

**Taney County, Missouri**  
Basic Financial Statements  
Year Ended December 31, 2019

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## Independent Auditors' Report

Taney County Commission  
Taney County  
Forsyth, Missouri

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; 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.

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.

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1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information, as of December 31, 2019, 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 1.

## **Basis of Accounting**

As described in Note 1, 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 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.

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 16, 2020, on our consideration of Taney County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taney County's internal control over financial reporting and compliance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 16, 2020

## **Management's Discussion & Analysis**

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

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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, 2019, 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 \$506,807.

The fund balance for the General Fund decreased by \$1,044,644.

The total increase between both Road and Bridge Funds was \$652,499.

In 2019 Taney County received sales tax revenues that exceeded the projections for the budget year.

In 2019 Taney County focused their attentions on employee retention through cost of living increases and continuance of full benefits and the retirement program for its employees.

The Taney County Airport experienced significant upgrades and improvements in 2019, thereby requiring funds for an important asset.

### 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.

#### Supplementary Information

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

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

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### Other Reporting Requirements

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

### Basis of Accounting

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

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

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

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

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

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

### 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

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

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,	
	2019	2018
<b>Assets</b>		
Cash and investments	\$ 35,310,796	\$ 35,817,603
<b>Total Assets</b>	<u>\$ 35,310,796</u>	<u>\$ 35,817,603</u>
<b>Net Position</b>		
Restricted	\$ 28,650,708	\$ 28,793,633
Unrestricted	6,660,088	7,023,970
<b>Total Net Position</b>	<u>\$ 35,310,796</u>	<u>\$ 35,817,603</u>

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

### Changes in Net Position – Modified Cash Basis

	Year Ended December 31,	
	2019	2018
<b>Receipts</b>		
Program Receipts		
Charges for services	\$ 6,172,776	\$ 5,811,341
Operating grants and contributions	158,202	146,041
Capital grants and contributions	1,214,919	216,508
<b>General Receipts</b>		
Sales tax receipts	27,210,904	26,176,945
Motor vehicle sales tax	1,356,780	1,330,343
Other taxes	796,250	827,156
Interest	590,661	551,567
Other receipts	432,410	372,170
<b>Total Receipts</b>	<b>37,932,902</b>	<b>35,432,071</b>
<b>Disbursements</b>		
General government	6,848,914	6,849,028
Judicial	1,292,248	1,363,872
Public safety	6,029,380	6,077,604
Public works	50,000	50,000
Highway and roads	9,118,274	11,740,446
Airport	1,674,469	490,412
Sewer	9,288,524	12,250,108
Debt service	1,529,690	1,508,869
Other	1,219,889	1,166,168
Transfer station	1,388,321	2,109,191
<b>Total Disbursements</b>	<b>38,439,709</b>	<b>43,605,698</b>
<b>(Decrease) in Net Position</b>	<b>\$ (506,807)</b>	<b>\$ (8,173,627)</b>

Overall receipts of the County increased by \$2,500,831 the prior year. Tax revenues were up \$1,029,490 and charges for services were up \$361,435. Overall disbursements of the County were down \$5,165,989.

### Financial Analysis of the County's Funds

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

- The General Fund balance decreased by \$1,044,644 for the year ended December 31, 2019.
- The Road and Bridge Trust Fund increased by \$671,606.

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

- The Law Enforcement Sales Tax Fund decreased by \$113,188, which decreased the fund balance to \$1,122,971 as of December 31, 2019.
- County Sewer Sales Tax Fund decreased \$816,658, which decreased the fund balance to \$14,237,190. The County expects to see this balance decrease dramatically in the near future due to several major projects planned in the near future.

### Financial Analysis Budget Versus Actual Results – General Fund

	Budget		Actual
	Original	Final	
<b>Receipts</b>			
Taxes	\$ 8,520,991	\$ 8,520,991	\$ 8,520,108
Commissions	800,000	800,000	753,500
Licenses and permits	85,500	85,500	84,709
Intergovernmental receipts	1,139,000	1,139,000	1,093,472
Fees and charges	2,322,500	2,238,500	1,934,259
Other	246,750	246,750	261,727
<b>Total Receipts</b>	<b>\$ 13,114,741</b>	<b>\$ 13,030,741</b>	<b>\$ 12,647,775</b>
<b>Disbursements</b>			
General government	\$ 6,267,189	\$ 6,267,189	\$ 6,011,557
Judicial	1,358,039	1,358,039	1,228,229
Public safety	4,713,639	4,713,639	4,617,315
Public works	50,000	50,000	50,000
Other	2,585,200	2,585,200	1,219,889
Airport	1,656,130	1,656,130	1,674,469
<b>Total Disbursements</b>	<b>\$ 16,630,197</b>	<b>\$ 16,630,197</b>	<b>\$ 14,801,459</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. The Commission has determined to do a better job of budgeting what we will have as a fund balance to carry forward, but there are several of the minor funds that are controlled by other elected officials and it makes sense to budget and appropriate the entire amount in those funds in case they are needed by those officials. We, as a County, have done a better job of applying expenses when they are actually expended instead of using a contingency fund as an expense line. This should make the County's budget more accurate and help the County use it as a tool for controls.

# Taney County

## Management's Discussion and Analysis

Year Ended December 31, 2019

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### **Economic Factors and Next Year's Budget**

Taney County's economy saw improvement through sales tax in 2019. The County has made capital improvements to assist in the economic growth of the County. Although, with economic growth comes the need for more improvements in the county including sewer and capital improvement projects, and law enforcement and jail expenditures.

The Taney County administration has the task of keeping the County in good financial condition. There is a realization that there are good reserves in most funds, but also the realization that the services needed will be more costly.

The COVID-19 pandemic has and will continue to impact Taney County's Budget for 2020, just how detrimental is unforeseen at this time. Major issues include the COVID-19 pandemic and how it will affect future operations, the increasing health costs, and more costly law enforcement. The healthcare costs and law enforcement costs are necessary, but make keeping the appropriate balances difficult. The sewer capital improvements will cause our total balance to be lower but will provide needed services to many constituents.

### **Contacting the County's Financial Management**

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

# Taney County

## Statement of Net Position – Modified Cash Basis

December 31, 2019

	Primary Government			Component Units						
	Governmental Activities	Business-Type Activities	Total	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan-Weaver Housing Corporation	Combs-Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
	<b>Assets</b>									
Cash and investments	\$ 34,203,241	\$ 1,107,555	\$ 35,310,796	\$ 4,124,489	\$ 1,418,336	\$ 994,202	\$ 95,025	\$ 54,658	\$ 107,766	\$ 61,974
<b>Total Assets</b>	<u>\$ 34,203,241</u>	<u>\$ 1,107,555</u>	<u>\$ 35,310,796</u>	<u>\$ 4,124,489</u>	<u>\$ 1,418,336</u>	<u>\$ 994,202</u>	<u>\$ 95,025</u>	<u>\$ 54,658</u>	<u>\$ 107,766</u>	<u>\$ 61,974</u>
<b>Net Position</b>										
Restricted	\$ 28,650,708	\$ -	\$ 28,650,708	\$ 1,724,027	\$ 31,461	\$ -	\$ 84,120	\$ 41,307	\$ -	\$ -
Unrestricted	5,552,533	1,107,555	6,660,088	2,400,462	1,386,875	994,202	10,905	13,351	107,766	61,974
<b>Total Net Position</b>	<u>\$ 34,203,241</u>	<u>\$ 1,107,555</u>	<u>\$ 35,310,796</u>	<u>\$ 4,124,489</u>	<u>\$ 1,418,336</u>	<u>\$ 994,202</u>	<u>\$ 95,025</u>	<u>\$ 54,658</u>	<u>\$ 107,766</u>	<u>\$ 61,974</u>

See accompanying notes to the financial statements.

