

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2010

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

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Taney County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the business-type activities of the Primary Government of Taney County, the Developmentally Disabled Board, and the Dorgan-Weaver Housing corporation, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2010, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Taney County Commission
Taney County
Forsyth, Missouri

Further, in our opinion, the basic financial statements of the Taney County Regional Sewer District and the Taney County Health Center present fairly, in all material respects, the financial position of the Taney County Regional Sewer District and the Taney County Health Center as of December 31, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Davis, Lynn & Moots, PC

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

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, 2010, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The overall net assets of the County decreased by \$152,777.
- The fund balance for the General Fund decreased by \$579,911. Using the modified cash basis does not take into consideration capital improvements.
- The fund balance for the Road and Bridge Trust Fund decreased by \$11,694.
- The Road and Bridge Fund increased \$646,095.
- The General Fund paid expense for remodel, landscape, and finish work on capital improvements that total \$204,294.
- The Road and Bridge management was in maintenance mode. If trends continue, it can be expected that newly accepted county roads would be placed on a list for maintenance, but not targeted for improvements until more monies are available.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

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

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

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets – Modified Cash Basis

| | December 31, | |
|-------------------------|----------------------|----------------------|
| | <u>2010</u> | <u>2009</u> |
| ASSETS | | |
| Cash and investments | \$ 18,103,991 | \$ 18,256,768 |
| TOTAL ASSETS | <u>\$ 18,103,991</u> | <u>\$ 18,256,768</u> |
| NET ASSETS | | |
| Unrestricted | \$ 18,103,991 | \$ 18,256,768 |
| TOTAL NET ASSETS | <u>\$ 18,103,991</u> | <u>\$ 18,256,768</u> |

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Changes in Net Assets – Modified Cash Basis

| | <u>Year Ended December 31,</u> | |
|------------------------------------|--------------------------------|-----------------------|
| | <u>2010</u> | <u>2009</u> |
| RECEIPTS | | |
| <u>Program Receipts</u> | | |
| Charges for services | \$ 5,113,058 | \$ 5,591,476 |
| Operating grants and contributions | 680,899 | 1,417,739 |
| Capital grants and contributions | 475,459 | 105,226 |
| <u>General Receipts</u> | | |
| Sales tax receipts | 14,790,747 | 14,687,116 |
| Motor vehicle sales tax | 280,561 | 244,308 |
| Gas tax | 925,825 | 834,465 |
| Telephone tax | 530,691 | 507,994 |
| Other taxes | 132,087 | 129,110 |
| Interest | 321,448 | 458,445 |
| Other receipts | 194,831 | 303,854 |
| TOTAL RECEIPTS | <u>23,445,606</u> | <u>24,279,733</u> |
| DISBURSEMENTS | | |
| General government | 5,818,750 | 6,124,622 |
| Judicial | 1,237,446 | 1,163,162 |
| Public safety | 4,340,386 | 4,450,447 |
| Public works | 249,411 | 267,614 |
| Highway and roads | 6,849,445 | 9,252,981 |
| Airport | 697,911 | 1,144,093 |
| Debt service | 1,421,864 | 1,301,145 |
| Other | 1,988,972 | 3,004,420 |
| Transfer station | 994,198 | 954,472 |
| TOTAL DISBURSEMENTS | <u>23,598,383</u> | <u>27,662,956</u> |
| (DECREASE) IN NET ASSETS | <u>\$ (152,777)</u> | <u>\$ (3,383,223)</u> |

Overall receipts of the County decreased by \$834,127 from the prior year. Tax revenues were down \$478,418, which represents an 8.5% decrease from the prior year. Overall disbursements of the County were down \$4,064,573.

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 \$579,911 for the year ended December 31, 2010.
- The Road and Bridge Fund balance increased by \$646,095 for the year ended December 31, 2010.
- The Road and Bridge Trust Fund decreased by \$11,694, which decreased the fund balance to \$4,978,521 as of December 31, 2010.
- The General Fund expended \$204,294 for capital improvements and had lower revenues than the previous year.
- Major changes in management focus have allowed the combined funds for Road and Bridge to increase. When focus moves back to more improvements, we will see more expenses.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

| | Budget | | Actual |
|----------------------------|----------------------|----------------------|----------------------|
| | Original | Final | |
| RECEIPTS | | | |
| Taxes | \$ 8,252,100 | \$ 8,252,100 | \$ 8,360,096 |
| Commissions | 530,000 | 530,000 | 714,592 |
| Licenses and permits | 60,500 | 60,500 | 63,802 |
| Intergovernmental receipts | 444,937 | 444,937 | 856,389 |
| Fees and charges | 2,945,922 | 2,945,922 | 2,422,994 |
| Other | 290,600 | 290,600 | 453,806 |
| TOTAL RECEIPTS | \$ 12,524,059 | \$ 12,524,059 | \$ 12,871,679 |
| DISBURSEMENTS | | | |
| General government | \$ 5,245,437 | \$ 5,245,437 | \$ 4,982,954 |
| Judicial | 1,142,384 | 1,142,384 | 1,191,413 |
| Public safety | 4,231,805 | 4,231,805 | 3,822,627 |
| Public works | 473,441 | 473,441 | 249,411 |
| Other | 10,038,175 | 10,038,175 | 1,988,972 |
| Airport | 1,276,625 | 1,276,625 | 697,911 |
| Debt service | 1,421,282 | 1,421,282 | 1,421,864 |
| TOTAL DISBURSEMENTS | \$ 23,829,149 | \$ 23,829,149 | \$ 14,355,152 |

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Management was of the opinion that we would not have as much revenue and slightly underestimated the revenues for 2010. It was expected that we might spend more. Thanks to the efforts of employees and elected officials we did not. The airport did have a major project that was moved into the next year. In the "other" category, we have budgeted for capital improvements that were expected to allow a good balance forward into 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Next year will be another challenging budget cycle. The County is like many others, not confident about what our economy will do. Management recognizes that we have much more control over what we spend than what we bring in as revenue. Therefore, the challenge will be decreasing those expenses without decreasing the quality of service provided to the constituents.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

TANEY COUNTY, MISSOURI
STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
December 31, 2010

| | Primary Government | | | Component Units | |
|-------------------------|----------------------------|---------------------------------|----------------------|-------------------------------------------|---------------------------------------------|
| | Governmental Activities | Business- Type Activities | Total | Develop- mentally Disabled Board | Dorgan- Weaver Housing Corporation |
| ASSETS | | | | | |
| Cash and investments | \$ 17,544,582 | \$ 559,409 | \$ 18,103,991 | \$ 2,015,406 | \$ 47,177 |
| TOTAL ASSETS | \$ 17,544,582 | \$ 559,409 | \$ 18,103,991 | \$ 2,015,406 | \$ 47,177 |
| NET ASSETS | | | | | |
| Restricted | \$ - | \$ - | \$ - | \$ 222,500 | \$ 41,369 |
| Unrestricted | 17,544,582 | 559,409 | 18,103,991 | 1,792,906 | 5,808 |
| TOTAL NET ASSETS | \$ 17,544,582 | \$ 559,409 | \$ 18,103,991 | \$ 2,015,406 | \$ 47,177 |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF NET ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT AND HEALTH
CENTER
December 31, 2010

| | Component Units | |
|-------------------------------------------------|-----------------------------------------------|-------------------------------------|
| | Taney County Regional Sewer District | Taney County Health Center |
| ASSETS | | |
| Cash and investments - unrestricted | \$ 25,300,714 | \$ 954,395 |
| Ad valorem taxes receivable, net | - | 990,746 |
| Accounts receivable | 102,222 | 85,163 |
| Prepaid expenses | - | 65,202 |
| Restricted cash and investments | 1,600,117 | - |
| Deferred Bond Issuance Costs | 187,602 | 8,638 |
| Capital Assets: | | |
| Non-depreciable | 1,672,058 | 200,000 |
| Depreciable, net | 50,915,070 | 2,328,419 |
| TOTAL ASSETS | 79,777,783 | 4,632,563 |
| LIABILITIES | | |
| Current | | |
| Accounts payable | 360,608 | 38,075 |
| Accrued expenses | 76,610 | 86,388 |
| Deposits payable | 109,379 | - |
| Accrued interest payable | 270,560 | - |
| Current maturities of long-term debt | 800,000 | 44,622 |
| TOTAL CURRENT LIABILITIES | 1,617,157 | 169,085 |
| Noncurrent | | |
| Arbitrage payable | 61,676 | - |
| Certificates of participation debt | - | 706,270 |
| Compensated absences | - | 108,181 |
| Revenue bonds payable | 10,910,000 | - |
| TOTAL NONCURRENT LIABILITIES | 10,971,676 | 814,451 |
| TOTAL LIABILITIES | 12,588,833 | 983,536 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 40,877,128 | 1,777,527 |
| Restricted for debt service | 1,429,062 | - |
| Unrestricted | 24,882,760 | 1,871,500 |
| TOTAL NET ASSETS | \$ 67,188,950 | \$ 3,649,027 |

See accompanying notes.

