

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2018

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INDEPENDENT AUDITORS' REPORT

Taney County Commission
Taney County
Forsyth, Missouri

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the County's internal control.

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information, as of December 31, 2018, and the respective changes in modified cash basis financial position and cash flows thereof where applicable, for the year then ended in accordance with the basis of accounting described in Note A.

Basis of Accounting

As described in Note A, Taney County prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Disclaimer of Opinion on Supplementary Information

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 Management's Discussion and Analysis on pages 8-13 and budgetary comparison information on pages 53-59, which are the responsibility of management, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

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 Nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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Forsyth, Missouri

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2019, on our consideration of Taney County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taney County's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
May 17, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

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, 2018, 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 position of the County decreased by \$8,173,627. Most of the decrease is a result of a facility rebuild at the Transfer Station and the rebuild of a road and bridge maintenance barn. These were capital improvements to help the economy improve and thrive.
- The fund balance for the General Fund decreased by \$676,009. Most of this change is a result of a higher volume of prisoners in the county and increasing costs to continue providing services to the county citizens. The County will need to find more revenues to provide for this increase of expenditures or decrease overall expenditures in the county.
- The fund balance for the Road and Bridge Fund is separated into two funds to better track capital improvements; separating the funds makes it more difficult to see the total amount available to spend on the County's roads and bridges. The total decrease between both Road and Bridge Funds was \$2,344,497. This change is a result of over \$2.8 million in capital improvements. The new Transfer Station, utility barn, new bridges, and upkeep on roads should help the county's 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 Position 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.

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Supplementary Information: This Management's Discussion and Analysis, pension information and the budgetary comparison schedules represent additional financial information. 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 Reporting Requirements: 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 billed or services provided not yet collected) and liabilities and their related expenses (such as accounts payable and expenses 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 Position and the Statement of Activities

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 Position 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 position and changes in it. Over time, increases and decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. However, the reader will need to consider other non-financial factors, 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.

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Fund Financial Statements

The fund financial statements 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.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position – Modified Cash Basis

		December 31,	
		<u>2018</u>	<u>2017</u>
ASSETS			
Cash and investments		\$ 35,817,603	\$ 43,991,230
	TOTAL ASSETS	<u>\$ 35,817,603</u>	<u>\$ 43,991,230</u>
NET POSITION			
Restricted		\$ 28,793,633	\$ 35,662,277
Unrestricted		7,023,970	8,328,953
	TOTAL NET POSITION	<u>\$ 35,817,603</u>	<u>\$ 43,991,230</u>

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Changes in Net Position – Modified Cash Basis

	Year Ended December 31,	
	2018	2017
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 5,811,341	\$ 6,041,366
Operating grants and contributions	146,041	102,382
Capital grants and contributions	216,508	-
<u>General Receipts</u>		
Sales tax receipts	26,176,945	25,875,070
Motor vehicle sales tax	1,330,343	1,353,921
Other taxes	827,156	895,866
Interest	551,567	538,081
Other receipts	372,170	993,986
TOTAL RECEIPTS	35,432,071	35,800,672
DISBURSEMENTS		
General government	6,849,028	6,631,898
Judicial	1,363,872	1,281,131
Public safety	5,171,197	4,847,506
Public works	50,000	50,000
Highway and roads	11,740,446	10,414,348
Airport	490,412	439,871
Sewer	12,250,108	12,228,336
Debt service	2,415,276	2,198,203
Other	1,166,168	1,301,860
Transfer station	2,109,191	1,776,371
TOTAL DISBURSEMENTS	43,605,698	41,169,524
(DECREASE) IN NET POSITION	\$ (8,173,627)	\$ (5,368,852)

Overall receipts of the County decreased by \$368,601 from the prior year. Tax revenues were up \$209,587, while charges for services were down \$230,025. Overall disbursements of the County were up \$2,436,174.

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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 \$676,009 for the year ended December 31, 2018.
- The Combined Road and Bridge Funds decreased by \$2,344,497, which decreased the combined fund balances to \$11,422,661 as of December 31, 2018.
- The Law Enforcement Sales Tax Fund decreased by \$377,204, which decreased the fund balance to \$1,236,159 as of December 31, 2018.
- County Sewer Sales Tax Fund decreased \$3,984,036, which decreased the fund balance to \$15,053,848. The County expects to see this balance decrease dramatically in the near future due to several major projects planned in the near future.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 8,190,000	\$ 8,190,000	\$ 8,323,723
Commissions	750,000	750,000	695,827
Licenses and permits	86,000	86,000	83,835
Intergovernmental receipts	63,500	63,500	81,911
Fees and charges	2,501,050	2,501,050	2,251,375
Other	226,850	226,850	265,834
TOTAL RECEIPTS	\$ 11,817,400	\$ 11,817,400	\$ 11,702,505
DISBURSEMENTS			
General government	\$ 6,595,539	\$ 6,595,539	\$ 6,049,342
Judicial	1,346,107	1,346,107	1,243,945
Public safety	4,389,841	4,389,841	4,457,806
Public works	50,000	50,000	50,000
Other	2,233,950	2,233,950	1,166,168
Airport	441,896	441,896	490,412
TOTAL DISBURSEMENTS	\$ 15,057,333	\$ 15,057,333	\$ 13,457,673

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

The County has always budgeted so that if there is a need that arises they are covered without having to revisit the budget process. The Commission has determined to do a better job of budgeting what we will have as a fund balance to carry forward, but there are several of the minor funds that are controlled by other elected officials and it makes sense to budget and appropriate the entire amount in those funds in case they are needed by those officials. We, as a County, have done a better job of applying expenses when they are actually expended instead of using a contingency fund as an expense line. This should make the County's budget more accurate and help the County use it as a tool for controls.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Taney County economy has improved and is hopeful to continue economic growth in 2019. The County has made capital improvements to assist in this economic growth. Although, with economic growth come possible need for more improvements in the county including sewer and capital improvement projects, and law enforcement and jail expenditures.

The County administration has the task of keeping the County in good financial condition. There is a realization that we have good balances in most funds, but also the realization that the many services needed will be ever more costly. Major issues are the sewer capital improvements, ever increasing health costs, and more costly law enforcement. The sewer capital improvements will cause our total balance to be lower but will provide needed services to many constituents. The healthcare costs and law enforcement costs are necessary, but make keeping the appropriate balances difficult. We are of the opinion as a county administration that declining balances are something that needs to be monitored, but are hopeful that the major capital improvements will improve our economy and tend to come back to us in following years due to growth. Most of the declining balances are a direct result of capital improvements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

You may contact the Auditor's office at P.O. Box 1606, Forsyth, MO 65653 for more information. The phone number to contact is 417-546-7215.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 December 31, 2018

	Primary Government			Component Units						
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
ASSETS										
Cash and investments	\$ 35,352,536	\$ 465,067	\$ 35,817,603	\$ 3,923,339	\$ 1,393,066	\$ 1,038,624	\$ 85,664	\$ 49,044	\$ 102,851	\$ 60,902
TOTAL ASSETS	\$ 35,352,536	\$ 465,067	\$ 35,817,603	\$ 3,923,339	\$ 1,393,066	\$ 1,038,624	\$ 85,664	\$ 49,044	\$ 102,851	\$ 60,902
NET POSITION										
Restricted	\$ 28,793,633	\$ -	\$ 28,793,633	\$ 1,510,151	\$ 4,770	\$ -	\$ 84,120	\$ 41,307	\$ -	\$ -
Unrestricted	6,558,903	465,067	7,023,970	2,413,188	1,388,296	1,038,624	1,544	7,737	102,851	60,902
TOTAL NET POSITION	\$ 35,352,536	\$ 465,067	\$ 35,817,603	\$ 3,923,339	\$ 1,393,066	\$ 1,038,624	\$ 85,664	\$ 49,044	\$ 102,851	\$ 60,902

