

**Purchasing Department
Phone 417-546-7281**

Procurement Card

**PROPOSAL DUE DATE: MARCH 8, 2010 1:00 P.M.
TANEY COUNTY PURCHASING DEPARTMENT
PO Box 1630
132 David Street
Forsyth, MO 65653**

(NO LATE PROPOSALS ACCEPTED)

INTRODUCTION.

- 1.1 Taney County is soliciting proposals from companies to provide a Procurement Card System for the County. Responses to the requirements should follow the sequence provided.
- 1.2 Taney County wishes to ensure equal treatment to all participating vendors. Direct all communications by the proposer concerning this Request for Proposal to Linda Gifford, Purchasing Agent at 417-546-7281, 417-294-7863 or lindag@co.taney.mo.us. Unauthorized contact by the proposer with any other Taney County official regarding the RFP may result in disqualification.
- 1.3 Read all sections very carefully. Submit all questions in writing via mail, express mail, e-mail, fax etc to the attention of the Purchasing Agent listed above by 3:00 p.m. on February 22, 2010. Questions submitted after the deadline will not be answered. Misinterpretation of the specifications by the proposer shall not relieve the proposer(s) / contractor(s) of responsibility to perform.
- 1.4 Taney County reserves the right to amend this RFP by an addendum issued up to five business days prior to the date set for receipt of proposals. Addenda or amendments will be mailed or faxed to all vendors who are on the bidder's list. If revisions are of such a magnitude to warrant, in Taney County's opinion, the postponement of the date for receipt of proposals, an addendum will be issued announcing the new date.
- 1.5 All proposers submitting the responses must provide **three paper copies and one copy on CD-Rom or disk** in Office 2003 format in a sealed package with the following information clearly marked on the front of the package:

LINDA GIFFORD, PURCHASING AGENT

Purchasing Department

PO Box 1630

Forsyth, MO 65653

RE: Procurement RFP

Due on March 8, 2010 @ 1:00 p.m.

- 1.6 Elaborate and expensive copy is not required: neat, legible and clearly stated information is adequate. Supplier brochures may be included on an optional basis, but may not be substituted for the information requested herein. By submitting a proposal, proposer is agreeing to be bound by all of the specifications herein. Proposals will not be returned.
- 1.7 Taney County will not consider late proposals. Offers submitted after the proposal submission deadline will be returned to the proposer unopened, provided that the mandatory proposal identification information is shown on the outside of the proposal envelope. Taney County will contact the proposer to arrange for either return (unopened, at submitter's expense) or disposal.
- 1.8 Taney County reserves the right to reject any or all proposals received if such action is considered to be in the best interest of Taney County. This request does not

obligate Taney County to pay any cost incurred by vendors related to submission of proposals in response to this RFP.

TECHNICAL REQUIREMENT/SCOPE OF SERVICE

- 2.1 Taney County is requesting proposals and cost/rebates for a procurement card system and implementation of this system for Taney County. Taney County's financial system is run on MAS90; General Ledger, Accounts Payable and Purchase Orders. As well as Access; Purchase Orders and Requisitions. Taney County anticipates at the start of the contract to utilize a download from the bank to a flat file and utilize excel documents to transfer data. Proposers must document experience of implementation of procurement card systems and interface with MAS90 and Access. (Taney County understands that additional software/hardware may have to be purchased for these services.)
- 2.2 Current procurement card provider for Taney County is Bank of America.
- 2.3 Taney County's accounts through MAS90 are a 10 digit account.
- 2.4 Taney County has over 6,000 vendors listed on the system for purchase orders.

GENERAL INSTRUCTIONS

- 3.1 Transmittal Letter. A transmittal letter prepared on the proposers business stationary must accompany the proposal. The purpose of this letter is to formally submit the proposal and it should be brief. Include statements signed by authorized individual(s) representing your firm indicating respondent has read and agrees to terms and conditions set forth in the RFP. The letter must be signed by an authorized individual(s) able to bind the proposer's firm to all items in the proposal including products, services, prices, etc. contained in the proposal.
- 3.2 The Proposer shall:
 - Show proof of ability to provide insurance coverage.
 - Complete the Proposer Signature Section which includes potential conflict of interest statement.
 - Proposers should provide references. Include a minimum of three. All must be current – one year or less. Taney County reserves the right to contact additional references, which are known to Taney County but may not have been provided.
 - Failure to provide the Transmittal Letter, attachments and the appropriate Tabs for this RFP may result in a declaration that the subject proposal is non-responsive and ineligible for further consideration.
 - Rates and prices must be for a firm fixed rate and not subject to change throughout the contract once negotiated. Each proposal shall be submitted on the most favorable terms, from a cost and technical standpoint, which the Proposer can submit to Taney County.
 - Proposer should address Taney County's out-of-pocket expenses for any additional software or hardware requirements not included by the proposer.

- All expenses for submitting an offer in response to this RFP shall be borne by the proposer.

CONDITIONS

- 4.1 Supplier selection shall be determined by an evaluation of the total content of the proposal submitted.
- 4.2 Taney County reserves the right to require proposers to demonstrate any hardware or software in their proposal.
- 4.3 Taney County shall not be obligated to explain the results of the evaluation process to any proposer.
- 4.4 Proposals will be evaluated using this partial list of criteria:
 - Quality of Proposer's approach and work plan;
 - Quality and experience of the firm with implementation of procurement card system to a MAS90 and access system.
 - Quality and experience of staff proposed to be used on this project and their experience with MAS90 and access system;
 - Relevance of prior and related experience of firm and staff assigned;
 - Total project cost (if any) and total rebates proposed for this project.
- 4.5 Taney County reserves the right to:
 - Not select any of the vendor's proposals
 - Select only portions of a particular vendor's proposal for further consideration

AWARD TIME

- 5.1 Taney County contemplates awarding the contract within 30 calendar days from the deadline for proposals. Should the award be delayed in whole or in part beyond the 30 calendar day period, such award shall be conditioned upon the proposer's acceptance.

REQUIREMENTS:

TAB 1 – PROPOSER'S INFORMATION:

- Give the full name, address and phone number of your bank or corporate headquarters.
- Give the name, address and phone number of the contact person for this proposal.
- How many years have you been offering card services.
- Describe the structure of your sales and service organization. Please provide an organization chart of your proposed service structure.
- Provide current profile financial information on the issuing bank or company, including an annual report, statement of assets or other financial information.

- Give total number of card clients you have (not small business or revolving card clients) including total number of individual cards in your portfolio and total charge volume.

TAB 2 – ACCEPTABILITY:

- State separately the number of domestic and worldwide locations accepting your card.
- Describe your company's initiative toward incorporating merchants/suppliers that do not currently accept your card.
- List merchants that typically do not accept your card and the reason they don't
- Describe how your organization handles supplier analysis, supplier education and sign-up, on-going management and hardware/software support.

TAB 3 - FEATURES:

- Brand(s) of card(s) you offer.
- Describe your position regarding Internet and Electronic commerce development/solutions for your program.
- Describe all account types available through your company (plastic, cardless, ghost, etc)
- Detail the differences between each account type.
- Detail uses or best practice solutions for each type.
- Describe your card's design features and options for integrating graphics/artwork and/or departmental designations.
- Describe all card features currently offered under your card account including, but not limited to.
 - Insurance coverage for lost or damaged baggage, car rental, travel accident, common carrier and medical emergencies
 - Other

TAB 4 – CONTROLS/LIABILITY:

- Describe the card controls and usage restrictions supported by the issuer's program:
 - Company level restrictions
 - Cardholder level restrictions
 - Merchant category code (MCC) restrictions
 - Dollar limit
 - Number of transactions
- Describe all liability options available or associated with your card.
- Protection against misuse.
- Fraud and theft protective measures that help prevent financial exposure from card account abuse.