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

| Functions/Programs | Primary Government | | | | | | Componet Units | | |
|-----------------------------------------------------|--------------------|----------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|---------------------------------|----------------|-------------------------------------------|---------------------------------------------|
| | Disbursements | Program Receipts | | | Net (Disbursements), Receipts and Changes in Net Assets | | | Develop- mentally Disabled Board | Dorgan- Weaver Housing Corporation |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total | | |
| Primary Government | | | | | | | | | |
| Governmental Activities | | | | | | | | | |
| General government | \$ (5,818,750) | \$ 2,760,688 | \$ - | \$ - | \$ (3,058,062) | \$ - | \$ (3,058,062) | | |
| Judicial | (1,237,446) | 204,455 | - | - | (1,032,991) | - | (1,032,991) | | |
| Public safety | (4,340,386) | 670,081 | 171,204 | - | (3,499,101) | - | (3,499,101) | | |
| Public works | (249,411) | 91,473 | - | - | (157,938) | - | (157,938) | | |
| Highway and roads | (6,849,445) | 250 | 57,767 | 70,998 | (6,720,430) | - | (6,720,430) | | |
| Airport | (697,911) | 529,210 | - | - | (168,701) | - | (168,701) | | |
| Debt service | (1,421,864) | - | - | - | (1,421,864) | - | (1,421,864) | | |
| Other | (1,988,972) | - | 451,928 | 404,461 | (1,132,583) | - | (1,132,583) | | |
| TOTAL GOVERNMENTAL ACTIVITIES | (22,604,185) | 4,256,157 | 680,899 | 475,459 | (17,191,670) | - | (17,191,670) | | |
| Business-Type Activities | | | | | | | | | |
| Transfer station | (994,198) | 856,901 | - | - | - | (137,297) | (137,297) | | |
| TOTAL BUSINESS-TYPE ACTIVITIES | (994,198) | 856,901 | - | - | - | (137,297) | (137,297) | | |
| TOTAL PRIMARY GOVERNMENT | \$ (23,598,383) | \$ 5,113,058 | \$ 680,899 | \$ 475,459 | (17,191,670) | (137,297) | (17,328,967) | | |
| Component Units | | | | | | | | | |
| Developmentally Disabled Board | \$ (2,118,385) | \$ 31,410 | \$ - | \$ 48,311 | | | \$ (2,038,664) | \$ - | |
| Dorgan-Weaver Housing Corp. | (66,355) | 67,582 | - | - | | | - | 1,227 | |
| TOTAL COMPONENT UNITS | \$ (2,184,740) | \$ 98,992 | \$ - | \$ 48,311 | | | (2,038,664) | 1,227 | |
| General Receipts and Transfers: | | | | | | | | | |
| Ad valorem taxes | | | | | - | - | 889,767 | - | |
| Sales taxes | | | | | 14,790,747 | - | 14,790,747 | - | |
| Motor vehicle sales taxes | | | | | 280,561 | - | 280,561 | - | |
| Gas taxes | | | | | 925,825 | - | 925,825 | - | |
| Telephone taxes | | | | | 530,691 | - | 530,691 | - | |
| Other taxes | | | | | 132,087 | - | 132,087 | - | |
| Interest | | | | | 310,000 | 11,448 | 321,448 | 25,270 | |
| Other receipts | | | | | 181,319 | 13,512 | 194,831 | 4,130 | |
| Transfers | | | | | 23,367 | (23,367) | - | - | |
| Special Items: | | | | | | | | | |
| Lease proceeds | | | | | - | - | - | 1,089,213 | |
| Loan proceeds | | | | | - | - | - | 349,500 | |
| Total General Receipts, Transfers and Special Items | | | | | 17,174,597 | 1,593 | 17,176,190 | 2,357,880 | |
| Increase (Decrease) in Net Assets | | | | | (17,073) | (135,704) | (152,777) | 319,216 | |
| Net Assets, Beginning of year | | | | | 17,561,655 | 695,113 | 18,256,768 | 1,696,190 | |
| Net Assets, End of year | | | | | \$ 17,544,582 | \$ 559,409 | \$ 18,103,991 | \$ 2,015,406 | |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – TANEY COUNTY REGIONAL SEWER DISTRICT AND HEALTH CENTER
Year Ended December 31, 2010

| Functions/Programs | Component Units | | | | Net (Expenditures), Receipts, and Changes in Net Assets | |
|------------------------------|-----------------------|--------------------------------------|------------------------------------------|--------------------------------------------|------------------------------------------------------------|----------------------------------------|
| | Expenditures | Program Revenues | | Taney County Regional Sewer District | Taney County Health Center | |
| | | Charges for Services | Operating Grants and Contributions | | | Capital Grants and Contributions |
| Component Units | | | | | | |
| Taney County Regional | | | | | | |
| Sewer District | \$ (5,958,158) | \$ 1,382,538 | \$ - | \$ - | \$ (4,575,620) | \$ - |
| Taney County Health Center | (3,628,045) | 2,169,764 | - | - | - | (1,458,281) |
| TOTAL COMPONENT UNITS | \$ (9,586,203) | \$ 3,552,302 | \$ - | \$ - | (4,575,620) | (1,458,281) |
| | | General Revenues | | | | |
| | | Ad valorem taxes | | | - | 1,369,643 |
| | | Sales tax | | | 6,557,953 | - |
| | | Interest | | | 458,134 | 16,309 |
| | | Other receipts | | | 29,970 | - |
| | | | | Total General Revenues | 7,046,057 | 1,385,952 |
| | | | | Increase (Decrease) in Net Assets | 2,470,437 | (72,329) |
| | | Net Assets, Beginning of year | | | 64,718,513 | 3,721,356 |
| | | Net Assets, End of year | | | \$ 67,188,950 | \$ 3,649,027 |

See accompanying notes.

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

| | General Fund | Road and Bridge Trust Fund | Road and Bridge Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|----------------------------|-----------------------------------|--------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | | | |
| Cash and investments | \$ 9,676,979 | \$ 4,978,521 | \$ 972,332 | \$ 1,915,451 | \$ 17,543,283 |
| TOTAL ASSETS | <u>\$ 9,676,979</u> | <u>\$ 4,978,521</u> | <u>\$ 972,332</u> | <u>\$ 1,915,451</u> | <u>\$ 17,543,283</u> |
| FUND BALANCES | | | | | |
| Fund Balances | | | | | |
| Unreserved, reported in: | | | | | |
| General Fund | \$ 9,676,979 | \$ - | \$ - | \$ - | \$ 9,676,979 |
| Special Revenue Funds | - | 4,978,521 | 972,332 | 1,915,451 | 7,866,304 |
| TOTAL FUND BALANCES | <u>\$ 9,676,979</u> | <u>\$ 4,978,521</u> | <u>\$ 972,332</u> | <u>\$ 1,915,451</u> | <u>\$ 17,543,283</u> |
| Fund Balance Governmental Funds | | | | | \$ 17,543,283 |
| Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities. | | | | | <u>1,299</u> |
| Net Assets of Governmental Activities | | | | | <u>\$ 17,544,582</u> |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2010

| | General Fund | Road and Bridge Trust Fund | Road and Bridge Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------|----------------------------|-----------------------------------|--------------------------------|
| RECEIPTS | | | | | |
| Taxes | \$ 8,360,096 | \$ 6,562,738 | \$ 1,206,386 | \$ 530,691 | \$ 16,659,911 |
| Collector's commission | 714,592 | - | - | - | 714,592 |
| Licenses and permits | 63,802 | - | - | - | 63,802 |
| Intergovernmental receipts | 856,389 | 73,245 | - | 51,642 | 981,276 |
| Fees and charges | 2,422,994 | - | - | 1,063,943 | 3,486,937 |
| Other | 453,806 | 141,098 | 91,757 | 42,368 | 729,029 |
| TOTAL RECEIPTS | 12,871,679 | 6,777,081 | 1,298,143 | 1,688,644 | 22,635,547 |
| DISBURSEMENTS | | | | | |
| Current | | | | | |
| General government | 4,982,954 | - | - | 835,796 | 5,818,750 |
| Judicial | 1,191,413 | - | - | 46,033 | 1,237,446 |
| Public safety | 3,822,627 | - | - | 517,759 | 4,340,386 |
| Public works | 249,411 | - | - | - | 249,411 |
| Airport | 697,911 | - | - | - | 697,911 |
| Other | 1,988,972 | - | - | - | 1,988,972 |
| Highway and roads | - | 4,772,477 | 2,076,968 | - | 6,849,445 |
| Debt service | 1,421,864 | - | - | - | 1,421,864 |
| TOTAL DISBURSEMENTS | 14,355,152 | 4,772,477 | 2,076,968 | 1,399,588 | 22,604,185 |
| EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS | (1,483,473) | 2,004,604 | (778,825) | 289,056 | 31,362 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in (out) | 903,562 | (2,016,298) | 1,424,920 | (358,217) | (46,033) |
| TOTAL OTHER FINANCING SOURCES (USES) | 903,562 | (2,016,298) | 1,424,920 | (358,217) | (46,033) |
| EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES) | (579,911) | (11,694) | 646,095 | (69,161) | (14,671) |
| FUND BALANCE, January 1 | 10,256,890 | 4,990,215 | 326,237 | 1,984,612 | 17,557,954 |
| FUND BALANCE, December 31 | \$ 9,676,979 | \$ 4,978,521 | \$ 972,332 | \$ 1,915,451 | \$ 17,543,283 |
| (Deficit) of Receipts and Other Sources Over Disbursements and Other Uses | | | | | \$ (14,671) |
| Some of the amounts reported for Governmental activities in the Statement of Activities are different because the Internal Service Fund receipts and disbursements are included with Governmental activities. | | | | | (2,402) |
| (Decrease) in Net Assets | | | | | \$ (17,073) |