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2018

Functions/Programs	Primary Government						
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ (6,849,028)	\$ 2,680,729	\$ 4,875	\$ 16,675	\$ (4,146,749)	\$ -	\$ (4,146,749)
Judicial	(1,363,872)	189,884	2,515	-	(1,171,473)	-	(1,171,473)
Public safety	(5,171,197)	895,729	80,420	-	(4,195,048)	-	(4,195,048)
Public works	(50,000)	-	-	-	(50,000)	-	(50,000)
Highway and roads	(11,740,446)	-	57,031	199,833	(11,483,582)	-	(11,483,582)
Airport	(490,412)	486,669	-	-	(3,743)	-	(3,743)
Sewer	(12,250,108)	-	-	-	(12,250,108)	-	(12,250,108)
Debt service	(2,415,276)	-	-	-	(2,415,276)	-	(2,415,276)
Other	(1,166,168)	91,921	1,200	-	(1,073,047)	-	(1,073,047)
TOTAL GOVERNMENTAL ACTIVITIES	(41,496,507)	4,344,932	146,041	216,508	(36,789,026)	-	(36,789,026)
Business-Type Activities							
Transfer station	(2,109,191)	1,466,409	-	-	-	(642,782)	(642,782)
TOTAL BUSINESS-TYPE ACTIVITIES	(2,109,191)	1,466,409	-	-	-	(642,782)	(642,782)
TOTAL PRIMARY GOVERNMENT	\$ (43,605,698)	\$ 5,811,341	\$ 146,041	\$ 216,508	(36,789,026)	(642,782)	(37,431,808)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (continued)
Year Ended December 31, 2018

	Component Units						
	Net (Disbursements), Receipts and Changes in Net Position						
	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
Component Units							
Taney County Regional Sewer District	\$ 589,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taney County Health Center	-	(1,460,424)	-	-	-	-	-
Developmentally Disabled Board	-	-	(1,384,646)	-	-	-	-
Dorgan-Weaver Housing Corp.	-	-	-	1,515	-	-	-
Combs-Redfern Apartments Inc.	-	-	-	-	8,024	-	-
Tantone Industries, Inc.	-	-	-	-	-	32,935	-
Dignity Now, Inc.	-	-	-	-	-	-	7,476
TOTAL COMPONENT UNITS	589,439	(1,460,424)	(1,384,646)	1,515	8,024	32,935	7,476
General Receipts and Transfers:							
Ad valorem taxes	-	1,427,573	1,381,683	-	-	-	-
Sales taxes	-	-	-	-	-	-	-
Motor vehicle sales taxes and gas taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Interest	117,620	18,868	15,150	146	47	-	-
Other receipts	78,006	51,468	213,331	-	-	-	584
Transfers	-	-	-	-	-	-	-
Total General Receipts	195,626	1,497,909	1,610,164	146	47	-	584
Increase (Decrease) in Net Position	785,065	37,485	225,518	1,661	8,071	32,935	8,060
Net Position, Beginning of year	3,138,274	1,355,581	813,106	84,003	40,973	69,916	52,842
Net Position, End of year	\$ 3,923,339	\$ 1,393,066	\$ 1,038,624	\$ 85,664	\$ 49,044	\$ 102,851	\$ 60,902

See accompanying notes.

TANEY COUNTY, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
December 31, 2018

	Special Revenue Funds						Total Governmental Funds
	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Special Revenue Funds	
ASSETS							
Cash and investments	\$ 6,160,369	\$ 9,714,910	\$ 1,707,751	\$ 1,236,159	\$ 15,053,848	\$ 1,479,499	\$ 35,352,536
TOTAL ASSETS	<u>\$ 6,160,369</u>	<u>\$ 9,714,910</u>	<u>\$ 1,707,751</u>	<u>\$ 1,236,159</u>	<u>\$ 15,053,848</u>	<u>\$ 1,479,499</u>	<u>\$ 35,352,536</u>
FUND BALANCES							
Fund Balances							
Restricted for:							
Road and Bridge	\$ -	\$ 9,714,910	\$ 1,707,751	\$ -	\$ -	\$ -	\$ 11,422,661
Public Safety	-	-	-	1,236,159	-	308,834	1,544,993
Sewer	-	-	-	-	15,053,848	-	15,053,848
Elections	-	-	-	-	-	34,346	34,346
Recorder	-	-	-	-	-	383,603	383,603
Judicial	-	-	-	-	-	267,097	267,097
Tax maintenance	-	-	-	-	-	87,085	87,085
Assigned to:							
Assessment Fund	-	-	-	-	-	398,534	398,534
Unassigned	6,160,369	-	-	-	-	-	6,160,369
TOTAL FUND BALANCES	<u>\$ 6,160,369</u>	<u>\$ 9,714,910</u>	<u>\$ 1,707,751</u>	<u>\$ 1,236,159</u>	<u>\$ 15,053,848</u>	<u>\$ 1,479,499</u>	<u>\$ 35,352,536</u>

See accompanying notes.

TANEY COUNTY, MISSOURI

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

Year Ended December 31, 2018

	Special Revenue Funds						Total Governmental Funds
	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	
RECEIPTS							
Taxes	\$ 8,323,723	\$ 7,946,924	\$ 1,330,343	\$ 2,024,303	\$ 8,098,081	\$ 611,070	\$ 28,334,444
Collector's commission	695,827	-	-	-	-	-	695,827
Licenses and permits	83,835	-	-	-	-	-	83,835
Intergovernmental receipts	81,911	199,833	57,031	-	-	23,774	362,549
Fees and charges	2,251,375	-	-	-	-	1,313,895	3,565,270
Other	265,834	287,254	55,858	13,769	237,118	31,014	890,847
TOTAL RECEIPTS	11,702,505	8,434,011	1,443,232	2,038,072	8,335,199	1,979,753	33,932,772
DISBURSEMENTS							
General government	6,049,342	-	-	-	-	799,686	6,849,028
Judicial	1,243,945	-	-	-	-	119,927	1,363,872
Public safety	4,457,806	-	-	-	-	713,391	5,171,197
Public works	50,000	-	-	-	-	-	50,000
Airport	490,412	-	-	-	-	-	490,412
Other	1,166,168	-	-	-	-	-	1,166,168
Highway and roads	-	10,334,784	1,405,662	-	-	-	11,740,446
Sewer	-	-	-	-	12,250,108	-	12,250,108
Debt service	-	-	-	2,415,276	-	-	2,415,276
TOTAL DISBURSEMENTS	13,457,673	10,334,784	1,405,662	2,415,276	12,250,108	1,633,004	41,496,507
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,755,168)	(1,900,773)	37,570	(377,204)	(3,914,909)	346,749	(7,563,735)
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	1,079,159	(256,805)	(224,489)	-	(69,127)	(498,072)	30,666
TOTAL OTHER FINANCING SOURCES (USES)	1,079,159	(256,805)	(224,489)	-	(69,127)	(498,072)	30,666
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(676,009)	(2,157,578)	(186,919)	(377,204)	(3,984,036)	(151,323)	(7,533,069)
FUND BALANCE, January 1	6,836,378	11,872,488	1,894,670	1,613,363	19,037,884	1,630,822	42,885,605
FUND BALANCE, December 31	\$ 6,160,369	\$ 9,714,910	\$ 1,707,751	\$ 1,236,159	\$ 15,053,848	\$ 1,149,499	\$ 35,352,536