TAB 5 – IMPLEMENTATION:

- Describe your company's procedures for customer account program design and implementation.
- Describe your card issuance process, including timing, for:
 - New cards
 - Lost/Stolen cards
 - Replacement cards (including emergency replacement)
- Once program is implemented, provide procedures and timelines for:
 - Spending limit changes
 - General maintenance including name and address changes as well as MCC blocking
 - New applications
 - Renewal cards

TAB 6 – TAX COMPLIANCE:

- Provide information regarding sales tax solutions:
 - Product/service requires tax exempt
 - Restaurant/hotel requires sales tax
- Provide comments on your ability to track sales tax information.
- Provide information on how 1099 information is captured and reported.

TAB 7 – TECHNOLOGY/MANAGEMENT REPORTS:

- Describe your company's technologies that support and provide:
 - Purchasing card transaction information
 - Reporting solutions
 - Account and program maintenance
- Describe the hardware support required to use these technologies.
- Provide samples of the various types and formats of reports your company can provide.
- Provide the available software applications they are available in or transferable to.
- Describe how we can receive custom reports.

TAB 8 – CUSTOMER SUPPORT:

- Describe the company's customer service organizational structure and indicate who will be assigned to our account.
- Describe the card account activation and deactivation process for card accounts.
- Detail the level of account support you would provide in managing these processes.
- Describe your customer service capabilities for cardholders, including the following:

- Hours of coverage
- Toll free number access
- Types of services offered
- Describe your company's customer service response policy and processes.
- Detail customer service round-the-clock availability, dedicated team structures, telephone response average wait times, phone systems automated response unit (ARU) capabilities. (For telephone response times include the following information – most recent monthly average):
 - Number of calls received
 - Number of calls handled
 - Number of calls abandoned
 - Number of calls facilitated within 30 seconds of being placed on hold
 - Average wait time
 - Average length of talk time
- Describe how individual card disputes are handled

TAB 9 – BILLING/PAYMENTS:

- Describe billing options
- What are the available billing cycles
- Describe payment options
- Describe payment terms
- How do cardholders and program managers receive their monthly statements
- Can the statements be accessed on-line
- Can the data integrate with the county's expense reporting/purchasing system
- Describe your capabilities with respect to mapping and G/L interfaces to various accounts payable and general ledger systems. Specifically which systems have you successfully interfaced with. (Again noting Taney County may have to purchase additional software/hardware for these services)

TAB 10 – FINANCIALS:

- Provide information on your financial offer to Taney County for your program.
 - All fees or charges
 - Any opportunities for revenue sharing.

INSURANCE REQUIREMENTS-- ATTACHMENT 1

CONTRACTOR shall, unless otherwise approved in writing by Taney County, obtain and maintain throughout the duration of this Agreement (or as otherwise specified) insurance written through a company duly authorized to conduct business in the State of Missouri and with a A.M. Best Rating of A, financial size VI or higher and of the types and in the amounts described below.

1. **Commercial General Liability Insurance.** Commercial general liability ("CGL") in the amount of \$2,000,000 each occurrence/ \$2,000,000 aggregate. If such CGL insurance contains a general aggregate limit, the policy shall be endorsed so that the aggregate limit applies separately to each Project authorized hereunder.
 - a. CGL insurance shall cover liability arising from but not limited to premises, operations, independent contractor, products-completed operations and personal injury and advertising liability and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - b. Taney County shall be included as an insured under the CGL, using an ISO Additional Insured Endorsement. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to, or maintained by, Taney County.
2. **Business Auto Liability Insurance.** Business auto liability and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, leased/rented and non-owned autos).
3. **Workers Compensation Insurance.** Workers' compensation and employer's liability insurance.
 - a. The employers liability limits shall not be less than \$ 1,000,000 each accident for bodily injury by accident and each employee for bodily injury by disease.
 - b. The alternate employer endorsement shall be attached showing Taney County in the schedule as the alternate employer.
 - c. Worker's compensation limits shall not be less than the statutory limits.
4. **Excess Umbrella Insurance.** Excess umbrella liability insurance with a limit of not less than \$ 1,000,000 in excess of the above liability policies.
5. If the policies require an endorsement to provide for continued coverage where there is a waiver of subrogation, the CONTRACTOR shall cause such policies to be so endorsed.
6. By requiring the insurance as set out herein, Taney County does not represent that coverage and limits will necessarily be adequate to protect CONTRACTOR, and such coverage and limits shall not be deemed as a limitation on CONTRACTOR'S liability under the indemnities provided to Taney County in this Agreement, or any other provision of the Contract Documents.
7. Prior to commencing the work, CONTRACTOR shall furnish Taney County with a certificate(s) of evidence of insurance (ACORD Form 27 or equivalent), executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above.
 - a. All certificates shall provide for sixty (60) days written notice to Taney County prior to the cancellation or material change of any insurance referred to therein.
 - b. The words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted from the cancellation provision of all certificates provided by CONTRACTOR.
 - c. Failure of Taney County to demand such certificate or other evidence of fall compliance with these insurance requirements or failure of Taney County to identify a deficiency from evidence that is provided shall not be construed as a waiver of CONTRACTOR'S obligation to maintain such insurance.
8. Taney County shall have the right, but not the obligation, to prohibit CONTRACTOR from entering the Project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by Taney County.
9. Failure to maintain the insurance required in this Section may result in termination of this Agreement at Taney County's option. Taney County may, but is not obligated to, obtain any insurance required hereunder and not maintained by the CONTRACTOR and charge the cost thereof to CONTRACTOR.
10. With respect to insurance maintained after final payment in compliance with a requirement above, an additional certificate(s) evidencing such coverage shall be promptly provided to Taney County when requested.
11. CONTRACTOR shall provide certified copies of all insurance policies required above within ten (10) days of Taney County's written request for said copies.
12. CONTRACTOR shall include the above requirements for types of insurance requirements in all of its subcontracts, if any. Limit amounts for subcontractors may be less than those set forth above, upon written agreement of Taney County. CONTRACTOR shall be responsible for collecting certificates of insurance and monitoring insurance coverage of its subcontractors to verify that the required coverage is maintained as required. All Subcontractors providing professional services shall be required to provide professional liability insurance. In addition, all subcontracts shall include a similar indemnification of Taney County as provided in this Agreement.

13. Taney County reserves the right to request CONTRACTOR to obtain additional insurance and limits on individual Projects authorized hereunder. CONTRACTOR shall endeavor to obtain such insurance as soon as possible after such request and advise Taney County if the CONTRACTOR will be required to pay any additional premium. If so, the Taney County shall pay such additional premium in excess of the premium for the above insurance. If CONTRACTOR cannot obtain such additional insurance, Taney County may terminate this Agreement in full or in part upon notice to CONTRACTOR.

In order for the Taney County to ensure that the minimum insurance requirements can be met by your firm, please check one of the following:

Minimum insurance requirements can be met--a copy of insurance certificate is attached.

OR

Do not currently have minimum insurance levels--attached is a copy of a letter from insurance carrier stating that if awarded the Contract, levels of coverage will be met.

Firm Name

Signature

DATE

.....

ATTACHMENT #2

PROPOSER SIGNATURE SECTION

- 1) Designate one individual as the Proposer's representative to Taney County during the Contract period. The representative will be contacted to solve any and all problems that may arise concerning the Contract or proposal. The undersigned Proposer hereby agrees to be bound by the terms of the RFP and that the enclosed proposal is submitted in accordance therewith. Once completed and returned, this proposal becomes the primary basis for evaluation and selection of the Proposer to provide the services required by Taney County for the specified Contract period. By signing this proposal, the Proposer certifies that there are no "PARTIES OF INTEREST" or "CONFLICTS OF INTEREST", as defined by state and/or federal regulations, existing between the Proposer and Taney County or any of its employees, Board of Education members or Governing Council members.

