

**TANEY COUNTY, MISSOURI**  
**BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT .....	4
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	8
BASIC FINANCIAL STATEMENTS	
Statement of Net Position – Modified Cash Basis .....	14
Statement of Activities – Modified Cash Basis .....	15
Balance Sheet – Governmental Funds – Modified Cash Basis.....	17
Statement of Receipts, Disbursements and Changes in Fund Balance – Governmental Funds – Modified Cash Basis .....	18
Statement of Net Position – Proprietary Fund – Modified Cash Basis.....	19
Statement of Receipts, Disbursements and Changes in Net Position – Proprietary Fund – Modified Cash Basis.....	20
Statement of Cash Flows – Proprietary Fund – Modified Cash Basis.....	21
Statement of Assets and Liabilities – Agency Funds – Modified Cash Basis .....	22
Notes to Basic Financial Statements.....	25
SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress .....	52
Budgetary Comparison Schedule – General Fund – Modified Cash Basis .....	54
Budgetary Comparison Schedule – Road and Bridge Trust Fund – Modified Cash Basis .....	56
Budgetary Comparison Schedule – Law Enforcement Sales Tax Fund – Modified Cash Basis .....	57
Budgetary Comparison Schedule – County Sewer Sales Tax Fund – Modified Cash Basis .....	58
Note to Budgetary Comparison Schedules .....	59

## TABLE OF CONTENTS

### OTHER FINANCIAL INFORMATION

Combining Statement of Assets and Fund Balances – Non-Major Special Revenue Funds – Modified Cash Basis .....	61
Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Non-Major Special Revenue Funds – Modified Cash Basis.....	63
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 <i>Government Auditing Standards</i> .....	65
Schedule of Findings and Responses .....	67



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CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

## **INDEPENDENT AUDITORS' REPORT**

Taney County Commission  
Taney County  
Forsyth, Missouri

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information, as of December 31, 2013, and the respective changes in modified cash basis financial position and cash flows thereof where applicable, for the year then ended in accordance with the basis of accounting described in Note A.

### **Basis of Accounting**

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

### **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taney County, Missouri's basic financial statements. The Management's Discussion and Analysis, Schedule of Funding Progress, and budgetary comparison information, which are the responsibility of management, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taney County, Missouri's basic financial statements. The Combining Nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Taney County Commission  
Taney County  
Forsyth, Missouri

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, on our consideration of Taney County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taney County's internal control over financial reporting and compliance.

KPM CPAs, PC  
June 20, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

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, 2013, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

**FINANCIAL HIGHLIGHTS**

- The overall net position of the County decreased by \$3,347,624.
- The fund balance for the General Fund increased by \$27,214. Using the modified cash basis does not take into consideration capital improvements.
- The fund balance for the Road and Bridge Trust Fund increased by \$1,074,625.
- The fund balance for the Law Enforcement Sales Tax Fund increased by \$82,160.
- A major reason for the overall decrease is the advance bond payment that was made in December from the sewer fund. Because of the timing, that is not reflected in a reduction of the bond debt until January 1.

**USING THIS ANNUAL REPORT**

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

**Report Components**

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

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

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



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

### **Government-wide Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?". The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

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

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

**Fund Financial Statements**

The fund financial statements provide detailed information about the County’s funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for County programs.

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

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net Position – Modified Cash Basis**

		December 31,	
		<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
Cash and investments		\$ 47,600,021	\$ 50,947,645
	<b>TOTAL ASSETS</b>	<u>\$ 47,600,021</u>	<u>\$ 50,947,645</u>
<b>NET POSITION</b>			
Restricted		\$ 36,975,930	\$ 40,669,685
Unrestricted		10,624,091	10,277,960
	<b>TOTAL NET POSITION</b>	<u>\$ 47,600,021</u>	<u>\$ 50,947,645</u>

TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2013

**Changes in Net Position – Modified Cash Basis**

	<u>Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
<b>RECEIPTS</b>		
<b><u>Program Receipts</u></b>		
Charges for services	\$ 5,853,442	\$ 1,035,813
Operating grants and contributions	162,759	7,870,848
Capital grants and contributions	924,838	383,170
<b><u>General Receipts</u></b>		
Sales tax receipts	22,436,674	22,347,121
Motor vehicle sales tax	1,213,119	1,198,234
Other taxes	670,151	715,521
Interest	368,453	464,236
Other receipts	942,160	1,229,910
<b>TOTAL RECEIPTS</b>	<b>32,571,596</b>	<b>35,244,853</b>
<b>DISBURSEMENTS</b>		
General government	5,383,706	5,518,038
Judicial	1,238,280	2,483,905
Public safety	4,230,382	6,185,658
Public works	50,162	103,441
Highway and roads	7,409,033	6,940,467
Airport	533,807	539,592
Sewer	12,820,798	4,962,151
Debt service	1,647,219	1,722,913
Other	1,670,150	1,435,733
Transfer station	935,683	1,058,923
<b>TOTAL DISBURSEMENTS</b>	<b>35,919,220</b>	<b>30,950,821</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ (3,347,624)</b>	<b>\$ 4,294,032</b>

Overall receipts of the County decreased by \$2,673,257 from the prior year. Tax revenues were up \$59,068. Overall disbursements of the County were up \$4,968,399.

**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 increased by \$27,214 for the year ended December 31, 2013.
- The Road and Bridge Trust Fund increased by \$1,074,625, which increased the fund balance to \$10,410,417 as of December 31, 2013.
- The Law Enforcement Sales Tax Fund increased by \$82,160, which increased the fund balance to \$82,160 as of December 31, 2013.
- County Sewer Sales Tax Fund decreased \$4,557,384, which decreased the fund balance to \$25,209,601. This was a result of an advance bond payment, which will decrease the bond debt and save the taxpayers interest money.

**FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND**

	Budget		Actual
	Original	Final	
<b>RECEIPTS</b>			
Taxes	\$ 6,892,800	\$ 6,892,800	\$ 7,053,505
Commissions	652,527	652,527	692,586
Licenses and permits	70,500	70,500	71,062
Intergovernmental receipts	4,063,643	4,063,643	435,729
Fees and charges	2,787,250	2,787,250	2,745,899
Other	150,500	150,500	221,135
<b>TOTAL RECEIPTS</b>	<b>\$ 14,617,220</b>	<b>\$ 14,617,220</b>	<b>\$ 11,219,916</b>
<b>DISBURSEMENTS</b>			
General government	\$ 4,504,265	\$ 4,504,265	\$ 4,407,695
Judicial	1,207,765	1,207,765	1,212,049
Public safety	3,626,874	3,626,874	3,608,861
Public works	81,100	81,100	50,162
Other	8,761,693	8,761,693	1,670,150
Airport	873,495	873,495	533,807
Debt service	-	-	1,075
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 19,055,192</b>	<b>\$ 19,055,192</b>	<b>\$ 11,483,799</b>

The County has always budgeted so that if there is a need that arises they are covered without having to revisit the budget process. Also, the flood buyout grant was budgeted for because we were unsure of when the expenses and revenues would occur.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The administration at the County are hoping for a return of the better economic times. It is common for our economy to show some cyclical patterns, but the last slow down was more evident than previous ones. We are seeing some economic activity that would indicate we may see an increase in tax revenues.