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET POSITION – PROPRIETARY FUND – MODIFIED CASH BASIS
 December 31, 2018

	Enterprise Fund
	<u>Transfer Station Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 465,067
	<u> </u>
	TOTAL ASSETS
	<u>\$ 465,067</u>
	<u> </u>
Net Position	
Unrestricted	\$ 465,067
	<u> </u>
	TOTAL NET POSITION
	<u>\$ 465,067</u>
	<u> </u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – PROPRIETARY
FUND – MODIFIED CASH BASIS
Year Ended December 31, 2018

	Enterprise Fund
	<u>Transfer Station Fund</u>
OPERATING RECEIPTS	
Charges for services	\$ 1,466,409
TOTAL OPERATING RECEIPTS	<u>1,466,409</u>
OPERATING DISBURSEMENTS	
Insurance claims and disbursements	21,730
Salaries and employee benefits	497,749
Supplies	189,508
Telephone and utilities	3,347
Repair and maintenance	941,679
Landfill services	445,929
Other	9,249
TOTAL OPERATING DISBURSEMENTS	<u>2,109,191</u>
OPERATING (LOSS)	(642,782)
NONOPERATING RECEIPTS	
Interest receipts	7,913
Other receipts	24,977
TOTAL NONOPERATING RECEIPTS	<u>32,890</u>
(LOSS) BEFORE OPERATING TRANSFERS	(609,892)
Operating transfers (out)	<u>(30,666)</u>
NET (LOSS)	(640,558)
NET POSITION, January 1	<u>1,105,625</u>
NET POSITION, December 31	<u>\$ 465,067</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
Year Ended December 31, 2018

	Enterprise Fund
	<u>Transfer Station Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,491,386
Cash paid to suppliers	(1,611,442)
Cash paid to employees	<u>(497,749)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	(617,805)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>7,913</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,913
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers (to) other funds	<u>(30,666)</u>
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(30,666)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(640,558)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,105,625</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 465,067</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (642,782)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Other receipts	<u>24,977</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (617,805)</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
 December 31, 2018

	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Sheriff Commissary Fund	Collector of Revenue Fund	Cities Financial Institution Tax Fund	Land Sales Surplus Fund
ASSETS							
Cash and investments	\$ 409	\$ 9,856	\$ 60	\$ 46,429	\$ 25,673,784	\$ 26,553	\$ 203,013
TOTAL ASSETS	<u>\$ 409</u>	<u>\$ 9,856</u>	<u>\$ 60</u>	<u>\$ 46,429</u>	<u>\$ 25,673,784</u>	<u>\$ 26,553</u>	<u>\$ 203,013</u>
LIABILITIES							
Due to others	\$ -	\$ -	\$ 60	\$ 46,429	\$ -	\$ -	\$ -
Due to other governments	409	9,856	-	-	25,673,784	26,553	203,013
TOTAL LIABILITIES	<u>\$ 409</u>	<u>\$ 9,856</u>	<u>\$ 60</u>	<u>\$ 46,429</u>	<u>\$ 25,673,784</u>	<u>\$ 26,553</u>	<u>\$ 203,013</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2018

	Unclaimed Fee Fund	Fines and Forfeitures Fund	P & Z Bonds Fund	National Forest Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Protest Tax Account Fund
ASSETS							
Cash and investments	\$ 20,258	\$ 52,531	\$ 213,847	\$ 205,719	\$ 103,227	\$ 78,014	\$ 180,135
TOTAL ASSETS	<u>\$ 20,258</u>	<u>\$ 52,531</u>	<u>\$ 213,847</u>	<u>\$ 205,719</u>	<u>\$ 103,227</u>	<u>\$ 78,014</u>	<u>\$ 180,135</u>
LIABILITIES							
Due to others	\$ 20,258	\$ -	\$ 213,847	\$ -	\$ -	\$ -	\$ 180,135
Due to other governments	-	52,531	-	205,719	103,227	78,014	-
TOTAL LIABILITIES	<u>\$ 20,258</u>	<u>\$ 52,531</u>	<u>\$ 213,847</u>	<u>\$ 205,719</u>	<u>\$ 103,227</u>	<u>\$ 78,014</u>	<u>\$ 180,135</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2018

	Health Center Fund	Handicapped Fund	School Fund	OTC Financial Institution Tax Fund	Senior Services Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS							
Cash and investments	\$ 851	\$ 606	\$ 25,987	\$ 325	\$ 501,018	\$ 16,134	\$ 27,358,756
TOTAL ASSETS	<u>\$ 851</u>	<u>\$ 606</u>	<u>\$ 25,987</u>	<u>\$ 325</u>	<u>\$ 501,018</u>	<u>\$ 16,134</u>	<u>\$ 27,358,756</u>
LIABILITIES							
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,134	\$ 476,863
Due to other governments	851	606	25,987	325	501,018	-	26,881,893
TOTAL LIABILITIES	<u>\$ 851</u>	<u>\$ 606</u>	<u>\$ 25,987</u>	<u>\$ 325</u>	<u>\$ 501,018</u>	<u>\$ 16,134</u>	<u>\$ 27,358,756</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. 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) 546-7221.

Taney County Board for the Developmentally Disabled d.b.a. Developmental Connections

The Developmentally Disabled Board d.b.a. Developmental Connections, 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 d.b.a. Developmental Connections 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 d.b.a. Developmental Connections 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 d.b.a. Developmental Connections.

Combs-Redfern Apartments, Inc.

The Combs-Redfern Apartments, Inc., which is governed by an appointed Board of Directors, provides housing to developmentally disabled residents of Taney County. The Combs-Redfern Apartments, Inc. 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 d.b.a. Developmental Connections.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tantone Industries, Inc.

Tantone Industries, Inc., which is governed by an appointed Board of Directors, provides production employment opportunities to lower range educable and upper range trainable developmentally disabled residents of Taney County. Tantone Industries, Inc. 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 d.b.a. Developmental Connections.

Dignity Now, Inc.

Dignity Now, Inc., which is governed by an appointed Board of Directors, provides services and support for children with developmental disabilities and their families. Dignity Now, Inc. 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 d.b.a. Developmental Connections.

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.

In the government-wide Statement of Net Position, 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.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of the County is used to account for motor vehicle and gas tax receipts designated for highway and road improvements.

Law Enforcement Sales Tax Fund: The Law Enforcement Sales Tax Fund of the County is used to account for resources restricted for law enforcement disbursements.

County Sewer Sales Tax Fund: The County Sewer Sales Tax Fund of the County is used to account for resources restricted for sewer related disbursements.

The County also reports the following fund types:

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:

Transfer Station Fund: The Transfer Station Fund of the County is used to account for the County's waste collection operations.

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/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 are not presented in the financial statements.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Investments

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

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance – This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Commission removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance – This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

In the government-wide financial statements, equity is displayed, when applicable, in two components as follows:

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of restricted.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the County first applies restricted net position.