Legal name (Prime contractor)

Representative's Name

Title

Address

City/State/Zip

Telephone Number

Fax Number

E-Mail Address: _____

2) Years in Operation
structure

Years under current structure and/or under previous
structure

3) Name of Proposer's officers:

NAME

TITLE

4) Number of Employees:

FULL TIME: _____ PART TIME: _____

ATTACHMENT #3 REFERENCES AND EXPERIENCE--Each Proposer must submit a minimum of three references. Each reference must be presently using the services similar to those requested in this RFP in both quality and quantity. No reference may be an affiliate of the Proposer or the Proposer's officers, directors, shareholders or partners. Provide names and phone numbers of three references, preferably within our industry or with comparable volumes, who are currently using your purchasing cards. Select a mix of long-standing and recent customers.

1) Company Name: _____

Business Address: _____

Name/Title of Contact: _____

Phone Number of Contact: _____ E-Mail Address: _____

Contract Length: _____ Contract Value: _____

2) Company Name: _____

Business Address: _____

Name/Title of Contact: _____

Phone Number of Contact: _____ E-Mail Address: _____

Contract Length: _____ Contract Value: _____

3) Company Name: _____

Business Address: _____

Name/Title of Contact: _____

Phone Number of Contact: _____ E-Mail Address: _____

Contract Length: _____ Contract Value: _____

All Contracts terminated for default within the last five (5) years should be noted below. Termination for default is defined as notice to stop performance due to Proposer's nonperformance or poor performance. Submit full details of all terminations for default experienced. Special School District of St. Louis County will evaluate the facts and may at its sole discretion reject the Proposer's proposal if the facts discovered indicate that the completion of a Contract resulting from this RFP may be jeopardized by selection of the Proposer. If the Proposer has experienced no such terminations for default in the past five (5) years, so indicate.

TERMINATED CONTRACTS WITHIN THE LAST FIVE (5) YEARS.

	#1	#2	#3
Company Name			
Business Address			
Name of Contact			
Title of Contact			
Telephone Number of Contact			
Contract Length			
Contract Value			

TANEYCOUNTY, MISSOURI
Request for Proposal # 201002-93– Procurement Card Services

ADDENDUM #1 - Issued February 17, 2010

This addendum is issued in accordance with the Request for Proposal and is hereby incorporated into and made a part of the Request for Proposal Documents. Bidders are reminded that receipt of this addendum should be acknowledged and submitted with Bidder's *Response Form*.

Specifications for the above noted Request for Proposal 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:

1. Question: What is your anticipated total monthly spending going to be on your purchasing cards?

Response: In the past 6 months Taney County has maintained an average balance of \$25,000 per month on purchasing cards. This average is based on balances ranging from \$18,000 – \$32,000 per month within the last 6 months.

2. Question: Can I get a copy of the county's audit for the last couple of years?

Response: Yes. This request will be provided in an attachment.

By: _____
Linda Gifford

OFFEROR has examined copy of Addendum #1 to Request for Proposal # 201002-93– Procurement Card Services, receipt of which is hereby acknowledged:

Company Name: _____
Address: _____

Phone Number: _____ Fax Number: _____

Authorized Representative Signature: _____ Date: _____

Authorized Representative Printed Name: _____

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2006

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DAVIS, LYNN &
MOOTS, P.C.
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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2006, 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 Health Center. Those financial statements were audited by other auditors whose report therein has been furnished to us and our opinion, insofar as it relates to the amounts included for the Taney County Health Center is based on the report of the 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, the Developmentally Disabled Board, and the Taney County Regional Sewer District 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.

Taney County Commission
Taney County
Forsyth, Missouri

In our opinion, based upon our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2006, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the year then ended, in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2007, 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 schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
September 6, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006**

Our discussion and analysis of the Taney County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2006, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The overall net assets of the County decreased by \$593,274.
- The fund balance for the General Fund increased by \$2,005,395.
- The fund balance for the Road and Bridge Trust Fund decreased by \$3,371,052.
- The County entered into a new lease purchase agreement for the construction of a new Judicial Facility building during the year ended December 31, 2006.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

Our financial analysis of the County as a whole begins on page 9. The government-wide financial statements are presented on pages 13-14. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?". The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

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

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

Fund Financial Statements

Our analysis of the County's funds begins on page 11. The fund financial statements begin on page 15 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,	
		2006	2005
ASSETS			
	Cash and investments	\$ 30,053,301	\$ 30,646,575
	TOTAL ASSETS	\$ 30,053,301	\$ 30,646,575
NET ASSETS			
	Unrestricted	\$ 30,053,301	\$ 30,646,575
	TOTAL NET ASSETS	\$ 30,053,301	\$ 30,646,575

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2006

Changes in Net Assets – Modified Cash Basis

	<u>Year Ended December 31,</u>	
	<u>2006</u>	<u>2005</u>
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 5,575,581	\$ 4,524,505
Operating grants and contributions	56,547	178,475
Capital grants and contributions	466,460	582,868
<u>General Receipts</u>		
Sales tax receipts	13,770,825	11,446,009
Motor vehicle sales tax	321,616	297,635
Gas tax	795,206	814,423
Telephone tax	496,515	556,045
Other taxes	94,420	108,564
Interest	1,225,468	778,044
Other receipts	529,429	98,105
TOTAL RECEIPTS	23,332,067	19,384,673
DISBURSEMENTS		
General government	5,154,133	4,379,411
Judicial	981,687	929,922
Public safety	3,729,124	3,489,973
Public works	130,312	96,805
Health and welfare	-	4,500
Highway and roads	10,099,186	9,225,600
Airport	796,141	307,917
Other	1,989,474	1,677,877
Transfer station	1,045,284	452,874
TOTAL DISBURSEMENTS	23,925,341	20,564,879
(DECREASE) IN NET ASSETS	\$ (593,274)	\$ (1,180,206)

Overall receipts of the County increased by \$3,947,394 over the prior year. Tax revenues were up \$2,255,906, which represents a 17% increase over the prior year. Overall disbursements of the County were up \$3,360,462.

The decrease in net assets is largely a result of the beginning of the new judicial facility and the increase in the road and sewer projects. The management of the County has been intent on providing the citizenry of Taney County with infrastructure to maintain the growth of business, industry, and population.

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 \$2,005,395 for the year ended December 31, 2006.
- The Road and Bridge Fund balance increased by \$1,057,729 for the year ended December 31, 2006.
- The Road and Bridge Trust Fund decreased by \$3,371,052, which lowered the fund balance to \$2,707,686 as of December 31, 2006.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 7,398,326	\$ 7,398,326	\$ 7,499,260
Commissions	434,600	434,600	437,110
Licenses and permits	50,800	50,800	52,245
Intergovernmental revenues	876,011	876,011	392,809
Fees and charges	2,437,243	2,437,243	3,006,901
Other	249,500	249,500	1,031,383
TOTAL RECEIPTS	\$ 11,446,480	\$ 11,446,480	\$ 12,419,708
DISBURSEMENTS			
General government	\$ 4,778,829	\$ 4,778,829	\$ 4,120,985
Judicial	1,057,677	1,057,677	958,911
Public safety	3,414,449	3,414,449	3,164,298
Public works	319,695	319,695	130,312
Other	15,841,856	15,841,856	1,989,474
Health and welfare			
Airport	626,323	626,323	796,141
TOTAL DISBURSEMENTS	\$ 26,038,829	\$ 26,038,829	\$ 11,160,121

Sales tax revenue in Taney County has continued to increase, and County management continues to budget conservatively. We also have received more money from interest than we were comfortably predicting. These are both good situations for the fund balances of Taney County. On the other hand, we have embarked on more projects and continue to see increased costs in many of the common expenses of the County. Two years ago who would have thought that we would have to pay almost \$3 per gallon for our fuel. These increases have offset the increases to some degree. Most of the fund balances have increased, but only moderately. We are well aware that the new judicial facility will cost more to run, but no one is able to accurately predict how much.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

There are some counties in Missouri which are experiencing much less growth than we are in Taney County and the general trend would appear to be flat, or a minor down-trend. We also plan to see most of the expenditures for the new judicial facility in 2007. It is also expected that we will again see major spending in the roads and bridges.

