



# TANEY COUNTY MISSOURI

Purchasing Department 132 David Street / P. O. Box 1630 Forsyth, Missouri 65653

RFP # 201303-215  
Commodity title: INDEPENDENT AUDITING SERVICES  
Proposal deadline: April 24, 2013 at 4:00 PM  
Opening Date and Time: April 25, 2013 at 9:15 AM  
Location/address: Taney County Commission  
PO Box 1630 / 132 David St.  
Forsyth, MO 65653

Directions: The Commission's Hearing Room is on the main level of the the administration building (old courthouse in Forsyth).

**The undersigned certifies that they have the authority to bind this company in an agreement to supply the commodity or service in accordance with all terms, conditions, and pricing specified herein or to offer a "no Bid." Please type or print the information below.** Bidder is REQUIRED to complete, sign and return this form with their submittal of Bid. \* An authorized signature is **mandatory**, lack thereof will result in a determination of "Non-Responsive". Also required is a direct email address in order to receive award results. We do not use USPS for direct results notification *only* email. In addition final results will later be posted on our website at: [www.taneycounty.org](http://www.taneycounty.org).

|                                |                |                                                                       |                   |
|--------------------------------|----------------|-----------------------------------------------------------------------|-------------------|
| _____<br>Company Name          |                | _____<br>Authorized Person (Print)                                    |                   |
| _____<br>Address               |                | _____<br>Signature                                                    |                   |
| _____<br>City/County/State/Zip |                | _____<br>Title                                                        |                   |
| _____<br>Telephone #           | _____<br>Fax # | _____<br>Date                                                         | _____<br>Tax ID # |
| _____<br>E-mail                |                | _____<br>Entity Type (Corporation, LLC, Sole Proprietor, Partnership) |                   |

Proposal contents: 1.0) Introduction and General Conditions of Bidding  
2.0) Primary Specifications  
3.0) Response Presentation and Review  
4.0) Response Form  
5.0) Instructions and General Conditions

BIDDER'S INITIALS: \_\_\_\_\_

**1.0 Introduction and General Conditions of Bidding**

- 1.1 **Invitation** – The County of Taney, through efforts of the Commission and Auditor's Office invites responses that offer to provide the goods and or services identified on the title page and greater detail in Section 2.
- 1.2 **Definitions**
- 1.2.1 **County** – This term refers to the County of Taney, a duly organized public entity. It may also be used for various subsets of the County organization, including, as the text will indicate:  
**Auditor** – The Auditors department including the Auditor and his staff.  
**Department/s or Office/s** – The County Department/s of Office/s for which this is prepared, and which will be the end user/s of the goods and/or services sought.  
**Designee** – The County employee/s assigned as your primary contact/s for interaction regarding contract performance.
- 1.2.2 **Respondent** – This term refers those entities submitting a response to this request. This response does not indicate any obligations other than those set forth in this document.
- 1.2.3 **RFP** – This entire document, including attachments.
- 1.2.4 **Response** – The written, sealed document submitted according to the RFP instructions.
- 1.2.5 **RFP Clarification** – Questions regarding this request should be directed in writing, preferably by email at [rickf@co.taney.mo.us](mailto:rickf@co.taney.mo.us) and by fax, to the Auditor's office at 417-546-4908. Answers, citing the question asked but not identifying the questioner, will be distributed to all known prospective respondents as well as posted on the Taney County website in the form of addenda.
- 1.3 **Respondents Responsibility** – The respondent is expected to be thoroughly familiar with all specifications and requirements of this request. Respondents' failure or omission to examine any relevant form, article, site or document will not relieve them from any obligation regarding this RFP. By submitting a response, Respondent is presumed to concur with all terms, conditions and specifications of the RFP.
- 1.4 **Award** – Award will be made to the Respondent/s whose offer/s provide the greatest value to the County from the standpoint of suitability to purpose, quality, service, previous experience, price, ability to deliver, or for any other reason deemed by the Taney County Commission to be in the best interest of the County.
- 1.5 **Contract Execution** – This RFP and the Response will be made part of any resultant contract/engagement letter and will be incorporated in the contract as set forth, verbatim.

**2.0 Primary Specifications**

- 2.1 **Purpose of this solicitation** – The purpose of this document is to define the general requirements of and to solicit proposals for INDEPENDENT AUDITING SERVICES for Taney County, Missouri.
- 2.2 **Scope of services** – The successful firm shall audit the general-purpose financial statements of Taney County as of and for the year ending December 31, 2012. The audit will result in the rendering of the auditor's opinion of the financial statements prepared by the County. If the auditor's opinion is other than unqualified, the reasons for qualifying the opinion, disclaiming the opinion or rendering an adverse opinion will be furnished to the County on a timely basis. The successful respondent shall furnish all labor, materials, and equipment necessary to perform the work required.
- 2.2.1 **Auditing standards** – All funds and account groups of the County shall be audited in accordance with applicable generally accepted auditing standards; the standards for financial audits and contained in Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of OMB Circular A-133, and any other applicable professional standards.
- 2.2.2 A copy of the previous years audits, performed by the Independent Auditor are available in the Auditor's Office.
- 2.3 **Proposed solicitation/award schedule**
- 2.3.1 March 20, 2013 – April 24, 2013      Advertising of Request for Proposal
- 2.3.2 April 18, 2013 at 9:00 AM              Deadline for submitting questions
- 2.3.3 April 24, 2013 at 4:00 P.M.            Proposal closing date
- 2.3.4 April 25, 2013 at 9:15 A.M.           Proposal opening date
- 2.3.5 April 25, 2013 – April 29, 2013      Proposal review and reference checking
- 2.3.6 April 29, 2013 (Or Sooner.)           Contract Award

BIDDER'S INITIALS: \_\_\_\_\_

**2.4 Engagement contract requirements**

2.4.1 **Duration** – The initial audit services contract shall be for the fiscal year ending December 31, 2012. The contract is subject to renewal for four (4) additional fiscal year audits following expiration of the first contract period. Any termination by either party must be provided in writing prior to October first of the fiscal year subject to audit.

2.4.2 **Provisions for Termination** – Termination notification shall be consistent with the requirements set forth in section 2.4.1. The contract may be terminated by the County for any of the following reasons or under any of the following circumstances.

2.4.3 Due to a material breach of any term or condition of this agreement.

2.4.4 If in the opinion of the Taney County Auditor's Office, delivery of product/s services are delayed or product/services delivered are not in conformity with the contract documents.

2.4.5 If appropriations are not made available and budgeted for in any calendar year.

2.4.6 **Contract documents** – The successful respondent shall be obligated to enter into a written contract with the County within 15 days of award on contract forms provided by the County. If respondents desire to contract under their own written agreement, any such proposed agreement shall be submitted in blank with their response. County reserves the right to modify any proposed form agreement or withdraw its award to a successful respondent if any proposed agreement contains terms and conditions inconsistent with its request or are unacceptable to county legal counsel.

**2.5 Minimum respondent qualifications**

2.5.1 Respondents must be independent certified public accountants, licensed in the State of Missouri.

2.5.2 Respondents must have qualified personnel with governmental accounting background, experience in MAS90 (or software capability to get data from MAS90), and be familiar with GASB.

**2.6 Contractor responsibilities**

2.6.1 Prepare a detailed management letter of County issues with recommendations for improvement in internal controls, accounting systems, and procedures. This letter shall be issued under separate cover and presented to the Taney County Auditor.

2.6.2 To obtain and compile component unit information and insure that same is appropriately presented in the general purpose financial statements; to prepare footnotes and other required supplementary disclosures, subject to County Auditor approval.

2.6.3 Prepare and complete the data collection form SF-SAC for remittance to the Single Audit Clearing House.

2.6.4 To assist the Taney County Auditor's Office in drafting and preparing responses to the Government Finance Officers Association in conjunction with the Excellence in Financing Reporting Program.

**2.7 County Responsibilities**

2.7.1 Prepare draft and final camera-ready general purpose financial statements, these should also be provided in electronic format, individual fund and combining schedules, draft Schedule of Expenditures of Federal Awards, and statistical tables.

2.8 **Anticipated project schedule** – The anticipated schedule for completing this project should include a pre-audit planning meeting, a schedule for field work, and presentation of the management letter to the Taney County Commission. During the pre-audit planning meeting a final schedule will be developed and agreed to by both parties. Both parties will be required to adhere to this schedule. Changes or deviations from the schedule are not allowed unless authorized by the Taney County Auditor in writing.

2.9 **Insurance** – The respondent shall purchase and maintain in force, at its own expense, such insurances that will protect the respondent and County from claims which may arise out of or result from the respondents execution of the work, whether such execution be by himself, his employees, agents, or by anyone for whose acts any of them may be liable. The insurance shall be such as to fully cover the County and the general public from any and all claims for injury and damage resulting by any actions on the part of the respondent or their agents and employees as enumerated above. Respondent shall provide the County proof of this coverage.

2.10 **RFP questions** – See item #s 1.2.5 & 2.3.2 on previous page.

2.11 **Billing and payment** – All invoices must be submitted to the Taney County Auditor's Office. The County will issue progress payments based upon the percentage of work completed and accepted throughout the engagement and upon receipt of correct invoice. Complete and final payment shall be due and payable thirty (30) days after completion and acceptance of all items required by the contract and upon receipt of a request for said payment.

2.12 **Designee** – Taney County Auditor's Office, PO Box 1407, Forsyth, MO 65653.

BIDDER'S INITIALS: \_\_\_\_\_

**3.0 Response Presentation and Review**

- 3.1 **Response content** – In order to enable direct comparison of competing responses, you must submit your response in strict conformity to the requirements stated here. Failure to adhere to all requirements may result in your response being disqualified as non-responsive. Every question must be answered and if not applicable, the section must contain “N/A”.
- 3.2 **Submittal of responses** – Responses must be received by the date and time noted on the title page under “Proposal submission information and deadline”. We are not responsible for late or incorrect deliveries from the US Postal Service or any other mail carrier.
- 3.3 **Submittal package** – Submit, to the location specified on the title page, three (3) complete copies and one (1) original of your response in a sealed envelope, clearly marked on the outside with your company name and return address, the proposal number and the due date and time. (Indicate “COPY” vs. “ORIGINAL”)
- 3.4 **Opening** – On the date, time and location specified on the title page under “Proposal opening”, all timely responses will be opened.
- 3.5 **Response clarification** – We reserve the right to reject any or all responses.
- 3.6 **Evaluation process** – The responses will be reviewed by County officials. Our sole purpose in the evaluation process is to determine from among the responses received which one is best suited to meet the County’s needs at the lowest possible cost.
- 3.7 **Method of evaluation** – The criteria used in evaluating the responses to this RFP include, cost, skill and experience, prior experience and reputation, respondents understanding of County requirements, knowledge of GASB, and familiarity with MAS90.
- 3.8 **Acceptability** – All proposals will be reviewed to ensure compliance with the design concept and for compliance with the specifications. The County reserves the sole right to determine whether goods and/or services offered are acceptable for our use.

