7,135</u>	<u>\$ 5,934</u>	<u>\$ 770,624</u>	<u>\$ 148,507</u>	<u>\$ 66,881</u>	<u>\$ 156,414</u>	<u>\$ 2,759</u>	<u>\$ 279,970</u>

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

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Total
ASSETS								
Cash and investments	\$ 30,278	\$ 11,531	\$ 19,768	\$ 381,110	\$ 36,819	\$ 9,177	\$ 33,788	\$ 1,984,612
TOTAL ASSETS	<u>\$ 30,278</u>	<u>\$ 11,531</u>	<u>\$ 19,768</u>	<u>\$ 381,110</u>	<u>\$ 36,819</u>	<u>\$ 9,177</u>	<u>\$ 33,788</u>	<u>\$ 1,984,612</u>
FUND BALANCES								
Fund Balance								
Unreserved	\$ 30,278	\$ 11,531	\$ 19,768	\$ 381,110	\$ 36,819	\$ 9,177	\$ 33,788	\$ 1,984,612
TOTAL FUND BALANCES	<u>\$ 30,278</u>	<u>\$ 11,531</u>	<u>\$ 19,768</u>	<u>\$ 381,110</u>	<u>\$ 36,819</u>	<u>\$ 9,177</u>	<u>\$ 33,788</u>	<u>\$ 1,984,612</u>

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

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ 507,994	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	9,252	4,675	-
Fees and charges	581,022	-	1,542	852	116,076	10,778	63,682	-	49,428
Other receipts	2,495	8,649	165	25,763	3,323	1,707	4,470	62	7,735
TOTAL RECEIPTS	583,517	8,649	1,707	534,609	119,399	12,485	77,404	4,737	57,163
DISBURSEMENTS									
Current									
General government	637,608	-	-	-	18,091	-	-	-	-
Judicial	-	-	1,741	-	-	-	-	-	39,185
Public safety	-	4,569	-	454,231	-	-	53,938	4,093	-
TOTAL DISBURSEMENTS	637,608	4,569	1,741	454,231	18,091	-	53,938	4,093	39,185
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(54,091)	4,080	(34)	80,378	101,308	12,485	23,466	644	17,978
OTHER FINANCING SOURCES (USES)									
Operating transfers in (out)	70,338	-	-	(241,777)	(70,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	70,338	-	-	(241,777)	(70,000)	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	16,247	4,080	(34)	(161,399)	31,308	12,485	23,466	644	17,978
FUND BALANCE, January 1	7,670	3,055	5,968	932,023	117,199	54,396	132,948	2,115	261,992
FUND BALANCE, December 31	\$ 23,917	\$ 7,135	\$ 5,934	\$ 770,624	\$ 148,507	\$ 66,881	\$ 156,414	\$ 2,759	\$ 279,970

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

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Total
RECEIPTS								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,994
Intergovernmental receipts	25,196	5,212	-	-	-	-	-	44,335
Fees and charges	-	-	2,093	216,729	15,298	8,142	18,392	1,084,034
Other receipts	238	281	7,291	12,348	422	146	708	75,803
TOTAL RECEIPTS	25,434	5,493	9,384	229,077	15,720	8,288	19,100	1,712,166
DISBURSEMENTS								
Current								
General government	-	-	2,204	254,415	-	8,003	-	920,321
Judicial	-	-	-	-	8,730	-	-	49,656
Public safety	-	1,959	-	-	-	-	3,600	522,390
TOTAL DISBURSEMENTS	-	1,959	2,204	254,415	8,730	8,003	3,600	1,492,367
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	25,434	3,534	7,180	(25,338)	6,990	285	15,500	219,799
OTHER FINANCING SOURCES (USES)								
Operating transfers in (out)	-	-	-	-	-	-	-	(241,439)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	(241,439)
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	25,434	3,534	7,180	(25,338)	6,990	285	15,500	(21,640)
FUND BALANCE, January 1	4,844	7,997	12,588	406,448	29,829	8,892	18,288	2,006,252
FUND BALANCE, December 31	\$ 30,278	\$ 11,531	\$ 19,768	\$ 381,110	\$ 36,819	\$ 9,177	\$ 33,788	\$ 1,984,612



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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**

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri as of and for the year ended December 31, 2009, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated July 15, 2010. In our report, our opinion was modified because the Primary Government of the County, the Taney County Board for the Developmentally Disabled, and the Taney County Health Center prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Taney County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

Taney County Commission
Taney County
Forsyth, Missouri

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. It is identified as item 09-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Taney 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*.

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

We noted certain other matters that we have reported to management of Taney County, Missouri in a separate letter dated July 15, 2010.

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 15, 2010



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the compliance of Taney County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. Taney County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Taney County, Missouri's management. Our responsibility is to express an opinion on Taney County, Missouri's compliance based on our audit.

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 Taney County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Taney County, Missouri's compliance with those requirements.

Taney County Commission
Taney County
Forsyth, Missouri

In our opinion, Taney County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The management of Taney County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Taney County, Missouri'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, 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 *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify deficiencies in internal control that might be 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.

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 15, 2010

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
State of Missouri Emergency Management Agency Law Enforcement Terrorism Prevention Grant	97.067	SHSP-TEAMHRST HMEP	\$ 26,552 1,000
Public Assistance Grant	97.036	FEMA-1809-DR-MO FEMA-1822-DR-MO FEMA-1749-DR-MO	33,163 509,287 46,678
Emergency Management Performance Grant	97.042	N/A	<u>11,122</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			627,802
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Missouri Department of Transportation State and Community Highway Safety	20.600	STP 9900	<u>17,627</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			17,627
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Missouri Department of Social Services Emergency Shelter Grant	14.231	ERO 1640965	10,956
Recover Act - Homeless Prevention and Rapid Rehousing Grant	14.257	ER 16410047A	<u>45,500</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			56,456
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
State of Missouri Treasurer's Office School and Roads Grants to States	10.665	N/A	<u>103,867</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			103,867
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Bullet Proof Vest Partnership Grant	16.607	N/A	4,675
Missouri Internet Crimes Against Children Task Force Recovery Act - Internet Crimes Against Children	16.800	N/A	11,351
Missouri Department of Public Safety Recovery Act - Edward Byrnes Memorial Assistance Grant	16.803	N/A	<u>20,006</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>36,032</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 841,784</u></u>

N/A - Not Applicable

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended December 31, 2009

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures and Federal Awards is presented using the modified cash basis of accounting, which is described in Note A to the County's financial statements.

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements.
2. A significant deficiency disclosed during the audit of the financial statements is reported in the 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*. This deficiency is reported as a material weakness.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program expresses an unqualified opinion.
6. There were no findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as a major program was:

Public Assistance Grant	97.036
-------------------------	--------
8. The threshold for determining Type A programs was \$300,000.
9. Taney County, Missouri was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

09-1 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. The County currently has one full time bookkeeper to handle the accounting needs of the County. There are some mitigating controls in place but it is not possible to have segregation in all areas.

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended December 31, 2009

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

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 and the County does not have the resources to hire additional accounting personnel.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings or questioned costs for the major federal award programs.

TANEY COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2009

There were no prior audit findings.