Operating Receipts and Disbursements

Operating receipts and disbursements for the proprietary fund are those that result from providing services, producing and delivering goods and services. All other receipts and disbursements are considered non-operating.

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2018, was \$231,965.

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, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

Financial reporting information included in the notes to the financial statements pertaining to the County's participation in the State of Missouri County Employees' Retirement Fund (CERF) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the County's modified cash basis of accounting

Financial reporting information included in the notes to the financial statements pertaining to the County's participation in the Missouri Local Government Employees' Retirement System (LAGERS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the County's modified cash basis of accounting

The financial statements were prepared using the modified cash basis of accounting. Therefore, employee and employer contributions are recognized when paid and the County's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

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's portion of this pool is displayed on the Statement of Net Position 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, 2018, all bank balances on deposit were entirely insured or collateralized with securities.

County Investments

Statutes authorize the County to invest in investments that are:

- a. Obligations of the U.S. government, the State of Missouri, this county;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, or the State of Missouri;

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE B – CASH AND INVESTMENTS (continued)

- c. In revenue bonds of the County;
- d. In certificates of deposit; savings accounts as defined in Chapter 369, Revised Missouri Statutes; or in interest-bearing time deposits when such funds are held in U.S. banks; state banks; savings and loan associations operating under Chapter 369, Revised Missouri Statutes; or savings and loan associations authorized by the U.S. government so long as such deposits, savings accounts and interest-bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b) or (c) of this section;
- e. Banker’s acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency;
- f. Commercial paper issued by domestic corporations that has received the highest rating issued by a nationally recognized rating agency; or
- g. Investments permitted by the County that are authorized in the model investment policy prepared by the State of Missouri for political subdivisions.

The County’s investments at December 31, 2018, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Taney County			
Certificates of Deposit	1/8/2019 - 11/29/2021	<u>\$ 29,995,000</u>	<u>\$ 30,008,300</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. 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, 2018, all Certificates of Deposit are entirely insured or collateralized with securities.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE B – CASH AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value of the County’s investments will decrease as a result of increase in interest rates. The County will minimize the risk that the market value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter term fixed income securities.

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, 2018, all bank balances on deposit are entirely insured or collateralized.

The District’s investments at December 31, 2018, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/28/2019	<u>\$ 220,403</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, 2018, all Certificates of Deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

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

TANEY COUNTY HEALTH CENTER

State statutes require that the Center’s deposits be insured or collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2018, all bank balances on deposit are entirely insured or collateralized.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE B – CASH AND INVESTMENTS (continued)

The Center’s investments at December 31, 2018, are as follows:

Investment Type	Maturity	Fair Value
Certificate of Deposit	5/31/20 - 7/31/20	\$ 70,681

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 Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2018, all certificates of deposit were insured or collateralized with securities.

Interest Rate Risk

The Center holds investments until maturity to neutralize interest rate risk.

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, 2018, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2018, are as follows:

Investment Type	Maturity	Fair Value
Taney County Board for the Developmentally Disabled		
Certificate of Deposit	3/23/2019	\$ 263,971
Certificate of Deposit	4/17/2019	257,378
		<u>\$ 521,349</u>
Dignity Now		
Community Foundation of the Ozarks Investment Pool	N/A	<u>\$ 33,440</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE B – CASH AND INVESTMENTS (continued)

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, 2018, 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.

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, 2018, 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 – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT

State of Missouri County Employees' Retirement Fund

General Information about the Pension Plan

Plan Description. Taney County of Missouri's defined benefit pension plan provides certain retirement and death benefits to its members. The County participates in the State of Missouri County Employees' Retirement Fund (CERF). CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government.

CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF was established by an act of the Missouri General Assembly effective August 28, 1994 and administered in accordance with RSMo. 50.1000 – 50.1300. As such, it is CERF's responsibility to administer the law in accordance expressed intent of the General Assembly. The plan as amended through November 1, 2010 is in a form acceptable under the Internal Revenue Code. The responsibility for the operations and administration of CERF is vested in the CERF Board of Directors consisting of eleven members. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at www.mocerf.org.

Benefits Provided. CERF provides retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminate employment after December 31, 1999 may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

Cost-of-Living Adjustments (COLA). Annual cost-of-living adjustments not to exceed 1% are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% and may be amended only by action of Missouri Legislature.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT (continued)

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participated county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Eligible employees of the employer contribute 4% to the pension plan. The employer did not elect to make all or a portion of the required 4% contribution on behalf of employees.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF

During 2018 and 2017 the County collected and remitted to CERF, employee contributions of \$268,778 and \$247,939 , respectively, for the years then ended. The County's contributions to CERF were \$776,085 for the year ended December 31, 2018.

NOTE E – EMPLOYEE PENSION PLAN – LAGERS – PRIMARY GOVERNMENT

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

Plan Description. Taney County's (which includes Taney County Health Department) defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE E – EMPLOYEE PENSION PLAN – LAGERS – PRIMARY GOVERNMENT (continued)

The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	<u>2018 Valuation</u>
Benefit Multiplier	2.00% for life
Final Average Salary	5 Years
Member Contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	122	39	161
Inactive employees entitled to but not yet receiving benefits	94	24	118
Active employees	<u>233</u>	<u>44</u>	<u>277</u>
	<u>449</u>	<u>107</u>	<u>556</u>

Contributions. The employer is required to contribute amounts as least equal to the actuarially determined rate, as established by LAGERS using the individual entry-age actuarial method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contributions are 14.7% (General) and 16.8% (Police) of annual covered payroll.

During the year ended December 31, 2018 the County made contributions of \$1,389,414 and the Taney County Health Department made contributions of \$228,348.

NOTE F – EMPLOYEE PENSION PLAN – LAGERS – TANEY COUNTY REGIONAL SEWER DISTRICT

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

Plan Description. The Taney County Regional Sewer District’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Taney County Regional Sewer District participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>2018 Valuation</u>
Benefit Multiplier	1.50%
Final Average Salary	5 Years
Member Contributions	0%

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2018, the following employees were covered by the benefit terms:

	<u>General</u>
Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	2
Active employees	11
	<u>14</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE F – EMPLOYEE PENSION PLAN – LAGERS – TANEY COUNTY REGIONAL SEWER DISTRICT
 (continued)

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS using the individual entry-age actuarial method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 17.9% (General) of annual covered payroll.

During the year ended December 31, 2018, the Taney County Regional Sewer District made contributions of \$100,018.