**4.0 Response Form**

- 4.1 **Cost**
  - 4.2.1 Audit including all required reports 2012: \$\_\_\_\_\_ single audit cost if required \$\_\_\_\_\_
  - 4.2.2 Renewable for: 2013 \$\_\_\_\_\_ 2014 \$\_\_\_\_\_ 2015 \$\_\_\_\_\_
- 4.3 **Response information** – Respondents are subject to written proposals, which present the respondents qualifications and understanding of the work to be performed. Respondents are required to address all evaluation criteria and to be specific in presenting their qualifications.
- 4.4 **Proposal format** – The format should include a title page, RFP number, firm name, firm address, phone number, and contact person.
- 4.5 **Proposal content** – At a minimum the proposal should contain a history of the firm, office which will serve as the managing office, a statement of understanding of the work to be done, a description of the audit approach, staff whom will be performing the audit and their credentials, and experience of both the auditing staff and of the firm itself.

BIDDER'S INITIALS: \_\_\_\_\_

**5.0 INSTRUCTIONS AND GENERAL CONDITIONS**

5.1 **Delivery of:** Sealed Proposals, subject to Instructions and General Conditions and any special conditions set forth herein, will be received at the: Taney County Purchasing Office until the Proposal closing date and time indicated herein for furnishing the County with goods, and or, services as detailed within this RFP. Mail to:

Taney County Purchasing Department  
Attn: Ron Erickson, Director of Purchasing  
132 David Street / P. O. Box 1630  
Forsyth, Missouri 65653

PHONE: 417-546-7281 / FAX: 417-546-3931  
[rone@co.taney.mo.us](mailto:rone@co.taney.mo.us)

- 5.2 **Closing:** Sealed Proposals must be delivered before 4:00 P.M. central time on Wednesday April 24, 2013 to the Taney County Purchasing Department as listed on page one. Bidders should take into account all possible risks of their Proposal not arriving in time when electing to mail in Proposals too close to the above closing date. Often the Post Office leaves a "pick up slip" in our PO Box which may / may not allow us time to retrieve said item. It is the Bidder's responsibility, not the county, nor the Post Office – to ensure their sealed Proposals are **delivered** in time – to the Purchasing Department. (Be extra careful when your Proposal response involves a large package or box.)
- 5.3 The County will not accept any Proposals received after the above listed closing date/time and will consider such late Proposals as **NON-RESPONSIVE**. They will either be; filed, returned, or discarded.
- 5.4 Proposals will be opened publicly at 9:15 AM on April 25, 2013 and read aloud. (Vendor Names only.)
- 5.5 Proposals may be withdrawn on written request from the Offeror at the address shown in this RFP prior to the time of acceptance of the Proposal.
- 5.6 Proposals **must** be submitted in a sealed envelope identified with the Proposal number and dates of closing & opening. List the Proposal number on the outside of the box or envelope and note "Response to Request for Proposal enclosed". Also include a return name & address. **No fax or electronic transmitted Proposals will be accepted.**
- 5.7 This County is not responsible for any expenses which proposers may incur in estimating, inspecting, nor preparing and submitting Proposals called for in this Request for Proposal.
- 5.8 The County reserves the right to conduct personal interviews or require presentations of any or all proposers prior to selection. The County will not be liable for any costs incurred by the proposer in connection with such interviews or presentations (i.e. travel accommodations, etc.)
- 5.9 All Proposals submitted shall be binding, and remain firm for ninety (90) calendar days following the opening. Pricing / Costs submitted within this response **MUST BE HONORED** within that set timeframe, **NO EXCEPTIONS**. Offerors should NOT respond unless certain on this point.
- 5.10 The Taney County Commission reserves the right to reject any or all Proposals, when such rejection is in the best interest of the County.
- 5.11 Proposals may be awarded to one company or multiple companies; when such award is deemed in the best interest of the County.
- 5.12 County standard payment terms are Net 30 after receipt of invoice.
- 5.13 This agreement shall take effect upon the approval by the Taney County Commission.
- 5.14 Sunshine Laws: Due to applicable sunshine laws and regulations concerning public documents, all Proposal responses will be considered public information **AFTER AWARD** become a part of public record releasable to any person or firm that requests it. Requests for copies, of Proposal responses, must be made through the Taney County Clerk's Office (417-546-7202) requiring a Public Service Request Form (PSR). By law charges for time spent as well as a cost per page apply. Payment for copying fees is required prior to the making of copies. (Section 610.026, RSMo.)

BIDDER'S INITIALS: \_\_\_\_\_



**Taney County, Missouri  
Independent Audit Services RFP #201303-215  
Addendum #1**

This addendum is issued in accordance with the Scope of Services in this Request for Proposal and is hereby incorporated into and made a part of the RFP Documents. Offerors are reminded that receipt of this addendum **shall** be acknowledged and submitted with Offeror's *Response Page*.

Specifications for the above noted RFP and the work covered thereby are herein modified as follows, and except as set forth herein, otherwise remain unchanged and in full force and effect:

This office has received the following questions as listed below. Answers to the below questions are listed in red.

1. On the county website under County Auditor only the 2009 and 2010 audit reports are presented. What about the 2011 audit report and we were wondering if Davis, Lynn, and Moots also performed that audit?  
**ANSWER: It was performed by Hurlbert & Assoc. Inc. (2011 attached here.)**
2. On larger audits such as these bidders usually ask questions such as the audit bid price of the prior audit, number of auditors on the job, and how long were they in the field or number of hours to perform the audit?  
**ANSWER: The audit bid price for the previous year was \$19000. There was only one auditor last year previous years have been two or three, Number of hours - unknown.**
3. Does the county propose to help with financial statements for the audit?  
**ANSWER: We need the financial as well as an A-133 single audit.**
4. About when would the county expect fieldwork to start and be completed and when the report draft would be ready for the county to review? We know that if an A-133 audit is required then the audit report should be into the federal clearing house by September 30, 2013.  
**ANSWER: We need it completed - into the federal clearing house by September 30, 2013.**

Thank you.

By,

**Ron Erickson, Director of Purchasing**  
132 David Street / P.O. Box 1630 Forsyth, Mo. 65653  
Phone: 417-546-7281 Fax: 417-546-3931  
E-mail: [rone@co.taney.mo.us](mailto:rone@co.taney.mo.us)

OFFEROR has examined copy of Addendum #1 to **Independent Audit Services RFP #201303-215**, receipt of which is hereby acknowledged:

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Authorized Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Representative Printed Name: \_\_\_\_\_

**TANEY COUNTY, MISSOURI**  
**BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**





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## **INDEPENDENT AUDITORS' REPORT**

Taney County Commission  
Taney County  
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Taney County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taney County Regional Sewer District, the County's component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Taney County Regional Sewer District, is based on the report of other auditors.

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

As described in Note A, the basic financial statements of the Primary Government of Taney County were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the business-type activities of the Primary Government of Taney County, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2011, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Taney County Commission  
Taney County  
Forsyth, Missouri

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Hurlbert CPA, LLC  
September 17, 2012

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

**TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

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, 2011, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

**FINANCIAL HIGHLIGHTS**

- The overall net assets of the County increased by \$2,023,155.
- The fund balance for the General Fund increased by \$441,449.
- The fund balance for the Road and Bridge Trust Fund increased by \$373,784.
- The Road and Bridge Fund increased \$1,272,512.
- Net assets in the County not including the sewer fund increased \$2 million 2011. This increase is mainly attributable to unanticipated sales tax revenues and unspent appropriations.
- The sewer fund cash decreased nearly 25 million this would be offset with assets due to projects. These assets are sometimes booked in other entities if they have agreed to the maintenance and upkeep of the sewer system involved.
- The total cost of the County's governmental activities were slightly less than the prior year. Still balances forward increased due in part to the following:
  - Public works and roads capital projects expenditures were in maintenance mode and only a few capital projects were taken on this year. We did make some improvements that we feel will make the department more efficient.
  - Debt service payments on the long-term debt remained near the same.
  - Sales tax collections for 2011 were down slightly, but higher than anticipated.

**USING THIS ANNUAL REPORT**

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

**Report Components**

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

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

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

TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011

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

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

**Basis of Accounting**

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

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

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

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

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

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

TANEY COUNTY, MISSOURI  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 December 31, 2011

**Fund Financial Statements**

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

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

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

**Net Assets – Modified Cash Basis**

|                         | December 31,         |                      |
|-------------------------|----------------------|----------------------|
|                         | 2011                 | 2010                 |
| ASSETS                  |                      |                      |
| Cash and investments    | \$ 20,137,146        | \$ 18,103,991        |
| <b>TOTAL ASSETS</b>     | <b>\$ 20,137,146</b> | <b>\$ 18,103,991</b> |
| <br>                    |                      |                      |
| NET ASSETS              |                      |                      |
| Unrestricted            | \$ 20,137,146        | \$ 18,103,991        |
| <b>TOTAL NET ASSETS</b> | <b>\$ 20,137,146</b> | <b>\$ 18,103,991</b> |



TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011

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

|                                    | Year Ended December 31, |                     |
|------------------------------------|-------------------------|---------------------|
|                                    | 2011                    | 2010                |
| <b>RECEIPTS Program Receipts</b>   |                         |                     |
| Charges for services               | \$ 5,481,009            | \$ 5,113,058        |
| Operating grants and contributions | 1,321,115               | 680,899             |
| Capital grants and contributions   | 189,764                 | 475,459             |
| <b>General Receipts</b>            |                         |                     |
| Tax receipts                       | 16,545,246              | 16,659,911          |
| Interest                           | 284,227                 | 321,448             |
| Other receipts                     | 250,794                 | 194,831             |
| <b>TOTAL RECEIPTS</b>              | <b>24,072,155</b>       | <b>23,445,606</b>   |
| <b>DISBURSEMENTS</b>               |                         |                     |
| General government                 | 13,864,958              | 14,759,322          |
| Public safety and judicial         | 4,902,165               | 5,577,832           |
| Tax administration                 | 805,534                 | 845,167             |
| Debt service                       | 1,434,075               | 1,421,864           |
| Transfer station                   | 1,042,268               | 994,198             |
| <b>TOTAL DISBURSEMENTS</b>         | <b>22,049,000</b>       | <b>23,598,383</b>   |
| <b>(DECREASE) IN NET ASSETS</b>    | <b>\$ 2,023,155</b>     | <b>\$ (152,777)</b> |

Overall receipts of the County increased by \$626,549 from the prior year. Tax revenues were down \$114,665, which represents an 0.8% decrease from the prior year. Overall disbursements of the County were down \$1,549,383.

TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

- The General Fund balance increased by \$441,449 for the year ended December 31, 2011.
- The Road and Bridge Fund balance increased by \$1,272,512 for the year ended December 31, 2011.
- The Road and Bridge Trust Fund increased by \$373,784 which increased the fund balance to \$5,352,305 as of December 31, 2011.
- Major changes in management focus have allowed the combined funds for Road and Bridge to increase. When focus moves back to more improvements, we will see more expenses.