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 December 31, 2010

| | Enterprise Fund | Internal Service Fund |
|---------------------------|----------------------------------|-----------------------------------|
| | <u>Transfer Station Fund</u> | <u>Employee Benefits Fund</u> |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 559,409 | \$ 1,299 |
| TOTAL ASSETS | <u>\$ 559,409</u> | <u>\$ 1,299</u> |
| Net Assets | | |
| Unrestricted | \$ 559,409 | \$ 1,299 |
| TOTAL NET ASSETS | <u>\$ 559,409</u> | <u>\$ 1,299</u> |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2010

| | Enterprise Fund | Internal Service Fund |
|------------------------------------------|--------------------------|-----------------------------|
| | Transfer Station Fund | Employee Benefits Fund |
| OPERATING RECEIPTS | | |
| Charges for services | \$ 856,901 | \$ - |
| TOTAL OPERATING RECEIPTS | 856,901 | - |
| OPERATING DISBURSEMENTS | | |
| Insurance claims and disbursements | 371 | 73,798 |
| Salaries and employee benefits | 211,665 | - |
| Supplies | 58,182 | - |
| Telephone and utilities | 3,306 | - |
| Repair and maintenance | 61,375 | - |
| Landfill services | 653,674 | - |
| Other | 5,625 | - |
| TOTAL OPERATING DISBURSEMENTS | 994,198 | 73,798 |
| OPERATING (LOSS) | (137,297) | (73,798) |
| NONOPERATING RECEIPTS | | |
| Interest receipts | 11,448 | 224 |
| Other receipts | 13,512 | 1,772 |
| TOTAL NONOPERATING RECEIPTS | 24,960 | 1,996 |
| (LOSS) BEFORE OPERATING TRANSFERS | (112,337) | (71,802) |
| Operating transfers in (out) | (23,367) | 69,400 |
| NET (LOSS) | (135,704) | (2,402) |
| NET ASSETS, January 1 | 695,113 | 3,701 |
| NET ASSETS, December 31 | \$ 559,409 | \$ 1,299 |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2010

| | Enterprise Fund | Internal Service Fund |
|-------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|
| | Transfer Station Fund | Employee Benefits Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 870,413 | \$ - |
| Cash paid to suppliers | (782,533) | (72,026) |
| Cash paid to employees | (211,665) | - |
| | NET CASH (USED) | |
| | BY OPERATING ACTIVITIES | (72,026) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 11,448 | 224 |
| | NET CASH PROVIDED BY | |
| | INVESTING ACTIVITIES | 224 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from (to) other funds | (23,367) | 69,400 |
| | NET CASH PROVIDED (USED) BY | |
| | NONCAPITAL FINANCING ACTIVITIES | 69,400 |
| | NET (DECREASE) IN | |
| | CASH AND CASH EQUIVALENTS | (2,402) |
| CASH AND CASH EQUIVALENTS, Beginning of year | 695,113 | 3,701 |
| CASH AND CASH EQUIVALENTS, End of year | \$ 559,409 | \$ 1,299 |
| RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES: | | |
| Operating (loss) | \$ (137,297) | \$ (73,798) |
| Adjustments to reconcile operating (loss) to net cash (used) by operating activities: | | |
| Other receipts | 13,512 | 1,772 |
| | NET CASH (USED) | |
| | BY OPERATING ACTIVITIES | (72,026) |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2010

| | Sheriff's Office Prisoner Fund | Sheriff's Office Transport Fund | Sheriff's Office General Fund | Sheriff's Office Bond Fund | Sheriff Commissary Fund | Collector of Revenue Fund | Financial Institution Tax Fund | Land Sales Surplus Fund | Unclaimed Fee Fund | Prosecuting Attorney Restitution Fund | Fines and Forfeitures Fund |
|--------------------------|-----------------------------------------|------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------|---------------------------------|-----------------------------------------|----------------------------------|--------------------------|------------------------------------------------|----------------------------------|
| ASSETS | | | | | | | | | | | |
| Cash and investments | \$ 19 | \$ 585 | \$ 75 | \$ 14 | \$ 37,749 | \$ 39,726,622 | \$ 36,729 | \$ 103,254 | \$ 35,973 | \$ 19,059 | \$ 94,898 |
| TOTAL ASSETS | <u>\$ 19</u> | <u>\$ 585</u> | <u>\$ 75</u> | <u>\$ 14</u> | <u>\$ 37,749</u> | <u>\$ 39,726,622</u> | <u>\$ 36,729</u> | <u>\$ 103,254</u> | <u>\$ 35,973</u> | <u>\$ 19,059</u> | <u>\$ 94,898</u> |
| LIABILITIES | | | | | | | | | | | |
| Due to others | \$ 19 | \$ - | \$ - | \$ 14 | \$ 37,749 | \$ - | \$ - | \$ 103,254 | \$ 35,973 | \$ 19,059 | \$ - |
| Due to other governments | - | 585 | 75 | - | - | 39,726,622 | 36,729 | - | - | - | 94,898 |
| TOTAL LIABILITIES | <u>\$ 19</u> | <u>\$ 585</u> | <u>\$ 75</u> | <u>\$ 14</u> | <u>\$ 37,749</u> | <u>\$ 39,726,622</u> | <u>\$ 36,729</u> | <u>\$ 103,254</u> | <u>\$ 35,973</u> | <u>\$ 19,059</u> | <u>\$ 94,898</u> |

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (CONTINUED)
December 31, 2010

| | Criminal Cost Fund | Circuit Clerk Fund | DSS Supplemental Fund | Prosecuting Attorney Witness Fee Fund | Recorder's User Fee Fund | Protest Tax Account Fund | Prosecuting Attorney Bad Check Fund | Juvenile Restitution Fund | Senior Services Fund | Total |
|--------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------------------------|--------------------------------|-----------------------------------|----------------------------------------------|---------------------------------|----------------------------|----------------------|
| ASSETS | | | | | | | | | | |
| Cash and investments | \$ 778 | \$ 1,130,233 | \$ 2,426 | \$ 8,902 | \$ 244,931 | \$ 492,394 | \$ 9,564 | \$ 1,547 | \$ 75,084 | \$ 42,020,836 |
| TOTAL ASSETS | <u>\$ 778</u> | <u>\$ 1,130,233</u> | <u>\$ 2,426</u> | <u>\$ 8,902</u> | <u>\$ 244,931</u> | <u>\$ 492,394</u> | <u>\$ 9,564</u> | <u>\$ 1,547</u> | <u>\$ 75,084</u> | <u>\$ 42,020,836</u> |
| LIABILITIES | | | | | | | | | | |
| Due to others | \$ - | \$ - | \$ - | \$ 8,902 | \$ - | \$ 492,394 | \$ 9,564 | \$ 1,547 | \$ 75,084 | \$ 783,559 |
| Due to other governments | 778 | 1,130,233 | 2,426 | - | 244,931 | - | - | - | - | 41,237,277 |
| TOTAL LIABILITIES | <u>\$ 778</u> | <u>\$ 1,130,233</u> | <u>\$ 2,426</u> | <u>\$ 8,902</u> | <u>\$ 244,931</u> | <u>\$ 492,394</u> | <u>\$ 9,564</u> | <u>\$ 1,547</u> | <u>\$ 75,084</u> | <u>\$ 42,020,836</u> |

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

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

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

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

Taney County Board for the Developmentally Disabled

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

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

Dorgan-Weaver Housing Corporation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