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, 2006

	Primary Government			Component Units			
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Taney County Health Center
ASSETS							
Cash and investments - unrestricted	\$ 29,475,109	\$ 578,192	\$ 30,053,301	\$ 20,724,662	\$ 2,788,751	\$ 19,251	\$ 1,305,660
Ad valorem taxes receivable, net	-	-	-	-	-	-	775,865
Accounts receivable	-	-	-	-	-	-	95,338
Prepaid expenses	-	-	-	-	-	-	10,291
Restricted cash and investments	-	-	-	17,816,737	-	-	699,003
Deferred debt issuance costs	-	-	-	-	-	-	23,122
Capital Assets:							
Non-depreciable	-	-	-	-	-	-	200,000
Depreciable, net	-	-	-	-	-	-	784,452
TOTAL ASSETS	29,475,109	578,192	30,053,301	38,541,399	2,788,751	19,251	3,893,731
LIABILITIES							
Current							
Accounts payable	-	-	-	-	-	-	24,420
Accrued expenses	-	-	-	-	-	-	77,400
Accrued interest payable	-	-	-	-	-	-	11,884
Current maturities of long-term debt	-	-	-	-	-	-	685,000
TOTAL LIABILITIES	-	-	-	-	-	-	798,704
NET ASSETS							
Invested in capital assets, net of related debt	-	-	-	-	-	-	984,452
Restricted for debt service	-	-	-	1,773,369	-	-	-
Restricted for sewer improvements	-	-	-	15,945,971	-	-	-
Restricted for security deposits	-	-	-	97,397	-	-	-
Unrestricted	29,475,109	578,192	30,053,301	20,724,662	2,788,751	19,251	2,110,575
TOTAL NET ASSETS	\$ 29,475,109	\$ 578,192	\$ 30,053,301	\$ 38,541,399	\$ 2,788,751	\$ 19,251	\$ 3,095,027

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2006

Functions/Programs	Primary Government						Component Units				
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Assets			Taney County Regional Sewer District	Develop-mentally Disabled Board	Dorgan-Weaver Housing Corporation	Taney County Health Center
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total				
Primary Government											
Governmental Activities											
General government	\$ (5,154,133)	\$ 2,891,367	\$ -	\$ 185,339	\$ (2,077,427)	\$ -	\$ (2,077,427)				
Judicial	(981,687)	274,711	38,809	-	(668,167)	-	(668,167)				
Public safety	(3,729,124)	568,610	17,738	174,964	(2,967,812)	-	(2,967,812)				
Public works	(130,312)	-	-	-	(130,312)	-	(130,312)				
Highway and roads	(10,099,186)	-	-	106,157	(9,993,029)	-	(9,993,029)				
Airport	(796,141)	773,394	-	-	(22,747)	-	(22,747)				
Other	(1,989,474)	-	-	-	(1,989,474)	-	(1,989,474)				
TOTAL GOVERNMENTAL ACTIVITIES	(22,880,057)	4,508,082	56,547	466,460	(17,848,968)	-	(17,848,968)				
Business-Type Activities											
Transfer station	(1,045,284)	1,067,499	-	-	-	22,215	22,215				
TOTAL BUSINESS-TYPE ACTIVITIES	(1,045,284)	1,067,499	-	-	-	22,215	22,215				
TOTAL PRIMARY GOVERNMENT	\$ (23,925,341)	\$ 5,575,581	\$ 56,547	\$ 466,460	(17,848,968)	22,215	(17,826,753)				
Component Units											
Taney County Regional Sewer District	\$ (5,143,438)	\$ 894,433	\$ -	\$ -			\$ (4,249,005)	\$ -	\$ -	\$ -	
Developmentally Disabled Board	(687,015)	-	-	-			-	(687,015)	-	-	
Dorgan-Weaver Housing Corp.	(773,426)	-	-	773,719			-	-	293	-	
Taney County Health Center	(1,088,490)	1,086,704	-	-			-	-	-	(1,786)	
TOTAL COMPONENT UNITS	\$ (7,692,369)	\$ 1,981,137	\$ -	\$ 773,719			(4,249,005)	(687,015)	293	(1,786)	
General Receipts and Transfers:											
Ad valorem taxes					-	-	-	684,350	-	1,079,284	
Sales tax					13,770,825	-	13,770,825	6,364,636	-	-	
Motor vehicle sales tax					321,616	-	321,616	-	-	-	
Gas tax					795,206	-	795,206	-	-	-	
Telephone tax					496,515	-	496,515	-	-	-	
Other taxes					94,420	-	94,420	-	-	-	
Interest					1,200,739	24,729	1,225,468	1,587,841	118,475	223	19,846
Other receipts					529,429	-	529,429	13,006	4,684	-	-
Transfers					15,052	(15,052)	-	-	-	-	-
Total General Receipts and Transfers					17,223,802	9,677	17,233,479	7,965,483	807,509	223	1,099,130
Increase (Decrease) in Net Assets					(625,166)	31,892	(593,274)	3,716,478	120,494	516	1,097,344
Net Assets, Beginning of year					30,100,275	546,300	30,646,575	34,824,921	2,668,257	18,735	1,997,683
Net Assets, End of year					\$ 29,475,109	\$ 578,192	\$ 30,053,301	\$38,541,399	\$ 2,788,751	\$ 19,251	\$ 3,095,027

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS
 December 31, 2006

	<u>General Fund</u>	<u>Road and Bridge Trust Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 16,017,776	\$ 2,707,686	\$ 8,524,194	\$ 2,067,016	\$ 29,316,672
TOTAL ASSETS	<u>\$ 16,017,776</u>	<u>\$ 2,707,686</u>	<u>\$ 8,524,194</u>	<u>\$ 2,067,016</u>	<u>\$ 29,316,672</u>
FUND BALANCES					
Fund Balances					
Unreserved, reported in:					
General Fund	\$ 16,017,776	\$ -	\$ -	\$ -	\$ 16,017,776
Special Revenue Funds	<u>-</u>	<u>2,707,686</u>	<u>8,524,194</u>	<u>2,067,016</u>	<u>13,298,896</u>
TOTAL FUND BALANCES	<u>\$ 16,017,776</u>	<u>\$ 2,707,686</u>	<u>\$ 8,524,194</u>	<u>\$ 2,067,016</u>	<u>\$ 29,316,672</u>
Fund Balance Governmental Funds					\$ 29,316,672
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.					<u>158,437</u>
Net Assets of Governmental Activities					<u>\$ 29,475,109</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2006