# Taney County

## Statement of Activities – Modified Cash Basis

Year Ended December 31, 2019

Functions/Programs	Primary Government						
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ (6,848,914)	\$ 2,594,508	\$ 18,337	\$ -	\$ (4,236,069)	\$ -	\$ (4,236,069)
Judicial	(1,292,248)	190,735	57,079	-	(1,044,434)	-	(1,044,434)
Public safety	(6,029,380)	947,287	29,269	-	(5,052,824)	-	(5,052,824)
Public works	(50,000)	-	-	-	(50,000)	-	(50,000)
Highway and roads	(9,118,274)	37,785	53,517	223,781	(8,803,191)	-	(8,803,191)
Airport	(1,674,469)	470,593	-	991,138	(212,738)	-	(212,738)
Sewer	(9,288,524)	-	-	-	(9,288,524)	-	(9,288,524)
Debt service	(1,529,690)	-	-	-	(1,529,690)	-	(1,529,690)
Other	(1,219,889)	-	-	-	(1,219,889)	-	(1,219,889)
<b>Total Governmental Activities</b>	<b>(37,051,388)</b>	<b>4,240,908</b>	<b>158,202</b>	<b>1,214,919</b>	<b>(31,437,359)</b>	<b>-</b>	<b>(31,437,359)</b>
Business-Type Activities							
Transfer station	(1,388,321)	1,931,868	-	-	-	543,547	543,547
<b>Total Business-Type Activities</b>	<b>(1,388,321)</b>	<b>1,931,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>543,547</b>	<b>543,547</b>
<b>Total Primary Government</b>	<b>\$ (38,439,709)</b>	<b>\$ 6,172,776</b>	<b>\$ 158,202</b>	<b>\$ 1,214,919</b>	<b>(31,437,359)</b>	<b>543,547</b>	<b>(30,893,812)</b>

See accompanying notes to the financial statements.

# Taney County

## Statement of Activities – Modified Cash Basis

Year Ended December 31, 2019

Component Units	Disbursements	Program Receipts			Primary Government Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
		Disbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Taney County Regional Sewer District	\$ (8,206,882)	\$ 1,878,517	\$ -	\$ 6,409,951			
Taney County Health Center	(3,185,469)	753,552	819,148	-			
Developmentally Disabled Board	(3,192,213)	1,994,647	3,869	-			
Dorgan-Weaver Housing Corp.	(58,612)	67,787	-	-			
Combs-Redfern Apartments Inc.	(63,239)	68,767	-	-			
Tantone Industries, Inc.	(785,351)	349,913	440,353	-			
Dignity Now, Inc.	(4,148)	-	5,220	-			
<b>Total Component Units</b>	<b><u>\$ (15,495,914)</u></b>	<b><u>\$ 5,113,183</u></b>	<b><u>\$ 1,268,590</u></b>	<b><u>\$ 6,409,951</u></b>			
<b>General Receipts and Transfers</b>							
Ad valorem taxes				-	-	-	
Sales taxes				27,210,904	-	27,210,904	
Motor vehicle sales taxes and gas taxes				1,356,780	-	1,356,780	
Other taxes				796,250	-	796,250	
Interest				578,028	12,633	590,661	
Other receipts				265,837	166,573	432,410	
Transfers				80,265	(80,265)	-	
<b>Total General Receipts and Transfers</b>				<b><u>30,288,064</u></b>	<b><u>98,941</u></b>	<b><u>30,387,005</u></b>	
<i>Increase (Decrease) in Net Position</i>				(1,149,295)	642,488	(506,807)	
Net Position, Beginning of year				35,352,536	465,067	35,817,603	
<b>Net Position, End of year</b>				<b><u>\$ 34,203,241</u></b>	<b><u>\$ 1,107,555</u></b>	<b><u>\$ 35,310,796</u></b>	

See accompanying notes to the financial statements.

# Taney County

## Statement of Activities – Modified Cash Basis

Year Ended December 31, 2019

	Component Units						
	Net (Disbursements), Receipts, and Changes in Net Position						
	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan-Weaver Housing Corporation	Combs-Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
<b>Component Units</b>							
Taney County Regional Sewer District	\$ 81,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taney County Health Center	-	(1,612,769)	-	-	-	-	-
Developmentally Disabled Board	-	-	(1,193,697)	-	-	-	-
Dorgan-Weaver Housing Corp.	-	-	-	9,175	-	-	-
Combs-Redfern Apartments Inc.	-	-	-	-	5,528	-	-
Tantone Industries, Inc.	-	-	-	-	-	4,915	-
Dignity Now, Inc.	-	-	-	-	-	-	1,072
<b>Total Component Units</b>	<b>81,586</b>	<b>(1,612,769)</b>	<b>(1,193,697)</b>	<b>9,175</b>	<b>5,528</b>	<b>4,915</b>	<b>1,072</b>
<b>General Receipts and Transfers:</b>							
Ad valorem taxes	-	1,545,720	1,104,755	-	-	-	-
Sales taxes	-	-	-	-	-	-	-
Motor vehicle sales taxes and gas taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Interest	105,903	31,941	10,009	186	86	-	-
Other receipts	13,661	60,378	34,511	-	-	-	-
Transfers	-	-	-	-	-	-	-
<b>Total General Receipts and Transfers</b>	<b>119,564</b>	<b>1,638,039</b>	<b>1,149,275</b>	<b>186</b>	<b>86</b>	<b>-</b>	<b>-</b>
<i>Increase (Decrease) in Net Position</i>	201,150	25,270	(44,422)	9,361	5,614	4,915	1,072
Net Position, Beginning of year	3,923,339	1,393,066	1,038,624	85,664	49,044	102,851	60,902
<b>Net Position, End of year</b>	<b>\$ 4,124,489</b>	<b>\$ 1,418,336</b>	<b>\$ 994,202</b>	<b>\$ 95,025</b>	<b>\$ 54,658</b>	<b>\$ 107,766</b>	<b>\$ 61,974</b>

See accompanying notes to the financial statements.

# Taney County

## Balance Sheet – Governmental Funds – Modified Cash Basis

December 31, 2019

	Special Revenue Funds					Nonmajor Special Revenue Funds	Total Governmental Funds
	General Fund	Road & Bridge Trust Fund	Road & Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund		
<b>Assets</b>							
Cash and investments	\$ 5,115,725	\$ 10,386,516	\$ 1,688,644	\$ 1,122,971	\$ 14,237,190	\$ 1,652,195	\$ 34,203,241
<b>Total Assets</b>	<u>\$ 5,115,725</u>	<u>\$ 10,386,516</u>	<u>\$ 1,688,644</u>	<u>\$ 1,122,971</u>	<u>\$ 14,237,190</u>	<u>\$ 1,652,195</u>	<u>\$ 34,203,241</u>
<b>Fund Balances</b>							
Restricted for:							
Road and Bridge	\$ -	\$ 10,386,516	\$ 1,688,644	\$ -	\$ -	\$ -	\$ 12,075,160
Public Safety	-	-	-	1,122,971	-	361,340	1,484,311
Sewer	-	-	-	-	14,237,190	-	14,237,190
Elections	-	-	-	-	-	37,378	37,378
Recorder	-	-	-	-	-	440,808	440,808
Judicial	-	-	-	-	-	265,185	265,185
Tax maintenance	-	-	-	-	-	110,676	110,676
Assigned to:							
Assessment Fund	-	-	-	-	-	436,808	436,808
Unassigned	5,115,725	-	-	-	-	-	5,115,725
<b>Total Fund Balances</b>	<u>\$ 5,115,725</u>	<u>\$ 10,386,516</u>	<u>\$ 1,688,644</u>	<u>\$ 1,122,971</u>	<u>\$ 14,237,190</u>	<u>\$ 1,652,195</u>	<u>\$ 34,203,241</u>

See accompanying notes to the financial statements.