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

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

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

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

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

Government-Wide Statements

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

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

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

NOTE B – CASH AND INVESTMENTS

PRIMARY GOVERNMENT

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

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

| Investment Type | Maturity | Carrying Value | Fair Value |
|--------------------------------------|---------------------|----------------|---------------|
| Taney County | | | |
| Certificates of Deposit | 1/8/2011-9/24/2013 | \$ 19,913,000 | \$ 20,062,513 |
| FHLMC one time call | 7/29/2013 | 1,000,000 | 1,003,000 |
| FHLB Bonds US Domestic | 4/29/2013-8/6/2013 | 2,499,700 | 2,507,377 |
| FHLB Global Bonds | 9/16/2011-3/20/2013 | 5,534,720 | 5,588,536 |
| FNMA Callable Note | 3/28/2013 | 500,000 | 499,350 |
| Fannie Mae Notes - US Domestic | 5/6/2013 | 1,499,325 | 1,506,701 |
| Fannie Mae Global Notes | 1/25/2013-11/8/2013 | 2,998,933 | 2,981,502 |
| Freddie MAC Global Notes | 6/28/2013 | 2,000,000 | 2,011,350 |
| | | 35,945,678 | 36,160,329 |
| Less: Investments held for the | | | |
| Taney County Regional Sewer District | | (25,082,560) | (25,082,560) |
| Total Investments Primary Government | | \$ 10,863,118 | \$ 11,077,769 |

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2010, all certificates of deposit are entirely insured or collateralized with securities.

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

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

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

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

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District’s deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2010, all bank balances on deposit are entirely insured or collateralized.

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

| <u>Investment Type</u> | <u>Maturity</u> | <u>Fair Value</u> |
|--------------------------------|-----------------------|----------------------|
| Certificates of Deposit | 1/8/2011 - 9/12/2013 | \$ 8,984,744 |
| FHLMC one time call | 7/29/2013 | 1,003,000 |
| FHLB Bonds US Domestic | 4/29/2013 - 8/6/2013 | 2,507,377 |
| FHLB Global Bonds | 9/16/2011 - 3/20/2013 | 5,588,536 |
| FNMA Callable Note | 3/28/2013 | 499,350 |
| Fannie Mae Notes - US Domestic | 5/6/2013 | 1,506,701 |
| Fannie Mae Global Notes | 1/25/2013 - 11/8/2013 | 2,981,502 |
| Freddie MAC Global Notes | 6/28/2013 | 2,011,350 |
| | | <u>\$ 25,082,560</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, 2010, all certificates of deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

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

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

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

TANEY COUNTY HEALTH CENTER

At December 31, 2010, all of the Health Department’s deposits were covered by federal depository insurance or collateralized by securities subject to joint custody safekeeping receipts issued by custodial financial institutions.

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, 2010, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2010, are as follows:

| Investment Type | Maturity | Fair Value |
|------------------------|------------|--------------|
| Certificate of Deposit | 3/23/2011 | \$ 252,968 |
| Certificate of Deposit | 4/17/2011 | 496,171 |
| Certificate of Deposit | 11/25/2011 | 189,776 |
| Certificate of Deposit | 11/25/2011 | 189,776 |
| | | \$ 1,128,691 |

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, 2010, all certificates of deposit were insured or collateralized with securities.

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

NOTE B – CASH AND INVESTMENTS (continued)

Interest Rate Risk

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

Dorgan-Weaver Housing Corporation

Investments of the Corporation as of December 31, 2010, are as follows:

| <u>Investment Type</u> | <u>Maturity</u> | <u>Fair Value</u> |
|------------------------|-----------------|-------------------|
| Certificate of Deposit | 7/18/2011 | <u>\$ 8,501</u> |

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2010, 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.

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

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

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

Funding Policy

Taney County's full-time employees hired before February 25, 2002, and not a member of LAGERS are required by state statute to contribute 4% of annual payroll to the pension plan. Non-LAGERS members hired after February 25, 2002, contribute 6% and LAGERS members hired after February 25, 2002, contribute 4%. LAGERS members hired before February 25, 2002, do not contribute to CERF. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – PENSION PLAN – LAGERS

Plan Description

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

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

NOTE E – PENSION PLAN – LAGERS (continued)

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

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

Funding Status

Taney County’s full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 11.3% (general), and 11.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision’s annual pension cost and net pension obligation for the current year were as follows:

| | |
|--------------------------------------------|--------------------|
| Annual required contribution | \$ 1,116,987 |
| Interest on net pension obligation | - |
| Adjustment to annual required contribution | - |
| Annual pension cost | <u>1,116,987</u> |
| Actual contributions | <u>1,116,987</u> |
| Increase (decrease) in NPO | - |
| NPO beginning of year | - |
| NPO end of year | <u><u>\$ -</u></u> |

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

NOTE E – PENSION PLAN – LAGERS (continued)

The annual required contribution (ARC) was determined as part of the February 29, 2008, and February 28, 2009, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2008, was 17 years for the General division and 17 years for the Police division. The amortization period at February 28, 2009, was 20 years for the General division and 24 years for the Police division.

Three-Year Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/2008 | \$ 966,508 | 100% | \$ - |
| 6/30/2009 | 1,094,632 | 100% | - |
| 6/30/2010 | 1,116,987 | 100% | - |

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

| Actuarial Valuation Date | (a) Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | (Excess) Actuarial Liability (UAL) | (a/b) Funded Ratio | (c) Annual Covered Payroll | UAL as a Percentage of Covered Payroll |
|--------------------------------|----------------------------------------|------------------------------------------------|---------------------------------------------|--------------------------|-------------------------------------|-------------------------------------------------|
| 2/28/2010 | \$ 10,270,272 | \$ 13,317,256 | \$ 3,046,984 | 77% | \$ 9,950,757 | 31% |

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

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

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

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

The 2010 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 | \$ 886,271,100 |
| Personal property | 136,945,125 |
| Railroad and utilities | <u>2,246,170</u> |
| | <u><u>\$1,025,462,395</u></u> |
| TAX LEVY | |
| General Fund | <u><u>\$ -</u></u> |

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

| | |
|----------------------------------|------------------------------|
| Constitutional debt limit | \$ 102,546,240 |
| General obligation bonds payable | <u>-</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 102,546,240</u></u> |

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

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

2004 Water Pollution Control Revenue Bonds:

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

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

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

The interest paid is offset by an interest subsidy from the State of Missouri’s 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2010, are due as follows:

| Year Ended December 31, | Principal | Interest | Administrative Fee | Total |
|----------------------------|----------------------|---------------------|-----------------------|----------------------|
| 2011 | \$ 800,000 | \$ 528,320 | \$ 83,609 | \$ 1,411,929 |
| 2012 | 800,000 | 502,320 | 77,897 | 1,380,217 |
| 2013 | 810,000 | 474,945 | 72,185 | 1,357,130 |
| 2014 | 820,000 | 446,010 | 66,402 | 1,332,412 |
| 2015 | 840,000 | 410,250 | 60,547 | 1,310,797 |
| 2016 | 865,000 | 367,625 | 54,550 | 1,287,175 |
| 2017 | 885,000 | 323,875 | 48,374 | 1,257,249 |
| 2018 | 910,000 | 279,000 | 42,055 | 1,231,055 |
| 2019 | 940,000 | 231,575 | 35,557 | 1,207,132 |
| 2020 | 965,000 | 181,568 | 28,846 | 1,175,414 |
| 2021 | 995,000 | 130,119 | 21,956 | 1,147,075 |
| 2022 | 1,025,000 | 78,375 | 14,851 | 1,118,226 |
| 2023 | 1,055,000 | 26,375 | 7,533 | 1,088,908 |
| | <u>\$ 11,710,000</u> | <u>\$ 3,980,357</u> | <u>\$ 614,362</u> | <u>\$ 16,304,719</u> |

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2010:

| | Balance December 31, 2009 | New Obligations | Retired | Balance December 31, 2010 |
|--------------------------------|---------------------------------|--------------------|-------------------|---------------------------------|
| 2004 SRF Revenue Bonds Payable | <u>\$ 12,500,000</u> | <u>\$ -</u> | <u>\$ 790,000</u> | <u>\$ 11,710,000</u> |

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

NOTE H – LONG-TERM DEBT – PRIMARY GOVERNMENT

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

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

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

The total annual minimum lease payments required at December 31, 2010, are as follows:

| <u>Year Ended</u> <u>December 31,</u> | |
|------------------------------------------|----------------------|
| 2011 | \$ 1,446,381 |
| 2012 | 1,474,181 |
| 2013 | 1,494,681 |
| 2014 | 1,520,393 |
| 2015 | 1,545,844 |
| 2016 | 1,570,881 |
| 2017 | 1,597,656 |
| 2018 | 1,626,331 |
| 2019 | 1,649,831 |
| 2020 | 1,680,131 |
| 2021 | 1,710,994 |
| 2022 | 1,737,263 |
| 2023 | <u>2,832,235</u> |
| TOTAL MINIMUM LEASE PAYMENTS | 21,886,802 |
| LESS AMOUNT REPRESENTING INTEREST | <u>(5,291,802)</u> |
| PRINCIPAL BALANCE, DECEMBER 31, 2010 | <u>\$ 16,595,000</u> |