	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 7,499,260	\$ 6,365,985	\$ 1,116,821	\$ 496,515	\$ 15,478,581
Collector's commission	437,110	-	-	-	437,110
Licenses and permits	52,245	-	-	-	52,245
Intergovernmental receipts	392,809	106,157	-	137,463	636,429
Fees and charges	3,006,901	-	-	898,403	3,905,304
Other	1,031,383	214,040	392,507	92,240	1,730,170
TOTAL RECEIPTS	12,419,708	6,686,182	1,509,328	1,624,621	22,239,839
DISBURSEMENTS					
Current					
General government	4,120,985	-	-	1,021,482	5,142,467
Judicial	958,911	-	-	22,776	981,687
Public safety	3,164,298	-	-	556,386	3,720,684
Public works	130,312	-	-	-	130,312
Airport	796,141	-	-	-	796,141
Other	1,989,474	-	-	-	1,989,474
Highway and roads	-	9,999,045	77,282	-	10,076,327
TOTAL DISBURSEMENTS	11,160,121	9,999,045	77,282	1,600,644	22,837,092
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	1,259,587	(3,312,863)	1,432,046	23,977	(597,253)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	745,808	(58,189)	(374,317)	(298,250)	15,052
TOTAL OTHER FINANCING SOURCES (USES)	745,808	(58,189)	(374,317)	(298,250)	15,052
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	2,005,395	(3,371,052)	1,057,729	(274,273)	(582,201)
FUND BALANCE, January 1	14,012,381	6,078,738	7,466,465	2,341,289	29,898,873
FUND BALANCE, December 31	\$ 16,017,776	\$ 2,707,686	\$ 8,524,194	\$ 2,067,016	\$ 29,316,672

(Deficit) of Receipts and Other Sources
Over Disbursements and Other Uses \$ (582,201)

Some of the amounts reported for Governmental activities in the
Statement of Activities are different because the Internal Service
Fund receipts and disbursements are included with Governmental activities. (42,965)

(Decrease) in Net Assets \$ (625,166)

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 December 31, 2006

	Enterprise Fund	Internal Service Fund
	<u>Transfer Station Fund</u>	<u>Employee Benefits Fund</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 578,192	\$ 158,437
TOTAL ASSETS	<u>\$ 578,192</u>	<u>\$ 158,437</u>
Net Assets		
Unrestricted	\$ 578,192	\$ 158,437
TOTAL NET ASSETS	<u>\$ 578,192</u>	<u>\$ 158,437</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2006

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
OPERATING RECEIPTS		
Charges for services	\$ 1,067,499	\$ -
TOTAL OPERATING RECEIPTS	1,067,499	-
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	5,888	50,459
Salaries and employee benefits	154,996	-
Supplies	162,365	-
Telephone and utilities	2,926	-
Repair and maintenance	64,576	-
Landfill services	646,212	-
Other	8,321	-
TOTAL OPERATING DISBURSEMENTS	1,045,284	50,459
OPERATING INCOME (LOSS)	22,215	(50,459)
NONOPERATING RECEIPTS & (DISBURSEMENTS)		
Interest receipts	24,729	7,160
Other receipts	-	334
Transfer out	(15,052)	-
TOTAL NONOPERATING RECEIPTS	9,677	7,494
NET INCOME (LOSS)	31,892	(42,965)
NET ASSETS, January 1	546,300	201,402
NET ASSETS, December 31	\$ 578,192	\$ 158,437

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2006

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,067,499	\$ -
Cash paid to suppliers	(890,288)	(50,125)
Cash paid to employees	(154,996)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	22,215	(50,125)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	24,729	7,160
NET CASH PROVIDED BY INVESTING ACTIVITIES	24,729	7,160
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers (to) other funds	(15,052)	-
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(15,052)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,892	(42,965)
CASH AND CASH EQUIVALENTS, Beginning of year	546,300	201,402
CASH AND CASH EQUIVALENTS, End of year	\$ 578,192	\$ 158,437
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 22,215	\$ (50,459)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Other receipts	-	334
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 22,215	\$ (50,125)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2006

	Sheriff's Office Prisoner Fund	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Collector of Revenue Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Prosecuting Attorney Restitution Fund	Fines and Forfeitures Fund
ASSETS									
Cash and investments	\$ 180	\$ 392	\$ 7,534	\$ 139	\$ 25,005,075	\$ 167,224	\$ 19,417	\$ 4,728	\$ 46,132
TOTAL ASSETS	\$ 180	\$ 392	\$ 7,534	\$ 139	\$ 25,005,075	\$ 167,224	\$ 19,417	\$ 4,728	\$ 46,132
LIABILITIES									
Due to others	\$ 180	\$ -	\$ -	\$ 139	\$ 9,075	\$ 167,224	\$ 19,417	\$ 4,728	\$ -
Due to other governments	-	392	7,534	-	24,996,000	-	-	-	46,132
TOTAL LIABILITIES	\$ 180	\$ 392	\$ 7,534	\$ 139	\$ 25,005,075	\$ 167,224	\$ 19,417	\$ 4,728	\$ 46,132

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (CONTINUED)
 December 31, 2006

	Criminal Cost Fund	Circuit Clerk Fund	Division I Associate Circuit Court Fund	Probate Division Fund	Recorder's User Fee Fund	Protest Tax Account Fund	Division II Associate Circuit Clerk Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS									
Cash and investments	\$ 596	\$ 4,821,064	\$ 68,690	\$ 195	\$ 156,726	\$ 9,075	\$ 52,689	\$ 29,926	\$ 30,389,782
TOTAL ASSETS	<u>\$ 596</u>	<u>\$ 4,821,064</u>	<u>\$ 68,690</u>	<u>\$ 195</u>	<u>\$ 156,726</u>	<u>\$ 9,075</u>	<u>\$ 52,689</u>	<u>\$ 29,926</u>	<u>\$ 30,389,782</u>
LIABILITIES									
Due to others	\$ -	\$ -	\$ -	\$ 195	\$ -	\$ 9,075	\$ -	\$ 29,926	\$ 239,959
Due to other governments	596	4,821,064	68,690	-	156,726	-	52,689	-	30,149,823
TOTAL LIABILITIES	<u>\$ 596</u>	<u>\$ 4,821,064</u>	<u>\$ 68,690</u>	<u>\$ 195</u>	<u>\$ 156,726</u>	<u>\$ 9,075</u>	<u>\$ 52,689</u>	<u>\$ 29,926</u>	<u>\$ 30,389,782</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

The Taney County Health Center, which is governed by an elected Board of Directors, provides public health services to the residents of Taney County. The Taney County Health Center is included in the financial statements of the County as a component unit due to its financial relationship with the County. The Taney County Health Center issues separate financial statements audited by other auditors. The Taney County Health Center's financial statements may be obtained by contacting the Center at (417) 546-4725.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

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

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

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

Taney County Board for the Developmentally Disabled

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

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

Dorgan-Weaver Housing Corporation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

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 County, the Taney County Regional Sewer District, the Developmentally Disabled Board, and the Dorgan-Weaver Housing Corporation are presented using the modified cash basis of accounting. This basis recognizes assets, net assets/fund equity, revenues, and expenditures/expenses 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 County, the Taney County Regional Sewer District, and the Developmentally Disabled Board are not presented in the financial statements.

The cash basis of accounting has been modified to include investments of the County.

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

The Taney County Health Center utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Taney County Health Center has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB).

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

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

Government-Wide Statements

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

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

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, 2006, all bank balances on deposit are entirely insured or collateralized with securities.