# Taney County

## Statement of Receipts, Disbursements and Changes In Fund Balance – Governmental Funds – Modified Cash Basis

Year Ended December 31, 2019

	Special Revenue Funds						Total Governmental Funds
	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	
<b>Receipts</b>							
Taxes	\$ 8,520,108	\$ 8,478,618	\$ 1,356,780	\$ 2,081,113	\$ 8,324,703	\$ 602,612	\$ 29,363,934
Collector's commission	753,500	-	-	-	-	-	753,500
Licenses and permits	84,709	-	-	-	-	-	84,709
Intergovernmental receipts	1,093,472	223,781	53,517	-	-	15,504	1,386,274
Fees and charges	1,934,259	-	-	-	-	1,370,682	3,304,941
Other	261,727	274,440	54,934	13,162	247,134	77,073	928,470
<b>Total Receipts</b>	<b>12,647,775</b>	<b>8,976,839</b>	<b>1,465,231</b>	<b>2,094,275</b>	<b>8,571,837</b>	<b>2,065,871</b>	<b>35,821,828</b>
<b>Disbursements</b>							
General government	6,011,557	-	-	-	-	837,357	6,848,914
Judicial	1,228,229	-	-	-	-	64,019	1,292,248
Public safety	4,617,315	-	-	677,773	-	734,292	6,029,380
Public works	50,000	-	-	-	-	-	50,000
Airport	1,674,469	-	-	-	-	-	1,674,469
Other	1,219,889	-	-	-	-	-	1,219,889
Highway and roads	-	7,990,062	1,128,212	-	-	-	9,118,274
Sewer	-	-	-	-	9,288,524	-	9,288,524
Debt service	-	-	-	1,529,690	-	-	1,529,690
<b>Total Disbursements</b>	<b>14,801,459</b>	<b>7,990,062</b>	<b>1,128,212</b>	<b>2,207,463</b>	<b>9,288,524</b>	<b>1,635,668</b>	<b>37,051,388</b>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(2,153,684)	986,777	337,019	(113,188)	(716,687)	430,203	(1,229,560)
<b>Other Financing Sources (Uses)</b>							
Operating transfers in (out)	1,109,040	(315,171)	(356,126)	-	(99,971)	(257,507)	80,265
<b>Total other Financing Sources (Uses)</b>	<b>1,109,040</b>	<b>(315,171)</b>	<b>(356,126)</b>	<b>-</b>	<b>(99,971)</b>	<b>(257,507)</b>	<b>80,265</b>
<i>Excess (Deficit) of Receipts and other Sources over Disbursements and other (Uses)</i>	(1,044,644)	671,606	(19,107)	(113,188)	(816,658)	172,696	(1,149,295)
Fund Balance, January 1	6,160,369	9,714,910	1,707,751	1,236,159	15,053,848	1,479,499	35,352,536
<b>Fund Balance, December 31</b>	<b>\$ 5,115,725</b>	<b>\$ 10,386,516</b>	<b>\$ 1,688,644</b>	<b>\$ 1,122,971</b>	<b>\$ 14,237,190</b>	<b>\$ 1,652,195</b>	<b>\$ 34,203,241</b>

See accompanying notes to the financial statements.

# Taney County

## Statement of Net Position – Proprietary Fund – Modified Cash Basis

December 31, 2019

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	<u>Proprietary Fund Transfer Station Fund</u>
<b>Assets</b>	
Current Assets	
Cash and investments	\$ 1,107,555
<b>Total Assets</b>	<u>\$ 1,107,555</u>
<b>Net Position</b>	
Unrestricted	\$ 1,107,555
<b>Total Net Position</b>	<u>\$ 1,107,555</u>

See accompanying notes to the financial statements.

# Taney County

Statement of Receipts, Disbursements and Changes in Net Position – Proprietary Fund – Modified Cash Basis

Year Ended December 31, 2019

	Proprietary Fund
	Transfer Station Fund
<b>Operating Receipts</b>	
Charges for services	\$ 1,931,868
<b>Total Operating Receipts</b>	1,931,868
<b>Operating Disbursements</b>	
Insurance claims and disbursements	20,731
Salaries and employee benefits	530,212
Supplies	197,683
Telephone and utilities	2,718
Repair and maintenance	118,563
Landfill services	510,153
Other	8,261
<b>Total Operating Disbursements</b>	1,388,321
<i>Operating Income</i>	543,547
<b>Nonoperating Receipts</b>	
Interest receipts	12,633
Other receipts	166,573
<b>Total Nonoperating Receipts</b>	179,206
<i>Income Before Operating Transfers</i>	722,753
Operating transfers (out)	(80,265)
<b>Net Income</b>	642,488
Net Position, January 1	465,067
<b>Net Position, December 31</b>	\$ 1,107,555

See accompanying notes to the financial statements.

# Taney County

## Statement of Cash Flows – Proprietary Fund – Modified Cash Basis

Year Ended December 31, 2019

	<u>Enterprise Fund</u> <u>Transfer</u> <u>Station Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 2,098,441
Cash paid to suppliers	(858,109)
Cash paid to employees	(530,212)
<b>Net Cash Provided by Operating Activities</b>	<u>710,120</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	12,633
<b>Net Cash Provided by Investing Activities</b>	<u>12,633</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers (to) other funds	(80,265)
<b>Net Cash (Used) by Noncapital Financing Activities</b>	<u>(80,265)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	642,488
Cash and Cash Equivalents, Beginning of year	465,067
<b>Cash and Cash Equivalents, End of year</b>	<u>\$ 1,107,555</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 543,547
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other receipts	166,573
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 710,120</u>

See accompanying notes to the financial statements.

# Taney County

## Statement of Assets and Liabilities – Agency Funds – Modified Cash Basis

December 31, 2019

	<u>Sheriff's Office Transport Fund</u>	<u>Sheriff's Office General Fund</u>	<u>Sheriff's Office Bond Fund</u>	<u>Sheriff Commissary Fund</u>	<u>Collector of Revenue Fund</u>	<u>Cities Financial Institution Tax Fund</u>	<u>Land Sales Surplus Fund</u>
<b>Assets</b>							
Cash and investments	\$ 403	\$ 9,011	\$ 108	\$ 30,196	\$ 24,413,061	\$ 26,262	\$ 197,818
<b>Total Assets</b>	<u>\$ 403</u>	<u>\$ 9,011</u>	<u>\$ 108</u>	<u>\$ 30,196</u>	<u>\$ 24,413,061</u>	<u>\$ 26,262</u>	<u>\$ 197,818</u>
<b>Liabilities</b>							
Due to others	\$ -	\$ -	\$ 108	\$ 30,196	\$ -	\$ -	\$ -
Due to other governments	403	9,011	-	-	24,413,061	26,262	197,818
<b>Total Liabilities</b>	<u>\$ 403</u>	<u>\$ 9,011</u>	<u>\$ 108</u>	<u>\$ 30,196</u>	<u>\$ 24,413,061</u>	<u>\$ 26,262</u>	<u>\$ 197,818</u>

See accompanying notes to the financial statements.