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

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

The following schedule presents the changes in the long-term debt for the year ended December 31, 2010:

| | Balance December 31, 2009 | Additions | Retirements | Balance December 31, 2010 |
|------------------------------------|---------------------------------|------------------|-------------------|---------------------------------|
| 2006 Certificates of Participation | \$ 17,315,000 | \$ - | \$ 720,000 | \$ 16,595,000 |
| Compensated absences | 89,649 | 14,962 | - | 104,611 |
| | <u>\$ 17,404,649</u> | <u>\$ 14,962</u> | <u>\$ 720,000</u> | <u>\$ 16,699,611</u> |

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

The Health Department entered into a capital lease agreement (certificates of participation COPs) to build an addition to the existing building. A summary of changes of loans payable for the year ended December 31, 2010, follows. The interest rate on the capital lease is 4.85% until July 1, 2013, and then adjusts to the rate equal to (i) 65% of the sum of (a) 2.00% plus (b) the current prime rate as published in the Wall Street Journal; plus (ii) .20%. Payments are payable monthly.

| | Balance December 31, 2009 | Additions | Retirements | Balance December 31, 2010 |
|----------------------|---------------------------------|-----------------|------------------|---------------------------------|
| 2008 COP's | \$ 793,377 | \$ - | \$ 42,485 | \$ 750,892 |
| Compensated absences | 105,096 | 3,085 | - | 108,181 |
| | <u>\$ 898,473</u> | <u>\$ 3,085</u> | <u>\$ 42,485</u> | <u>\$ 859,073</u> |

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

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

Debt service payments are as follows:

| Year Ended December 31, | Principal | Interest | Total |
|----------------------------|-------------------|-------------------|---------------------|
| 2011 | \$ 44,622 | \$ 35,925 | \$ 80,547 |
| 2012 | 46,769 | 33,778 | 80,547 |
| 2013 | 49,219 | 31,328 | 80,547 |
| 2014 | 51,694 | 28,853 | 80,547 |
| 2015 | 54,295 | 26,252 | 80,547 |
| 2016 | 56,956 | 23,591 | 80,547 |
| 2017 | 59,890 | 20,657 | 80,547 |
| 2018 | 62,902 | 17,645 | 80,547 |
| 2019 | 66,066 | 14,481 | 80,547 |
| 2020 | 69,355 | 11,192 | 80,547 |
| 2021 | 72,878 | 7,669 | 80,547 |
| 2022 | 76,544 | 4,003 | 80,547 |
| 2023 | 39,702 | 570 | 40,272 |
| | <u>\$ 750,892</u> | <u>\$ 255,944</u> | <u>\$ 1,006,836</u> |

NOTE J – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED

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

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

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

The following is a schedule of payments under the loan:

| Year Ended December 31, | Principal |
|----------------------------|-------------------|
| 2011 | \$ 30,000 |
| 2012 | 30,000 |
| 2013 | 30,000 |
| 2014 | 30,000 |
| 2015 | 30,000 |
| 2016-2018 | 72,500 |
| | <u>\$ 222,500</u> |

The summary of changes in the loan for the year ended December 31, 2010, is as follows:

| | |
|----------------------------|-------------------|
| Balance, December 31, 2009 | \$ 252,500 |
| Additions | - |
| Deletions | (30,000) |
| Balance, December 31, 2010 | <u>\$ 222,500</u> |

NOTE K – LEASE PAYABLE

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. As of December 31, 2010, the facility had not been completed. As of December 31, 2010, the Board has received \$1,089,213 of the lease proceeds. The remaining \$184,794 is held by the Project’s trustee for completion of the project. 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.

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

NOTE K – LEASE PAYABLE (continued)

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.

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, 2010, are as follows:

| <u>Year Ended</u> <u>December 31,</u> | <u>Principal</u> |
|------------------------------------------|----------------------------|
| 2011 | \$ 136,900 |
| 2012 | 135,945 |
| 2013 | 137,088 |
| 2014 | 138,133 |
| 2015 | 138,875 |
| 2016 | 134,475 |
| 2017 | 134,750 |
| 2018 | 134,883 |
| 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 | 2,013,563 |
| LESS AMOUNT REPRESENTING INTEREST | <u>(713,563)</u> |
| PRINCIPAL BALANCE, DECEMBER 31, 2010 | <u><u>\$ 1,300,000</u></u> |

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

NOTE K – LEASE PAYABLE (continued)

The following schedule presents the changes in the long-term debt for the year ended December 31, 2010:

| | Balance December 31, 2009 | Additions | Retirements | Balance December 31, 2010 |
|------------------------------------|---------------------------------|--------------|-------------|---------------------------------|
| 2010 Certificates of Participation | \$ - | \$ 1,300,000 | \$ - | \$ 1,300,000 |

NOTE L – LINE OF CREDIT

At December 31, 2010, the Organization had a \$375,000 secured line of credit with Commerce Bank for construction to be drawn upon as needed with a variable interest rate not to exceed 4%. As of December 31, 2010, \$349,500 is outstanding and due October 4, 2011. A total of \$4,706 of interest was paid in the current year.

NOTE M – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2010, 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, 2010:

| | |
|----------------------------|---------------------|
| Balance, December 31, 2009 | \$ 1,531,400 |
| Additions | - |
| Reductions | - |
| Balance, December 31, 2010 | <u>\$ 1,531,400</u> |

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

NOTE N – RISK MANAGEMENT

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

NOTE O – 2002 BOND PROPOSITION

On April 2, 2002, the Taney County Regional Sewer District passed a \$30,000,000 bond issue for the purpose of extending and improving the sewerage system of the District. The Capital Improvement Sales Tax passed by voters on April 4, 2000, has been pledged for the repayment of these bonds. As of December 31, 2010, only \$15,590,000 of these bonds has been issued.

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

The Health Center pays fixed premiums for annual professional liability insurance coverage under an occurrence-basis policy. Under such a policy, incidents which occur during the policy term are covered claims. For covered claims, in general, the Health Center bears the risk of the excess, if any, over individual claim costs of \$2,000,000 with no annual aggregate limitations. The Health Center accrues the expense of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the Health Center's own claims experience. Health Center management does not expect any claims to exceed the professional liability coverage limits; and accordingly, no accruals for claims have been included in these financial statements. Additionally, there were no claims filed during the year ended December 31, 2010, and the Health Center is not aware of any unasserted claims or unreported incidents at December 31, 2010.

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

NOTE Q – CAPITAL ASSETS – TANEY COUNTY HEALTH CENTER

Capital asset activities for the year ended December 31, 2010, were as follows:

| | Balance December 31, 2009 | Additions | Deletions | Balance December 31, 2010 |
|---------------------------------------------------------|---------------------------------|------------|-----------|---------------------------------|
| Business-Type Activities | | | | |
| Health Center | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 200,000 | \$ - | \$ - | \$ 200,000 |
| Total Nondepreciable Capital Assets | 200,000 | \$ - | \$ - | 200,000 |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 2,609,238 | \$ - | \$ - | 2,609,238 |
| Equipment and furniture | 679,578 | 38,374 | - | 717,952 |
| | 3,288,816 | \$ 38,374 | \$ - | 3,327,190 |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 412,776 | \$ 74,653 | \$ - | 487,429 |
| Equipment and furniture | 434,277 | 77,065 | - | 511,342 |
| | 847,053 | \$ 151,718 | \$ - | 998,771 |
| Total Depreciable Capital Assets, net | 2,441,763 | | | 2,328,419 |
| Total Capital Assets - Business-Type Activities, net | \$ 2,641,763 | | | \$ 2,528,419 |

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

NOTE R – CAPITAL ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT

Capital asset activity for the year ended December 31, 2010, was as follows:

| | Balance December 31, 2009 | Additions | Deletions | Balance December 31, 2010 |
|---------------------------------------------------------|---------------------------------|---------------------|---------------------|---------------------------------|
| Business-Type Activities | | | | |
| Sewer | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 106,576 | \$ - | \$ - | \$ 106,576 |
| Construction in progress | <u>5,363,989</u> | <u>1,565,482</u> | <u>5,363,989</u> | <u>1,565,482</u> |
| Total Nondepreciable Capital Assets | 5,470,565 | <u>\$ 1,565,482</u> | <u>\$ 5,363,989</u> | 1,672,058 |
| Depreciable capital assets: | | | | |
| Sewer System | 50,658,761 | \$ 9,078,435 | \$ - | 59,737,196 |
| Equipment | <u>224,756</u> | <u>27,334</u> | <u>-</u> | <u>252,090</u> |
| | 50,883,517 | <u>\$ 9,105,769</u> | <u>\$ -</u> | 59,989,286 |
| Less accumulated depreciation | | | | |
| Sewer System | 7,179,195 | \$ 1,736,632 | \$ - | 8,915,827 |
| Equipment | <u>145,538</u> | <u>12,851</u> | <u>-</u> | <u>158,389</u> |
| | <u>7,324,733</u> | <u>\$ 1,749,483</u> | <u>\$ -</u> | <u>9,074,216</u> |
| Total Depreciable Capital Assets, net | <u>43,558,784</u> | | | <u>50,915,070</u> |
| Total Capital Assets - Business-Type Activities, net | <u>\$ 49,029,349</u> | | | <u>\$ 52,587,128</u> |