### **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 POSITION – MODIFIED CASH BASIS  
December 31, 2013

	Primary Government			Component Units				
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.
<b>ASSETS</b>								
Cash and investments	\$ 46,946,644	\$ 653,377	\$ 47,600,021	\$ 8,816,941	\$ 1,293,260	\$ 871,702	\$ 61,374	\$ 149,000
<b>TOTAL ASSETS</b>	<u>\$ 46,946,644</u>	<u>\$ 653,377</u>	<u>\$ 47,600,021</u>	<u>\$ 8,816,941</u>	<u>\$ 1,293,260</u>	<u>\$ 871,702</u>	<u>\$ 61,374</u>	<u>\$ 149,000</u>
<b>NET POSITION</b>								
Restricted	\$ 36,975,930	\$ -	\$ 36,975,930	\$ 7,045,754	\$ -	\$ 132,500	\$ 57,389	\$ -
Unrestricted	9,970,714	653,377	10,624,091	1,771,187	1,293,260	739,202	3,985	149,000
<b>TOTAL NET POSITION</b>	<u>\$ 46,946,644</u>	<u>\$ 653,377</u>	<u>\$ 47,600,021</u>	<u>\$ 8,816,941</u>	<u>\$ 1,293,260</u>	<u>\$ 871,702</u>	<u>\$ 61,374</u>	<u>\$ 149,000</u>

See accompanying notes.

TANEY COUNTY, MISSOURI  
 STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
 Year Ended December 31, 2013

Functions/Programs	Primary Government				Net (Disbursements), Receipts and Changes in Net Position		
	Disbursements	Charges for Services	Program Receipts		Governmental Activities	Business- Type Activities	Total
			Operating Grants and Contributions	Capital Grants and Contributions			
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ (5,383,706)	\$ 2,897,021	\$ 21,700	\$ 242,233	\$ (2,222,752)	\$ -	\$ (2,222,752)
Judicial	(1,238,280)	216,434	-	-	(1,021,846)	-	(1,021,846)
Public safety	(4,230,382)	1,081,876	123,640	75,815	(2,949,051)	-	(2,949,051)
Public works	(50,162)	-	-	-	(50,162)	-	(50,162)
Highway and roads	(7,409,033)	-	17,419	129,076	(7,262,538)	-	(7,262,538)
Airport	(533,807)	531,212	-	-	(2,595)	-	(2,595)
Sewer	(12,820,798)	-	-	477,714	(12,343,084)	-	(12,343,084)
Debt service	(1,647,219)	-	-	-	(1,647,219)	-	(1,647,219)
Other	(1,670,150)	-	-	-	(1,670,150)	-	(1,670,150)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>(34,983,537)</b>	<b>4,726,543</b>	<b>162,759</b>	<b>924,838</b>	<b>(29,169,397)</b>	<b>-</b>	<b>(29,169,397)</b>
<b>Business-Type Activities</b>							
Transfer station	(935,683)	1,126,899	-	-	-	191,216	191,216
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>(935,683)</b>	<b>1,126,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,216</b>	<b>191,216</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ (35,919,220)</b>	<b>\$ 5,853,442</b>	<b>\$ 162,759</b>	<b>\$ 924,838</b>	<b>(29,169,397)</b>	<b>191,216</b>	<b>(28,978,181)</b>
<b>Component Units</b>							
Taney County Regional Sewer District	\$ (5,807,557)	\$ 1,485,866	\$ -	\$ 10,185,410	-	-	-
Taney County Health Center	(3,376,932)	1,829,336	575,258	-	-	-	-
Developmentally Disabled Board	(2,426,060)	721,146	-	-	-	-	-
Dorgan-Weaver Housing Corp.	(61,979)	67,909	-	-	-	-	-
Combs-Redfern Apartments Inc.	-	-	149,000	-	-	-	-
<b>TOTAL COMPONENT UNITS</b>	<b>\$ (61,979)</b>	<b>\$ 67,909</b>	<b>\$ 149,000</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Receipts and Transfers:</b>							
Ad valorem taxes					-	-	-
Sales taxes					22,436,674	-	22,436,674
Motor vehicle sales taxes and gas taxes					1,213,119	-	1,213,119
Other taxes					670,151	-	670,151
Interest					364,936	3,517	368,453
Other receipts					927,720	14,440	942,160
Transfers					18,931	(18,931)	-
<b>Total General Receipts and Transfers</b>					<b>25,631,531</b>	<b>(974)</b>	<b>25,630,557</b>
<b>Increase (Decrease) in Net Position</b>					<b>(3,537,866)</b>	<b>190,242</b>	<b>(3,347,624)</b>
<b>Net Position, Beginning of year, as restated</b>					<b>50,484,510</b>	<b>463,135</b>	<b>50,947,645</b>
<b>Net Position, End of year</b>					<b>\$ 46,946,644</b>	<b>\$ 653,377</b>	<b>\$ 47,600,021</b>

See accompanying notes.

TANEY COUNTY, MISSOURI  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (continued)  
Year Ended December 31, 2013

	Componet Units				
	Net (Disbursements), Receipts and Changes in Net Position				
	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.
Primary Government					
Governmental Activities					
General government					
Judicial					
Public safety					
Public works					
Highway and roads					
Airport					
Sewer					
Debt service					
Other					
	TOTAL GOVERNMENTAL ACTIVITIES				
Business-Type Activities					
Transfer station					
	TOTAL BUSINESS-TYPE ACTIVITIES				
	TOTAL PRIMARY GOVERNMENT				
Component Units					
Taney County Regional Sewer District	\$ 5,863,719	\$ -	\$ -	\$ -	\$ -
Taney County Health Center	-	(972,338)	-	-	-
Developmentally Disabled Board	-	-	(1,704,914)	-	-
Dorgan-Weaver Housing Corp.	-	-	-	5,930	-
Combs-Redfearn Apartments Inc.	-	-	-	-	149,000
	TOTAL COMPONENT UNITS				
	5,863,719	(972,338)	(1,704,914)	5,930	149,000
General Receipts and Transfers:					
As valorem taxes	-	1,377,808	1,138,239	-	-
Sales taxes	-	-	-	-	-
Motor vehicle sales taxes and gas taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Interest	8,059	8,539	1,736	94	-
Other receipts	65,253	5,312	21,114	203	-
Transfers	-	-	-	-	-
	Total General Receipts and Transfers				
	73,312	1,391,659	1,161,089	297	-
	Increase (Decrease) in Net Position				
	5,937,031	419,321	(543,825)	6,227	149,000
Net Position, Beginning of year, as restated	2,879,910	873,939	1,415,527	55,147	-
Net Position, End of year	\$ 8,816,941	\$ 1,293,260	\$ 871,702	\$ 61,374	\$ 149,000

See accompanying notes.