# Taney County

## Statement of Assets and Liabilities – Agency Funds – Modified Cash Basis

December 31, 2019

	<u>Unclaimed Fee Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Western Fire Fund</u>	<u>Central Fire Fund</u>	<u>P &amp; Z Bonds Fund</u>	<u>National Forest Fund</u>	<u>Circuit Clerk Fund</u>	<u>DSS Supplemental Fund</u>	<u>Recorder's User Fee Fund</u>	<u>Protest Tax Account Fund</u>
<b>Assets</b>										
Cash and investments	\$ 41,249	\$ 45,308	\$ 1	\$ 683	\$ 158,992	\$ 226,718	\$ 117,485	\$ 710	\$ 132,279	\$ 444,486
<b>Total Assets</b>	<u>\$ 41,249</u>	<u>\$ 45,308</u>	<u>\$ 1</u>	<u>\$ 683</u>	<u>\$ 158,992</u>	<u>\$ 226,718</u>	<u>\$ 117,485</u>	<u>\$ 710</u>	<u>\$ 132,279</u>	<u>\$ 444,486</u>
<b>Liabilities</b>										
Due to others	\$ 41,249	\$ -	\$ -	\$ -	\$ 158,992	\$ -	\$ -	\$ -	\$ -	\$ 444,486
Due to other governments	-	45,308	1	683	-	226,718	117,485	710	132,279	-
<b>Total Liabilities</b>	<u>\$ 41,249</u>	<u>\$ 45,308</u>	<u>\$ 1</u>	<u>\$ 683</u>	<u>\$ 158,992</u>	<u>\$ 226,718</u>	<u>\$ 117,485</u>	<u>\$ 710</u>	<u>\$ 132,279</u>	<u>\$ 444,486</u>

See accompanying notes to the financial statements.

# Taney County

## Statement of Assets and Liabilities – Agency Funds – Modified Cash Basis

December 31, 2019

	<u>Health Center Fund</u>	<u>Handicapped Fund</u>	<u>School Fund</u>	<u>Senior Services Fund</u>	<u>Prosecuting Attorney Bad Check Fund</u>	<u>Total</u>
<b>Assets</b>						
Cash and investments	\$ 941	\$ 670	\$ 28,380	\$ 619,645	\$ 18,724	\$ 26,513,130
<b>Total Assets</b>	<u>\$ 941</u>	<u>\$ 670</u>	<u>\$ 28,380</u>	<u>\$ 619,645</u>	<u>\$ 18,724</u>	<u>\$ 26,513,130</u>
<b>Liabilities</b>						
Due to others	\$ -	\$ -	\$ -	\$ -	\$ 18,724	\$ 693,755
Due to other governments	941	670	28,380	619,645	-	25,819,375
<b>Total Liabilities</b>	<u>\$ 941</u>	<u>\$ 670</u>	<u>\$ 28,380</u>	<u>\$ 619,645</u>	<u>\$ 18,724</u>	<u>\$ 26,513,130</u>

See accompanying notes to the financial statements.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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### 1. 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.

##### *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.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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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.

### *Tantone Industries, Inc.*

Tantone Industries, Inc., which is governed by an appointed Board of Directors, provides production employment opportunities to lower range educable and upper range trainable developmentally disabled residents of Taney County. Tantone Industries, Inc. is included in the financial statements of the County as a component unit due to its financial relationship with the Taney County Board for the Developmentally Disabled d.b.a. Developmental Connections.

### *Dignity Now, Inc.*

Dignity Now, Inc., which is governed by an appointed Board of Directors, provides services and support for children with developmental disabilities and their families. Dignity Now, Inc. is included in the financial statements of the County as a component unit due to its financial relationship with the Taney County Board for the Developmentally Disabled d.b.a. Developmental Connections.

## **Government-Wide Financial Statements**

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

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

# Taney County

## Notes to the Financial Statements

December 31, 2019

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

### Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

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

The County also reports the following fund types:

*Agency Funds:* 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.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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

### Cash and Investments

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

### Fund Balance Classification

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

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

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

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

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

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

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.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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### Net Position

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

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

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

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

### Operating Receipts and Disbursements

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

### Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2019, was \$193,246.

### 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.

### Pensions

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

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

# Taney County

## Notes to the Financial Statements

December 31, 2019

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

## 2. Cash & 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, 2019, all bank balances on deposit were entirely insured or collateralized with securities.

### County Investments

Statutes authorize the County to invest in investments that are:

Obligations of the U.S. government, the State of Missouri, this county; 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; In revenue bonds of the County; 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; Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency; Commercial paper issued by domestic corporations that has received the highest rating issued by a nationally recognized rating agency; or Investments permitted by the County that are authorized in the model investment policy prepared by the State of Missouri for political subdivisions.

The County's investments at December 31, 2019, 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	1/13/2020 - 12/27/2022	\$ 20,608,000	\$ 20,708,862
FHLM Note	3/22/2022	500,000	500,240
		<u>\$ 20,608,000</u>	<u>\$ 20,708,862</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, 2019, all Certificates of Deposit are entirely insured or collateralized with securities.

# Taney County

## Notes to the Financial Statements

December 31, 2019

### Interest Rate Risk

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

### Taney County Regional Sewer District

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2019, all bank balances on deposit are entirely insured or collateralized.

The District's investments at December 31, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	1/28/2021	<u>\$ 222,258</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, 2019, 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, 2019, all bank balances on deposit are entirely insured or collateralized.

The Center's investments at December 31, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	5/31/20 - 7/31/20	<u>\$ 72,436</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 Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2019, all certificates of deposit were insured or collateralized with securities.

# Taney County

## Notes to the Financial Statements

December 31, 2019

### *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, 2019, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
<b>Taney County Board for the Developmentally Disabled</b>		
Certificate of Deposit	3/23/2020	<u>\$ 263,971</u>
<b>Dignity Now</b>		
Community Foundation of the Ozarks Investment Pool	N/A	<u>\$ 38,155</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, 2019, 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.

## **3. Claims, Judgments, & 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, 2019, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the County.

### **Legal Matters**

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

# Taney County

## Notes to the Financial Statements

December 31, 2019

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### 4. Employee Pension Plan – CERF – Primary Government

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

##### *General Information about the Pension Plan*

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

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

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

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at [www.mocerf.org](http://www.mocerf.org).

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

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

*Contributions.* Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participated county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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Eligible employees of the employer contribute 4% to the pension plan. The employer did not elect to make all or a portion of the required 4% contribution on behalf of employees.

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

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

During 2019 and 2018 the County collected and remitted to CERF, employee contributions of \$283,146 and \$268,778 , respectively, for the years then ended. The County's contributions to CERF were \$718,250 for the year ended December 31, 2019.

## 5. Employee Pension Plan – LAGERS – Primary Government

### Missouri Local Government Employees Retirement System

#### *General Information about the Pension Plan*

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

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

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

# Taney County

## Notes to the Financial Statements

December 31, 2019

2019 Valuation	
Benefit multiplier	2.00% for life
Final average salary	5 years
Member contributions	0%

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

*Employees Covered by Benefit Terms.* At June 30, 2019, the following employees were covered by the benefit terms:

	General	Police	Total
Inactive employees or beneficiaries currently receiving benefits	127	38	165
Inactive employees entitled to but not yet receiving benefits	106	27	133
Active employees	229	43	272
	462	108	570

*Contributions.* The employer is required to contribute amounts as least equal to the actuarially determined rate, as established by LAGERS using the individual entry-age actuarial method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contributions are 14.6% (General) and 16.8% (Police) of annual covered payroll.

During the year ended December 31, 2019 the County made contributions of \$1,367,269 and the Taney County Health Department made contributions of \$202,307.