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

NOTE S – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2010, consisted of the following:

| | Transfers In (Out) |
|-------------------------------------|-----------------------|
| General Fund | \$ 903,562 |
| Road and Bridge Trust Fund | (2,016,298) |
| Road and Bridge Fund | 1,424,920 |
| Assessment Fund | 70,327 |
| Tax Maintenance Fund | (75,000) |
| E-911 Fund | (232,346) |
| Prosecuting Attorney Bad Check Fund | (71,198) |
| Recorder User Fee Fund | (50,000) |
| Employee Benefits Fund | 69,400 |
| Transfer Station Fund | (23,367) |
| | <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 T – JUDICIAL FACILITY RESERVE FUND

A Reserve Fund is established pursuant to the Indenture and is required to be funded on the date of initial delivery of the Series 2006 Certificates in an amount equal to \$1,926,000 (the “Reserve Requirement”). Money in the Reserve Fund may be used solely (a) to make up any deficiencies in the Certificate Payment Fund and, if the money in the Certificate Payment Fund is insufficient to pay the principal component or the interest component of Base Rentals as the same become due, the Trustee is required to transfer from the Reserve Fund to the Certificate Payment Fund an amount sufficient to make up such deficiency or (b) to make Base Rentals or to make deposits to the Certificate Payment Fund to make such payments, in the amounts and at the times specified in a written request of the County given to the Trustee. If the Trustee receives any such request, it must transfer the amount specified therein on the date or dates specified therein. As of December 31, 2010, the Reserve Account balance was \$1,969,223.

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

NOTE U – COMMITMENTS

At December 31, 2010, the County was committed to the following contract:

- Purchase of Road Barn from MoDot in the amount of \$189,900.

NOTE V – COMMITMENTS – TANEY COUNTY REGIONAL SEWER DISTRICT

The District was committed to contracts for sewer system additions and improvements with HDR Engineering, Inc. in the amount of \$262,930, EGIS Engineering, Inc. in the amount of \$18,125, and Great River Associates in the amount of \$235,400 as of December 31, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2010

Missouri Local Government Employees Retirement System (LAGERS)

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Entry Age Actuarial Accrued Liability | (b-a) Unfunded (Excess) Accrued Liability (UAL) | (a/b) Funded Ratio | (c) Annual Covered Payroll | [(b-a)/c] UAL as a Percentage of Covered Payroll |
|--------------------------------|----------------------------------------|-------------------------------------------------------|----------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------------------------------------------|
| 2/29/2008 | \$ 9,618,259 | \$ 10,577,588 | \$ 959,329 | 91% | \$ 8,655,618 | 11% |
| 2/28/2009 | 8,637,078 | 12,210,193 | 3,573,115 | 71% | 10,162,602 | 35% |
| 2/28/2010 | 10,270,272 | 13,317,256 | 3,046,984 | 77% | 9,950,757 | 31% |

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

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

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| RECEIPTS | | | | |
| Taxes | | | | |
| County sales tax | \$ 8,131,000 | \$ 8,131,000 | \$ 8,228,009 | \$ 97,009 |
| Surtax | 8,100 | 8,100 | 8,666 | 566 |
| Payment in lieu of taxes | 113,000 | 113,000 | 123,421 | 10,421 |
| | <u>8,252,100</u> | <u>8,252,100</u> | <u>8,360,096</u> | <u>107,996</u> |
| Collector's Commission | | | | |
| Collection commissions | 530,000 | 530,000 | 714,592 | 184,592 |
| Licenses and Permits | | | | |
| Beverage licenses | 60,000 | 60,000 | 63,152 | 3,152 |
| ATV permits | 500 | 500 | 650 | 150 |
| | <u>60,500</u> | <u>60,500</u> | <u>63,802</u> | <u>3,302</u> |
| Intergovernmental Revenues | | | | |
| Federal | 178,000 | 178,000 | 592,565 | 414,565 |
| Other | 266,937 | 266,937 | 263,824 | (3,113) |
| | <u>444,937</u> | <u>444,937</u> | <u>856,389</u> | <u>411,452</u> |
| Fees and Charges | | | | |
| Court | 70,000 | 70,000 | 85,510 | 15,510 |
| Public administration | 85,000 | 85,000 | 51,068 | (33,932) |
| County clerk | 1,000 | 1,000 | 870 | (130) |
| Recorder of deeds | 900,000 | 900,000 | 1,010,257 | 110,257 |
| Tax sale publication | 8,000 | 8,000 | 15,984 | 7,984 |
| Planning and zoning | 35,000 | 35,000 | 91,473 | 56,473 |
| Sheriff fees | 530,000 | 530,000 | 578,365 | 48,365 |
| Phone and vending | 600 | 600 | 571 | (29) |
| Election reimbursement | 70,000 | 70,000 | 54,162 | (15,838) |
| Computer room | 2,000 | 2,000 | 5,524 | 3,524 |
| Airport | 1,244,322 | 1,244,322 | 529,210 | (715,112) |
| | <u>2,945,922</u> | <u>2,945,922</u> | <u>2,422,994</u> | <u>(522,928)</u> |
| Other | | | | |
| Interest income | 200,000 | 200,000 | 170,127 | (29,873) |
| Miscellaneous | 78,600 | 78,600 | 244,294 | 165,694 |
| Sale of property | 12,000 | 12,000 | 39,385 | 27,385 |
| | <u>290,600</u> | <u>290,600</u> | <u>453,806</u> | <u>163,206</u> |
| TOTAL RECEIPTS | 12,524,059 | 12,524,059 | 12,871,679 | 347,620 |
| DISBURSEMENTS | | | | |
| Current | | | | |
| General Government | | | | |
| University extension | 46,934 | 46,934 | 47,392 | (458) |
| Collector of revenue | 240,764 | 240,764 | 224,819 | 15,945 |
| Treasurer | 86,430 | 86,430 | 84,125 | 2,305 |
| Recorder of deeds | 318,724 | 318,724 | 281,614 | 37,110 |
| County commission | 329,300 | 329,300 | 424,925 | (95,625) |
| Employee fringe benefits | 2,063,666 | 2,063,666 | 1,893,371 | 170,295 |
| Information technology | 430,514 | 430,514 | 412,323 | 18,191 |
| Planning and zoning | 395,035 | 395,035 | 362,572 | 32,463 |
| Election and voter registration | 151,787 | 151,787 | 152,598 | (811) |
| County clerk | 191,429 | 191,429 | 179,087 | 12,342 |
| Auditor | 144,382 | 144,382 | 138,794 | 5,588 |
| Building and grounds | 846,472 | 846,472 | 781,334 | 65,138 |
| | <u>5,245,437</u> | <u>5,245,437</u> | <u>4,982,954</u> | <u>262,483</u> |