TANEY COUNTY, MISSOURI  
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
December 31, 2013

	General Fund	Road and Bridge Trust Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 9,842,039	\$ 10,410,417	\$ 82,160	\$ 25,209,601	\$ 1,402,427	\$ 46,946,644
TOTAL ASSETS	<u>\$ 9,842,039</u>	<u>\$ 10,410,417</u>	<u>\$ 82,160</u>	<u>\$ 25,209,601</u>	<u>\$ 1,402,427</u>	<u>\$ 46,946,644</u>
<b>FUND BALANCES</b>						
Fund Balances						
Restricted for:						
Road and Bridge	\$ -	\$ 10,410,417	\$ -	\$ -	\$ -	\$ 10,410,417
Public Safety	-	-	82,160	-	368,280	450,440
Sewer	-	-	-	25,209,601	-	25,209,601
Elections	-	-	-	-	40,553	40,553
Recorder	-	-	-	-	474,933	474,933
Judicial	-	-	-	-	268,959	268,959
Tax maintenance	-	-	-	-	121,027	121,027
Assigned to:						
Assessment Fund	-	-	-	-	128,675	128,675
Unassigned	9,842,039	-	-	-	-	9,842,039
TOTAL FUND BALANCES	<u>\$ 9,842,039</u>	<u>\$ 10,410,417</u>	<u>\$ 82,160</u>	<u>\$ 25,209,601</u>	<u>\$ 1,402,427</u>	<u>\$ 46,946,644</u>

See accompanying notes.

TANEY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
Year Ended December 31, 2013

	General Fund	Road and Bridge Trust Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Taxes	\$ 7,053,505	\$ 8,151,956	\$ 1,725,465	\$ 6,903,074	\$ 485,944	\$ 24,319,944
Collector's commission	692,586	-	-	-	-	692,586
Licenses and permits	71,062	-	-	-	-	71,062
Intergovernmental receipts	435,729	146,495	-	477,714	27,659	1,087,597
Fees and charges	2,745,899	-	-	-	1,216,996	3,962,895
Other	221,135	161,376	2,839	882,626	24,680	1,292,656
<b>TOTAL RECEIPTS</b>	<b>11,219,916</b>	<b>8,459,827</b>	<b>1,728,304</b>	<b>8,263,414</b>	<b>1,755,279</b>	<b>31,426,740</b>
<b>DISBURSEMENTS</b>						
General government	4,407,695	-	-	-	976,011	5,383,706
Judicial	1,212,049	-	-	-	26,231	1,238,280
Public safety	3,608,861	-	-	-	621,521	4,230,382
Public works	50,162	-	-	-	-	50,162
Airport	533,807	-	-	-	-	533,807
Other	1,670,150	-	-	-	-	1,670,150
Highway and roads	-	7,409,033	-	-	-	7,409,033
Sewer	-	-	-	12,820,798	-	12,820,798
Debt service	1,075	-	1,646,144	-	-	1,647,219
<b>TOTAL DISBURSEMENTS</b>	<b>11,483,799</b>	<b>7,409,033</b>	<b>1,646,144</b>	<b>12,820,798</b>	<b>1,623,763</b>	<b>34,983,537</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(263,883)</b>	<b>1,050,794</b>	<b>82,160</b>	<b>(4,557,384)</b>	<b>131,516</b>	<b>(3,556,797)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in (out)	291,097	23,831	-	-	(295,997)	18,931
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>291,097</b>	<b>23,831</b>	<b>-</b>	<b>-</b>	<b>(295,997)</b>	<b>18,931</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>27,214</b>	<b>1,074,625</b>	<b>82,160</b>	<b>(4,557,384)</b>	<b>(164,481)</b>	<b>(3,537,866)</b>
FUND BALANCE, January 1, as restated	9,814,825	9,335,792	-	29,766,985	1,566,908	50,484,510
FUND BALANCE, December 31	\$ 9,842,039	\$ 10,410,417	\$ 82,160	\$ 25,209,601	\$ 1,402,427	\$ 46,946,644

See accompanying notes.

TANEY COUNTY, MISSOURI  
 STATEMENT OF NET POSITION – PROPRIETARY FUND – MODIFIED CASH BASIS  
 December 31, 2013

	Enterprise Fund
	<u>Transfer Station Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 653,377
	<u>653,377</u>
	TOTAL ASSETS
	<u>\$ 653,377</u>
Net Position	
Unrestricted	\$ 653,377
	<u>653,377</u>
	TOTAL NET POSITION
	<u>\$ 653,377</u>

See accompanying notes.

TANEY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – PROPRIETARY  
FUND – MODIFIED CASH BASIS  
Year Ended December 31, 2013

	Enterprise Fund
	<u>Transfer Station Fund</u>
OPERATING RECEIPTS	
Charges for services	\$ 1,126,899
TOTAL OPERATING RECEIPTS	<u>1,126,899</u>
OPERATING DISBURSEMENTS	
Insurance claims and disbursements	10,208
Salaries and employee benefits	231,100
Supplies	299,527
Telephone and utilities	3,121
Repair and maintenance	49,813
Landfill services	316,482
Other	25,432
TOTAL OPERATING DISBURSEMENTS	<u>935,683</u>
OPERATING INCOME	191,216
NONOPERATING RECEIPTS	
Interest receipts	3,517
Other receipts	14,440
TOTAL NONOPERATING RECEIPTS	<u>17,957</u>
INCOME BEFORE OPERATING TRANSFERS	209,173
Operating transfers (out)	<u>(18,931)</u>
NET INCOME	190,242
NET POSITION, January 1	<u>463,135</u>
NET POSITION, December 31	<u><u>\$ 653,377</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS  
Year Ended December 31, 2013

	Enterprise Fund
	<u>Transfer Station Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,141,339
Cash paid to suppliers	(704,583)
Cash paid to employees	<u>(231,100)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	205,656
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>3,517</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	3,517
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers (to) other funds	<u>(18,931)</u>
<b>NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(18,931)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	190,242
CASH AND CASH EQUIVALENTS, Beginning of year	<u>463,135</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 653,377</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 191,216
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other receipts	<u>14,440</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 205,656</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS  
 December 31, 2013

	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Sheriff Commissary Fund	Collector of Revenue Fund	Cities Financial Institution Tax Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Prosecuting Attorney Restitution Fund
<b>ASSETS</b>									
Cash and investments	\$ 492	\$ 10	\$ 2	\$ 123,413	\$ 26,478,371	\$ 24,482	\$ 132,364	\$ 15,079	\$ 6,820
<b>TOTAL ASSETS</b>	<b>\$ 492</b>	<b>\$ 10</b>	<b>\$ 2</b>	<b>\$ 123,413</b>	<b>\$ 26,478,371</b>	<b>\$ 24,482</b>	<b>\$ 132,364</b>	<b>\$ 15,079</b>	<b>\$ 6,820</b>
<b>LIABILITIES</b>									
Due to others	\$ -	\$ -	\$ 2	\$ 123,413	\$ -	\$ -	\$ -	\$ 15,079	\$ 6,820
Due to other governments	492	10	-	-	26,478,371	24,482	132,364	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 492</b>	<b>\$ 10</b>	<b>\$ 2</b>	<b>\$ 123,413</b>	<b>\$ 26,478,371</b>	<b>\$ 24,482</b>	<b>\$ 132,364</b>	<b>\$ 15,079</b>	<b>\$ 6,820</b>

See accompanying notes.