NOTE G – 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 2018 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	\$ 908,451,332
Personal property	<u>156,915,822</u>
	<u>\$ 1,065,367,154</u>
TAX LEVY	
General Fund	<u>\$ -</u>

The legal debt margin at December 31, 2018, is computed as follows:

Constitutional debt limit	\$ 106,536,715
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 106,536,715</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

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

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 H – LONG-TERM DEBT – TANEY COUNTY REGIONAL SEWER DISTRICT

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%. 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, 2018, are due as follows:

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2019	\$ 940,000	\$ 127,575	\$ 16,950	\$ 1,084,525
2020	965,000	77,569	11,390	1,053,959
2021	995,000	26,119	5,696	1,026,815
	<u>\$ 2,900,000</u>	<u>\$ 231,263</u>	<u>\$ 34,036</u>	<u>\$ 3,165,299</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2018:

	Balance December 31, 2017	New Obligations	Retired	Balance December 31, 2018	Current Portion
2004 SRF Revenue Bonds Payable	<u>\$ 2,900,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,900,000</u>	<u>\$ 940,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE I – LONG-TERM DEBT – PRIMARY GOVERNMENT

On August 25, 2015, the County issued Lease Refunding Certificates of Participation Series 2015A and 2015B for the purpose of an advance refunding of the Series 2006 Lease Certificates of Participation, which were issued 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 \$815,000 to \$1,590,000 plus interest of 2.02%. 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, 2018, are as follows:

<u>Year Ended December 31,</u>	
2019	\$ 1,542,562
2020	1,579,181
2021	1,609,487
2022	1,638,581
2023	<u>831,463</u>
	TOTAL MINIMUM LEASE PAYMENTS 7,201,274
	LESS AMOUNT REPRESENTING INTEREST <u>(391,274)</u>
	PRINCIPAL BALANCE, DECEMBER 31, 2018 <u>\$ 6,810,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

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

The following schedule presents the changes in the long-term debt for the year ended December 31, 2018:

	Balance			Balance	
	December 31,			December 31,	Current
	2017	Additions	Retirements	2018	Portion
2015A Certificates of Participation	\$ 8,165,000	\$ -	\$ 1,355,000	\$ 6,810,000	\$ 1,405,000
Compensated absences	179,682	52,283	-	231,965	-
	<u>\$ 8,344,682</u>	<u>\$ 52,283</u>	<u>\$ 1,355,000</u>	<u>\$ 7,041,965</u>	<u>\$ 1,405,000</u>

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

On July 1, 2008, the Health Department issued \$850,000 in Certificates of Participation, Series 2008, to build an addition to the existing building. The interest rate on the Certificates was 4.85% until July 1, 2013, and then changed to 3.612%. This rate will be in effect until December 1, 2018. At that time, the interest rate will be adjusted again based on market rates, for the remaining 5 years. Principal and interest payments are due monthly. The Certificates of Participation outstanding at December 31, 2018, based on the current rate, are due as follows:

Year Ended	Principal	Interest	Total
December 31,			
2019	\$ 64,892	\$ 13,902	\$ 78,794
2020	68,053	10,740	78,793
2021	71,438	7,356	78,794
2022	74,955	3,839	78,794
2023	38,850	546	39,396
	<u>\$ 318,188</u>	<u>\$ 36,383</u>	<u>\$ 354,571</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

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

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2018:

	Balance			Balance	
	December 31, 2017	Additions	Retirements	December 31, 2018	Current Portion
2008 Certificate of Participation	\$ 380,533	\$ -	\$ 62,345	\$ 318,188	\$ 64,892
Compensated absences	85,610	-	15,032	70,578	-
	<u>\$ 466,143</u>	<u>\$ -</u>	<u>\$ 77,377</u>	<u>\$ 388,766</u>	<u>\$ 64,892</u>

NOTE K – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED

On November 1, 2010, the Board issued Taxable Lease Certificates of Participation – Recovery Zone Economic Development Project Series 2010 for the construction of a new sheltered workshop facility. The Board has designated the Certificates as Recovery Zone Economic Development Bonds. The Board has elected to receive a credit from the Secretary of the United States Department of the Treasury in accordance with Section 6431 of the IRS code equal to 45% of the stated interest paid on the Bonds. Such payments will be received directly by the Board and used to make interest payments due on the Certificates. Receipt of the interest subsidy is subject to the Board filing an IRS Form 80-38-CP. The failure of the Board to file Form 80-38-CP could reduce or eliminate the amount of the interest subsidy.

The lease agreement requires principal payments ranging from \$55,000 to \$120,000 plus interest at 6%. Principal payments are due December 1 of each year with interest due semi-annually on June 1 and December 1.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE K – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED (continued)

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

The total annual minimum lease payments required at December 31, 2018, are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>
2019	\$ 134,713
2020	134,345
2021	133,458
2022	132,375
2023	130,988
2024	129,335
2025	<u>127,300</u>
TOTAL MINIMUM LEASE PAYMENTS	922,514
LESS AMOUNT REPRESENTING INTEREST	(187,514)
PRINCIPAL BALANCE, DECEMBER 31, 2018	<u>\$ 735,000</u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2018:

	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Current</u> <u>Portion</u>
2010 Certificates of Participation	<u>\$ 820,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 735,000</u>	<u>\$ 90,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE L – LINE OF CREDIT – BOARD FOR THE DEVELOPMENTALLY DISABLED

At December 31, 2018, the Organization had a \$250,000 secured line of credit with Commerce Bank to be drawn upon as needed with a variable interest rate not to exceed 4%. As of December 31, 2018, \$186,325 is outstanding and was due on December 2, 2018. A total of \$11,878 interest was paid in the current year.

The following schedule presents the changes in short-term debt for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Line of Credit	<u>\$ 199,683</u>	<u>\$ -</u>	<u>\$ 13,358</u>	<u>\$ 186,325</u>

NOTE M – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2018, 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.

The following represents the changes in the mortgage payable during the year ended December 31, 2018:

Balance, December 31, 2017	\$ 1,531,400
Additions	-
Repayments	-
Balance, December 31, 2018	<u>\$ 1,531,400</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE N – MORTGAGE PAYABLE – COMBS-REDFERN APARTMENTS INC.

As of December 31, 2018, the Board had a mortgage payable of \$2,054,431. 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.

Balance, December 31, 2017	\$ 2,054,431
Additions	-
Repayments	-
Balance, December 31, 2018	<u>\$ 2,054,431</u>

NOTE O – RISK MANAGEMENT

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE P – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2018, consisted of the following:

	Transfers In (Out)
General Fund	\$ 1,079,159
Road and Bridge Trust Fund	(256,805)
Road and Bridge Fund	(224,489)
Sewer Sales Tax Fund	(69,127)
Assessment Fund	(32,738)
Tax Maintenance Fund	(30,000)
E-911 Fund	(315,415)
Election Services Fund	(10,000)
Recorder Tech Fund	(109,919)
Transfer Station Fund	(30,666)
	<u>\$ -</u>

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

NOTE Q – COMMITMENTS

At December 31, 2018, the County was committed to the following contracts:

- The City of Hollister for reimbursement for the WWTP Grit Removal System project (construction phase) in the amount of \$69,120.
- Hartman & Company, Inc. for the construction of the Coon Creek Bridge Replacement in the amount of \$311,362.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE R – COMMITMENTS – TANEY COUNTY REGIONAL SEWER DISTRICT

As of December 31, 2018, the District was committed to Tom Boyce Excavating, in the amount of \$302,647 for utility improvements.

NOTE S – TAX ABATEMENTS

TANEY COUNY

As of December 31, 2018, the County was affected by tax abatement programs provided by the City of Branson, Missouri and the City of Hollister, Missouri. Both the City of Branson, Missouri and the City of Hollister, Missouri, provide tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

- Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800 – 99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation.

Sales tax revenues were reduced by \$2,658,746 and \$281,295 under the Tax Incremental Financing Agreement and by the City of Branson, Missouri and by the by the City of Hollister, Missouri, respectively.

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

As of December 31, 2018, the Board was affected by tax abatement programs provided by the City of Branson. The City of Branson provided tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

- Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. Property tax revenues were reduced by \$46,728 under the Tax Incremental Financing Agreements entered into by the City of Branson, Missouri.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE S – TAX ABATEMENTS (continued)

TANEY COUNTY HEALTH DEPARTMENT

As of December 31, 2018, the health department was affected by tax abatement programs provided by the City of Branson. The City of Branson provided tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

- Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. Property tax revenues were reduced by \$65,606 under the Tax Incremental Financing Agreements entered into by the City of Branson, Missouri.