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

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|-----------------------------------------------------------------------------------|--------------------|-------------------|---------------------|----------------------------------|
| Judicial | | | | |
| Court administration | 42,750 | 42,750 | 43,334 | (584) |
| Associate circuit #2 | - | - | 1,100 | (1,100) |
| Circuit judge | 65,548 | 65,548 | 54,426 | 11,122 |
| Circuit clerk | 112,271 | 112,271 | 104,679 | 7,592 |
| Coroner | 47,030 | 47,030 | 54,572 | (7,542) |
| Court reporter | 36,776 | 36,776 | 35,194 | 1,582 |
| Child support | - | - | 139 | (139) |
| Public administrator | 91,780 | 91,780 | 95,012 | (3,232) |
| Juvenile | 127,874 | 127,874 | 129,852 | (1,978) |
| Prosecuting attorney | 618,355 | 618,355 | 673,105 | (54,750) |
| | <u>1,142,384</u> | <u>1,142,384</u> | <u>1,191,413</u> | <u>(49,029)</u> |
| Public Safety | | | | |
| Sheriff | 2,451,546 | 2,451,546 | 2,372,597 | 78,949 |
| Jail | 1,441,145 | 1,441,145 | 1,197,732 | 243,413 |
| Animal control | 169,000 | 169,000 | 168,997 | 3 |
| Emergency management | 170,114 | 170,114 | 83,301 | 86,813 |
| | <u>4,231,805</u> | <u>4,231,805</u> | <u>3,822,627</u> | <u>409,178</u> |
| Other | 10,038,175 | 10,038,175 | 1,988,972 | 8,049,203 |
| Public Works | | | | |
| Sewer | 345,941 | 345,941 | 168,955 | 176,986 |
| Industrial Development Board | 127,500 | 127,500 | 80,456 | 47,044 |
| | <u>473,441</u> | <u>473,441</u> | <u>249,411</u> | <u>224,030</u> |
| Airport | | | | |
| Airport | 1,276,625 | 1,276,625 | 697,911 | 578,714 |
| Debt Service | | | | |
| Principal and interest | 1,421,282 | 1,421,282 | 1,421,864 | (582) |
| TOTAL DISBURSEMENTS | <u>23,829,149</u> | <u>23,829,149</u> | <u>14,355,152</u> | <u>9,473,997</u> |
| (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS | (11,305,090) | (11,305,090) | (1,483,473) | 9,821,617 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers (out) | (95,000) | (95,000) | (121,847) | (26,847) |
| Operating transfers in | 1,157,822 | 1,157,822 | 1,025,409 | (132,413) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>1,062,822</u> | <u>1,062,822</u> | <u>903,562</u> | <u>(159,260)</u> |
| (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES) | (10,242,268) | (10,242,268) | (579,911) | 9,662,357 |
| FUND BALANCE, January 1 | <u>10,256,890</u> | <u>10,256,890</u> | <u>10,256,890</u> | <u>-</u> |
| FUND BALANCE, December 31 | <u>\$ 14,622</u> | <u>\$ 14,622</u> | <u>\$ 9,676,979</u> | <u>\$ 9,662,357</u> |

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

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| RECEIPTS | | | | |
| Taxes | \$ 6,500,000 | \$ 6,500,000 | \$ 6,562,738 | \$ 62,738 |
| Intergovernmental receipts | - | - | 73,245 | 73,245 |
| Other receipts | 120,000 | 120,000 | 141,098 | 21,098 |
| TOTAL RECEIPTS | 6,620,000 | 6,620,000 | 6,777,081 | 157,081 |
| DISBURSEMENTS | | | | |
| Highway and Roads | | | | |
| Wages and benefits | 1,042,286 | 1,042,286 | 876,598 | 165,688 |
| Computer related disbursements | 6,100 | 6,100 | 7,050 | (950) |
| Mileage and training | 700 | 700 | 729 | (29) |
| Professional services | 55,500 | 55,500 | 21,441 | 34,059 |
| Rental equipment | 40,000 | 40,000 | 12,245 | 27,755 |
| Telephone and utilities | 46,150 | 46,150 | 38,403 | 7,747 |
| Insurance | 170,000 | 170,000 | 82 | 169,918 |
| Repair and maintenance | 270,000 | 270,000 | 289,533 | (19,533) |
| Equipment | 112,500 | 112,500 | 8,145 | 104,355 |
| Road construction | 650,000 | 650,000 | 766,163 | (116,163) |
| Road supplies | 2,320,000 | 2,320,000 | 1,776,135 | 543,865 |
| Bridges | - | - | 361,439 | (361,439) |
| Other supplies | 407,700 | 407,700 | 444,427 | (36,727) |
| Other | 132,400 | 132,400 | 170,087 | (37,687) |
| TOTAL DISBURSEMENTS | 5,253,336 | 5,253,336 | 4,772,477 | 480,859 |
| EXCESS OF RECEIPTS OVER DISBURSEMENTS | 1,366,664 | 1,366,664 | 2,004,604 | 637,940 |
| OTHER FINANCING (USES) | | | | |
| Operating transfers (out) | (2,022,500) | (2,022,500) | (2,016,298) | 6,202 |
| (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES) | (655,836) | (655,836) | (11,694) | 644,142 |
| FUND BALANCE, January 1 | 4,990,215 | 4,990,215 | 4,990,215 | - |
| FUND BALANCE, December 31 | <u>\$ 4,334,379</u> | <u>\$ 4,334,379</u> | <u>\$ 4,978,521</u> | <u>\$ 644,142</u> |

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

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---------------------------------------------------------------------------------------------------|--------------------|-----------------|--------------|----------------------------------|
| RECEIPTS | | | | |
| Taxes | \$ 916,000 | \$ 916,000 | \$ 1,206,386 | \$ 290,386 |
| Other receipts | 118,650 | 118,650 | 91,757 | (26,893) |
| TOTAL RECEIPTS | 1,034,650 | 1,034,650 | 1,298,143 | 263,493 |
| DISBURSEMENTS | | | | |
| Highway and Roads | 2,574,460 | 2,574,460 | 2,076,968 | 497,492 |
| TOTAL DISBURSEMENTS | 2,574,460 | 2,574,460 | 2,076,968 | 497,492 |
| (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS | | | | |
| | (1,539,810) | (1,539,810) | (778,825) | 760,985 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Operating transfers (out) | (575,040) | (575,040) | (575,080) | (40) |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,424,960 | 1,424,960 | 1,424,920 | (40) |
| EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES) | | | | |
| | (114,850) | (114,850) | 646,095 | 760,945 |
| FUND BALANCE, January 1 | 326,237 | 326,237 | 326,237 | - |
| FUND BALANCE, December 31 | \$ 211,387 | \$ 211,387 | \$ 972,332 | \$ 760,945 |

OTHER FINANCIAL INFORMATION

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

| | Assessment Fund | Law Enforcement Training Fund | Prosecuting Attorney Training Fund | E-911 Fund | Tax Maintenance Fund | Prosecuting Attorney Delinquent Tax Fund | Sheriff Civil Fees Fund | Vest Grant Fund | Prosecuting Attorney Bad Check Fund |
|----------------------|--------------------|----------------------------------------|---------------------------------------------|-------------------|----------------------------|------------------------------------------------------|----------------------------------|-----------------------|----------------------------------------------|
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 25,523 | \$ 9,229 | \$ 4,744 | \$ 633,276 | \$ 202,388 | \$ 89,810 | \$ 177,077 | \$ 1,865 | \$ 213,245 |
| TOTAL ASSETS | <u>\$ 25,523</u> | <u>\$ 9,229</u> | <u>\$ 4,744</u> | <u>\$ 633,276</u> | <u>\$ 202,388</u> | <u>\$ 89,810</u> | <u>\$ 177,077</u> | <u>\$ 1,865</u> | <u>\$ 213,245</u> |
| FUND BALANCES | | | | | | | | | |
| Fund Balance | | | | | | | | | |
| Unreserved | \$ 25,523 | \$ 9,229 | \$ 4,744 | \$ 633,276 | \$ 202,388 | \$ 89,810 | \$ 177,077 | \$ 1,865 | \$ 213,245 |
| TOTAL FUND BALANCES | <u>\$ 25,523</u> | <u>\$ 9,229</u> | <u>\$ 4,744</u> | <u>\$ 633,276</u> | <u>\$ 202,388</u> | <u>\$ 89,810</u> | <u>\$ 177,077</u> | <u>\$ 1,865</u> | <u>\$ 213,245</u> |

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

| | Sheriff Drug Forfeiture Fund | Local Emergency Planning Commission Fund | Election Services Fund | Recorder User Fee Fund | Law Library Fund | Domestic Violence Fund | Sheriff Revolving Fund | Total |
|----------------------|---------------------------------------|------------------------------------------------------|------------------------------|------------------------------|------------------------|------------------------------|------------------------------|---------------------|
| ASSETS | | | | | | | | |
| Cash and investments | \$ 32,186 | \$ 7,482 | \$ 7,679 | \$ 398,662 | \$ 45,141 | \$ 9,695 | \$ 57,449 | \$ 1,915,451 |
| TOTAL ASSETS | <u>\$ 32,186</u> | <u>\$ 7,482</u> | <u>\$ 7,679</u> | <u>\$ 398,662</u> | <u>\$ 45,141</u> | <u>\$ 9,695</u> | <u>\$ 57,449</u> | <u>\$ 1,915,451</u> |
| FUND BALANCES | | | | | | | | |
| Fund Balance | | | | | | | | |
| Unreserved | \$ 32,186 | \$ 7,482 | \$ 7,679 | \$ 398,662 | \$ 45,141 | \$ 9,695 | \$ 57,449 | \$ 1,915,451 |
| TOTAL FUND BALANCES | <u>\$ 32,186</u> | <u>\$ 7,482</u> | <u>\$ 7,679</u> | <u>\$ 398,662</u> | <u>\$ 45,141</u> | <u>\$ 9,695</u> | <u>\$ 57,449</u> | <u>\$ 1,915,451</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, 2010