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

|                            | Budget               |                      | Actual               |
|----------------------------|----------------------|----------------------|----------------------|
|                            | Original             | Final                |                      |
| <b>RECEIPTS</b>            |                      |                      |                      |
| Taxes                      | \$ 7,599,611         | \$ 7,599,611         | \$ 8,587,668         |
| Licenses and Permits       | 70,500               | 70,500               | 71,173               |
| Intergovernmental Revenues | 337,300              | 337,300              | 711,995              |
| Fees and Charges           | 2,885,350            | 2,885,350            | 3,299,456            |
| Miscellaneous              | 200,600              | 200,600              | 283,002              |
| <b>TOTAL RECEIPTS</b>      | <b>\$ 11,093,361</b> | <b>\$ 11,093,361</b> | <b>\$ 12,953,294</b> |
| <b>DISBURSEMENTS</b>       |                      |                      |                      |
| General Government         | \$ 5,084,449         | \$ 5,084,449         | \$ 4,813,308         |
| Judicial                   | 895,564              | 895,564              | 975,263              |
| Public Safety              | 3,290,202            | 3,290,202            | 3,324,148            |
| Other                      | 9,539,414            | 9,539,414            | 1,945,828            |
| Public Works               | 322,368              | 322,368              | 359,034              |
| Airport                    | 656,542              | 656,542              | 615,348              |
| Debt Service               | 1,446,381            | 1,446,381            | 1,434,075            |
| <b>TOTAL DISBURSEMENTS</b> | <b>\$ 21,234,920</b> | <b>\$ 21,234,920</b> | <b>\$ 13,467,004</b> |

TANEY COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011

Management was of the opinion that we would not have as much revenue and slightly underestimated the revenues for 2011. It was expected that we might spend more. Thanks to the efforts of employees and elected officials we did not. We have budgeted for capital improvements that were expected to allow a good balance forward into 2012.

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

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

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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



**TANEY COUNTY, MISSOURI  
STATEMENT OF NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2011**

|                         | <b>PRIMARY GOVERNMENT</b>          |                                          |               |
|-------------------------|------------------------------------|------------------------------------------|---------------|
|                         | <b>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>BUSINESS-<br/>TYPE<br/>ACTIVITIES</b> | <b>TOTAL</b>  |
| <b>ASSETS:</b>          |                                    |                                          |               |
| Cash, cash equivalents: |                                    |                                          |               |
| Cash                    | \$ 19,650,901                      | \$ 486,245                               | \$ 20,137,146 |
| Total assets            | 19,650,901                         | 486,245                                  | 20,137,146    |
| <b>NET ASSETS:</b>      |                                    |                                          |               |
| Unrestricted            | 19,650,901                         | 486,245                                  | 20,137,146    |
| Total net assets        | \$ 19,650,901                      | \$ 486,245                               | \$ 20,137,146 |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI  
STATEMENT OF NET ASSETS  
TANEY COUNTY REGIONAL SEWER DISTRICT  
DECEMBER 31, 2011**

|                                                 | <b>COMPONENT UNIT</b>                                   |
|-------------------------------------------------|---------------------------------------------------------|
|                                                 | <b>TANEY<br/>COUNTY<br/>REGIONAL<br/>SEWER DISTRICT</b> |
| <b>ASSETS</b>                                   |                                                         |
| Current Assets                                  |                                                         |
| Cash, cash equivalents:                         | \$ 739,172                                              |
| Investments                                     | 111,307                                                 |
| Utilities receivable, net                       | 106,613                                                 |
| Prepaid expenses                                | 6,294                                                   |
| Total current assets                            | 963,386                                                 |
| Restricted Assets                               |                                                         |
| Cash and cash equivalents                       | 1,512,720                                               |
| Investments                                     | 100,428                                                 |
| Total restricted assets                         | 1,613,148                                               |
| Deferred bond issuance costs                    | 173,170                                                 |
| Capital Assets                                  |                                                         |
| Nondepreciable                                  | 558,807                                                 |
| Depreciable, net                                | 50,482,339                                              |
| Total capital assets                            | 51,041,146                                              |
| Total assets                                    | 53,790,850                                              |
| <b>LIABILITIES AND NET ASSETS</b>               |                                                         |
| Current liabilities                             |                                                         |
| Accounts payable                                | 253,791                                                 |
| Accrued expenses                                | 69,031                                                  |
| Deposits payable                                | 124,200                                                 |
| Accrued interest payable                        | 257,760                                                 |
| Current maturities of long-term debt            | 800,000                                                 |
| Total current liabilities                       | 1,504,782                                               |
| Long-term liabilities                           |                                                         |
| Arbitrage payable                               | 61,683                                                  |
| Revenue bonds payable                           | 10,110,000                                              |
| Total long term liabilities                     | 10,171,683                                              |
| Total liabilities                               | 11,676,465                                              |
| <b>NET ASSETS:</b>                              |                                                         |
| Invested in capital assets, net of related debt | 40,131,146                                              |
| Restricted for debt service                     | 1,427,265                                               |
| Unrestricted                                    | 555,974                                                 |
| Total net assets                                | \$ 42,114,385                                           |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI**  
**STATEMENT OF ACTIVITIES MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

| Functions/Programs                                 | Primary Government |                      |                                    |                                  | Net (Receipts) Expenditures and Changes in Net Assets |                          |                      |
|----------------------------------------------------|--------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------------------------|--------------------------|----------------------|
|                                                    | Expenditures       | Program Revenues     |                                    |                                  | Governmental Activities                               | Business-Type Activities | Total                |
|                                                    |                    | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                                                       |                          |                      |
| Primary Government                                 |                    |                      |                                    |                                  |                                                       |                          |                      |
| Governmental Activities                            |                    |                      |                                    |                                  |                                                       |                          |                      |
| General government                                 | \$ 13,864,958      | \$ 2,245,784         | \$ 292,403                         | \$ 189,764                       | \$ (11,137,007)                                       | \$ -                     | \$ (11,137,007)      |
| Tax administration                                 | 805,534            | 1,077,313            | 456,481                            | -                                | 728,260                                               | -                        | 728,260              |
| Public safety and judicial                         | 4,902,165          | 1,205,089            | 572,231                            | -                                | (3,124,845)                                           | -                        | (3,124,845)          |
| Debt service                                       | 1,434,075          | -                    | -                                  | -                                | (1,434,075)                                           | -                        | (1,434,075)          |
| Total Governmental activities                      | <u>21,006,732</u>  | <u>4,528,186</u>     | <u>1,321,115</u>                   | <u>189,764</u>                   | <u>(14,967,667)</u>                                   | <u>-</u>                 | <u>(14,967,667)</u>  |
| Business-type activities                           |                    |                      |                                    |                                  |                                                       |                          |                      |
| Transfer station                                   | 1,042,268          | 952,823              | -                                  | -                                | -                                                     | (89,445)                 | (89,445)             |
| Total business-type activities                     | <u>1,042,268</u>   | <u>952,823</u>       | <u>-</u>                           | <u>-</u>                         | <u>-</u>                                              | <u>(89,445)</u>          | <u>(89,445)</u>      |
| Total Primary Government                           | <u>1,042,268</u>   | <u>952,823</u>       | <u>-</u>                           | <u>-</u>                         |                                                       |                          |                      |
| General Revenue                                    |                    |                      |                                    |                                  |                                                       |                          |                      |
| Taxes                                              |                    |                      |                                    |                                  | 16,545,246                                            | -                        | 16,545,246           |
| Licenses and permits                               |                    |                      |                                    |                                  | 70,573                                                | -                        | 70,573               |
| Investment income                                  |                    |                      |                                    |                                  | 276,679                                               | 7,548                    | 284,227              |
| Gain on sale of assets                             |                    |                      |                                    |                                  | 28,700                                                | -                        | 28,700               |
| Miscellaneous                                      |                    |                      |                                    |                                  | 132,288                                               | 19,233                   | 151,521              |
| Transfers                                          |                    |                      |                                    |                                  | 10,500                                                | (10,500)                 | -                    |
| Total General Receipts, transfers, and other items |                    |                      |                                    |                                  | <u>17,063,986</u>                                     | <u>16,281</u>            | <u>17,080,267</u>    |
| Change in Net Assets                               |                    |                      |                                    |                                  | <u>2,096,319</u>                                      | <u>(73,164)</u>          | <u>2,023,155</u>     |
| Net Assets, beginning of year                      |                    |                      |                                    |                                  | <u>17,544,582</u>                                     | <u>559,409</u>           | <u>17,544,582</u>    |
| Net Assets, end of year                            |                    |                      |                                    |                                  | <u>\$ 19,640,901</u>                                  | <u>\$ 486,245</u>        | <u>\$ 19,567,737</u> |

See accompanying notes to the basic financial statements

**TANEY COUNTY, MISSOURI**  
**STATEMENT OF ACTIVITIES - TANEY COUNTY REGIONAL SEWER DISTRICT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

| Functions/Programs                                 | Expenditures        | Component Unit       |                                    |                                  | Net (Revenues) Expenses and Changes in Net Assets |                          |                      |
|----------------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|----------------------|
|                                                    |                     | Program Revenues     |                                    |                                  | Governmental Activities                           | Business-Type Activities | Total                |
|                                                    |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                                                   |                          |                      |
| Component Unit                                     |                     |                      |                                    |                                  |                                                   |                          |                      |
| Governmental Activities                            |                     |                      |                                    |                                  |                                                   |                          |                      |
| Intergovernmental agreements                       | \$ 1,184,016        | \$ -                 | \$ -                               | \$ 257,345                       | \$ (926,671)                                      | \$ -                     | \$ (926,671)         |
| Tax increment financing payments                   | 685,012             | -                    | -                                  | -                                | (685,012)                                         | -                        | (685,012)            |
| Other                                              | 809,282             | -                    | -                                  | -                                | (809,282)                                         | -                        | (809,282)            |
| Total Governmental activities                      | <u>2,678,310</u>    | <u>-</u>             | <u>-</u>                           | <u>257,345</u>                   | <u>(2,420,965)</u>                                | <u>-</u>                 | <u>(2,420,965)</u>   |
| Business-type activities                           |                     |                      |                                    |                                  |                                                   |                          |                      |
| Sewer                                              | 3,885,559           | 1,328,769            | -                                  | -                                | -                                                 | (2,556,790)              | (2,556,790)          |
| Total business-type activities                     | <u>3,885,559</u>    | <u>1,328,769</u>     | <u>-</u>                           | <u>-</u>                         | <u>-</u>                                          | <u>(2,556,790)</u>       | <u>(2,556,790)</u>   |
| Total component unit                               | <u>\$ 6,563,869</u> | <u>\$ 1,328,769</u>  | <u>\$ -</u>                        | <u>\$ 257,345</u>                |                                                   |                          |                      |
| General Revenue                                    |                     |                      |                                    |                                  |                                                   |                          |                      |
| Taxes                                              |                     |                      |                                    |                                  | 6,758,870                                         | -                        | 6,758,870            |
| Licenses and permits                               |                     |                      |                                    |                                  | -                                                 | -                        | -                    |
| Investment income                                  |                     |                      |                                    |                                  | 510,249                                           | 342,965                  | 853,214              |
| Gain on sale of assets                             |                     |                      |                                    |                                  | -                                                 | -                        | -                    |
| Miscellaneous                                      |                     |                      |                                    |                                  | -                                                 | 16,531                   | 16,531               |
| Transfer to Taney County                           |                     |                      |                                    |                                  | (27,725,425)                                      | -                        | (27,725,425)         |
| Transfers                                          |                     |                      |                                    |                                  | (1,662,754)                                       | 1,662,754                | -                    |
| Total General Receipts, transfers, and other items |                     |                      |                                    |                                  | <u>(22,119,060)</u>                               | <u>2,022,250</u>         | <u>(20,096,810)</u>  |
| Change in Net Assets                               |                     |                      |                                    |                                  | <u>(24,540,025)</u>                               | <u>(534,540)</u>         | <u>(25,074,565)</u>  |
| Net Assets, beginning of year                      |                     |                      |                                    |                                  | <u>24,540,025</u>                                 | <u>42,648,925</u>        | <u>67,188,950</u>    |
| Net Assets, end of year                            |                     |                      |                                    |                                  | <u>\$ -</u>                                       | <u>\$ 42,114,385</u>     | <u>\$ 42,114,385</u> |