TANEY COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)  
 December 31, 2013

	Fines and Forfeitures Fund	Western Fire Fund	P & Z Bonds Fund	National Forest Fund	Criminal Cost Fund	Circuit Clerk Fund	DSS Supplemental Fund	Recorder's User Fee Fund	Protest Tax Account Fund
<b>ASSETS</b>									
Cash and investments	\$ 83,100	\$ 633	\$ 161,372	\$ 211	\$ 123,040	\$ 518,307	\$ 18	\$ 174,483	\$ 441,685
<b>TOTAL ASSETS</b>	<b>\$ 83,100</b>	<b>\$ 633</b>	<b>\$ 161,372</b>	<b>\$ 211</b>	<b>\$ 123,040</b>	<b>\$ 518,307</b>	<b>\$ 18</b>	<b>\$ 174,483</b>	<b>\$ 441,685</b>
<b>LIABILITIES</b>									
Due to others	\$ -	\$ -	\$ 161,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,685
Due to other governments	83,100	633	-	211	123,040	518,307	18	174,483	-
<b>TOTAL LIABILITIES</b>	<b>\$ 83,100</b>	<b>\$ 633</b>	<b>\$ -</b>	<b>\$ 211</b>	<b>\$ 123,040</b>	<b>\$ 518,307</b>	<b>\$ 18</b>	<b>\$ 174,483</b>	<b>\$ 441,685</b>

See accompanying notes.

TANEY COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)  
 December 31, 2013

	Prosecuting Attorney Bad Check Fund	Juvenile Restitution Fund	Health Center Fund	Handicapped Fund	School Fund	OTC Financial Institution Tax Fund	Senior Services Fund	Flood Control Fund	Total
<b>ASSETS</b>									
Cash and investments	\$ 1,252	\$ 1	\$ 859	\$ 558	\$ 25,356	\$ 303	651,527	\$ 33	\$ 28,963,771
<b>TOTAL ASSETS</b>	<b>\$ 1,252</b>	<b>\$ 1</b>	<b>\$ 859</b>	<b>\$ 558</b>	<b>\$ 25,356</b>	<b>\$ 303</b>	<b>\$ 651,527</b>	<b>\$ 33</b>	<b>\$ 28,963,771</b>
<b>LIABILITIES</b>									
Due to others	\$ 1,252	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,624
Due to other governments	-	-	859	558	25,356	303	651,527	33	28,214,147
<b>TOTAL LIABILITIES</b>	<b>\$ 1,252</b>	<b>\$ 1</b>	<b>\$ 859</b>	<b>\$ 558</b>	<b>\$ 25,356</b>	<b>\$ 303</b>	<b>\$ 651,527</b>	<b>\$ 33</b>	<b>\$ 28,963,771</b>

See accompanying notes.



## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

### Financial Reporting Entity

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

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

### Component Units

#### **Taney County Health Center**

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Taney County Regional Sewer District**

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

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

The Taney County Regional Sewer District issues separate financial statements that may be obtained by calling (417) 546-7221.

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

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

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

**Dorgan-Weaver Housing Corporation**

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

**Combs-Redfern Apartments, Inc.**

The Combs-Redfern Apartments, Inc., which is governed by an appointed Board of Directors, provides housing to developmentally disabled residents of Taney County. The Combs-Redfern Apartments, Inc. is included in the financial statements of the County as a component unit due to its financial relationship with the Taney County Board for the Developmentally Disabled d.b.a. Developmental Connections.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

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

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

*FUND FINANCIAL STATEMENTS*

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

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.

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

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

TANEY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County also reports the following fund types:

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

The County reports the following major proprietary fund:

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

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund equity, receipts, and disbursements when they result from cash transactions. The cash basis has been modified to include investments of the County. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classification

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

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

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

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

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

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

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

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2013, was \$218,885.

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.

NOTE B – CASH AND INVESTMENTS

*PRIMARY GOVERNMENT*

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position as "Cash and investments". In addition, investments are separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2013, all bank balances on deposit are entirely insured or collateralized with securities.

County Investments

Statutes authorize the County to invest in investments that are:

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

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE B – CASH AND INVESTMENTS (continued)

The County’s investments at December 31, 2013, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Fair Value</u>
<b>Taney County</b>			
Certificates of Deposit	5/9/2014 - 12/13/2016	\$ 34,360,134	\$ 34,360,134
FHLMC one time call	8/8/2016	500,000	500,190
FHLB Bonds US Domestic	6/10/2016 - 8/8/2016	1,028,392	1,018,880
Fannie Mae Notes - US Domestic	3/15/2016 - 9/6/2016	1,525,523	1,519,475
Freddie MAC Global Notes	3/5/2015	1,997,100	2,001,666
Federal Farm Credit Bank	7/8/2016	1,000,000	1,000,130
		<u>\$ 40,411,149</u>	<u>\$ 40,400,475</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2013, all Certificates of Deposit are entirely insured or collateralized with securities.

Credit Risk

Credit risk is the risk that the County will not recover its investments due to the inability of the counter party to fulfill their obligations. The County also holds investments in several U.S. Government agency obligations. These investments are stated at historical cost and are rated AA+ by Standard and Poor’s.

Interest Rate Risk

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



TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE B – CASH AND INVESTMENTS (continued)

*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, 2013, all bank balances on deposit are entirely insured or collateralized.

The District’s investments at December 31, 2013, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	1/28/2015	<u>\$ 215,636</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, 2013, all Certificates of Deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

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

*TANEY COUNTY HEALTH CENTER*

State statutes require that the Center’s deposits be insured or collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2013, all bank balances on deposit are entirely insured or collateralized.

The Center’s investments at December 31, 2013, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/3/2017	\$ 255,781
Certificate of Deposit	4/1/2018	<u>150,941</u>
		<u>\$ 406,722</u>

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE B – CASH AND INVESTMENTS (continued)

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2013, all certificates of deposit were insured or collateralized with securities.

Interest Rate Risk

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

*TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED*

State statutes require that the Board’s deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2013, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2013, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	3/23/2014	\$ 259,229
Certificate of Deposit	10/17/2014	252,746
		<u>\$ 511,975</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2013, all Certificates of Deposit were insured or collateralized with securities.

Interest Rate Risk

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

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2013, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

NOTE D – PENSION PLAN – CERF

**State of Missouri County Employees' Retirement Fund**

Plan Description

Taney County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1200. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) 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, Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

TANEY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

Taney County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Taney County's full-time employees hired on or after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – PENSION PLAN – LAGERS – PRIMARY GOVERNMENT

Plan Description

Taney County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and 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 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues 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

Full-time employees of Taney County do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 16.1% (General) and 17.6% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

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	\$ 1,259,800
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,259,800</u>
Actual contributions	<u>1,259,800</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u><u>\$ -</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 28, 2011, was 15 years for the General division and 15 years for the Police division. The amortization period at February 29, 2012, was 15 years for the General division and 15 years for the Police division.

Three-Year Trend Information

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,172,593	100%	\$ -
2012	1,072,089	100%	-
2013	1,259,800	100%	-

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE E – PENSION PLAN – LAGERS (continued)

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2013	\$ 13,720,946	\$ 15,444,790	\$ 1,723,844	89%	\$ 8,964,337	19%
2/28/2013#	13,720,946	19,759,054	6,038,108	69%	8,964,337	67%

# After benefit changes.

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.

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

Taney County Regional Sewer District participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and 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 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues 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.