NOTE T – CONTINGENCIES

The County and the Branson, Missouri Regional Airport Transportation Development District signed a loss mitigation guarantee with the Branson Airport. The County agrees to mitigate any loss of the airline contracted with the Branson Airport for a term of three years, ending February 22, 2019, up to \$400,000. If mitigation loss guarantee funds have already been paid and the contracted airline generates a net gain before the end of this agreement, amounts will be refunded to other sources and then the County.

SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 8,010,000	\$ 8,010,000	\$ 8,107,637	\$ 97,637
Surtax	10,000	10,000	9,476	(524)
Payment in lieu of taxes	170,000	170,000	206,610	36,610
	8,190,000	8,190,000	8,323,723	133,723
Collector's Commission				
Collection commissions	750,000	750,000	695,827	(54,173)
Licenses and Permits				
Beverage licenses	85,000	85,000	83,115	(1,885)
ATV permits	1,000	1,000	720	(280)
	86,000	86,000	83,835	(2,165)
Intergovernmental Receipts				
Federal	63,000	63,000	69,625	6,625
Other	500	500	12,286	11,786
	63,500	63,500	81,911	18,411
Fees and Charges				
Court	78,000	78,000	67,508	(10,492)
Public administration	70,000	70,000	60,798	(9,202)
County clerk	750	750	999	249
Recorder of deeds	750,000	750,000	806,221	56,221
Tax sale publication	18,000	18,000	17,700	(300)
Planning and zoning	30,000	30,000	27,842	(2,158)
Sheriff fees	1,087,500	1,087,500	643,803	(443,697)
Phone and vending	1,050	1,050	1,037	(13)
Election reimbursement	25,000	25,000	45,566	20,566
Computer room	750	750	1,311	561
Animal Control	-	-	91,921	91,921
Airport	440,000	440,000	486,669	46,669
	2,501,050	2,501,050	2,251,375	(249,675)
Other				
Interest income	75,000	75,000	91,588	16,588
Miscellaneous	101,850	101,850	173,471	71,621
Sale of property	50,000	50,000	775	(49,225)
	226,850	226,850	265,834	38,984
TOTAL RECEIPTS	11,817,400	11,817,400	11,702,505	(114,895)
DISBURSEMENTS				
Current				
General Government				
University extension	44,266	44,266	44,266	-
Collector of revenue	261,203	261,203	241,401	19,802
Treasurer	120,614	120,614	116,615	3,999
Recorder of deeds	276,261	276,261	296,290	(20,029)
County commission	743,905	743,905	239,610	504,295
Administrative office	656,738	656,738	732,529	(75,791)
Employee fringe benefits	2,732,000	2,732,000	2,693,866	38,134
Information technology	393,645	393,645	365,592	28,053
Planning and zoning	189,037	189,037	182,881	6,156
Election and voter registration	185,725	185,725	157,597	28,128
County clerk	183,174	183,174	187,033	(3,859)
Auditor	107,221	107,221	105,612	1,609
Building and grounds	701,750	701,750	686,050	15,700
	6,595,539	6,595,539	6,049,342	546,197

TANEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (continued)

Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Court administration	50,300	50,300	11,656	38,644
Circuit judge	148,500	148,500	149,672	(1,172)
Circuit clerk	30,550	30,550	24,065	6,485
Coroner	87,450	87,450	85,866	1,584
Court reporter	7,000	7,000	4,396	2,604
Public administrator	133,062	133,062	127,684	5,378
Juvenile	263,149	263,149	230,658	32,491
Prosecuting attorney	626,096	626,096	609,948	16,148
	<u>1,346,107</u>	<u>1,346,107</u>	<u>1,243,945</u>	<u>102,162</u>
Public Safety				
Sheriff	2,586,156	2,586,156	2,598,436	(12,280)
Jail	1,531,928	1,531,928	1,583,070	(51,142)
Animal control	200,000	200,000	210,581	(10,581)
Emergency management	71,757	71,757	65,719	6,038
	<u>4,389,841</u>	<u>4,389,841</u>	<u>4,457,806</u>	<u>(67,965)</u>
Other	2,233,950	2,233,950	1,166,168	1,067,782
Public Works				
Industrial Development Board	50,000	50,000	50,000	-
Airport				
Airport	441,896	441,896	490,412	(48,516)
TOTAL DISBURSEMENTS	<u>15,057,333</u>	<u>15,057,333</u>	<u>13,457,673</u>	<u>1,599,660</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,239,933)	(3,239,933)	(1,755,168)	1,484,765
OTHER FINANCING SOURCES				
Operating transfers in	846,240	846,240	1,079,159	232,919
TOTAL OTHER FINANCING SOURCES	<u>846,240</u>	<u>846,240</u>	<u>1,079,159</u>	<u>232,919</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(2,393,693)	(2,393,693)	(676,009)	1,717,684
FUND BALANCE, January 1	6,836,378	6,836,378	6,836,378	-
FUND BALANCE, December 31	<u>\$ 4,442,685</u>	<u>\$ 4,442,685</u>	<u>\$ 6,160,369</u>	<u>\$ 1,717,684</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 8,000,000	\$ 8,000,000	\$ 7,946,924	\$ (53,076)
Intergovernmental receipts	375,000	375,000	199,833	(175,167)
Other receipts	125,000	125,000	287,254	162,254
TOTAL RECEIPTS	8,500,000	8,500,000	8,434,011	(65,989)
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	2,780,000	2,780,000	2,514,876	265,124
Computer related disbursements	36,000	36,000	39,135	(3,135)
Mileage and training	10,000	10,000	2,871	7,129
Professional services	80,000	80,000	79,994	6
Rental equipment	10,000	10,000	8,906	1,094
Telephone and utilities	63,000	63,000	65,676	(2,676)
Insurance	130,000	130,000	155,501	(25,501)
Repair and maintenance	430,000	430,000	538,210	(108,210)
Equipment	754,000	754,000	481,978	272,022
Road construction	5,039,000	5,039,000	3,796,401	1,242,599
Road supplies	2,559,500	2,559,500	2,119,244	440,256
Other supplies	505,300	505,300	520,293	(14,993)
Other	1,016,900	1,016,900	11,699	1,005,201
TOTAL DISBURSEMENTS	13,413,700	13,413,700	10,334,784	3,078,916
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(4,913,700)	(4,913,700)	(1,900,773)	3,012,927
OTHER FINANCING SOURCES (USES)				
Operating transfers in	75,000	75,000	-	(75,000)
Operating transfers out	(244,965)	(244,965)	(256,805)	(11,840)
TOTAL OTHER FINANCING SOURCES (USES)	(169,965)	(169,965)	(256,805)	(86,840)
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(5,083,665)	(5,083,665)	(2,157,578)	2,926,087
FUND BALANCE, January 1	11,872,488	11,872,488	11,872,488	-
FUND BALANCE, December 31	\$ 6,788,823	\$ 6,788,823	\$ 9,714,910	\$ 2,926,087