See accompanying notes to the basic financial statements



TANEY COUNTY, MISSOURI  
STATEMENT OF ASSETS AND FUND BALANCES  
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS  
GOVERNMENTAL FUND TYPES  
DECEMBER 31, 2011

|                                             | <u>GENERAL FUND</u>  | <u>ROAD AND<br/>BRIDGE<br/>FUND</u> | <u>ROAD AND<br/>BRIDGE<br/>TRUST<br/>FUND</u> | <u>OTHER<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|---------------------------------------------|----------------------|-------------------------------------|-----------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b><u>ASSETS</u></b>                        |                      |                                     |                                               |                                         |                                         |
| Cash and cash equivalents                   |                      |                                     |                                               |                                         |                                         |
| Cash and investments                        | \$ 10,118,428        | \$ 2,244,844                        | \$ 5,352,305                                  | \$ 1,925,324                            | \$ 19,640,901                           |
| Total Assets                                | <u>\$ 10,118,428</u> | <u>\$ 2,244,844</u>                 | <u>\$ 5,352,305</u>                           | <u>\$ 1,925,324</u>                     | <u>\$ 19,640,901</u>                    |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                      |                                     |                                               |                                         |                                         |
| Liabilities:                                |                      |                                     |                                               |                                         |                                         |
| Due to others                               | \$ -                 | \$ -                                | \$ -                                          | \$ -                                    | -                                       |
| Total Liabilities                           | <u>-</u>             | <u>-</u>                            | <u>-</u>                                      | <u>-</u>                                | <u>-</u>                                |
| Fund balances                               |                      |                                     |                                               |                                         |                                         |
| Reserved for encumbrances                   | -                    | -                                   | -                                             | -                                       | -                                       |
| Reserved for construction                   | -                    | -                                   | -                                             | -                                       | -                                       |
| Unreserved                                  | 10,118,428           | 2,244,844                           | 5,352,305                                     | 1,925,324                               | 19,640,901                              |
| Total Fund Balances                         | <u>10,118,428</u>    | <u>2,244,844</u>                    | <u>5,352,305</u>                              | <u>1,925,324</u>                        | <u>19,640,901</u>                       |
| Total Liabilities and Fund Balances         | <u>\$ 10,118,428</u> | <u>\$ 2,244,844</u>                 | <u>\$ 5,352,305</u>                           | <u>\$ 1,925,324</u>                     | <u>\$ 19,640,901</u>                    |

See accompanying notes to the basic financial statements.

**TANEY COUNTY, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND**  
**CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                                                                           | <b>GENERAL FUND</b>  | <b>ROAD AND<br/>BRIDGE<br/>FUND</b> | <b>ROAD AND<br/>BRIDGE<br/>TRUST<br/>FUND</b> | <b>NONMAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|-------------------------------------------------------------------------------------------|----------------------|-------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------|
| <b>REVENUES COLLECTED:</b>                                                                |                      |                                     |                                               |                                            |                                         |
| Taxes                                                                                     | \$ 8,587,668         | \$ 1,194,531                        | \$ 6,763,047                                  | \$ -                                       | \$ 16,545,246                           |
| Intergovernmental                                                                         | 711,995              | 72,139                              | 189,764                                       | 536,981                                    | 1,510,879                               |
| Fees, fines and forfeitures                                                               | 3,370,629            | -                                   | -                                             | 1,228,130                                  | 4,598,759                               |
| Miscellaneous                                                                             | 283,002              | 39,597                              | 84,164                                        | 32,203                                     | 438,966                                 |
| Total Revenues Collected                                                                  | <u>12,953,294</u>    | <u>1,306,267</u>                    | <u>7,036,975</u>                              | <u>1,797,314</u>                           | <u>23,093,850</u>                       |
| <b>EXPENDITURES PAID:</b>                                                                 |                      |                                     |                                               |                                            |                                         |
| Current:                                                                                  |                      |                                     |                                               |                                            |                                         |
| General government                                                                        | 7,133,682            | 2,020,738                           | 4,432,308                                     | 210,730                                    | 13,797,458                              |
| Tax administration                                                                        | 227,313              | -                                   | -                                             | 578,221                                    | 805,534                                 |
| Public safety and judicial                                                                | 4,299,411            | -                                   | -                                             | 602,754                                    | 4,902,165                               |
| Debt service                                                                              | 1,434,075            | -                                   | -                                             | -                                          | 1,434,075                               |
| Total Expenditures Paid                                                                   | <u>13,094,481</u>    | <u>2,020,738</u>                    | <u>4,432,308</u>                              | <u>1,391,705</u>                           | <u>20,939,232</u>                       |
| Excess (Deficit) of Revenues Collected<br>over Expenditures Paid                          | <u>(141,187)</u>     | <u>(714,471)</u>                    | <u>2,604,667</u>                              | <u>405,609</u>                             | <u>2,154,618</u>                        |
| <b>OTHER FINANCING SOURCES (USES):</b>                                                    |                      |                                     |                                               |                                            |                                         |
| Transfers in                                                                              | 627,636              | 2,230,883                           | -                                             | -                                          | 2,858,519                               |
| Transfers out                                                                             | (45,000)             | (243,900)                           | (2,230,883)                                   | (400,290)                                  | (2,920,073)                             |
| Total Other Financing Sources (Uses)                                                      | <u>582,636</u>       | <u>1,986,983</u>                    | <u>(2,230,883)</u>                            | <u>(400,290)</u>                           | <u>(61,554)</u>                         |
| Excess (Deficit) of Revenues Collected over<br>Expenditures Paid and Other Sources (Uses) | 441,449              | 1,272,512                           | 373,784                                       | 5,319                                      | 2,093,064                               |
| Fund balance - beginning                                                                  | <u>9,676,979</u>     | <u>972,332</u>                      | <u>4,978,521</u>                              | <u>1,915,451</u>                           | <u>17,543,283</u>                       |
| Fund Balance, end of year                                                                 | <u>\$ 10,118,428</u> | <u>\$ 2,244,844</u>                 | <u>\$ 5,352,305</u>                           | <u>\$ 1,920,770</u>                        | <u>\$ 19,636,347</u>                    |

See accompanying notes to the basic financial statements.

TANEY COUNTY, MISSOURI  
STATEMENT OF NET ASSETS, MODIFIED CASH BASIS --  
PROPRIETARY FUNDS  
DECEMBER 31, 2011

|                           | ENTERPRISE<br>FUND          | INTERNAL<br>SERVICE FUND     |
|---------------------------|-----------------------------|------------------------------|
|                           | TRANSFER<br>STATION<br>FUND | EMPLOYEE<br>BENEFITS<br>FUND |
| <b>ASSETS:</b>            |                             |                              |
| Current assets:           |                             |                              |
| Cash and cash equivalents | \$ 486,245                  | \$ -                         |
| Total current assets      | 486,245                     | -                            |
| Total assets              | \$ 486,245                  | \$ -                         |
| <b>NET ASSETS:</b>        |                             |                              |
| Unrestricted              | \$ 486,245                  | \$ -                         |
| Total net assets          | \$ 486,245                  | \$ -                         |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS, MODIFIED CASH BASIS --**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                      | <u>ENTERPRISE<br/>FUND</u>           | <u>INTERNAL<br/>SERVICE FUND</u>      |
|--------------------------------------|--------------------------------------|---------------------------------------|
|                                      | <u>TRANSFER<br/>STATION<br/>FUND</u> | <u>EMPLOYEE<br/>BENEFITS<br/>FUND</u> |
| <b>OPERATING RECEIPTS</b>            |                                      |                                       |
| Charges for services                 | \$ 952,823                           | \$ -                                  |
| Total operating receipts             | <u>952,823</u>                       | <u>-</u>                              |
| <b>OPERATING DISBURSEMENTS:</b>      |                                      |                                       |
| Insurance claims and disbursements   | -                                    | 80,113                                |
| Salaries and employee benefits       | 214,190                              | -                                     |
| Supplies                             | -                                    | -                                     |
| Telephone and utilities              | 3,115                                | -                                     |
| Repair and maintenance               | -                                    | -                                     |
| Landfill services                    | 693,722                              | -                                     |
| Other operating expenses             | <u>129,963</u>                       | <u>-</u>                              |
| Total operating disbursements        | <u>1,040,990</u>                     | <u>80,113</u>                         |
| Operating income (loss)              | (88,167)                             | (80,113)                              |
| <b>NON-OPERATING RECEIPTS:</b>       |                                      |                                       |
| Interest income                      | 7,548                                | 301                                   |
| Other receipts                       | <u>19,233</u>                        | <u>5,181</u>                          |
| Total non-operating receipts         | <u>26,781</u>                        | <u>5,482</u>                          |
| Increase (decrease) before transfers | (61,386)                             | (74,631)                              |
| Transfers in (out)                   | (11,778)                             | 73,332                                |
| Net income (loss)                    | (73,164)                             | (1,299)                               |
| Total net assets - beginning         | <u>559,409</u>                       | <u>1,299</u>                          |
| Total net assets - ending            | <u>\$ 486,245</u>                    | <u>\$ -</u>                           |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                                                                        | <b>ENTERPRISE<br/>FUND</b>           | <b>INTERNAL<br/>SERVICE FUND</b>      |
|----------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|
|                                                                                        | <b>TRANSFER<br/>STATION<br/>FUND</b> | <b>EMPLOYEE<br/>BENEFITS<br/>FUND</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                           |                                      |                                       |
| Received from customers                                                                | \$ 972,056                           | \$ -                                  |
| Payments to employees and fringe benefits                                              | (214,190)                            | -                                     |
| Payments to vendors and suppliers                                                      | (828,078)                            | (74,932)                              |
| Net cash provided by operating activities                                              | (70,212)                             | (74,932)                              |
| <b>CASHFLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>                     |                                      |                                       |
| Transfers from (to) other funds                                                        | (10,500)                             | 73,332                                |
| Net cash (used) by noncapital and related financing activities                         | (10,500)                             | 73,332                                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                           |                                      |                                       |
| Investment income                                                                      | 7,548                                | 301                                   |
| Net increase (decrease) in cash and cash equivalents                                   | (73,164)                             | (1,299)                               |
| Cash and cash equivalents, beginning of the year                                       | 559,409                              | 1,299                                 |
| Cash and cash equivalents, end of the year                                             | \$ 486,245                           | \$ -                                  |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH<br/>USED BY OPERATING ACTIVITIES:</b>  |                                      |                                       |
| Operating income (loss)                                                                | \$ (88,167)                          | \$ (80,113)                           |
| Adjustments to reconcile operating income to net cash<br>used by operating activities: |                                      |                                       |
| Other receipts                                                                         | 19,233                               | 5,181                                 |
| Total adjustments                                                                      | 19,233                               | 5,181                                 |
| Net cash (used) by operating activities                                                | \$ (68,934)                          | \$ (74,932)                           |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI  
STATEMENT OF ASSETS AND LIABILITIES --  
FIDUCIARY FUNDS  
DECEMBER 31, 2011**

|                     | <b>AGENCY FUNDS</b>         |
|---------------------|-----------------------------|
| <b>ASSETS:</b>      |                             |
| Cash                | <u>\$ 60,635,663</u>        |
| Total assets        | <u><u>\$ 60,635,663</u></u> |
| <b>LIABILITIES:</b> |                             |
| Due to others       | <u>\$ 60,635,663</u>        |
| Total Liabilities   | <u><u>\$ 60,635,663</u></u> |

See accompanying notes to the  
basic financial statements.