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

Funding Status

Full-time employees of Taney County Regional Sewer District do not contribute to the pension plan. The June 30th statutorily required contribution rate is 12.2% (General) 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	\$ 30,422
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>30,422</u>
Actual contributions	<u>30,422</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u><u>\$ -</u></u>

The annual required contribution (ARC) was determined as part of the initial actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2012, was 29 years for the General division.

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

Three-Year Trend Information			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 7,836	100.0%	\$ -
2013	30,422	100.0%	-

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2013	\$ 31,630	\$ 70,456	\$ 38,456	45%	\$ 244,011	16%

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, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

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

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



TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

The 2013 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	\$ 827,598,655
Personal property	141,870,952
Railroad and utilities	<u>32,738,231</u>
	<u><u>\$1,002,207,838</u></u>
TAX LEVY	
General Fund	<u><u>\$ -</u></u>

The legal debt margin at December 31, 2013, is computed as follows:

Constitutional debt limit	\$ 100,220,784
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 100,220,784</u></u>

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

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

During 2004, the District entered into an agreement with the Missouri Leveraged State Water Pollution Control Revolving Fund Program to sell \$15,590,000 in Wastewater System Revenue Bonds, Series 2004C. The bonds bear interest at 3.0% to 5.25%. The interest paid is offset by an interest subsidy from the State of Missouri's 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2013, are due as follows:

TANEY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

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

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
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>\$ 9,300,000</u>	<u>\$ 2,474,772</u>	<u>\$ 380,671</u>	<u>\$ 12,155,443</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2013:

	Balance December 31, 2012	New Obligations	Retired	Balance December 31, 2013	Current Portion
2004 SRF Revenue Bonds Payable	<u>\$ 10,110,000</u>	<u>\$ -</u>	<u>\$ 810,000</u>	<u>\$ 9,300,000</u>	<u>\$ 820,000</u>

NOTE I – 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.

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

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, 2013, are as follows:

<u>Year Ended December 31,</u>	
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 17,471,559
	LESS AMOUNT REPRESENTING INTEREST <u>(3,376,559)</u>
	PRINCIPAL BALANCE, DECEMBER 31, 2013 <u>\$ 14,095,000</u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2013:

	Balance December 31, 2012	Additions	Retirements	Balance December 31, 2013	Current Portion
2006 Certificates of Participation	\$ 14,985,000	\$ -	\$ 890,000	\$ 14,095,000	\$ 955,000
Compensated absences	<u>210,892</u>	<u>7,993</u>	<u>-</u>	<u>218,885</u>	<u>-</u>
	<u>\$ 15,195,892</u>	<u>\$ 7,993</u>	<u>\$ 890,000</u>	<u>\$ 14,313,885</u>	<u>\$ 955,000</u>

TANEY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

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

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

Year Ended December 31,	Principal	Interest	Total
2014	\$ 54,063	\$ 21,403	\$ 75,466
2015	56,076	19,390	75,466
2016	58,114	17,352	75,466
2017	60,329	15,137	75,466
2018	62,576	12,890	75,466
2019	64,906	10,560	75,466
2020	67,323	8,143	75,466
2021	69,831	5,635	75,466
2022	72,431	3,035	75,466
2023	43,465	515	43,980
	<u>\$ 609,114</u>	<u>\$ 114,060</u>	<u>\$ 723,174</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2013:

	Balance			Balance	
	December 31, 2012	Additions	Retirements	December 31, 2013	Current Portion
2008 Certificate of Participation	\$ 659,693	\$ -	\$ 50,579	\$ 609,114	\$ 54,063
Compensated absences	91,032	940	-	91,972	-
	<u>\$ 750,725</u>	<u>\$ 940</u>	<u>\$ 50,579</u>	<u>\$ 701,086</u>	<u>\$ 54,063</u>

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE K – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED

During the year ended December 31, 2008, 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.

The following is a schedule of payments under the loan:

Year Ended December 31,	Principal
2014	\$ 30,000
2015	30,000
2016	30,000
2017	30,000
2018	12,500
	<u>\$ 132,500</u>

The summary of changes in the loan for the year ended December 31, 2013, is as follows:

Balance, December 31, 2012	\$ 162,500
Additions	-
Deletions	(30,000)
Balance, December 31, 2013	<u>\$ 132,500</u>

NOTE L – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED

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

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE L – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED (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, 2013, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
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	1,603,630
LESS AMOUNT REPRESENTING INTEREST	(483,630)
PRINCIPAL BALANCE, DECEMBER 31, 2013	<u>\$ 1,120,000</u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2013:

	<u>Balance December 31, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2013</u>	<u>Current Portion</u>
2010 Certificates of Participation	<u>\$ 1,185,000</u>	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 1,120,000</u>	<u>\$ 70,000</u>

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

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

At December 31, 2013, the Organization had a \$250,000 secured line of credit with Commerce Bank to be drawn upon as needed with a variable interest rate not to exceed 4%. As of December 31, 2013, the balance on the line of credit was \$0. No interest was paid in the current year.

NOTE N – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2013, 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, 2013:

Balance, December 31, 2012	\$ 1,531,400
Additions	-
Repayments	-
Balance, December 31, 2013	<u>\$ 1,531,400</u>

NOTE O – RISK MANAGEMENT

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

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE P – 2002 BOND ELECTION

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, 2013, only \$15,590,000 of these bonds has been issued.

NOTE Q – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers In (Out)
General Fund	\$ 291,097
Road and Bridge Trust Fund	23,831
Assessment Fund	150,000
Tax Maintenance Fund	(100,000)
E-911 Fund	(232,132)
Prosecuting Attorney Bad Check Fund	(83,788)
Recorder Tech Fund	(30,077)
Transfer Station Fund	(18,931)
	<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.



TANEY COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013

NOTE R – JUDICIAL FACILITY RESERVE FUND

A Reserve Fund is established pursuant to the Indenture and is required to be funded on the date of initial delivery of the Series 2006 Certificates in an amount equal to \$1,926,000 (the “Reserve Requirement”). Money in the Reserve Fund may be used solely (a) to make up any deficiencies in the Certificate Payment Fund and, if the money in the Certificate Payment Fund is insufficient to pay the principal component or the interest component of Base Rentals as the same become due, the Trustee is required to transfer from the Reserve Fund to the Certificate Payment Fund an amount sufficient to make up such deficiency or (b) to make Base Rentals or to make deposits to the Certificate Payment Fund to make such payments, in the amounts and at the times specified in a written request of the County given to the Trustee. If the Trustee receives any such request, it must transfer the amount specified therein on the date or dates specified therein. As of December 31, 2013, the Reserve Account balance was \$1,925,818.

NOTE S – COMMITMENTS

At December 31, 2013, the County was committed to the following contracts:

- HDR Engineering, Inc. for the Tri-lakes Biosolids Facility project, in the amount of \$236,295
- Carson-Mitchell, Inc. for the Tri-lakes Biosolids Facility project, in the amount of \$4,924,622

NOTE T – COMMITMENTS – TANEY COUNTY REGIONAL SEWER DISTRICT

The District was committed to contracts for utility improvements with Ace Pipe Cleaning, Inc. in the amount of \$1,333,198 as of December 31, 2013.