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,285,500	\$ 1,285,500	\$ 1,330,343	\$ 44,843
Intergovernmental receipts	55,000	55,000	57,031	2,031
Other receipts	32,200	32,200	55,858	23,658
TOTAL RECEIPTS	<u>1,372,700</u>	<u>1,372,700</u>	<u>1,443,232</u>	<u>70,532</u>
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	1,166,500	1,166,500	1,339,132	(172,632)
Road construction	61,500	61,500	59,871	1,629
Other	10,000	10,000	6,659	3,341
TOTAL DISBURSEMENTS	<u>1,238,000</u>	<u>1,238,000</u>	<u>1,405,662</u>	<u>(167,662)</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	134,700	134,700	37,570	(97,130)
OTHER FINANCING (USES)				
Operating transfers (out)	-	-	(224,489)	(224,489)
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>(224,489)</u>	<u>(224,489)</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	134,700	134,700	(186,919)	(321,619)
FUND BALANCE, January 1	<u>2,063,030</u>	<u>2,063,030</u>	<u>1,894,670</u>	<u>(168,360)</u>
FUND BALANCE, December 31	<u><u>\$ 2,197,730</u></u>	<u><u>\$ 2,197,730</u></u>	<u><u>\$ 1,707,751</u></u>	<u><u>\$ (489,979)</u></u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,950,000	\$ 1,950,000	\$ 2,024,303	\$ 74,303
Other receipts	6,500	6,500	13,769	7,269
TOTAL RECEIPTS	<u>1,956,500</u>	<u>1,956,500</u>	<u>2,038,072</u>	<u>81,572</u>
DISBURSEMENTS				
Debt service	<u>2,409,050</u>	<u>2,409,050</u>	<u>2,415,276</u>	<u>(6,226)</u>
TOTAL DISBURSEMENTS	<u>2,409,050</u>	<u>2,409,050</u>	<u>2,415,276</u>	<u>(6,226)</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(452,550)	(452,550)	(377,204)	75,346
FUND BALANCE, January 1	<u>1,715,665</u>	<u>1,715,665</u>	<u>1,613,363</u>	<u>(102,302)</u>
FUND BALANCE, December 31	<u><u>\$ 1,263,115</u></u>	<u><u>\$ 1,263,115</u></u>	<u><u>\$ 1,236,159</u></u>	<u><u>\$ (26,956)</u></u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – COUNTY SEWER SALES TAX FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 8,000,000	\$ 8,000,000	\$ 8,098,081	\$ 98,081
Other receipts	150,000	150,000	237,118	87,118
TOTAL RECEIPTS	<u>8,150,000</u>	<u>8,150,000</u>	<u>8,335,199</u>	<u>185,199</u>
DISBURSEMENTS				
Sewer	20,846,371	20,846,371	12,250,108	8,596,263
TOTAL DISBURSEMENTS	<u>20,846,371</u>	<u>20,846,371</u>	<u>12,250,108</u>	<u>8,596,263</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(12,696,371)	(12,696,371)	(3,914,909)	8,781,462
OTHER FINANCING (USES)				
Operating transfers (out)	(58,832)	(58,832)	(69,127)	(10,295)
TOTAL OTHER FINANCING (USES)	<u>(58,832)</u>	<u>(58,832)</u>	<u>(69,127)</u>	<u>(10,295)</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(12,755,203)	(12,755,203)	(3,984,036)	8,771,167
FUND BALANCE, January 1	<u>20,548,906</u>	<u>20,548,906</u>	<u>19,037,884</u>	<u>(1,511,022)</u>
FUND BALANCE, December 31	<u>\$ 7,793,703</u>	<u>\$ 7,793,703</u>	<u>\$ 15,053,848</u>	<u>\$ 7,260,145</u>

TANEY COUNTY, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
December 31, 2018

Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the County adopts a budget for each fund.
- 2) Prior to January, the County Auditor, who serves as the Budget Officer, submits to the Commission a proposed budget for the fiscal year beginning on the following January 1. The budget includes estimated receipts and proposed disbursements for all County funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Commission, the budget document is available for public inspection.
- 4) In January, the budget is legally enacted by a vote of the Commission.
- 5) Subsequent to its formal approval of the budget, the Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material to the original appropriations, which were amended.
- 6) Budgets for County funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

OTHER REPORTING REQUIREMENTS

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2018

	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	Sheriff Drug Forfeiture Fund	Circuit Clerk Treatment Courts Fund
ASSETS											
Cash and investments	\$ 398,534	\$ 2,198	\$ 1,733	\$ 66,431	\$ 87,085	\$ 86,390	\$ 40,803	\$ -	\$ 54,137	\$ 3,308	\$ 26,150
TOTAL ASSETS	<u>\$ 398,534</u>	<u>\$ 2,198</u>	<u>\$ 1,733</u>	<u>\$ 66,431</u>	<u>\$ 87,085</u>	<u>\$ 86,390</u>	<u>\$ 40,803</u>	<u>\$ -</u>	<u>\$ 54,137</u>	<u>\$ 3,308</u>	<u>\$ 26,150</u>
FUND BALANCES											
Restricted for:											
Public safety	\$ -	\$ 2,198	\$ -	\$ 66,431	\$ -	\$ -	\$ 40,803	\$ -	\$ -	\$ 3,308	\$ -
Elections	-	-	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	1,733	-	-	86,390	-	-	54,137	-	26,150
Tax maintenance	-	-	-	-	87,085	-	-	-	-	-	-
Assigned											
Assessment	398,534	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 398,534</u>	<u>\$ 2,198</u>	<u>\$ 1,733</u>	<u>\$ 66,431</u>	<u>\$ 87,085</u>	<u>\$ 86,390</u>	<u>\$ 40,803</u>	<u>\$ -</u>	<u>\$ 54,137</u>	<u>\$ 3,308</u>	<u>\$ 26,150</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (continued)
 December 31, 2018

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Circuit Clerk Education Fund	Local Law Enforcement Block Grant Fund	Total
ASSETS											
Cash and investments	\$ 10,121	\$ 34,346	\$ 383,603	\$ 21,916	\$ 7,383	\$ 89,758	\$ 88,684	\$ 21,000	\$ 55,771	\$ 148	\$ 1,479,499
TOTAL ASSETS	<u>\$ 10,121</u>	<u>\$ 34,346</u>	<u>\$ 383,603</u>	<u>\$ 21,916</u>	<u>\$ 7,383</u>	<u>\$ 89,758</u>	<u>\$ 88,684</u>	<u>\$ 21,000</u>	<u>\$ 55,771</u>	<u>\$ 148</u>	<u>\$ 1,479,499</u>
FUND BALANCES											
Restricted for:											
Public safety	\$ 10,121	\$ -	\$ -	\$ -	\$ 7,383	\$ 89,758	\$ 88,684	\$ -	\$ -	\$ 148	\$ 308,834
Elections	-	34,346	-	-	-	-	-	-	-	-	34,346
Recorder	-	-	383,603	-	-	-	-	-	-	-	383,603
Judicial	-	-	-	21,916	-	-	-	21,000	55,771	-	267,097
Tax maintenance	-	-	-	-	-	-	-	-	-	-	87,085
Assigned											
Assessment	-	-	-	-	-	-	-	-	-	-	398,534
TOTAL FUND BALANCES	<u>\$ 10,121</u>	<u>\$ 34,346</u>	<u>\$ 383,603</u>	<u>\$ 21,916</u>	<u>\$ 7,383</u>	<u>\$ 89,758</u>	<u>\$ 88,684</u>	<u>\$ 21,000</u>	<u>\$ 55,771</u>	<u>\$ 148</u>	<u>\$ 1,479,499</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, 2018