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Financial Reporting Entity**

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

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

**Component Units**

**Taney County Regional Sewer District**

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

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

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

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

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

*FUND FINANCIAL STATEMENTS*

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

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



**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Accounting

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

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

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

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

Cash and Investments

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

Property Tax Revenue

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments within the County. Collections for other governments and remittance of them to those governments are accounted for in various Agency Funds.

Property tax revenue is recognized when it is collected.

Fund Equity

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

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Government-Wide Statements

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

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

**NOTE B – CASH AND INVESTMENTS**

*PRIMARY GOVERNMENT*

The County maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed as “Cash and investments”. In addition, investments are separately held by several of the County’s funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2011, all bank balances on deposit are entirely insured or collateralized with securities.

The County’s investments at December 31, 2011, are as follows:

| Investment Type                                                        | Maturity              | Carrying Value      | Fair Value          |
|------------------------------------------------------------------------|-----------------------|---------------------|---------------------|
| <b>Taney County</b>                                                    |                       |                     |                     |
| Certificates of Deposit                                                | 6/28/2012-6/17/2013   | \$ 17,515,000       | \$ 17,515,000       |
| FHLB Global Bonds                                                      | 8/22/2012 - 12/5/2014 | 7,492,490           | 7,492,490           |
| Freddie MAC Global Notes                                               | 6/28/2013             | 2,000,000           | 2,000,000           |
|                                                                        |                       | <u>27,007,490</u>   | <u>27,007,490</u>   |
| Less: Investments held for the<br>Taney County Regional Sewer District |                       | <u>(27,007,490)</u> | <u>(27,007,490)</u> |
| Total Investments Primary Government                                   |                       | <u>\$ -</u>         | <u>\$ -</u>         |

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE B – CASH AND INVESTMENTS (continued)**

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the 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, 2011, all certificates of deposit are entirely insured or collateralized with securities.

U.S. Government Agency Obligations

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

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

*TANEY COUNTY REGIONAL SEWER DISTRICT*

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2011, all bank balances are entirely insured or collateralized.

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2011, all certificates of deposit are entirely insured or collateralized with securities.

U.S. Government Agency Obligations

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

**NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES**

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2011, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE D – PENSION PLAN – CERF**

*COUNTY EMPLOYEES' RETIREMENT FUND*

Plan Description

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

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

Funding Policy

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

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE E – PENSION PLAN – LAGERS**

Plan Description

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

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

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

Funding Status

Taney County's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 12.0% (general), and 12.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

|                                            |                  |
|--------------------------------------------|------------------|
| Annual required contribution               | \$ 1,172,593     |
| Interest on net pension obligation         | -                |
| Adjustment to annual required contribution | -                |
| Annual pension cost                        | 1,172,593        |
| Actual contributions                       | <u>1,172,593</u> |
| Increase (decrease) in NPO                 | -                |
| NPO beginning of year                      | -                |
| NPO end of year                            | \$ -             |

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE E – PENSION PLAN – LAGERS (continued)**

The annual required contribution (ARC) was determined as part of the February 29, 2009, and February 28, 2010, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and set back 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2009, was 20 years for the General division and 24 years for the Police division. The amortization period at February 28, 2010, was 12 years for the General division and 12 years for the Police division.

**Three-Year Trend Information**

| Fiscal<br>Year<br>Ending | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/09                  | \$1,094,632                     | 100%                                | -                            |
| 6/30/10                  | 1,116,987                       | 100%                                | -                            |
| 6/30/11                  | 1,172,593                       | 100%                                | -                            |

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

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

2004 Water Pollution Control Revenue Bonds:

In 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, 2011, are due as follows:

| Year Ended<br>December 31, |    | Principal            | Interest            | Administrative<br>Fee | Total               |
|----------------------------|----|----------------------|---------------------|-----------------------|---------------------|
| 2012                       | \$ | 800,000              | \$ 502,320          | \$ 77,897             | \$ 1,380,217        |
| 2013                       |    | 810,000              | 474,945             | 72,185                | 1,357,130           |
| 2014                       |    | 820,000              | 446,010             | 66,402                | 1,332,412           |
| 2015                       |    | 840,000              | 410,250             | 60,547                | 1,310,797           |
| 2016                       |    | 865,000              | 367,625             | 54,550                | 1,287,175           |
| 2017                       |    | 885,000              | 323,875             | 48,374                | 1,257,249           |
| 2018                       |    | 910,000              | 279,000             | 42,055                | 1,231,055           |
| 2019                       |    | 940,000              | 231,575             | 35,557                | 1,207,132           |
| 2020                       |    | 965,000              | 181,568             | 28,846                | 1,175,414           |
| 2021                       |    | 995,000              | 130,119             | 21,956                | 1,147,075           |
| 2022                       |    | 1,025,000            | 78,375              | 14,851                | 1,118,226           |
| 2023                       |    | 1,055,000            | 26,375              | 7,533                 | 1,088,908           |
|                            |    | <u>\$ 10,910,000</u> | <u>\$ 3,452,037</u> | <u>\$ 530,753</u>     | <u>\$14,892,790</u> |

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2011:

|                                | Balance<br>December 31,<br>2010 | New<br>Obligations | Retired    | Balance<br>December 31,<br>2011 |
|--------------------------------|---------------------------------|--------------------|------------|---------------------------------|
| 2004 SRF Revenue Bonds Payable | \$ 11,710,000                   | \$ -               | \$ 800,000 | \$ 10,910,000                   |

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE H – LONG-TERM DEBT – PRIMARY GOVERNMENT**

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

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

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

The total annual minimum lease payments required at December 31, 2011, are as follows:

|                     |                                                      |
|---------------------|------------------------------------------------------|
| Year Ended          |                                                      |
| <u>December 31,</u> |                                                      |
| 2012                | \$1,474,181                                          |
| 2013                | 1,494,681                                            |
| 2014                | 1,520,393                                            |
| 2015                | 1,545,844                                            |
| 2016                | 1,570,881                                            |
| 2017                | 1,597,656                                            |
| 2018                | 1,626,331                                            |
| 2019                | 1,649,831                                            |
| 2020                | 1,680,131                                            |
| 2021                | 1,710,994                                            |
| 2022                | 1,737,263                                            |
| 2023                | <u>2,832,235</u>                                     |
|                     | TOTAL MINIMUM LEASE PAYMENTS 20,440,421              |
|                     | LESS AMOUNT REPRESENTING INTEREST <u>(4,620,420)</u> |
|                     | PRINCIPAL BALANCE, DECEMBER 31, 2011 \$ 15,820,001   |



**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

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

The following schedule presents the changes in the long-term debt for the year ended December 31, 2011:

|                                    | Balance<br>December 31,<br>2010 |             | Balance<br>December 31,<br>2011 |
|------------------------------------|---------------------------------|-------------|---------------------------------|
|                                    |                                 | Additions   | Retirements                     |
| 2006 Certificates of Participation | \$ 16,595,000                   | \$ -        | \$ 775,000                      |
| Compensated                        | 104,611                         | -           | 9,278                           |
|                                    | <u>\$ 16,699,611</u>            | <u>\$ -</u> | <u>\$ 784,278</u>               |
|                                    |                                 |             | <u>\$ 15,915,333</u>            |

**NOTE N – RISK MANAGEMENT**

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

**NOTE O – 2002 BOND PROPOSITION**

On April 2, 2002, the Taney County Regional Sewer District passed a \$30,000,000 bond issue for the purpose of extending and improving the sewerage system of the District. The Capital Improvement Sales Tax passed by voters on April 4, 2000, has been pledged for the repayment of these bonds. As of December 31, 2011, only \$15,590,000 of these bonds has been issued.

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE R – CAPITAL ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT**

Capital asset activity for the year ended December 31, 2011, was as follows:

|                                                             | Balance<br>December 31,<br>2010 | Additions         | Deletions           | Balance<br>December 31,<br>2011 |
|-------------------------------------------------------------|---------------------------------|-------------------|---------------------|---------------------------------|
| <b>Business-Type Activities</b>                             |                                 |                   |                     |                                 |
| <b>Sewer</b>                                                |                                 |                   |                     |                                 |
| <b>Nondepreciable capital</b>                               |                                 |                   |                     |                                 |
| Land                                                        | \$ 106,576                      | \$ -              | \$ -                | \$ 106,576                      |
| Construction in progress                                    | 1,565,482                       | 222,106           | 1,335,357           | 452,231                         |
| <b>Total Nondepreciable Capital Assets</b>                  | <b>1,672,058</b>                | <b>\$ 222,106</b> | <b>\$ 1,335,357</b> | <b>558,807</b>                  |
| <b>Depreciable capital assets:</b>                          |                                 |                   |                     |                                 |
| Sewer System                                                | 59,737,196                      | \$ 1,582,159      | \$ -                | 61,319,355                      |
| Equipment                                                   | 252,090                         | -                 | -                   | 252,090                         |
|                                                             | 59,989,286                      | \$ 1,582,159      | \$ -                | 61,571,445                      |
| <b>Less accumulated depreciation</b>                        |                                 |                   |                     |                                 |
| Sewer System                                                | 8,915,827                       | \$1,997,484       | \$ -                | 10,913,311                      |
| Equipment                                                   | 158,389                         | 17,406            | -                   | 175,795                         |
|                                                             | 9,074,216                       | \$ 2,014,890      | \$ -                | 11,089,106                      |
| <b>Total Depreciable Capital</b>                            | <b>50,915,070</b>               |                   |                     | <b>50,482,339</b>               |
| <b>Total Capital Assets - Business-Type Activities, net</b> | <b>\$ 52,587,128</b>            |                   |                     | <b>\$ 51,041,146</b>            |

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE S – INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2011, consisted of the following:

|                            |    | Transfers<br>In (Out) |
|----------------------------|----|-----------------------|
| General Fund               | \$ | 582,636               |
| Road and Bridge Trust Fund |    | (2,230,883)           |
| Road and Bridge Fund       |    | 1,986,983             |
| Assessment Fund            |    | (4,450)               |
| Tax Maintenance Fund       |    | (100,000)             |
| E-911 Fund                 |    | (241,736)             |
| Recorder User Fee Fund     |    | (54,104)              |
| Employee Benefits Fund     |    | 73,332                |
| Transfer Station Fund      |    | (11,778)              |
|                            | \$ | -                     |

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

**NOTE T – JUDICIAL FACILITY RESERVE FUND**

A Reserve Fund is established pursuant to the Indenture and is required to be funded on the date of initial delivery of the Series 2006 Certificates in an amount equal to \$1,926,000 (the “Reserve Requirement”). Money in the Reserve Fund may be used solely (a) to make up any deficiencies in the Certificate Payment Fund and, if the money in the Certificate Payment Fund is insufficient to pay the principal component or the interest component of Base Rentals as the same become due, the Trustee is required to transfer from the Reserve Fund to the Certificate Payment Fund an amount sufficient to make up such deficiency or (b) to make Base Rentals or to make deposits to the Certificate Payment Fund to make such payments, in the amounts and at the times specified in a written request of the County given to the Trustee. If the Trustee receives any such request, it must transfer the amount specified therein on the date or dates specified therein. As of December 31, 2011, the Reserve Account balance was \$1,964,665.