TANEY COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2013

NOTE U – RESTATEMENT OF NET POSITION/FUND BALANCE

On January 1, 2011, the County ceased turning over County sewer sales tax monies to the Taney County Regional Sewer District. The County’s financial statements are being restated to reflect the cash balance as of January 1, 2013, in the County Sewer Sales Tax Fund.

The restatement for the County sewer sales tax as well as other restatements are as follows:

<u>Road and Bridge Trust Fund</u>	
Fund Balance, as previously stated December 31, 2012	\$ 9,374,917
Cash and Investments	(39,125)
Fund Balance, as restated January 1, 2013	<u>\$ 9,335,792</u>
<u>County Sewer Sales Tax Fund</u>	
Fund Balance, as previously stated December 31, 2012	\$ -
Cash and Investments	29,766,985
Fund Balance, as restated January 1, 2013	<u>\$ 29,766,985</u>
<u>Non-Major Special Revenue Funds</u>	
<u>Sheriff's Federal Drug Forfeiture Fund</u>	
Fund Balance, as previously stated December 31, 2012	\$ 1,599
Cash and Investments	3,794
Fund Balance, as restated January 1, 2013	<u>\$ 5,393</u>
<u>Recorder's Tech Fund</u>	
Fund Balance, as previously stated December 31, 2012	\$ 295,985
Cash and Investments	135,488
Fund Balance, as restated January 1, 2013	<u>\$ 431,473</u>
<u>DOJ Vest Grant Fund</u>	
Fund Balance, as previously stated December 31, 2012	\$ 4,401
Cash and Investments	(2,887)
Fund Balance, as restated January 1, 2013	<u>\$ 1,514</u>
<u>Governmental Activities</u>	
Net Position, as previously stated December 31, 2012	\$ 19,640,901
Cash and Investments	30,843,609
Net Position, as restated January 1, 2013	<u>\$ 50,484,510</u>

## **SUPPLEMENTARY INFORMATION**

TANEY COUNTY, MISSOURI  
 SCHEDULE OF FUNDING PROGRESS  
 Year Ended December 31, 2013

**Primary Government**

**Missouri Local Government Employees Retirement System (LAGERS)**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 11,600,854	\$ 14,517,186	\$ 2,916,332	80%	\$ 9,600,841	30%
2/29/2012	12,029,405	14,217,025	2,187,620	85%	8,808,205	25%
2/28/2013	13,720,946	15,444,790	1,723,844	89%	8,964,337	19%
2/28/2013#	13,720,946	19,759,054	6,038,108	69%	8,964,337	67%

# After benefit changes.

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, 2011, 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  
 SCHEDULE OF FUNDING PROGRESS (continued)  
 Year Ended December 31, 2013

**Taney County Regional Sewer District**

**Missouri Local Government Employees Retirement System (LAGERS)**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2/28/2013	\$ 31,630	\$ 70,456	\$ 38,456	45%	\$ 244,011	16%

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, 2011, 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, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes				
County sales tax	\$ 6,760,000	\$ 6,760,000	\$ 6,909,350	\$ 149,350
Surtax	8,800	8,800	8,882	82
Payment in lieu of taxes	124,000	124,000	135,273	11,273
	<u>6,892,800</u>	<u>6,892,800</u>	<u>7,053,505</u>	<u>160,705</u>
Collector's Commission				
Collection commissions	652,527	652,527	692,586	40,059
Licenses and Permits				
Beverage licenses	70,000	70,000	70,327	327
ATV permits	500	500	735	235
	<u>70,500</u>	<u>70,500</u>	<u>71,062</u>	<u>562</u>
Intergovernmental Revenues				
Federal	4,050,143	4,050,143	418,462	(3,631,681)
Other	13,500	13,500	17,267	3,767
	<u>4,063,643</u>	<u>4,063,643</u>	<u>435,729</u>	<u>(3,627,914)</u>
Fees and Charges				
Court	70,000	70,000	81,306	11,306
Public administration	50,000	50,000	66,322	16,322
County clerk	750	750	876	126
Recorder of deeds	1,050,000	1,050,000	1,037,001	(12,999)
Tax sale publication	15,000	15,000	15,530	530
Planning and zoning	15,000	15,000	28,323	13,323
Sheriff fees	663,000	663,000	936,352	273,352
Phone and vending	500	500	982	482
Election reimbursement	70,000	70,000	47,396	(22,604)
Computer room	1,000	1,000	599	(401)
Airport	852,000	852,000	531,212	(320,788)
	<u>2,787,250</u>	<u>2,787,250</u>	<u>2,745,899</u>	<u>(41,351)</u>
Other				
Interest income	100,000	100,000	73,236	(26,764)
Miscellaneous	45,500	45,500	134,525	89,025
Sale of property	5,000	5,000	13,374	8,374
	<u>150,500</u>	<u>150,500</u>	<u>221,135</u>	<u>70,635</u>
<b>TOTAL RECEIPTS</b>	<b>14,617,220</b>	<b>14,617,220</b>	<b>11,219,916</b>	<b>(3,397,304)</b>
<b>DISBURSEMENTS</b>				
Current				
General Government				
University extension	45,410	45,410	45,408	2
Collector of revenue	224,033	224,033	215,702	8,331
Treasurer	86,587	86,587	86,673	(86)
Recorder of deeds	254,737	254,737	259,395	(4,658)
County commission	216,750	216,750	204,016	12,734
Employee fringe benefits	2,163,132	2,163,132	2,045,480	117,652
Information technology	359,425	359,425	376,016	(16,591)
Planning and zoning	205,958	205,958	203,815	2,143
Election and voter registration	52,045	52,045	58,082	(6,037)
County clerk	133,195	133,195	125,745	7,450
Auditor	145,091	145,091	135,693	9,398
Building and grounds	617,902	617,902	651,670	(33,768)
	<u>4,504,265</u>	<u>4,504,265</u>	<u>4,407,695</u>	<u>96,570</u>

TANEY COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (continued)  
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Court administration	47,000	47,000	41,583	5,417
Circuit judge	59,114	59,114	70,276	(11,162)
Circuit clerk	78,277	78,277	75,087	3,190
Coroner	45,630	45,630	59,640	(14,010)
Court reporter	168,250	168,250	128,080	40,170
Public administrator	101,103	101,103	97,739	3,364
Juvenile	133,479	133,479	153,313	(19,834)
Prosecuting attorney	574,912	574,912	586,331	(11,419)
	<u>1,207,765</u>	<u>1,207,765</u>	<u>1,212,049</u>	<u>(4,284)</u>
Public Safety				
Sheriff	1,914,934	1,914,934	1,865,221	49,713
Jail	1,453,108	1,453,108	1,492,288	(39,180)
Animal control	204,550	204,550	204,550	-
Emergency management	54,282	54,282	46,802	7,480
	<u>3,626,874</u>	<u>3,626,874</u>	<u>3,608,861</u>	<u>18,013</u>
Other	8,761,693	8,761,693	1,670,150	7,091,543
Public Works				
Industrial Development Board	81,100	81,100	50,162	30,938
Airport				
Airport	873,495	873,495	533,807	339,688
Debt Service				
Principal and interest	-	-	1,075	(1,075)
TOTAL DISBURSEMENTS	<u>19,055,192</u>	<u>19,055,192</u>	<u>11,483,799</u>	<u>7,571,393</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(4,437,972)	(4,437,972)	(263,883)	4,174,089
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(250,000)	(250,000)	(150,000)	100,000
Operating transfers in	470,000	470,000	441,097	(28,903)
TOTAL OTHER FINANCING SOURCES (USES)	<u>220,000</u>	<u>220,000</u>	<u>291,097</u>	<u>71,097</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(4,217,972)	(4,217,972)	27,214	4,245,186
FUND BALANCE, January 1	9,814,825	9,814,825	9,814,825	-
FUND BALANCE, December 31	<u>\$ 5,596,853</u>	<u>\$ 5,596,853</u>	<u>\$ 9,842,039</u>	<u>\$ 4,245,186</u>