	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	Sheriff Drug Forfeiture Fund	Circuit Clerk Treatment Courts Fund
RECEIPTS											
Taxes	\$ -	\$ -	\$ -	\$ 611,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	5,436	-	-	-
Fees and charges	672,438	4,100	1,045	109	115,909	8,349	50,000	-	14,830	-	13,496
Other receipts	4,910	1,897	17	4,905	1,721	1,176	2,313	10	1,021	51	48
TOTAL RECEIPTS	677,348	5,997	1,062	616,084	117,630	9,525	52,313	5,446	15,851	51	13,544
DISBURSEMENTS											
Current											
General government	633,026	-	-	-	73,344	-	-	-	-	-	-
Judicial	-	-	425	-	-	3,787	-	-	20,870	-	35,179
Public safety	-	4,388	-	390,155	-	-	73,643	5,446	-	511	-
TOTAL DISBURSEMENTS	633,026	4,388	425	390,155	73,344	3,787	73,643	5,446	20,870	511	35,179
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	44,322	1,609	637	225,929	44,286	5,738	(21,330)	-	(5,019)	(460)	(21,635)
OTHER FINANCING (USES)											
Operating transfers (out)	(32,738)	-	-	(315,415)	(30,000)	-	-	-	-	-	-
TOTAL OTHER FINANCING (USES)	(32,738)	-	-	(315,415)	(30,000)	-	-	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	11,584	1,609	637	(89,486)	14,286	5,738	(21,330)	-	(5,019)	(460)	(21,635)
FUND BALANCE, January 1	386,950	589	1,096	155,917	72,799	80,652	62,133	-	59,156	3,768	47,785
FUND BALANCE, December 31	\$ 398,534	\$ 2,198	\$ 1,733	\$ 66,431	\$ 87,085	\$ 86,390	\$ 40,803	\$ -	\$ 54,137	\$ 3,308	\$ 26,150

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, 2018

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Circuit Clerk Education Fund	Local Law Enforcement Block Grant Fund	Total
RECEIPTS											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,070
Intergovernmental receipts	3,492	4,874	-	-	-	-	-	-	-	9,972	23,774
Fees and charges	-	11,610	200,434	12,584	7,332	15,386	174,999	885	10,389	-	1,313,895
Other receipts	121	4,133	5,565	235	51	1,404	1,308	23	77	28	31,014
TOTAL RECEIPTS	3,613	20,617	205,999	12,819	7,383	16,790	176,307	908	10,466	10,000	1,979,753
DISBURSEMENTS											
Current											
General government	-	12,120	81,196	-	-	-	-	-	-	-	799,686
Judicial	-	-	-	44,668	-	-	-	3,472	11,526	-	119,927
Public safety	2,214	-	-	-	7,573	42,848	176,761	-	-	9,852	713,391
TOTAL DISBURSEMENTS	2,214	12,120	81,196	44,668	7,573	42,848	176,761	3,472	11,526	9,852	1,633,004
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	1,399	8,497	124,803	(31,849)	(190)	(26,058)	(454)	(2,564)	(1,060)	148	346,749
OTHER FINANCING (USES)											
Operating transfers (out)	-	(10,000)	(109,919)	-	-	-	-	-	-	-	(498,072)
TOTAL OTHER FINANCING (USES)	-	(10,000)	(109,919)	-	-	-	-	-	-	-	(498,072)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	1,399	(1,503)	14,884	(31,849)	(190)	(26,058)	(454)	(2,564)	(1,060)	148	(151,323)
FUND BALANCE, January 1	8,722	35,849	368,719	53,765	7,573	115,816	89,138	23,564	56,831	-	1,630,822
FUND BALANCE, December 31	<u>\$ 10,121</u>	<u>\$ 34,346</u>	<u>\$ 383,603</u>	<u>\$ 21,916</u>	<u>\$ 7,383</u>	<u>\$ 89,758</u>	<u>\$ 88,684</u>	<u>\$ 21,000</u>	<u>\$ 55,771</u>	<u>\$ 148</u>	<u>\$ 1,479,499</u>



**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report dated May 17, 2019.

The financial statements of Tantone Industries, Inc. were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Tantone Industries, Inc.

Internal Control over Financial Reporting

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

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Taney County Commission
Taney County
Forsyth, Missouri

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Taney County, Missouri's financial statements are free from 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*.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
May 17, 2019



Taney County Commission
Taney County
Forsyth, Missouri

We have audited the basic financial statements of Taney County, Missouri, for the year ended December 31, 2018, and have issued our report thereon dated May 17, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 5, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated January 5, 2019.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Taney County, Missouri, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018.

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

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

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Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No material misstatements were detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 17, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Taney County Commission
Taney County
Forsyth, Missouri
Page Three

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

Sincerely,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
May 17, 2019



Taney County Commission
Taney County
Forsyth, Missouri

In planning and performing our audit of the basic financial statements of Taney County, Missouri, for the year ended December 31, 2018, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

1. Signatures on Checks

During our audit, we noted that more than one signature is required on only some of the checks issued from the County's bank accounts, while some checks issued by the County require only one signature. These accounts include the Circuit Clerk Accounts. A policy requiring more than one signature on every check is one internal control procedure to prevent unauthorized disbursements.

We Recommend:

The County review its policy regarding the necessary signatures on checks issued by the various County offices. The County also needs to modify its depository agreement with its banking institutions to include the instructions regarding when a check is valid and may be honored by the institution. If the County does not utilize dual signatures on the checks, then the County should require that the Auditor's office perform verification procedures on these accounts.

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2. Budgetary Compliance

The County was not in compliance with the budgetary statute Chapter 67 RSMo, in the current year as actual expenditures exceeded budgeted expenditures in the Road and Bridge Fund and the Law Enforcement Sales Tax Fund. The budgetary statute prohibits actual expenditures exceeding budgeted expenditures for any fund maintained by the County.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to avoid expending more than the budgeted amount to ensure compliance with the budgetary statute (Chapter 67. RSMo).

3. Purchase Orders

Currently, the County purchase order system does not allow for dollar amounts of quoted prices or bid amounts to be entered on the purchase order. This ability would allow the County to match up the quoted prices and bid amounts to the invoices prior to payment of the invoice. This would help prevent the overpayment for goods and services to vendors.

We Recommend:

The County request a modification to the purchase order system to allow for amounts to be entered for quoted prices and bid amounts. The County should then adopt a policy requiring these amounts to be entered onto the purchase order and matched to the invoice prior to payment.

4. Accounts Payable and Payroll

During our audit, we noted the County has segregated accounts payable and payroll functions from the Auditor's Office. However, the accounts payable and payroll functions are still not under the County Clerk's Office. State Statutes indicate the responsibility for the functions is with the County Clerk's Office. Also, better segregation of duties can be achieved if these functions are located in the County Clerk's Office.

We Recommend:

The County consider moving accounts payable and payroll to the County Clerk's Office.

5. New Pronouncement

The Governmental Accounting Standards Board (GASB) has issued the GASB Statement No. 84 – *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities. Activities meeting the criteria will be reported in a fiduciary fund in the basic financial statements. Specifically, custodial funds generally should report fiduciary activities if they meet specific criteria. The effective date is for the fiscal year ending December 31, 2019, with earlier implementation encouraged.

We Recommend:

The County examine the new pronouncement to determine the effect this will have on future financial reporting and to ensure successful implementation on the effective date.

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

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
May 17, 2019