**NOTE U – ARBITRAGE PAYABLE – TANEY COUNTY REGIONAL SEWER DISTRICT**

Under certain provisions of the Federal Tax Code and the 2004 State of Missouri Revolving Fund Sewerage System Revenue Bond ordinance, the District is required to rebate arbitrage earnings of tax-exempt debt to the federal government every five years as long as the bonds remain outstanding. Arbitrage earnings occur when the District invests proceeds from its low-interest, tax-exempt debt issue into securities with a higher interest yield. The District had arbitrage earnings during 2011, which reduced interest income and resulted in a long-term liability of \$61,683 in the Sewer Fund.

**TANEY COUNTY, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**NOTE V – COMMITMENTS – TANEY COUNTY REGIONAL SEWER DISTRICT**

The District was committed to contracts for sewer system additions and improvements with HDR Engineering, Inc. in the amount of \$57,517, Rosetta Construction, LLC in the amount of \$57,175, and Great River Associates in the amount of \$132,199 as of December 31, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Taney County, Missouri**  
**Required Supplementary Information**  
**Schedules of Funding Progress**  
**Year Ended December 31, 2011**

**Missouri Local Government Employees Retirement System**

|             |                          | (a)                       | (b)                                   | (b-a)                                                  | (a/b)        | (c)                    | [(b-a)/c]                              |
|-------------|--------------------------|---------------------------|---------------------------------------|--------------------------------------------------------|--------------|------------------------|----------------------------------------|
| Fiscal Year | Actuarial Valuation Date | Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | Unfunded (Assets in Excess of) Accrued Liability (UAL) | Funded Ratio | Annual Covered payroll | UAL as a Percentage of Covered payroll |
| 2009        | February 28, 2009        | \$ 8,637,078              | \$ 12,210,193                         | \$ 3,573,115                                           | 71%          | \$ 10,162,602          | 35                                     |
| 2010        | February 28, 2010        | \$ 10,270,272             | \$ 13,317,256                         | \$ 3,046,984                                           | 77%          | \$ 9,950,757           | 31                                     |
| 2011        | February 28, 2011        | \$ 11,600,854             | \$ 14,517,186                         | \$ 2,916,332                                           | 80%          | \$ 9,600,841           | 30                                     |

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

See accompanying independent auditors' report.

TANEY COUNTY, MISSOURI  
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2011

|                                                                                           | <u>Budgeted Amounts</u>    |                            | Actual<br>Amounts        | Variance with<br>Final Budget -<br>Positive |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------------------------|
|                                                                                           | <u>Original</u>            | <u>Final</u>               |                          | <u>(Negative)</u>                           |
| <b>REVENUES COLLECTED:</b>                                                                |                            |                            |                          |                                             |
| Taxes                                                                                     | 7,599,611                  | 7,599,611                  | 8,587,668                | 988,057                                     |
| Licenses and Permits                                                                      | 70,500                     | 70,500                     | 71,173                   | 673                                         |
| Intergovernmental Revenues                                                                | 337,300                    | 337,300                    | 711,995                  | 374,695                                     |
| Fees and Charges                                                                          | 2,885,350                  | 2,885,350                  | 3,299,456                | 414,106                                     |
| Miscellaneous                                                                             | 200,600                    | 200,600                    | 283,002                  | 82,402                                      |
| <b>TOTAL REVENUES COLLECTED</b>                                                           | <b><u>11,093,361</u></b>   | <b><u>11,093,361</u></b>   | <b><u>12,953,294</u></b> | <b><u>1,859,933</u></b>                     |
| <b>EXPENDITURES PAID:</b>                                                                 |                            |                            |                          |                                             |
| General Government                                                                        |                            |                            |                          |                                             |
| University Extension                                                                      | 47,404                     | 47,404                     | 47,136                   | (268)                                       |
| Collector of Revenue                                                                      | 236,033                    | 236,033                    | 227,313                  | (8,720)                                     |
| Treasurer                                                                                 | 84,830                     | 84,830                     | 85,051                   | 221                                         |
| Recorder of Deeds                                                                         | 292,000                    | 292,000                    | 229,897                  | (62,103)                                    |
| County Commission                                                                         | 532,558                    | 532,558                    | 429,462                  | (103,096)                                   |
| Employee Fringe Benefits                                                                  | 1,992,488                  | 1,992,488                  | 1,933,900                | (58,588)                                    |
| Information Technology                                                                    | 424,438                    | 424,438                    | 396,988                  | (27,450)                                    |
| Planning and Zoning                                                                       | 333,403                    | 333,403                    | 189,728                  | (143,675)                                   |
| Election and Voter Registration                                                           | 57,770                     | 57,770                     | 53,025                   | (4,745)                                     |
| County Clerk                                                                              | 122,131                    | 122,131                    | 125,691                  | 3,560                                       |
| Auditor                                                                                   | 144,522                    | 144,522                    | 140,110                  | (4,412)                                     |
| Building and Grounds                                                                      | 816,872                    | 816,872                    | 955,007                  | 138,135                                     |
|                                                                                           | <u>5,084,449</u>           | <u>5,084,449</u>           | <u>4,813,308</u>         | <u>(271,141)</u>                            |
| Judicial                                                                                  |                            |                            |                          |                                             |
| Court Administration                                                                      | 42,750                     | 42,750                     | 45,406                   | 2,656                                       |
| Circuit Clerk                                                                             | 100,200                    | 100,200                    | 102,724                  | 2,524                                       |
| Circuit Judge                                                                             | 55,000                     | 55,000                     | 56,084                   | 1,084                                       |
| Coroner                                                                                   | 44,130                     | 44,130                     | 52,907                   | 8,777                                       |
| Court Reporter                                                                            | 2,112                      | 2,112                      | 5,135                    | 3,023                                       |
| Public Administrator                                                                      | 81,398                     | 81,398                     | 91,499                   | 10,101                                      |
| Juvenile                                                                                  | 132,224                    | 132,224                    | 128,898                  | (3,326)                                     |
| Prosecuting Attorney                                                                      | 437,750                    | 437,750                    | 492,610                  | 54,860                                      |
|                                                                                           | <u>895,564</u>             | <u>895,564</u>             | <u>975,263</u>           | <u>79,699</u>                               |
| Public Safety                                                                             |                            |                            |                          |                                             |
| Sheriff                                                                                   | 1,797,851                  | 1,797,851                  | 1,850,794                | 52,943                                      |
| Jail                                                                                      | 1,143,866                  | 1,143,866                  | 1,195,661                | 51,795                                      |
| Animal Control                                                                            | 180,895                    | 180,895                    | 180,895                  | -                                           |
| Emergency Management                                                                      | 167,590                    | 167,590                    | 96,798                   | (70,792)                                    |
|                                                                                           | <u>3,290,202</u>           | <u>3,290,202</u>           | <u>3,324,148</u>         | <u>33,946</u>                               |
| Other                                                                                     |                            |                            |                          |                                             |
| Public Works                                                                              | 9,539,414                  | 9,539,414                  | 1,945,828                | (7,593,586)                                 |
| Sewer                                                                                     | 322,368                    | 322,368                    | 359,034                  | 36,666                                      |
| Airport                                                                                   |                            |                            |                          |                                             |
| Airport                                                                                   | 656,542                    | 656,542                    | 615,348                  | (41,194)                                    |
| Debt Service                                                                              |                            |                            |                          |                                             |
| Principal and Interest                                                                    | 1,446,381                  | 1,446,381                  | 1,434,075                | (12,306)                                    |
| <b>TOTAL EXPENDITURES PAID</b>                                                            | <b><u>21,234,920</u></b>   | <b><u>21,234,920</u></b>   | <b><u>13,467,004</u></b> | <b><u>(7,767,916)</u></b>                   |
| <b>Excess (Deficit) of Revenues Collected over<br/>Expenditures Paid</b>                  | <b><u>(10,141,559)</u></b> | <b><u>(10,141,559)</u></b> | <b><u>(513,710)</u></b>  | <b><u>9,627,849</u></b>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                     |                            |                            |                          |                                             |
| Operating transfers in (out)                                                              |                            |                            |                          |                                             |
| Transfers in                                                                              | 1,277,553                  | 1,277,553                  | 1,000,159                | (277,394)                                   |
| Transfers out                                                                             | (302,037)                  | (302,037)                  | (45,000)                 | 257,037                                     |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                                               | <b><u>975,516</u></b>      | <b><u>975,516</u></b>      | <b><u>955,159</u></b>    | <b><u>(20,357)</u></b>                      |
| Excess (Deficit) of Revenues Collected Over<br>Expenditures Paid and Other Sources (Uses) | (9,166,043)                | (9,166,043)                | 441,449                  | 9,607,492                                   |
| Fund Balance, beginning of year, restated                                                 |                            |                            | 9,676,979                |                                             |
| Fund Balance, end of year                                                                 |                            |                            | <u>10,118,428</u>        |                                             |

See accompanying independent auditors' report.