The County's investments at December 31, 2006, are as follows:

Investment Type	Maturity	Carrying Value	Fair Value
Taney County			
Certificate of Deposit	4/25/2007	\$ 1,125,000	\$ 1,125,000
Certificate of Deposit	5/27/2007	1,000,000	1,000,000
Certificate of Deposit	6/26/2007	500,000	500,000
Certificate of Deposit	6/26/2007	1,000,000	1,000,000
Certificate of Deposit	8/28/2007	500,000	500,000
Certificate of Deposit	12/29/2007	1,000,000	1,000,000
Certificate of Deposit	3/14/2008	1,000,000	1,000,000
Certificate of Deposit	9/29/2008	1,000,000	1,000,000
FHLB Unsecured Bonds Series IH07	5/15/2007	499,563	499,530
Freddie Mac Unsecured Medium Term Notes	7/25/2007	1,000,000	995,900
FHLMC Global Notes	11/15/2007	3,501,167	3,484,845
Fannie Mae Notes Series 2	1/11/2008	1,000,000	996,560
Fannie Mae Global Notes	1/20/2008	4,020,150	3,993,760
Freddie Mac Unsecured Note	7/23/2008	1,495,050	1,498,365
Freddie Mac Global Notes	11/3/2008	997,600	996,840
Federal Farm Credit Bank Bonds	11/13/2009	1,005,850	997,190
FNMA Callable	01/30/07-12/28/09	2,492,031	2,494,469
FHLB Unsecured Bonds	02/09/07-06/15/09	11,698,130	11,667,192
Fannie Mae Unsecured Notes	05/16/07-12/15/08	5,000,000	4,987,515
Fannie Mae Notes Series 1	06/29/07-10/23/09	2,498,986	2,489,065
FHLB Bonds Series 1	07/20/07-05/09/08	1,997,300	1,983,750
FHLB Global Bonds	08/28/08-10/23/09	3,379,386	3,373,988
		47,710,213	47,583,969
Less: Investments held for the Taney County Regional Sewer District		(35,025,350)	(35,025,350)
Total Investments Primary Government		\$ 12,684,863	\$ 12,558,619

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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, 2006, 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, 2006, all bank balances on deposit are entirely insured or collateralized.

The District's investments at December 31, 2006, are as follows:

Investment Type	Maturity	Fair Value
Certificate of Deposit	1/28/2007	\$ 83,810
Certificate of Deposit	1/28/2007	92,889
Certificate of Deposit	8/17/2007	13,620
Certificate of Deposit	10/28/2007	320,410
Certificate of Deposit	1/28/2007	25,656
Federated Government Tax Managed Fund	N/A	542,497
AIG Fixed Income Security	12/1/2007	15,167,881
FHLB Callable Bonds	8/21/07 - 2/23/09	6,699,488
FHLMC Callable Notes	8/28/08 - 12/11/08	1,501,167
FNMA Callable Notes	12/28/2009	1,000,000
FHLB Global Bonds	8/28/08 - 10/23/09	4,636,664
Fannie Mae Global Notes	8/29/07 - 11/20/08	6,020,150
		\$ 36,104,232

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

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 District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2006, all certificates of deposit are entirely insured or collateralized with securities.

Federated Government Tax Managed Fund

The District also has federated government tax managed funds on deposit with United Missouri Bank. Fair market value approximates cost as the District has a pro-rata share of the funds. These deposits are held in trust accounts for the 2004 Water Pollution Control Revenue Bonds debt service account.

AIG Fixed Income Securities

The District also has AIG fixed income securities on deposit with United Missouri Bank, which are rated AA by Standard and Poor's. Fair market value approximates cost as the District has a pro-rata share of the fund. These deposits are held in trust accounts for the 2004 Water Pollution Control Revenue Bonds project and interest accounts.

U.S. Government Agency Obligations

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

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

TANEY COUNTY HEALTH CENTER

State statutes require that the Center's deposits be insured or collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2006, all bank balances on deposit are entirely insured or collateralized.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE B – CASH AND INVESTMENTS (continued)

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

State statutes require that the Board’s deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2006, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2006, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	3/7/2007	\$ 219,726
Certificate of Deposit	3/29/2007	434,584
Certificate of Deposit	5/20/2007	208,505
Certificate of Deposit	6/16/2007	222,484
Certificate of Deposit	8/31/2007	218,740
Certificate of Deposit	10/4/2007	215,451
Certificate of Deposit	12/21/2007	224,362
Certificate of Deposit	12/27/2007	226,934
Certificate of Deposit	12/28/2007	219,928
Certificate of Deposit	12/6/2008	162,993
Certificate of Deposit	12/6/2008	162,993
		<u>\$ 2,516,700</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2006, all certificates of deposit are entirely insured or collateralized with securities.

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

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2006, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

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

NOTE E – PENSION PLAN – LAGERS

Plan Description

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

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

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

Funding Status

Taney County's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 11.5% (general), and 12.1% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE E – PENSION PLAN – LAGERS (continued)

Annual Pension Cost

For 2006, the political subdivision's annual pension cost of \$841,524 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2006 was 19 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ 736,063	100%	\$ -
6/30/2005	773,955	100%	-
6/30/2006	841,524	100%	-

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

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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

The 2006 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	
Real estate	\$ 625,491,960
Personal property	129,506,808
Railroad and utilities	<u>2,007,836</u>
	<u>\$ 757,006,604</u>
TAX LEVY	
General Fund	<u>\$ -</u>

The legal debt margin at December 31, 2006, is computed as follows:

Constitutional debt limit	\$ 75,700,660
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 75,700,660</u>

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

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

2004 Water Pollution Control Revenue Bonds:

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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

The interest paid is offset by an interest subsidy from the State of Missouri’s 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2006, are due as follows:

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2007	\$ 770,000	\$ 623,020	\$ 105,851	\$ 1,498,871
2008	775,000	599,845	100,353	1,475,198
2009	780,000	576,520	94,819	1,451,339
2010	790,000	552,970	89,250	1,432,220
2011	800,000	528,320	83,609	1,411,929
2012	800,000	502,320	77,897	1,380,217
2013	810,000	474,945	72,185	1,357,130
2014	820,000	446,010	66,402	1,332,412
2015	840,000	410,250	60,547	1,310,797
2016	865,000	367,625	54,550	1,287,175
2017	885,000	323,875	48,374	1,257,249
2018	910,000	279,000	42,055	1,231,055
2019	940,000	231,575	35,557	1,207,132
2020	965,000	181,568	28,846	1,175,414
2021	995,000	130,119	21,956	1,147,075
2022	1,025,000	78,375	14,851	1,118,226
2023	1,055,000	26,375	7,533	1,088,908
	<u>\$ 14,825,000</u>	<u>\$ 6,332,712</u>	<u>\$ 1,004,635</u>	<u>\$ 22,162,347</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2006:

	Balance December 31, 2005	New Obligations	Retired	Balance December 31, 2006
2004 SRF Revenue Bonds Payable	<u>\$ 15,590,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ 14,825,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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. As of December 31, 2006, the facility had not been completed. 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, 2006, are as follows:

<u>Year Ended December 31,</u>	
2007	\$ 1,338,400
2008	1,374,882
2009	1,399,082
2010	1,421,281
2011	1,446,381
2012	1,474,181
2013	1,494,681
2014	1,520,393
2015	1,545,844
2016	1,570,881
2017	1,597,656
2018	1,626,331
2019	1,649,831
2020	1,680,131
2021	1,710,994
2022	1,737,263
2023	<u>2,832,235</u>
	TOTAL MINIMUM LEASE PAYMENTS 27,420,447
	LESS AMOUNT REPRESENTING INTEREST <u>(8,160,447)</u>
	PRINCIPAL BALANCE, DECEMBER 31, 2006 <u>\$19,260,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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, 2006:

	Balance December 31, 2005	Additions	Retirements	Balance December 31, 2006
2006 Certificates of Participation	\$ -	\$ 19,260,000	\$ -	\$ 19,260,000
Compensated absences	73,784	40,043	-	113,827
	<u>\$ 73,784</u>	<u>\$ 19,300,043</u>	<u>\$ -</u>	<u>\$ 19,373,827</u>

NOTE I – 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 J – 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, 2006, only \$15,590,000 of these bonds have been issued.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

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

The Health Center has Certificates of Participation to build a new office in Branson, Missouri. The interest rate on the lease purchase ranges from 2.5 % to 5.0 %. The building that was financed by this lease purchase was sold at the end of 2006, and in early 2007 the remainder of the debt was paid off.