| | Assessment Fund | Law Enforcement Training Fund | Prosecuting Attorney Training Fund | E-911 Fund | Tax Maintenance Fund | Prosecuting Attorney Delinquent Tax Fund | Sheriff Civil Fees Fund | Vest Grant Fund | Prosecuting Attorney Bad Check Fund |
|------------------------------------------------------------------------------------------|--------------------|----------------------------------------|---------------------------------------------|---------------|----------------------------|------------------------------------------------------|----------------------------------|-----------------------|----------------------------------------------|
| RECEIPTS | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 530,691 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental receipts | - | - | - | - | - | - | - | 5,282 | - |
| Fees and charges | 531,241 | 7,736 | 1,253 | 829 | 144,348 | 21,540 | 50,067 | - | 36,403 |
| Other receipts | 1,712 | 141 | 95 | 10,720 | 3,207 | 1,389 | 8,096 | 40 | 4,010 |
| TOTAL RECEIPTS | 532,953 | 7,877 | 1,348 | 542,240 | 147,555 | 22,929 | 58,163 | 5,322 | 40,413 |
| DISBURSEMENTS | | | | | | | | | |
| Current | | | | | | | | | |
| General government | 601,674 | - | - | - | 18,674 | - | - | - | - |
| Judicial | - | - | 2,538 | - | - | - | - | - | 35,940 |
| Public safety | - | 5,783 | - | 447,242 | - | - | 37,500 | 6,216 | - |
| TOTAL DISBURSEMENTS | 601,674 | 5,783 | 2,538 | 447,242 | 18,674 | - | 37,500 | 6,216 | 35,940 |
| EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS | (68,721) | 2,094 | (1,190) | 94,998 | 128,881 | 22,929 | 20,663 | (894) | 4,473 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Operating transfers in (out) | 70,327 | - | - | (232,346) | (75,000) | - | - | - | (71,198) |
| TOTAL OTHER FINANCING SOURCES (USES) | 70,327 | - | - | (232,346) | (75,000) | - | - | - | (71,198) |
| EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES) | 1,606 | 2,094 | (1,190) | (137,348) | 53,881 | 22,929 | 20,663 | (894) | (66,725) |
| FUND BALANCE, January 1 | 23,917 | 7,135 | 5,934 | 770,624 | 148,507 | 66,881 | 156,414 | 2,759 | 279,970 |
| FUND BALANCE, December 31 | \$ 25,523 | \$ 9,229 | \$ 4,744 | \$ 633,276 | \$ 202,388 | \$ 89,810 | \$ 177,077 | \$ 1,865 | \$ 213,245 |

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, 2010

| | Sheriff Drug Forfeiture Fund | Local Emergency Planning Commission Fund | Election Services Fund | Recorder User Fee Fund | Law Library Fund | Domestic Violence Fund | Sheriff Revolving Fund | Total |
|---------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------|------------------------------|------------------------------|------------------------|------------------------------|------------------------------|------------------|
| RECEIPTS | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 530,691 |
| Intergovernmental receipts | 6,452 | 2,000 | 37,908 | - | - | - | - | 51,642 |
| Fees and charges | - | - | 2,582 | 219,337 | 15,523 | 8,681 | 24,403 | 1,063,943 |
| Other receipts | 455 | 164 | 4,319 | 6,765 | 354 | 96 | 805 | 42,368 |
| TOTAL RECEIPTS | 6,907 | 2,164 | 44,809 | 226,102 | 15,877 | 8,777 | 25,208 | 1,688,644 |
| DISBURSEMENTS | | | | | | | | |
| Current | | | | | | | | |
| General government | - | - | 56,898 | 158,550 | - | - | - | 835,796 |
| Judicial | - | - | - | - | 7,555 | - | - | 46,033 |
| Public safety | 4,999 | 6,213 | - | - | - | 8,259 | 1,547 | 517,759 |
| TOTAL DISBURSEMENTS | 4,999 | 6,213 | 56,898 | 158,550 | 7,555 | 8,259 | 1,547 | 1,399,588 |
| EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS | 1,908 | (4,049) | (12,089) | 67,552 | 8,322 | 518 | 23,661 | 289,056 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Operating transfers in (out) | - | - | - | (50,000) | - | - | - | (358,217) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | (50,000) | - | - | - | (358,217) |
| EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES) | 1,908 | (4,049) | (12,089) | 17,552 | 8,322 | 518 | 23,661 | (69,161) |
| FUND BALANCE, January 1 | 30,278 | 11,531 | 19,768 | 381,110 | 36,819 | 9,177 | 33,788 | 1,984,612 |
| FUND BALANCE, December 31 | \$ 32,186 | \$ 7,482 | \$ 7,679 | \$ 398,662 | \$ 45,141 | \$ 9,695 | \$ 57,449 | \$ 1,915,451 |



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

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri as of and for the year ended December 31, 2010, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated May 27, 2011. In our report, our opinion was modified because the Primary Government of the County, the Taney County Board for the Developmentally Disabled, and the Dorgan-Weaver Housing Corporation prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Taney County Commission
Taney County
Forsyth, Missouri

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

Compliance and Other Matters

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

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

We noted certain other matters that we have reported to management of Taney County, Missouri in a separate letter dated May 27, 2011.

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

Davis, Lynn & Moots, PC

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



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

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the compliance of Taney County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2010. Taney County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Taney County, Missouri's management. Our responsibility is to express an opinion on Taney County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Taney County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Taney County, Missouri's compliance with those requirements.

In our opinion, Taney County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

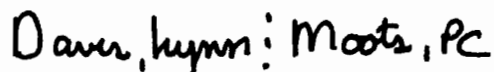
The management of Taney County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Taney County, Missouri's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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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



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

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2010

| Federal Grantor Pass Through Grantor/ Program Title | Federal CFDA Number | Pass-through Grantor's Number | Federal Expenditures |
|-----------------------------------------------------------|---------------------------|------------------------------------------------------|----------------------------|
| <u>U.S. DEPARTMENT OF THE TREASURY</u> | | | |
| Direct | | | |
| Equitable Sharing of seized Property | 21.000 | | \$ 4,999 |
| TOTAL U.S. DEPARTMENT OF THE TREASURY | | | 4,999 |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | |
| State of Missouri Emergency Management Agency | | | |
| Emergency Management Performance Grant | 97.042 | N/A | 13,656 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | 13,656 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Missouri Department of Transportation | | | |
| State and Community Highway Safety | 20.600 | STP 9900 | 10,413 |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | 10,413 |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | |
| Missouri Department of Social Services | | | |
| ARRA - Homeless Prevention and Rapid Rehousing Grant | 14.257 | ER 16410047A | 91,000 |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | 91,000 |
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | |
| State of Missouri Treasurer's Office | | | |
| School and Roads Grants to States | 10.665 | N/A | 23,837 |
| Direct | | | |
| Cooperative Agreement | 10.000 | N/A | 8,401 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 32,238 |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Direct | | | |
| Public Safety Partnership and Community Policing | 16.710 | | 364,762 |
| Bullet Proof Vest Partnership Grant | 16.607 | N/A | 5,282 |
| Missouri Internet Crimes Against Children Task Force | | | |
| ARRA - Internet Crimes Against Children | 16.800 | N/A | 60,499 |
| Missouri Department of Public Safety | | | |
| ARRA - Edward Byrnes Memorial Assistance Grant | 16.803 | 2009-SB-B9-2650 2009-MJCCG-027 2009-MJCCG-0013 | 40,106 26,241 91,397 |
| Edward Byrnes Memorial Assistance Grant | 16.738 | 2009-DJ-BX-101 | 12,589 |
| Missouri Sheriff Association | | | |
| Domestic Cannabis Eradication Program | 16.000 | | 6,306 |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | 607,182 |
| <u>U.S. DEPARTMENT OF DEFENSE</u> | | | |
| Direct | | | |
| Cooperative Agreement | 12.000 | N/A | 11,104 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | 11,104 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 754,489 |

N/A – Not Applicable

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended December 31, 2010

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements.
2. A significant deficiency disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. This deficiency is reported as a material weakness.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program expresses an unqualified opinion.
6. There were no findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as a major program was:

| | |
|--------------------------------------------------------|--------|
| Public Safety Partnership and Community Policing | 16.710 |
| Recovery Act – Edward Byrnes Memorial Assistance Grant | 16.803 |
8. The threshold for determining Type A programs was \$300,000.
9. Taney County, Missouri was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

10-1 Segregation of duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The County currently has one full time bookkeeper to handle the accounting needs of the County. There are some mitigating controls in place but it is not possible to have segregation in all areas.

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended December 31, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

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

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

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

Response: The limited number of available personnel prohibits segregation of incompatible duties and the County does not have the resources to hire additional accounting personnel.

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

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

TANEY COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2010

There were no prior audit findings.