**TANEY COUNTY, MISSOURI  
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ROAD AND BRIDGE FUND  
YEAR ENDED DECEMBER 31, 2011**

|                                           | <b>Budgeted Amounts</b> |                     | <b>Actual Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-------------------------------------------|-------------------------|---------------------|-----------------------|---------------------------------------------------------------------|
|                                           | <b>Original</b>         | <b>Final</b>        |                       |                                                                     |
| <b>REVENUES COLLECTED</b>                 |                         |                     |                       |                                                                     |
| Taxes                                     | \$ 909,000              | \$ 909,000          | \$ 1,194,531          | \$ 285,531                                                          |
| Intergovernmental                         | 82,500                  | 82,500              | 72,139                | (10,361)                                                            |
| Miscellaneous                             | 43,150                  | 43,150              | 39,597                | (3,553)                                                             |
| <b>TOTAL REVENUES COLLECTED</b>           | <u>1,034,650</u>        | <u>1,034,650</u>    | <u>1,306,267</u>      | <u>271,617</u>                                                      |
| <b>EXPENDITURES:</b>                      |                         |                     |                       |                                                                     |
| Roads and bridges                         | 2,574,460               | 2,574,460           | 2,020,738             | (553,722)                                                           |
| <b>TOTAL EXPENDITURES PAID</b>            | <u>2,574,460</u>        | <u>2,574,460</u>    | <u>2,020,738</u>      | <u>(553,722)</u>                                                    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <u>(1,539,810)</u>      | <u>(1,539,810)</u>  | <u>(714,471)</u>      | <u>825,339</u>                                                      |
| <b>OTHER FINANCING SOURCES (USES):</b>    |                         |                     |                       |                                                                     |
| Transfers In                              |                         | 2,000,000           | 2,230,883             | 230,883                                                             |
| Transfers Out                             | -                       | (575,040)           | (243,900)             | 331,140                                                             |
| Total other financing sources (uses)      | <u>-</u>                | <u>1,424,960</u>    | <u>1,986,983</u>      | <u>562,023</u>                                                      |
| <b>NET CHANGE IN FUND BALANCE</b>         | <u>\$ (1,539,810)</u>   | <u>\$ (114,850)</u> | 1,272,512             | <u>\$ 1,387,362</u>                                                 |
| <b>FUND BALANCE, beginning of year</b>    |                         |                     | 972,332               |                                                                     |
| <b>FUND BALANCE, end of year</b>          |                         |                     | <u>\$ 2,244,844</u>   |                                                                     |

See accompanying independent auditors' report.

**TANEY COUNTY, MISSOURI**  
**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE TRUST FUND**  
**YEAR ENDED DECEMBER 31, 2011**

|                                           | <u>Budgeted Amounts</u> |                     | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|-------------------------------------------|-------------------------|---------------------|-----------------------|---------------------------------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>        |                       |                                                                     |
| <b>REVENUES COLLECTED</b>                 |                         |                     |                       |                                                                     |
| Taxes                                     | \$ 6,500,000            | \$ 6,500,000        | \$ 6,763,047          | \$ 263,047                                                          |
| Intergovernmental                         | -                       | -                   | 189,764               | 189,764                                                             |
| Other Receipts                            | 120,000                 | 120,000             | 84,164                | (35,836)                                                            |
| <b>TOTAL REVENUES COLLECTED</b>           | <u>6,620,000</u>        | <u>6,620,000</u>    | <u>7,036,975</u>      | <u>416,975</u>                                                      |
| <b>EXPENDITURES:</b>                      |                         |                     |                       |                                                                     |
| Highway and Roads                         | 5,275,836               | 5,275,836           | 4,666,676             | 609,160                                                             |
| <b>TOTAL EXPENDITURES PAID</b>            | <u>5,275,836</u>        | <u>5,275,836</u>    | <u>4,666,676</u>      | <u>609,160</u>                                                      |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <u>1,344,164</u>        | <u>1,344,164</u>    | <u>2,370,299</u>      | <u>1,026,135</u>                                                    |
| <b>OTHER FINANCING SOURCES (USES):</b>    |                         |                     |                       |                                                                     |
| Transfers In                              | -                       | -                   | 3,485                 | 3,485                                                               |
| Transfers Out                             | (2,000,000)             | (2,000,000)         | (2,000,000)           | -                                                                   |
| Total other financing sources (uses)      | <u>(2,000,000)</u>      | <u>(2,000,000)</u>  | <u>(1,996,515)</u>    | <u>3,485</u>                                                        |
| <b>NET CHANGE IN FUND BALANCE</b>         | <u>\$ (655,836)</u>     | <u>\$ (655,836)</u> | <u>373,784</u>        | <u>\$ 1,029,620</u>                                                 |
| <b>FUND BALANCE, beginning of year</b>    |                         |                     | 4,978,521             |                                                                     |
| <b>FUND BALANCE, end of year</b>          |                         |                     | <u>\$ 5,352,305</u>   |                                                                     |

See accompanying independent auditors' report.

## **OTHER FINANCIAL INFORMATION**



TANEY COUNTY, MISSOURI  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES  
 AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2011

|                                             | ASSESSMENT<br>FUND | ELECTION<br>SERVICES<br>FUND | INMATE<br>SECURITY<br>FUND | LOCAL<br>EMERGENCY<br>PLANNING<br>COMMISSION | LAW<br>ENFORCEMENT<br>TRAINING<br>FUND | PROSECUTOR<br>TRAINING<br>FUND | E-911<br>TELEPHONE<br>FUND |
|---------------------------------------------|--------------------|------------------------------|----------------------------|----------------------------------------------|----------------------------------------|--------------------------------|----------------------------|
| <b><u>ASSETS</u></b>                        |                    |                              |                            |                                              |                                        |                                |                            |
| Cash and investments                        | \$ 87,617          | \$ 27,377                    | \$ 3,232                   | \$ 9,882                                     | \$ 9,795                               | \$ 4,906                       | \$ 526,100                 |
| Total assets                                | <u>\$ 87,617</u>   | <u>\$ 27,377</u>             | <u>\$ 3,232</u>            | <u>\$ 9,882</u>                              | <u>\$ 9,795</u>                        | <u>\$ 4,906</u>                | <u>\$ 526,100</u>          |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                    |                              |                            |                                              |                                        |                                |                            |
| Liabilities:                                |                    |                              |                            |                                              |                                        |                                |                            |
| Due to other Funds                          | \$ -               | \$ -                         | \$ -                       | \$ -                                         | \$ -                                   | \$ -                           | \$ -                       |
| Total liabilities                           | <u>-</u>           | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                     | <u>-</u>                               | <u>-</u>                       | <u>-</u>                   |
| Fund balances                               |                    |                              |                            |                                              |                                        |                                |                            |
| Unreserved:                                 |                    |                              |                            |                                              |                                        |                                |                            |
| Special revenue funds                       | 87,617             | 27,377                       | 3,232                      | 9,882                                        | 9,795                                  | 4,906                          | 526,100                    |
| Total fund balances                         | <u>87,617</u>      | <u>27,377</u>                | <u>3,232</u>               | <u>9,882</u>                                 | <u>9,795</u>                           | <u>4,906</u>                   | <u>526,100</u>             |
| Total liabilities and fund balances         | <u>\$ 87,617</u>   | <u>\$ 27,377</u>             | <u>\$ 3,232</u>            | <u>\$ 9,882</u>                              | <u>\$ 9,795</u>                        | <u>\$ 4,906</u>                | <u>\$ 526,100</u>          |

See accompanying independent auditors' report.

TANEY COUNTY, MISSOURI  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES  
 AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2011

|                                             | SHERIFF<br>CIVIL<br>FEES<br>FUND | TAX<br>MAINTENANCE<br>FUND | PROSECUTOR<br>BAD<br>CHECK<br>FUND | RECORDER<br>USER FEE<br>FUND | PROSECUTOR<br>DELINQUENT<br>TAX<br>FUND |
|---------------------------------------------|----------------------------------|----------------------------|------------------------------------|------------------------------|-----------------------------------------|
| <b><u>ASSETS</u></b>                        |                                  |                            |                                    |                              |                                         |
| Cash and investments                        | \$ 182,911                       | \$ 251,178                 | \$ 191,138                         | \$ 376,700                   | \$ 106,471                              |
| Total assets                                | <u>\$ 182,911</u>                | <u>\$ 251,178</u>          | <u>\$ 191,138</u>                  | <u>\$ 376,700</u>            | <u>\$ 106,471</u>                       |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                                  |                            |                                    |                              |                                         |
| Liabilities:                                |                                  |                            |                                    |                              |                                         |
| Due to other Funds                          | \$ -                             | \$ -                       | \$ -                               | \$ -                         | \$ -                                    |
| Total liabilities                           | <u>-</u>                         | <u>-</u>                   | <u>-</u>                           | <u>-</u>                     | <u>-</u>                                |
| Fund balances                               |                                  |                            |                                    |                              |                                         |
| Unreserved:                                 |                                  |                            |                                    |                              |                                         |
| Special revenue funds                       | 182,911                          | 251,178                    | 191,138                            | 376,700                      | 106,471                                 |
| Total fund balances                         | <u>182,911</u>                   | <u>251,178</u>             | <u>191,138</u>                     | <u>376,700</u>               | <u>106,471</u>                          |
| Total liabilities and fund balances         | <u>\$ 182,911</u>                | <u>\$ 251,178</u>          | <u>\$ 191,138</u>                  | <u>\$ 376,700</u>            | <u>\$ 106,471</u>                       |

See accompanying independent auditors' report.

TANEY COUNTY, MISSOURI  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES  
 AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2011

|                                             | <u>DRUG<br/>FORFEITURE<br/>FUND</u> | <u>SHERIFF<br/>REVOLVING<br/>FUND</u> | <u>VEST<br/>GRANT<br/>FUND</u> | <u>LAW<br/>LIBRARY<br/>FUND</u> | <u>DOMESTIC<br/>VIOLENCE<br/>FUND</u> | <u>TOTAL<br/>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> |
|---------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------|
| <b><u>ASSETS</u></b>                        |                                     |                                       |                                |                                 |                                       |                                                       |
| Cash and investments                        | \$ 34,954                           | \$ 57,519                             | \$ 2,887                       | \$ 42,760                       | \$ 9,897                              | \$ 1,925,324                                          |
| Total assets                                | <u>\$ 34,954</u>                    | <u>\$ 57,519</u>                      | <u>\$ 2,887</u>                | <u>\$ 42,760</u>                | <u>\$ 9,897</u>                       | <u>\$ 1,925,324</u>                                   |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                                     |                                       |                                |                                 |                                       |                                                       |
| Liabilities:                                |                                     |                                       |                                |                                 |                                       |                                                       |
| Due to other Funds                          | \$ -                                | \$ -                                  | \$ -                           | \$ -                            | \$ -                                  | \$ -                                                  |
| Total liabilities                           | <u>-</u>                            | <u>-</u>                              | <u>-</u>                       | <u>-</u>                        | <u>-</u>                              | <u>-</u>                                              |
| Fund balances                               |                                     |                                       |                                |                                 |                                       |                                                       |
| Unreserved:                                 |                                     |                                       |                                |                                 |                                       |                                                       |
| Special revenue funds                       | 34,954                              | 57,519                                | 2,887                          | 42,760                          | 9,897                                 | 1,925,324                                             |
| Total fund balances                         | <u>34,954</u>                       | <u>57,519</u>                         | <u>2,887</u>                   | <u>42,760</u>                   | <u>9,897</u>                          | <u>1,925,324</u>                                      |
| Total liabilities and fund balances         | <u>\$ 34,954</u>                    | <u>\$ 57,519</u>                      | <u>\$ 2,887</u>                | <u>\$ 42,760</u>                | <u>\$ 9,897</u>                       | <u>\$ 1,925,324</u>                                   |

See accompanying independent auditors' report.