## 6. Employee Pension Plan – LAGERS – Taney County Regional Sewer District

### Missouri Local Government Employees Retirement System

#### *General Information about the Pension Plan*

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

*Benefits Provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to

# Taney County

## Notes to the Financial Statements

December 31, 2019

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an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

<u>2019 Valuation</u>	
Benefit multiplier	2.00% for life
Final average salary	5 years
Member contributions	0%

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

*Employees Covered by Benefit Terms.* At June 30, 2019, the following employees were covered by the benefit terms:

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

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

During the year ended December 31, 2019, the Taney County Regional Sewer District made contributions of \$93,913.

### **7. Assessed Valuation, Tax Levy, & 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

## Notes to the Financial Statements

December 31, 2019

The 2019 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

<b>Assessed Valuation</b>		
Real estate		\$ 881,115,203
Personal property		167,092,501
		\$1,048,207,704
<b>Tax Levy</b>		
General Fund		\$ -

The legal debt margin at December 31, 2019, is computed as follows:

Constitutional debt limit	\$ 104,820,770
General obligation bonds payable	-
<b>Legal Debt Margin</b>	<b>\$ 104,820,770</b>

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.

### 8. 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, 2019, are due as follows:

Year Ending December 31,	Principal	Interest	Administrative Fee	Total
2020	\$ 965,000	\$ 77,569	\$ 11,390	\$ 1,053,959
2021	995,000	26,119	5,696	1,026,815
	\$ 1,960,000	\$ 103,688	\$ 17,086	\$ 2,080,774

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2019:

	Balance December 31, 2018	New Obligations	Retired	Balance December 31, 2019	Current Portion
2004 SRF Revenue Bonds Payable	\$ 2,900,000	\$ -	\$ 940,000	\$ 1,960,000	\$ 965,000

# Taney County

## Notes to the Financial Statements

December 31, 2019

### 9. Long-Term Debt – Primary Government

On August 25, 2015, the County issued Lease Refunding Certificates of Participation Series 2015A and 2015B for the purpose of an advance refunding of the Series 2006 Lease Certificates of Participation, which were issued for the construction of a new judicial facility. The County intends to make principal and interest payments on the lease from revenues generated from the 1/8 cent law enforcement sales tax passed by voters on November 8, 2005. The sales tax will continue until December 31, 2022.

The lease agreement requires principal payments ranging from \$815,000 to \$1,590,000 plus interest of 2.02%. Principal payments are due April 1 of each year with interest due semi-annually on April 1 and October 1.

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

The total annual minimum lease payments required at December 31, 2019, are as follows:

Year Ending December 31,					
2020			\$	1,579,181	
2021				1,609,487	
2022				1,638,581	
2023				831,463	
				5,658,712	
		Total Minimum Lease Payments		5,658,712	
		Less Amount Representing Interest		(253,712)	
		<b>Principal Balance, December 31, 2019</b>	<b>\$</b>	<b>5,405,000</b>	

The following schedule presents the changes in the long-term debt for the year ended December 31, 2019:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Current Portion
2015A Certificates of Participation	\$ 6,810,000	\$ -	\$ 1,405,000	\$ 5,405,000	\$ 1,470,000
Compensated absences	231,965	-	38,719	193,246	-
	\$ 7,041,965	\$ -	\$ 1,443,719	\$ 5,598,246	\$ 1,470,000

# Taney County

## Notes to the Financial Statements

December 31, 2019

### 10. 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, 2019, based on the current rate, are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 68,053	\$ 10,740	\$ 78,793
2021	71,438	7,356	78,794
2022	74,955	3,839	78,794
2023	38,850	546	39,396
	<u>\$ 253,296</u>	<u>\$ 22,481</u>	<u>\$ 275,777</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2019:

	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2019</u>	<u>Current</u> <u>Portion</u>
2008 Certificate of Participation	\$ 318,188	\$ -	\$ 64,892	\$ 253,296	\$ 68,053
Compensated absences	70,578	-	6,802	63,776	-
	<u>\$ 388,766</u>	<u>\$ -</u>	<u>\$ 71,694</u>	<u>\$ 317,072</u>	<u>\$ 68,053</u>

### 11. Lease Payable – Board For The Developmentally Disabled

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

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

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.

# Taney County

## Notes to the Financial Statements

December 31, 2019

The total annual minimum lease payments required at December 31, 2019, are as follows:

Year Ending December 31,	Principal
2020	\$ 134,345
2021	133,458
2022	132,375
2023	130,988
2024	129,335
2025	127,300
Total Minimum Lease Payments	787,801
Less Amount Representing Interest	(142,801)
<b>Principal Balance, December 31, 2019</b>	<b>\$ 645,000</b>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2019:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Current Portion
2010 Certificates of Participation	\$ 735,000	\$ -	\$ 90,000	\$ 645,000	\$ 95,000

### 12. Line of Credit – Board for the Developmentally Disabled

At December 31, 2019, 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, 2019, there was no outstanding balance. A total of \$3,675 interest was paid in the current year.

The following schedule presents the changes in short-term debt for the year ended December 31, 2019:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Line of Credit	\$ 186,325	\$ -	\$ 186,325	\$ -

### 13. Mortgage Payable – Dorgan-Weaver Housing Corporation

As of December 31, 2019, the Board had a mortgage payable of \$1,531,400. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

# Taney County

## Notes to the Financial Statements

December 31, 2019

The following represents the changes in the mortgage payable during the year ended December 31, 2019:

Balance, December 31, 2018	\$ 1,531,400
Additions	-
Repayments	-
<b>Balance, December 31, 2019</b>	<b><u>\$ 1,531,400</u></b>

### 14. Mortgage Payable – Combs-Redfern Apartments Inc.

As of December 31, 2019, the Board had a mortgage payable of \$2,054,431. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

Balance, December 31, 2018	\$ 2,054,431
Additions	-
Repayments	-
<b>Balance, December 31, 2019</b>	<b><u>\$ 2,054,431</u></b>

### 15. 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.

### 16. Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

	Transfers In (Out)
General Fund	\$ 1,109,040
Road and Bridge Trust Fund	(315,171)
Road and Bridge Fund	(356,126)
Sewer Sales Tax Fund	(99,971)
Assessment Fund	(12,357)
Tax Maintenance Fund	(30,000)
E-911 Fund	(163,189)
Recorder Tech Fund	(51,961)
Transfer Station Fund	(80,265)
	<b><u>\$ -</u></b>

# Taney County

## Notes to the Financial Statements

December 31, 2019

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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.

### 17. Commitments

At December 31, 2019, the County was committed to the following contracts for sewer improvements:

- R.L. Persons Construction in the amount of \$946,467
- Excel Excavating in the amount of \$1,180,945
- Flat Creek Excavating in the amount of \$5,220,1687

### 18. Commitments – Taney County Regional Sewer District

As of December 31, 2019, the District was committed to Excel Excavating in the amount of \$1,090,070 and Flat Creek Excavating in the amount of \$1,224,026 for utility improvements.

### 19. Tax Abatements

#### Taney County

As of December 31, 2019, the County was affected by tax abatement programs provided by the City of Branson, Missouri and the City of Hollister, Missouri. Both the City of Branson, Missouri and the City of Hollister, Missouri, provide tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

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

Sales tax revenues were reduced by \$2,860,104 and \$256,196 under the Tax Incremental Financing Agreement and by the City of Branson, Missouri and by the by the City of Hollister, Missouri, respectively.