TANEY COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH  
 BASIS  
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes	\$ 6,970,000	\$ 6,970,000	\$ 8,151,956	\$ 1,181,956
Intergovernmental receipts	75,500	75,500	146,495	70,995
Other receipts	1,009,700	1,009,700	161,376	(848,324)
<b>TOTAL RECEIPTS</b>	<b>8,055,200</b>	<b>8,055,200</b>	<b>8,459,827</b>	<b>404,627</b>
<b>DISBURSEMENTS</b>				
Highway and Roads				
Wages and benefits	2,915,000	2,915,000	2,807,055	107,945
Computer related disbursements	10,000	10,000	22,996	(12,996)
Mileage and training	3,000	3,000	15,849	(12,849)
Professional services	88,500	88,500	27,831	60,669
Rental equipment	10,000	10,000	10,069	(69)
Telephone and utilities	47,500	47,500	44,426	3,074
Insurance	130,000	130,000	95,579	34,421
Repair and maintenance	340,000	340,000	508,859	(168,859)
Equipment	570,500	570,500	690,551	(120,051)
Road construction	839,000	839,000	764,621	74,379
Road supplies	1,908,000	1,908,000	1,806,294	101,706
Other supplies	495,250	495,250	492,859	2,391
Other	2,150,500	2,150,500	122,044	2,028,456
<b>TOTAL DISBURSEMENTS</b>	<b>9,507,250</b>	<b>9,507,250</b>	<b>7,409,033</b>	<b>2,098,217</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,452,050)</b>	<b>(1,452,050)</b>	<b>1,050,794</b>	<b>2,502,844</b>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	25,000	25,000	23,831	(1,169)
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS</b>	<b>(1,427,050)</b>	<b>(1,427,050)</b>	<b>1,074,625</b>	<b>2,501,675</b>
FUND BALANCE, January 1, as restated	9,335,792	9,335,792	9,335,792	-
<b>FUND BALANCE, December 31</b>	<b>\$ 7,908,742</b>	<b>\$ 7,908,742</b>	<b>\$ 10,410,417</b>	<b>\$ 2,501,675</b>



TANEY COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED  
 CASH BASIS  
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,675,000	\$ 1,675,000	\$ 1,725,465	\$ 50,465
Other receipts	-	-	2,839	2,839
TOTAL RECEIPTS	1,675,000	1,675,000	1,728,304	53,304
DISBURSEMENTS				
Debt service	1,700,931	1,700,931	1,646,144	54,787
TOTAL DISBURSEMENTS	1,700,931	1,700,931	1,646,144	54,787
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(25,931)	(25,931)	82,160	108,091
OTHER FINANCING SOURCES				
Operating transfers in	75,931	75,931	-	(75,931)
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	50,000	50,000	82,160	32,160
FUND BALANCE, January 1	-	-	-	-
FUND BALANCE, December 31	\$ 50,000	\$ 50,000	\$ 82,160	\$ 32,160

TANEY COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – COUNTY SEWER SALES TAX FUND – MODIFIED CASH  
 BASIS  
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 6,700,000	\$ 6,700,000	\$ 6,903,074	\$ 203,074
Intergovernmental	6,700,001	6,700,001	477,714	(6,222,287)
Other receipts	330,000	330,000	882,626	552,626
TOTAL RECEIPTS	<u>13,730,001</u>	<u>13,730,001</u>	<u>8,263,414</u>	<u>(5,466,587)</u>
DISBURSEMENTS				
Sewer	<u>26,481,065</u>	<u>26,481,065</u>	<u>12,820,798</u>	<u>13,660,267</u>
TOTAL DISBURSEMENTS	<u>26,481,065</u>	<u>26,481,065</u>	<u>12,820,798</u>	<u>13,660,267</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(12,751,064)	(12,751,064)	(4,557,384)	8,193,680
FUND BALANCE, January 1, as restated	<u>29,766,985</u>	<u>29,766,985</u>	<u>29,766,985</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 17,015,921</u></u>	<u><u>\$ 17,015,921</u></u>	<u><u>\$ 25,209,601</u></u>	<u><u>\$ 8,193,680</u></u>

TANEY COUNTY, MISSOURI  
NOTE TO BUDGETARY COMPARISON SCHEDULES  
December 31, 2013

Budgets and Budgetary Accounting

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

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

## **OTHER FINANCIAL INFORMATION**

TANEY COUNTY, MISSOURI  
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS  
 December 31, 2013

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund	Sheriff Drug Forfeiture Fund
<b>ASSETS</b>										
Cash and investments	\$ 128,675	\$ 3,156	\$ 3,987	\$ 154,321	\$ 121,027	\$ 81,677	\$ 69,236	\$ -	\$ 67,172	\$ 5,425
<b>TOTAL ASSETS</b>	<u>\$ 128,675</u>	<u>\$ 3,156</u>	<u>\$ 3,987</u>	<u>\$ 154,321</u>	<u>\$ 121,027</u>	<u>\$ 81,677</u>	<u>\$ 69,236</u>	<u>\$ -</u>	<u>\$ 67,172</u>	<u>\$ 5,425</u>
<b>FUND BALANCES</b>										
Restricted for:										
Public safety	\$ -	\$ 3,156	\$ -	\$ 154,321	\$ -	\$ -	\$ 69,236	\$ -	\$ -	\$ 5,425
Elections	-	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	3,987	-	-	81,677	-	-	67,172	-
Tax maintenance	-	-	-	-	121,027	-	-	-	-	-
Assigned										
Assessment	128,675	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 128,675</u>	<u>\$ 3,156</u>	<u>\$ 3,987</u>	<u>\$ 154,321</u>	<u>\$ 121,027</u>	<u>\$ 81,677</u>	<u>\$ 69,236</u>	<u>\$ -</u>	<u>\$ 67,172</u>	<u>\$ 5,425</u>

TANEY COUNTY, MISSOURI  
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS  
 (continued)  
 December 31, 2013