Certificates Payable, January 1, 2006	\$ 730,000
Certificates Retired	<u>(45,000)</u>
Certificates Payable, December 31, 2006	<u><u>\$ 685,000</u></u>

Future payments for the certificates of participation are as follows:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	<u>\$ 685,000</u>	<u>\$ 30,880</u>	<u>\$ 715,880</u>

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

The Health Center pays fixed premiums for annual professional liability insurance coverage under an occurrence-basis policy. Under such a policy, incidents which occur during the policy term are covered claims. For covered claims, in general, the Health Center bears the risk of the excess, if any, over individual claim costs of \$2,000,000 with no annual aggregate limitations. The Health Center accrues the expense of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the Health Center's own claims experience. Health Center management does not expect any claims to exceed the professional liability coverage limits; and accordingly, no accruals for claims have been included in these financial statements. Additionally, there were no claims filed during the year ended December 31, 2006, and the Health Center is not aware of any unasserted claims or unreported incidents at December 31, 2006.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE M – CONCENTRATIONS OF CREDIT RISK – TANEY COUNTY HEALTH CENTER

The Health Center is located in Forsyth, Missouri. The Health Department grants credit without collateral to patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2006</u>
WIC Program	37.6%
MCH Program	7.2%
General Services	11.2%
Contract Services	1.0%
HEPP - Bioterrorism	26.9%
Family planning	0.0%
BCCCP	0.0%
Dental Clinic	<u>16.1%</u>
	<u><u>100%</u></u>

NOTE N – CAPITAL ASSETS – TANEY COUNTY HEALTH CENTER

Capital asset activities for the year ended December 31, 2006, were as follows:

	Balance December 31, 2005	Additions	Retirements	Balance December 31, 2006
Land	\$ 245,313	\$ 200,000	\$ 245,313	\$ 200,000
Buildings and improvements	1,333,616	310,227	692,392	951,451
Furniture and equipment	363,040	25,462	16,972	371,530
Less accumulated depreciation	<u>(532,423)</u>	<u>(89,310)</u>	<u>(83,204)</u>	<u>(538,529)</u>
Net Capital Assets	<u>\$ 1,409,546</u>	<u>\$ 446,379</u>	<u>\$ 871,473</u>	<u>\$ 984,452</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE O – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2006, consisted of the following:

	Transfers In (Out)
General Fund	\$ 745,808
Road and Bridge Trust Fund	(58,189)
Road and Bridge Fund	(374,317)
Assessment Fund	112,800
Tax Maintenance Fund	(110,000)
E-911 Fund	(301,050)
Transfer Station Fund	(15,052)
	<u>\$ -</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2006

Missouri Local Government Employees Retirement System (LAGERS)

	(a)	(b)	(b-a)		(c)	[(b-a)/c]
Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Accrued Liability	Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/29/2004	\$ 4,924,992	\$ 6,759,283	\$ 1,834,291	73%	\$ 6,093,781	30%
2/28/2005	5,621,378	7,242,757	1,621,379	78%	6,157,433	26%
2/28/2006	6,777,830	8,104,824	1,326,994	84%	6,568,169	20%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2001, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 7,296,626	\$ 7,296,626	\$ 7,404,840	\$ 108,214
Surtax	5,700	5,700	3,108	(2,592)
Payment in lieu of taxes	96,000	96,000	91,312	(4,688)
	7,398,326	7,398,326	7,499,260	100,934
Collector's Commission				
Collection commissions	434,600	434,600	437,110	2,510
Licenses and Permits				
Beverage licenses	50,000	50,000	51,735	1,735
ATV permits	800	800	510	(290)
	50,800	50,800	52,245	1,445
Intergovernmental Revenues				
Federal	731,250	731,250	268,386	(462,864)
Other	144,761	144,761	124,423	(20,338)
	876,011	876,011	392,809	(483,202)
Fees and Charges				
Court	58,500	58,500	75,259	16,759
Public administration	38,000	38,000	68,929	30,929
County clerk	23,500	23,500	894	(22,606)
Recorder of deeds	1,077,000	1,077,000	1,271,414	194,414
Tax sale publication	5,000	5,000	12,400	7,400
Planning and zoning	58,000	58,000	260,446	202,446
Sheriff fees	479,500	479,500	508,751	29,251
Phone and vending	5,000	5,000	1,716	(3,284)
Election reimbursement	35,000	35,000	29,670	(5,330)
Computer room	2,200	2,200	4,028	1,828
Airport	655,543	655,543	773,394	117,851
	2,437,243	2,437,243	3,006,901	569,658
Other				
Interest income	200,000	200,000	577,795	377,795
Miscellaneous	37,500	37,500	61,281	23,781
Sale of property	12,000	12,000	392,307	380,307
	249,500	249,500	1,031,383	781,883
TOTAL RECEIPTS	11,446,480	11,446,480	12,419,708	973,228
DISBURSEMENTS				
Current				
General Government				
University extension	46,308	46,308	46,235	73
Collector of revenue	220,201	220,201	207,325	12,876
Treasurer	76,725	76,725	77,742	(1,017)
Recorder of deeds	269,644	269,644	244,360	25,284
County commission	1,089,093	1,089,093	344,289	744,804
Employee fringe benefits	1,585,100	1,585,100	1,610,317	(25,217)
Information technology	250,901	250,901	239,294	11,607
Planning and zoning	256,714	256,714	247,108	9,606
Election and voter registration	239,159	239,159	241,122	(1,963)
County clerk	80,254	80,254	75,753	4,501
Auditor	165,872	165,872	160,325	5,547
Building and grounds	498,858	498,858	627,115	(128,257)
	4,778,829	4,778,829	4,120,985	657,844