#### Taney County Board for the Developmentally Disabled

As of December 31, 2019, the Board was affected by tax abatement programs provided by the City of Branson. The City of Branson provided tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. Property tax revenues were reduced by \$37,429 under the Tax Incremental Financing Agreements entered into by the City of Branson, Missouri.

# Taney County

## Notes to the Financial Statements

December 31, 2019

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### Taney County Health Department

As of December 31, 2019, the health department was affected by tax abatement programs provided by the City of Branson. The City of Branson provided tax abatements through the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. Property tax revenues were reduced by \$65,472 under the Tax Incremental Financing Agreements entered into by the City of Branson, Missouri.

### 20. Contingencies

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

### 21. Risks & Uncertainties

Subsequent to year end, a strain of coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet determinable, but will likely be significant for both the local and global economy. The effects of COVID-19 on the County are also not yet determinable, however COVID-19 has been identified as a significant risk and uncertainty that could impact future operations and result in changes in estimates and assumptions made in the financial statements.

## Supplementary Information

# Taney County

## Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2019

Receipts	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Taxes</b>				
County sales tax	\$ 8,300,991	\$ 8,300,991	\$ 8,326,470	\$ 25,479
Payment in lieu of taxes	210,000	210,000	177,340	(32,660)
Other taxes	10,000	10,000	16,298	6,298
	<u>8,520,991</u>	<u>8,520,991</u>	<u>8,520,108</u>	<u>(883)</u>
<b>Collector's Commission</b>				
Collection commissions	800,000	800,000	753,500	(46,500)
<b>Licenses and Permits</b>				
Beverage licenses	85,000	85,000	83,914	(1,086)
ATV permits	500	500	795	295
	<u>85,500</u>	<u>85,500</u>	<u>84,709</u>	<u>(791)</u>
<b>Intergovernmental Receipts</b>				
Federal	48,000	48,000	83,997	35,997
Other	1,091,000	1,091,000	1,009,475	(81,525)
	<u>1,139,000</u>	<u>1,139,000</u>	<u>1,093,472</u>	<u>(45,528)</u>
<b>Fees and Charges</b>				
Court	78,000	78,000	60,811	(17,189)
Public administration	70,000	70,000	70,681	681
County clerk	750	750	1,212	462
Recorder of deeds	800,000	800,000	648,072	(151,928)
Tax sale publication	14,000	14,000	17,480	3,480
Planning and zoning	30,000	30,000	32,175	2,175
Sheriff fees	700,000	700,000	525,657	(174,343)
Phone and vending	1,150	1,150	695	(455)
Election reimbursement	28,000	28,000	19,100	(8,900)
Computer room	600	600	999	399
Animal Control	84,000	-	86,784	86,784
Airport	516,000	516,000	470,593	(45,407)
	<u>2,322,500</u>	<u>2,238,500</u>	<u>1,934,259</u>	<u>(304,241)</u>
<b>Other</b>				
Interest income	75,000	75,000	93,518	18,518
Miscellaneous	131,750	131,750	149,819	18,069
Sale of property	40,000	40,000	18,390	(21,610)
	<u>246,750</u>	<u>246,750</u>	<u>261,727</u>	<u>14,977</u>
<b>Total Receipts</b>	<u>13,114,741</u>	<u>13,030,741</u>	<u>12,647,775</u>	<u>(382,966)</u>

# Taney County

## Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Disbursements</b>				
Current				
General Government				
University extension	46,625	46,625	46,623	2
Collector of revenue	271,631	271,631	271,748	(117)
Treasurer	123,623	123,623	118,664	4,959
Recorder of deeds	281,543	281,543	271,446	10,097
County commission	247,550	247,550	247,737	(187)
Administrative office	664,289	664,289	650,430	13,859
Employee fringe benefits	2,775,000	2,775,000	2,835,375	(60,375)
Information technology	435,328	435,328	372,824	62,504
Planning and zoning	217,976	217,976	207,707	10,269
Election and voter registration	81,800	81,800	49,903	31,897
County clerk	186,626	186,626	182,817	3,809
Auditor	111,257	111,257	109,431	1,826
Building and grounds	728,860	728,860	646,852	82,008
	6,172,108	6,172,108	6,011,557	160,551
Judicial				
Court administration	40,500	40,500	13,915	26,585
Circuit judge	170,500	170,500	141,354	29,146
Circuit clerk	28,900	28,900	26,281	2,619
Coroner	86,764	86,764	96,988	(10,224)
Court reporter	7,000	7,000	4,510	2,490
Public administrator	139,271	139,271	134,209	5,062
Juvenile	247,082	247,082	209,722	37,360
Prosecuting attorney	638,022	638,022	601,250	36,772
	1,358,039	1,358,039	1,228,229	129,810
Public Safety				
Sheriff	2,634,024	2,634,024	2,661,268	(27,244)
Jail	1,802,904	1,802,904	1,659,295	143,609
Animal control	198,680	198,680	229,883	(31,203)
Emergency management	78,031	78,031	66,869	11,162
	4,713,639	4,713,639	4,617,315	96,324
Other	2,585,200	2,585,200	1,219,889	1,365,311
Public Works				
Pooled Services	50,000	50,000	50,000	-
Airport				
Airport	1,656,130	1,656,130	1,674,469	(18,339)
<b>Total Disbursements</b>	16,630,197	16,630,197	14,801,459	1,828,738
<i>(Deficit) of Receipts over Disbursements</i>	(3,515,456)	(3,599,456)	(2,153,684)	1,445,772
<b>Other Financing Sources</b>				
Operating transfers (out)	-	-	(75,000)	(75,000)
Operating transfers in	1,312,540	1,312,540	1,184,040	(128,500)
<b>Total Other Financing Sources</b>	1,312,540	1,312,540	1,109,040	(203,500)
<i>(Deficit) of Receipts and other Sources over Disbursements</i>	(2,202,916)	(2,286,916)	(1,044,644)	1,242,272
Fund Balance, January 1	6,160,369	6,160,369	6,160,369	-
<b>Fund Balance, December 31</b>	\$ 3,957,453	\$ 3,873,453	\$ 5,115,725	\$ 1,242,272

# Taney County

## Budgetary Comparison Schedule – Road and Bridge Trust Fund – Modified Cash Basis

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Receipts</b>				
Taxes	\$ 8,150,000	\$ 8,150,000	\$ 8,478,618	\$ 328,618
Intergovernmental receipts	-	-	223,781	223,781
Other receipts	150,000	150,000	274,440	124,440
<b>Total Receipts</b>	<b>8,300,000</b>	<b>8,300,000</b>	<b>8,976,839</b>	<b>676,839</b>
<b>Disbursements</b>				
<b>Highway and Roads</b>				
Wages and benefits	2,750,000	2,750,000	2,634,495	115,505
Computer related disbursements	56,000	56,000	26,775	29,225
Mileage and training	5,000	5,000	2,525	2,475
Professional services	55,000	55,000	55,068	(68)
Rental equipment	5,000	5,000	3,821	1,179
Telephone and utilities	51,500	51,500	63,007	(11,507)
Insurance	150,000	150,000	156,128	(6,128)
Repair and maintenance	470,000	470,000	408,617	61,383
Equipment	1,239,000	1,239,000	688,743	550,257
Road construction	1,750,000	1,750,000	1,917,445	(167,445)
Road supplies	2,557,000	2,557,000	1,984,220	572,780
Other supplies	50,350	50,350	43,155	7,195
Other	1,011,100	1,011,100	6,063	1,005,037
<b>Total Disbursements</b>	<b>10,149,950</b>	<b>10,149,950</b>	<b>7,990,062</b>	<b>2,159,888</b>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(1,849,950)	(1,849,950)	986,777	2,836,727
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	30,000	30,000	-	(30,000)
Operating transfers out	(288,338)	(288,338)	(315,171)	(26,833)
<b>Total other Financing Sources (Uses)</b>	<b>(258,338)</b>	<b>(258,338)</b>	<b>(315,171)</b>	<b>(56,833)</b>
<i>Excess (Deficit) of Receipts and other Sources over Disbursements and other (Uses)</i>	(2,108,288)	(2,108,288)	671,606	2,779,894
Fund Balance, January 1	9,714,910	9,714,910	9,714,910	-
<b>Fund Balance, December 31</b>	<b>\$ 7,606,622</b>	<b>\$ 7,606,622</b>	<b>\$ 10,386,516</b>	<b>\$ 2,779,894</b>