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Prosecuting Attorney Witness Investigation Fund	Total
<b>ASSETS</b>										
Cash and investments	\$ 12,937	\$ 40,553	\$ 474,933	\$ 56,494	\$ 9,277	\$ 86,990	\$ 26,938	\$ 51,803	\$ 7,826	\$ 1,402,427
<b>TOTAL ASSETS</b>	<u>\$ 12,937</u>	<u>\$ 40,553</u>	<u>\$ 474,933</u>	<u>\$ 56,494</u>	<u>\$ 9,277</u>	<u>\$ 86,990</u>	<u>\$ 26,938</u>	<u>\$ 51,803</u>	<u>\$ 7,826</u>	<u>\$ 1,402,427</u>
<b>FUND BALANCES</b>										
Restricted for:										
Public safety	\$ 12,937	\$ -	\$ -	\$ -	\$ 9,277	\$ 86,990	\$ 26,938	\$ -	\$ -	\$ 368,280
Elections	-	40,553	-	-	-	-	-	-	-	40,553
Recorder	-	-	474,933	-	-	-	-	-	-	474,933
Judicial	-	-	-	56,494	-	-	-	51,803	7,826	268,959
Tax maintenance	-	-	-	-	-	-	-	-	-	121,027
Assigned										
Assessment	-	-	-	-	-	-	-	-	-	128,675
<b>TOTAL FUND BALANCES</b>	<u>\$ 12,937</u>	<u>\$ 40,553</u>	<u>\$ 474,933</u>	<u>\$ 56,494</u>	<u>\$ 9,277</u>	<u>\$ 86,990</u>	<u>\$ 26,938</u>	<u>\$ 51,803</u>	<u>\$ 7,826</u>	<u>\$ 1,402,427</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, 2013

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund	Sheriff Drug Forfeiture Fund
<b>RECEIPTS</b>										
Taxes	\$ -	\$ -	\$ -	\$ 485,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	1,313	-	-
Fees and charges	637,850	4,674	1,189	2,216	121,268	5,288	50,081	-	46,371	-
Other receipts	2,499	2,216	32	2,850	1,103	594	1,486	9	884	32
<b>TOTAL RECEIPTS</b>	<b>640,349</b>	<b>6,890</b>	<b>1,221</b>	<b>491,010</b>	<b>122,371</b>	<b>5,882</b>	<b>51,567</b>	<b>1,322</b>	<b>47,255</b>	<b>32</b>
<b>DISBURSEMENTS</b>										
Current										
General government	694,165	-	-	-	68,328	14,626	-	-	-	-
Judicial	-	-	2,032	-	-	-	-	-	15,769	-
Public safety	-	4,485	-	509,281	-	-	57,231	2,836	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>694,165</b>	<b>4,485</b>	<b>2,032</b>	<b>509,281</b>	<b>68,328</b>	<b>14,626</b>	<b>57,231</b>	<b>2,836</b>	<b>15,769</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(53,816)</b>	<b>2,405</b>	<b>(811)</b>	<b>(18,271)</b>	<b>54,043</b>	<b>(8,744)</b>	<b>(5,664)</b>	<b>(1,514)</b>	<b>31,486</b>	<b>32</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in (out)	150,000	-	-	(232,132)	(100,000)	-	-	-	(83,788)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>(232,132)</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,788)</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>96,184</b>	<b>2,405</b>	<b>(811)</b>	<b>(250,403)</b>	<b>(45,957)</b>	<b>(8,744)</b>	<b>(5,664)</b>	<b>(1,514)</b>	<b>(52,302)</b>	<b>32</b>
FUND BALANCE, January 1, as restated	32,491	751	4,798	404,724	166,984	90,421	74,900	1,514	119,474	5,393
FUND BALANCE, December 31	\$ 128,675	\$ 3,156	\$ 3,987	\$ 154,321	\$ 121,027	\$ 81,677	\$ 69,236	\$ -	\$ 67,172	\$ 5,425

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, 2013

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Prosecuting Attorney Witness Investigation Fund	Total
<b>RECEIPTS</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485,944
Intergovernmental receipts	4,646	21,700	-	-	-	-	-	-	-	27,659
Fees and charges	-	3,474	240,074	13,716	8,264	57,063	23,226	2,242	-	1,216,996
Other receipts	683	7,951	3,321	141	35	559	51	234	-	24,680
<b>TOTAL RECEIPTS</b>	<b>5,329</b>	<b>33,125</b>	<b>243,395</b>	<b>13,857</b>	<b>8,299</b>	<b>57,622</b>	<b>23,277</b>	<b>2,476</b>	<b>-</b>	<b>1,755,279</b>
<b>DISBURSEMENTS</b>										
Current										
General government	-	19,719	169,858	-	-	-	-	9,315	-	976,011
Judicial	-	-	-	8,144	-	-	-	-	286	26,231
Public safety	1,609	-	-	-	8,800	35,526	1,753	-	-	621,521
<b>TOTAL DISBURSEMENTS</b>	<b>1,609</b>	<b>19,719</b>	<b>169,858</b>	<b>8,144</b>	<b>8,800</b>	<b>35,526</b>	<b>1,753</b>	<b>9,315</b>	<b>286</b>	<b>1,623,763</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>3,720</b>	<b>13,406</b>	<b>73,537</b>	<b>5,713</b>	<b>(501)</b>	<b>22,096</b>	<b>21,524</b>	<b>(6,839)</b>	<b>(286)</b>	<b>131,516</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in (out)	-	-	(30,077)	-	-	-	-	-	-	(295,997)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(30,077)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(295,997)</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>3,720</b>	<b>13,406</b>	<b>43,460</b>	<b>5,713</b>	<b>(501)</b>	<b>22,096</b>	<b>21,524</b>	<b>(6,839)</b>	<b>(286)</b>	<b>(164,481)</b>
FUND BALANCE, January 1, as restated	9,217	27,147	431,473	50,781	9,778	64,894	5,414	58,642	8,112	1,566,908
<b>FUND BALANCE, December 31</b>	<b>\$ 12,937</b>	<b>\$ 40,553</b>	<b>\$ 474,933</b>	<b>\$ 56,494</b>	<b>\$ 9,277</b>	<b>\$ 86,990</b>	<b>\$ 26,938</b>	<b>\$ 51,803</b>	<b>\$ 7,826</b>	<b>\$ 1,402,427</b>





CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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

Taney County Commission  
Taney County  
Forsyth, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated June 20, 2014.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. The deficiencies are identified as items 2013-1 and 2013-2.

### **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*.

### **Response to Findings**

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, express no opinion on it.

### **Purpose of this Report**

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

TANEY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2013

2013-1 Segregation of duties

*Condition:* Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

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

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

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

*Response:* The limited number of available personnel prohibits segregation of incompatible duties.

2013-2 Reconciliation of annual financial statements to accounting records

*Condition:* The County has not adopted formal policies and procedures requiring a review and reconciliation of the annual financial statements to the accounting records prior to the approval of the financial statements by the County Commission. The County should adopt policy requiring the Auditor's office review and reconcile the annual financial statements to the accounting records. The Commission should then ensure this review is complete prior to the approval of the annual financial statements.

*Criteria:* The annual financial statements prepared by the independent auditor from the County's accounting records should be reviewed and reconciled by the County Auditor's office prior to the approval of the Commission.

*Effect:* The financial statements for the year ended December 31, 2012 were restated to correct errors in the annual financial statements.

*Recommendation:* The County adopt formal policies and procedures to ensure the annual financial statements are reviewed and reconciled to the accounting records prior to the approval of the County Commission.

*Response:* The County will adopt policies and procedures to ensure the annual financial statements prepared by the independent auditor are review and reconciled by the County Auditor's office prior to the approval of the County Commission.