**TANEY COUNTY, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                                   | <b>ASSESSMENT<br/>FUND</b> | <b>ELECTION<br/>SERVICES<br/>FUND</b> | <b>INMATE<br/>SECURITY<br/>FUND</b> | <b>LOCAL<br/>EMERGENCY<br/>PLANNING<br/>COMMISSION</b> | <b>LAW<br/>ENFORCEMENT<br/>TRAINING<br/>FUND</b> | <b>PROSECUTOR<br/>TRAINING<br/>FUND</b> |
|---------------------------------------------------|----------------------------|---------------------------------------|-------------------------------------|--------------------------------------------------------|--------------------------------------------------|-----------------------------------------|
| <b>REVENUES:</b>                                  |                            |                                       |                                     |                                                        |                                                  |                                         |
| Taxes                                             | \$ -                       | \$ -                                  | \$ -                                | \$ -                                                   | \$ -                                             | \$ -                                    |
| Fees and fines                                    | 154,287                    | -                                     | 3,215                               | -                                                      | 6,612                                            | 1,131                                   |
| Intergovernmental                                 | 456,481                    | 49,496                                | -                                   | 7,633                                                  | -                                                | -                                       |
| Miscellaneous                                     | 3,575                      | 401                                   | 17                                  | 167                                                    | 131                                              | 70                                      |
| Total revenues                                    | <u>614,343</u>             | <u>49,897</u>                         | <u>3,232</u>                        | <u>7,800</u>                                           | <u>6,743</u>                                     | <u>1,201</u>                            |
| <b>EXPENDITURES:</b>                              |                            |                                       |                                     |                                                        |                                                  |                                         |
| Current:                                          |                            |                                       |                                     |                                                        |                                                  |                                         |
| General government                                | -                          | 30,199                                | -                                   | -                                                      | -                                                | -                                       |
| Tax administration                                | 547,799                    | -                                     | -                                   | -                                                      | -                                                | -                                       |
| Public safety and judicial                        | -                          | -                                     | -                                   | 5,400                                                  | 6,177                                            | 1,039                                   |
| Debt service                                      | -                          | -                                     | -                                   | -                                                      | -                                                | -                                       |
| Total expenditures                                | <u>547,799</u>             | <u>30,199</u>                         | <u>-</u>                            | <u>5,400</u>                                           | <u>6,177</u>                                     | <u>1,039</u>                            |
| Excess (deficiency) of revenues over expenditures | <u>66,544</u>              | <u>19,698</u>                         | <u>3,232</u>                        | <u>2,400</u>                                           | <u>566</u>                                       | <u>162</u>                              |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                            |                                       |                                     |                                                        |                                                  |                                         |
| Transfers in                                      | -                          | -                                     | -                                   | -                                                      | -                                                | -                                       |
| Transfers out                                     | (4,450)                    | -                                     | -                                   | -                                                      | -                                                | -                                       |
| Total other financing sources (uses)              | <u>(4,450)</u>             | <u>-</u>                              | <u>-</u>                            | <u>-</u>                                               | <u>-</u>                                         | <u>-</u>                                |
| Net change in fund balances                       | 62,094                     | 19,698                                | 3,232                               | 2,400                                                  | 566                                              | 162                                     |
| Fund balance - beginning                          | <u>25,523</u>              | <u>7,679</u>                          | <u>-</u>                            | <u>7,482</u>                                           | <u>9,229</u>                                     | <u>4,744</u>                            |
| Fund balances - ending                            | <u>\$ 87,617</u>           | <u>\$ 27,377</u>                      | <u>\$ 3,232</u>                     | <u>\$ 9,882</u>                                        | <u>\$ 9,795</u>                                  | <u>\$ 4,906</u>                         |

See accompanying independent auditors' report.



**TANEY COUNTY, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                                   | <b>E-911<br/>TELEPHONE<br/>FUND</b> | <b>SHERIFF<br/>CIVIL<br/>FEES<br/>FUND</b> | <b>TAX<br/>MAINTENANCE<br/>FUND</b> | <b>PROSECUTOR<br/>BAD<br/>CHECK<br/>FUND</b> | <b>RECORDER<br/>USER FEE<br/>FUND</b> | <b>PROSECUTOR<br/>DELINQUENT<br/>TAX<br/>FUND</b> |
|---------------------------------------------------|-------------------------------------|--------------------------------------------|-------------------------------------|----------------------------------------------|---------------------------------------|---------------------------------------------------|
| <b>REVENUES:</b>                                  |                                     |                                            |                                     |                                              |                                       |                                                   |
| Taxes                                             | \$ -                                | \$ -                                       | \$ -                                | \$ -                                         | \$ -                                  | \$ -                                              |
| Fees and fines                                    | 550,428                             | 51,405                                     | 171,570                             | 30,736                                       | 206,663                               | 15,976                                            |
| Intergovernmental                                 | -                                   | -                                          | -                                   | -                                            | -                                     | -                                                 |
| Miscellaneous                                     | 8,180                               | 4,020                                      | 3,192                               | 3,203                                        | 6,010                                 | 1,418                                             |
| Total revenues                                    | <u>558,608</u>                      | <u>55,425</u>                              | <u>174,762</u>                      | <u>33,939</u>                                | <u>212,673</u>                        | <u>17,394</u>                                     |
| <b>EXPENDITURES:</b>                              |                                     |                                            |                                     |                                              |                                       |                                                   |
| Current:                                          |                                     |                                            |                                     |                                              |                                       |                                                   |
| General government                                | -                                   | -                                          | -                                   | -                                            | 180,531                               | -                                                 |
| Tax administration                                | -                                   | -                                          | 25,972                              | -                                            | -                                     | -                                                 |
| Public safety and judicial                        | 424,048                             | 49,591                                     | -                                   | 56,046                                       | -                                     | 733                                               |
| Debt service                                      | -                                   | -                                          | -                                   | -                                            | -                                     | -                                                 |
| Total expenditures                                | <u>424,048</u>                      | <u>49,591</u>                              | <u>25,972</u>                       | <u>56,046</u>                                | <u>180,531</u>                        | <u>733</u>                                        |
| Excess (deficiency) of revenues over expenditures | <u>134,560</u>                      | <u>5,834</u>                               | <u>148,790</u>                      | <u>(22,107)</u>                              | <u>32,142</u>                         | <u>16,661</u>                                     |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                                     |                                            |                                     |                                              |                                       |                                                   |
| Transfers in                                      | -                                   | -                                          | -                                   | -                                            | -                                     | -                                                 |
| Transfers out                                     | (241,736)                           | -                                          | (100,000)                           | -                                            | (54,104)                              | -                                                 |
| Total other financing sources (uses)              | <u>(241,736)</u>                    | <u>-</u>                                   | <u>(100,000)</u>                    | <u>-</u>                                     | <u>(54,104)</u>                       | <u>-</u>                                          |
| Net change in fund balances                       | (107,176)                           | 5,834                                      | 48,790                              | (22,107)                                     | (21,962)                              | 16,661                                            |
| Fund balance - beginning                          | <u>633,276</u>                      | <u>177,077</u>                             | <u>202,388</u>                      | <u>213,245</u>                               | <u>398,662</u>                        | <u>89,810</u>                                     |
| Fund balances - ending                            | <u>\$ 526,100</u>                   | <u>\$ 182,911</u>                          | <u>\$ 251,178</u>                   | <u>\$ 191,138</u>                            | <u>\$ 376,700</u>                     | <u>\$ 106,471</u>                                 |

See accompanying independent auditors' report.

**TANEY COUNTY, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                                   | <b>DRUG<br/>FORFEITURE<br/>FUND</b> | <b>SHERIFF<br/>REVOLVING<br/>FUND</b> | <b>VEST<br/>GRANT<br/>FUND</b> | <b>LAW<br/>LIBRARY<br/>FUND</b> | <b>DOMESTIC<br/>VIOLENCE<br/>FUND</b> | <b>TOTAL<br/>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> |
|---------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------|
| <b>REVENUES:</b>                                  |                                     |                                       |                                |                                 |                                       |                                                       |
| Taxes                                             | \$ -                                | \$ -                                  | \$ -                           | \$ -                            | \$ -                                  | \$ -                                                  |
| Fees and fines                                    | -                                   | 27,256                                | -                              | -                               | 8,851                                 | 1,228,130                                             |
| Intergovernmental                                 | 5,842                               | -                                     | 2,006                          | 15,523                          | -                                     | 536,981                                               |
| Miscellaneous                                     | 493                                 | 869                                   | 27                             | 354                             | 76                                    | 32,203                                                |
| Total revenues                                    | <u>6,335</u>                        | <u>28,125</u>                         | <u>2,033</u>                   | <u>15,877</u>                   | <u>8,927</u>                          | <u>1,797,314</u>                                      |
| <b>EXPENDITURES:</b>                              |                                     |                                       |                                |                                 |                                       |                                                       |
| Current:                                          |                                     |                                       |                                |                                 |                                       |                                                       |
| General government                                | -                                   | -                                     | -                              | -                               | -                                     | 210,730                                               |
| Tax administration                                | -                                   | -                                     | -                              | -                               | -                                     | 573,771                                               |
| Public safety and judicial                        | 3,567                               | 28,055                                | 1,011                          | 18,258                          | 8,725                                 | 602,650                                               |
| Debt service                                      | -                                   | -                                     | -                              | -                               | -                                     | -                                                     |
| Total expenditures                                | <u>3,567</u>                        | <u>28,055</u>                         | <u>1,011</u>                   | <u>18,258</u>                   | <u>8,725</u>                          | <u>1,387,151</u>                                      |
| Excess (deficiency) of revenues over expenditures | <u>2,768</u>                        | <u>70</u>                             | <u>1,022</u>                   | <u>(2,381)</u>                  | <u>202</u>                            | <u>410,163</u>                                        |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                                     |                                       |                                |                                 |                                       |                                                       |
| Transfers in                                      | -                                   | -                                     | -                              | -                               | -                                     | -                                                     |
| Transfers out                                     | -                                   | -                                     | -                              | -                               | -                                     | (400,290)                                             |
| Total other financing sources (uses)              | <u>-</u>                            | <u>-</u>                              | <u>-</u>                       | <u>-</u>                        | <u>-</u>                              | <u>(400,290)</u>                                      |
| Net change in fund balances                       | 2,768                               | 70                                    | 1,022                          | (2,381)                         | 202                                   | 9,873                                                 |
| Fund balance - beginning                          | <u>32,186</u>                       | <u>57,449</u>                         | <u>1,865</u>                   | <u>45,141</u>                   | <u>9,695</u>                          | <u>1,915,451</u>                                      |
| Fund balances - ending                            | <u>\$ 34,954</u>                    | <u>\$ 57,519</u>                      | <u>\$ 2,887</u>                | <u>\$ 42,760</u>                | <u>\$ 9,897</u>                       | <u>\$ 1,925,324</u>                                   |

See accompanying independent auditors' report.



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

Taney County Commission  
Taney County  
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Taney County, Missouri as of and for the year ended December 31, 2011, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated September 17, 2012. In our report, our opinion was modified because the Primary Government of the 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be a material weakness. It is identified as item 11-1.

### Compliance and Other Matters

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

We noted certain other matters that we have reported to management of Taney County, Missouri in a separate letter dated September 17, 2012.

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

Hurlbert CPA, LLC  
September 17, 2012

**Taney County, Missouri**  
**Summary of Findings**  
**Year Ended December 31, 2011**

A. Summary of Audit Results

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements.
2. A significant deficiency disclosed during the audit of the financial statements is reported in the Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. This deficiency is reported as a material weakness.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

B. Findings- Financial Statement Audit

10-1 Segregation of Duties

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

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

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

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

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