# Taney County

## Budgetary Comparison Schedule – Road and Bridge Fund – Modified Cash Basis

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Receipts</b>				
Taxes	\$ 1,245,500	\$ 1,245,500	\$ 1,356,780	\$ 111,280
Intergovernmental receipts	54,500	54,500	53,517	(983)
Other receipts	30,250	30,250	54,934	24,684
<b>Total Receipts</b>	1,330,250	1,330,250	1,465,231	134,981
<b>Disbursements</b>				
Highway and Roads				
Wages and benefits	1,391,500	1,391,500	1,086,024	305,476
Capital Outlay	30,000	30,000	28,538	1,462
Other	511,500	511,500	13,650	497,850
<b>Total Disbursements</b>	1,933,000	1,933,000	1,128,212	804,788
<i>Excess (Deficit) of Receipts over Disbursements</i>	(602,750)	(602,750)	337,019	939,769
<b>Other Financing (Uses)</b>				
Operating transfers (out)	(489,100)	(489,100)	(356,126)	132,974
<b>Total other Financing (Uses)</b>	(489,100)	(489,100)	(356,126)	132,974
<i>(Deficit) of Receipts over Disbursements and other (Uses)</i>	(1,091,850)	(1,091,850)	(19,107)	1,072,743
Fund Balance, January 1	1,707,751	1,707,751	1,707,751	-
<b>Fund Balance, December 31</b>	\$ 615,901	\$ 615,901	\$ 1,688,644	\$ 1,072,743

# Taney County

## Budgetary Comparison Schedule – Law Enforcement Sales Tax Fund – Modified Cash Basis

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Receipts</b>				
Taxes	\$ 1,950,000	\$ 1,950,000	\$ 2,081,113	\$ 131,113
Other receipts	6,500	6,500	13,162	6,662
<b>Total Receipts</b>	1,956,500	1,956,500	2,094,275	137,775
<b>Disbursements</b>				
Public Safety	873,632	873,632	677,773	-
Debt Service	1,600,000	1,600,000	1,529,690	922,227
<b>Total Disbursements</b>	2,473,632	2,473,632	2,207,463	922,227
<i>(Deficit) of Receipts over Disbursements</i>	(517,132)	(517,132)	(113,188)	403,944
Fund Balance, January 1	1,236,159	1,236,159	1,236,159	-
<b>Fund Balance, December 31</b>	\$ 719,027	\$ 719,027	\$ 1,122,971	\$ 403,944

# Taney County

## Budgetary Comparison Schedule – County Sewer Sales Tax Fund – Modified Cash Basis

Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Receipts</b>				
Taxes	\$ 8,160,000	\$ 8,160,000	\$ 8,324,703	\$ 164,703
Other receipts	150,000	150,000	247,134	97,134
<b>Total Receipts</b>	8,310,000	8,310,000	8,571,837	261,837
<b>Disbursements</b>				
Sewer	18,204,754	18,204,754	9,288,524	8,916,230
<b>Total Disbursements</b>	18,204,754	18,204,754	9,288,524	8,916,230
<i>(Deficit) of Receipts over Disbursements</i>	(9,894,754)	(9,894,754)	(716,687)	9,178,067
<b>Other Financing (Uses)</b>				
Operating transfers (out)	-	-	(99,971)	(99,971)
<b>Total other Financing (Uses)</b>	-	-	(99,971)	(99,971)
<i>(Deficit) of Receipts over Disbursements and other (Uses)</i>	(9,894,754)	(9,894,754)	(816,658)	9,078,096
Fund Balance, January 1	15,053,848	15,053,848	15,053,848	-
<b>Fund Balance, December 31</b>	\$ 5,159,094	\$ 5,159,094	\$ 14,237,190	\$ 9,078,096

# Taney County

## Notes to the Budgetary Comparison Schedule

Year Ended December 31, 2019

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### **Budgets and Budgetary Accounting**

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

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

## **Other Reporting Requirements**

## Taney County

### Combining Statement of Assets and Fund Balances – Non-Major Special Revenue Funds – Modified Cash Basis

December 31, 2019

	<u>Assessment Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>E-911 Fund</u>	<u>Tax Maintenance Fund</u>	<u>Prosecuting Attorney Delinquent Tax Fund</u>	<u>Sheriff Civil Fees Fund</u>	<u>Vest Grant Fund</u>	<u>Prosecuting Attorney Bad Check Fund</u>	<u>Sheriff Drug Forfeiture Fund</u>	<u>Circuit Clerk Treatment Courts Fund</u>
<b>Assets</b>											
Cash and investments	\$ 436,808	\$ 3,701	\$ 3,289	\$ 110,979	\$ 110,676	\$ 69,167	\$ 25,126	\$ 940	\$ 65,938	\$ 2,528	\$ 23,371
<b>Total Assets</b>	<u>\$ 436,808</u>	<u>\$ 3,701</u>	<u>\$ 3,289</u>	<u>\$ 110,979</u>	<u>\$ 110,676</u>	<u>\$ 69,167</u>	<u>\$ 25,126</u>	<u>\$ 940</u>	<u>\$ 65,938</u>	<u>\$ 2,528</u>	<u>\$ 23,371</u>
<b>Fund Balances</b>											
Restricted for											
Public safety	\$ -	\$ 3,701	\$ -	\$ 110,979	\$ -	\$ -	\$ 25,126	\$ 940	\$ -	\$ 2,528	\$ -
Elections	-	-	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	3,289	-	-	69,167	-	-	65,938	-	23,371
Tax maintenance	-	-	-	-	110,676	-	-	-	-	-	-
Assigned											
Assessment	436,808	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 436,808</u>	<u>\$ 3,701</u>	<u>\$ 3,289</u>	<u>\$ 110,979</u>	<u>\$ 110,676</u>	<u>\$ 69,167</u>	<u>\$ 25,126</u>	<u>\$ 940</u>	<u>\$ 65,938</u>	<u>\$ 2,528</u>	<u>\$ 23,371</u>

# Taney County

## Combining Statement of Assets and Fund Balances – Non-Major Special Revenue Funds – Modified Cash Basis

December 31, 2019

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Circuit Clerk Education Fund	Local Law Enforcement Block Grant Fund	Total
<b>Assets</b>											
Cash and investments	\$ 9,407	\$ 37,378	\$ 440,808	\$ 21,756	\$ 7,693	\$ 73,941	\$ 126,874	\$ 21,799	\$ 59,865	\$ 151	\$ 1,652,195
<b>Total Assets</b>	<u>\$ 9,407</u>	<u>\$ 37,378</u>	<u>\$ 440,808</u>	<u>\$ 21,756</u>	<u>\$ 7,693</u>	<u>\$ 73,941</u>	<u>\$ 126,874</u>	<u>\$ 21,799</u>	<u>\$ 59,865</u>	<u>\$ 151</u>	<u>\$ 1,652,195</u>
<b>Fund Balances</b>											
Restricted for:											
Public safety	\$ 9,407	-	-	-	\$ 7,693	\$ 73,941	\$ 126,874	-	-	\$ 151	\$ 361,340
Elections	-	37,378	-	-	-	-	-	-	-	-	37,378
Recorder	-	-	440,808	-	-	-	-	-	-	-	440,808
Judicial	-	-	-	21,756	-	-	-	21,799	59,865	-	265,185
Tax maintenance	-	-	-	-	-	-	-	-	-	-	110,676
Assigned											
Assessment	-	-	-	-	-	-	-	-	-	-	436,808
<b>Total Fund Balances</b>	<u>\$ 9,407</u>	<u>\$ 37,378</u>	<u>\$ 440,808</u>	<u>\$ 21,756</u>	<u>\$ 7,693</u>	<u>\$ 73,941</u>	<u>\$ 126,874</u>	<u>\$ 21,799</u>	<u>\$ 59,865</u>	<u>\$ 151</u>	<u>\$ 1,652,195</u>

# Taney County

## Combining Statement of Receipts, Disbursements and Changes in Fund Balance – Non-Major Special Revenue Funds – Modified Cash Basis

Year Ended December 31, 2019

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund	Sheriff Drug Forfeiture Fund	Circuit Clerk Treatment Courts Fund
<b>Receipts</b>											
Taxes	\$ -	\$ -	\$ -	\$ 602,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	2,351	-	-	-
Fees and charges	722,444	3,718	1,828	18,112	114,238	6,032	50,000	-	14,629	-	14,099
Other receipts	6,572	1,879	35	51,919	2,608	1,292	522	-	1,215	50	50
<b>Total Receipts</b>	<u>729,016</u>	<u>5,597</u>	<u>1,863</u>	<u>672,643</u>	<u>116,846</u>	<u>7,324</u>	<u>50,522</u>	<u>2,351</u>	<u>15,844</u>	<u>50</u>	<u>14,149</u>
<b>Disbursements</b>											
General government	678,385	-	-	-	63,255	-	-	-	-	-	-
Judicial	-	-	307	-	-	24,547	-	-	4,043	-	16,928
Public safety	-	4,094	-	464,906	-	-	66,199	1,411	-	830	-
<b>Total Disbursements</b>	<u>678,385</u>	<u>4,094</u>	<u>307</u>	<u>464,906</u>	<u>63,255</u>	<u>24,547</u>	<u>66,199</u>	<u>1,411</u>	<u>4,043</u>	<u>830</u>	<u>16,928</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	50,631	1,503	1,556	207,737	53,591	(17,223)	(15,677)	940	11,801	(780)	(2,779)
<b>Other Financing (Uses)</b>											
Operating transfers (out)	(12,357)	-	-	(163,189)	(30,000)	-	-	-	-	-	-
<b>Total other Financing (Uses)</b>	<u>(12,357)</u>	<u>-</u>	<u>-</u>	<u>(163,189)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficit) of Receipts over Disbursements and other (Uses)</i>	38,274	1,503	1,556	44,548	23,591	(17,223)	(15,677)	940	11,801	(780)	(2,779)
Fund Balance, January 1	398,534	2,198	1,733	66,431	87,085	86,390	40,803	-	54,137	3,308	26,150
<b>Fund Balance, December 31</b>	<u>\$ 436,808</u>	<u>\$ 3,701</u>	<u>\$ 3,289</u>	<u>\$ 110,979</u>	<u>\$ 110,676</u>	<u>\$ 69,167</u>	<u>\$ 25,126</u>	<u>\$ 940</u>	<u>\$ 65,938</u>	<u>\$ 2,528</u>	<u>\$ 23,371</u>

# Taney County

## Combining Statement of Receipts, Disbursements and Changes in Fund Balance – Non-Major Special Revenue Funds – Modified Cash Basis

Year Ended December 31, 2019

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Circuit Clerk Education Fund	Local Law Enforcement Block Grant Fund	Total
<b>Receipts</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,612
Intergovernmental receipts	-	13,153	-	-	-	-	-	-	-	-	15,504
Fees and charges	-	2,591	184,835	11,840	7,629	28,421	179,451	803	10,012	-	1,370,682
Other receipts	162	670	6,666	108	64	1,370	1,724	21	143	3	77,073
<b>Total Receipts</b>	<u>162</u>	<u>16,414</u>	<u>191,501</u>	<u>11,948</u>	<u>7,693</u>	<u>29,791</u>	<u>181,175</u>	<u>824</u>	<u>10,155</u>	<u>3</u>	<u>2,065,871</u>
<b>Disbursements</b>											
General government	-	13,382	82,335	-	-	-	-	-	-	-	837,357
Judicial	-	-	-	12,108	-	-	-	25	6,061	-	64,019
Public safety	876	-	-	-	7,383	45,608	142,985	-	-	-	734,292
<b>Total Disbursements</b>	<u>876</u>	<u>13,382</u>	<u>82,335</u>	<u>12,108</u>	<u>7,383</u>	<u>45,608</u>	<u>142,985</u>	<u>25</u>	<u>6,061</u>	<u>-</u>	<u>1,635,668</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(714)	3,032	109,166	(160)	310	(15,817)	38,190	799	4,094	3	430,203
<b>Other Financing (Uses)</b>											
Operating transfers (out)	-	-	(51,961)	-	-	-	-	-	-	-	(257,507)
<b>Total other Financing (Uses)</b>	<u>-</u>	<u>-</u>	<u>(51,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(257,507)</u>
<i>Excess (Deficit) of Receipts over Disbursements and other (Uses)</i>	(714)	3,032	57,205	(160)	310	(15,817)	38,190	799	4,094	3	172,696
Fund Balance, January 1	10,121	34,346	383,603	21,916	7,383	89,758	88,684	21,000	55,771	148	1,479,499
<b>Fund Balance, December 31</b>	<u>\$ 9,407</u>	<u>\$ 37,378</u>	<u>\$ 440,808</u>	<u>\$ 21,756</u>	<u>\$ 7,693</u>	<u>\$ 73,941</u>	<u>\$ 126,874</u>	<u>\$ 21,799</u>	<u>\$ 59,865</u>	<u>\$ 151</u>	<u>\$ 1,652,195</u>



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Taney County Commission  
Taney County  
Forsyth, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report dated June 16, 2020.

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

**Internal Control over Financial Reporting**

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

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

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

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1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343

### Compliance and Other Matters

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

### Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC  
Springfield, Missouri  
June 16, 2020



Taney County Commission  
Taney County  
Forsyth, Missouri

In planning and performing our audit of the basic financial statements of Taney County, Missouri, for the year ended December 31, 2019, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

#### **1. Signatures on Checks**

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

##### *We Recommend:*

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

#### **2. Purchase Orders**

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

##### *We Recommend:*

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

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1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343  
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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### 3. Accounts Payable and Payroll

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

*We Recommend:*

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

### 4. Cybersecurity

Cybersecurity threats are increasing and government entities of all sizes are at risk for a breach of their information systems. With this increase in risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems. Steps include identifying critical information systems, training employees to properly identify threats received in emails or by other means, and adopting internal communication methods other than email.

It is important that entities develop a recovery plan outlining procedures that personnel should follow once a cybersecurity breach is discovered. Additionally, entities should be aware of any insurance in place to help protect them from liabilities that can occur as the result of a breach.

*We Recommend:*

The County evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems. This evaluation should be performed frequently as technology and information systems are continually changing.

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

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

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
June 16, 2020