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Associate circuit #1	37,450	37,450	35,487	1,963
Court administration	35,000	35,000	23,153	11,847
Associate circuit #2	39,800	39,800	20,448	19,352
Circuit judge	43,548	43,548	35,948	7,600
Circuit clerk	26,800	26,800	28,926	(2,126)
Coroner	42,262	42,262	43,870	(1,608)
Circuit court	2,112	2,112	1,361	751
Child support	48,420	48,420	26,001	22,419
Public administrator	80,477	80,477	81,924	(1,447)
Juvenile	121,757	121,757	114,178	7,579
Prosecuting attorney	580,051	580,051	547,615	32,436
	<u>1,057,677</u>	<u>1,057,677</u>	<u>958,911</u>	<u>98,766</u>
Public Safety				
Sheriff	1,978,615	1,978,615	1,918,158	60,457
Jail	1,022,432	1,022,432	1,015,322	7,110
Animal control	98,328	98,328	79,243	19,085
Emergency management	315,074	315,074	151,575	163,499
	<u>3,414,449</u>	<u>3,414,449</u>	<u>3,164,298</u>	<u>250,151</u>
Other	15,841,856	15,841,856	1,989,474	13,852,382
Public Works				
Sewer	259,695	259,695	91,402	168,293
Industrial Development Board	60,000	60,000	38,910	21,090
	<u>319,695</u>	<u>319,695</u>	<u>130,312</u>	<u>189,383</u>
Airport				
Airport	626,323	626,323	796,141	(169,818)
TOTAL DISBURSEMENTS	<u>26,038,829</u>	<u>26,038,829</u>	<u>11,160,121</u>	<u>14,878,708</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,592,349)	(14,592,349)	1,259,587	15,851,936
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(130,000)	(130,000)	(112,800)	17,200
Operating transfers in	1,200,509	1,200,509	858,608	(341,901)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,070,509</u>	<u>1,070,509</u>	<u>745,808</u>	<u>(324,701)</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(13,521,840)	(13,521,840)	2,005,395	15,527,235
FUND BALANCE, January 1	<u>14,012,381</u>	<u>14,012,381</u>	<u>14,012,381</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 490,541</u>	<u>\$ 490,541</u>	<u>\$ 16,017,776</u>	<u>\$ 15,527,235</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 5,610,000	\$ 5,610,000	\$ 6,365,985	\$ 755,985
Intergovernmental receipts	342,000	342,000	106,157	(235,843)
Other receipts	161,000	161,000	214,040	53,040
TOTAL RECEIPTS	<u>6,113,000</u>	<u>6,113,000</u>	<u>6,686,182</u>	<u>573,182</u>
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	2,607,200	2,607,200	2,821,960	(214,760)
Computer related disbursements	25,000	25,000	5,415	19,585
Mileage and training	9,000	9,000	3,930	5,070
Professional services	320,750	320,750	120,580	200,170
Rental equipment	45,000	45,000	72,411	(27,411)
Telephone and utilities	55,500	55,500	33,935	21,565
Insurance	132,000	132,000	93,327	38,673
Repair and maintenance	400,000	400,000	357,953	42,047
Equipment	900,000	900,000	1,926,279	(1,026,279)
Road construction	2,437,000	2,437,000	744,368	1,692,632
Road supplies	3,815,000	3,815,000	3,083,970	731,030
Other supplies	572,250	572,250	482,632	89,618
Trail construction	150,000	150,000	23,652	126,348
Other	1,897,457	1,897,457	228,633	1,668,824
TOTAL DISBURSEMENTS	<u>13,366,157</u>	<u>13,366,157</u>	<u>9,999,045</u>	<u>3,367,112</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(7,253,157)	(7,253,157)	(3,312,863)	3,940,294
OTHER FINANCING SOURCES (USES)				
Operating transfers in	25,000	25,000	77,776	52,776
Operating transfers (out)	(150,000)	(150,000)	(135,965)	14,035
TOTAL OTHER FINANCING SOURCES (USES)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(58,189)</u>	<u>66,811</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(7,378,157)	(7,378,157)	(3,371,052)	4,007,105
FUND BALANCE, January 1	<u>6,078,738</u>	<u>6,078,738</u>	<u>6,078,738</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ (1,299,419)</u></u>	<u><u>\$ (1,299,419)</u></u>	<u><u>\$ 2,707,686</u></u>	<u><u>\$ 4,007,105</u></u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,127,000	\$ 1,127,000	\$ 1,116,821	\$ (10,179)
Other receipts	125,850	125,850	392,507	266,657
TOTAL RECEIPTS	1,252,850	1,252,850	1,509,328	256,478
DISBURSEMENTS				
Highway and Roads	7,986,803	7,986,803	77,282	7,909,521
TOTAL DISBURSEMENTS	7,986,803	7,986,803	77,282	7,909,521
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS				
	(6,733,953)	(6,733,953)	1,432,046	8,165,999
OTHER FINANCING (USES)				
Operating transfers (out)	(669,183)	(669,183)	(374,317)	294,866
TOTAL OTHER FINANCING (USES)	(669,183)	(669,183)	(374,317)	294,866
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)				
	(7,403,136)	(7,403,136)	1,057,729	8,460,865
FUND BALANCE, January 1	7,466,465	7,466,465	7,466,465	-
FUND BALANCE, December 31	\$ 63,329	\$ 63,329	\$ 8,524,194	\$ 8,460,865

OTHER FINANCIAL INFORMATION

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2006

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
ASSETS									
Cash and investments	\$ 14	\$ 58	\$ 9,815	\$ 1,195,536	\$ 102,044	\$ 8,542	\$ 85,647	\$ 1,813	\$ 253,538
TOTAL ASSETS	<u>\$ 14</u>	<u>\$ 58</u>	<u>\$ 9,815</u>	<u>\$ 1,195,536</u>	<u>\$ 102,044</u>	<u>\$ 8,542</u>	<u>\$ 85,647</u>	<u>\$ 1,813</u>	<u>\$ 253,538</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 14	\$ 58	\$ 9,815	\$ 1,195,536	\$ 102,044	\$ 8,542	\$ 85,647	\$ 1,813	\$ 253,538
TOTAL FUND BALANCES	<u>\$ 14</u>	<u>\$ 58</u>	<u>\$ 9,815</u>	<u>\$ 1,195,536</u>	<u>\$ 102,044</u>	<u>\$ 8,542</u>	<u>\$ 85,647</u>	<u>\$ 1,813</u>	<u>\$ 253,538</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (CONTINUED)
 December 31, 2006

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Special Children Trust Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Domestic Violence Fund	Total
ASSETS										
Cash and investments	\$ 4,476	\$ 8,488	\$ 58,044	\$ 293,634	\$ 16,779	\$ 6,221	\$ 8,958	\$ 7,188	\$ 6,221	\$ 2,067,016
TOTAL ASSETS	\$ 4,476	\$ 8,488	\$ 58,044	\$ 293,634	\$ 16,779	\$ 6,221	\$ 8,958	\$ 7,188	\$ 6,221	\$ 2,067,016
FUND BALANCES										
Fund Balance										
Unreserved	\$ 4,476	\$ 8,488	\$ 58,044	\$ 293,634	\$ 16,779	\$ 6,221	\$ 8,958	\$ 7,188	\$ 6,221	\$ 2,067,016
TOTAL FUND BALANCES	\$ 4,476	\$ 8,488	\$ 58,044	\$ 293,634	\$ 16,779	\$ 6,221	\$ 8,958	\$ 7,188	\$ 6,221	\$ 2,067,016

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2006

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ 496,515	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	1,710	-
Fees and charges	427,821	398	1,473	1,840	75,285	2,206	50,000	-	78,387
Other receipts	3,149	5,560	365	47,716	4,029	275	4,029	59	8,630
TOTAL RECEIPTS	430,970	5,958	1,838	546,071	79,314	2,481	54,029	1,769	87,017
DISBURSEMENTS									
Current									
General government	563,621	-	80	-	19,701	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	7,783
Public safety	-	9,688	-	494,962	-	-	40,678	-	-
TOTAL DISBURSEMENTS	563,621	9,688	80	494,962	19,701	-	40,678	-	7,783
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(132,651)	(3,730)	1,758	51,109	59,613	2,481	13,351	1,769	79,234
OTHER FINANCING (USES)									
Operating transfers (out)	112,800	-	-	(301,050)	(110,000)	-	-	-	-
TOTAL OTHER FINANCING (USES)	112,800	-	-	(301,050)	(110,000)	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(19,851)	(3,730)	1,758	(249,941)	(50,387)	2,481	13,351	1,769	79,234
FUND BALANCE, January 1	19,865	3,788	8,057	1,445,477	152,431	6,061	72,296	44	174,304
FUND BALANCE, December 31	\$ 14	\$ 58	\$ 9,815	\$ 1,195,536	\$ 102,044	\$ 8,542	\$ 85,647	\$ 1,813	\$ 253,538

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2006

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Special Children Trust Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Domestic Violence Fund	Total
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,515
Intergovernmental receipts	-	5,028	130,725	-	-	-	-	-	-	137,463
Fees and charges	-	-	5,686	225,408	12,495	3,963	3,658	5,820	3,963	898,403
Other receipts	206	347	1,776	14,915	348	239	358	-	239	92,240
TOTAL RECEIPTS	206	5,375	138,187	240,323	12,843	4,202	4,016	5,820	4,202	1,624,621
DISBURSEMENTS										
Current										
General government	-	-	124,050	307,827	-	3,624	2,579	-	-	1,021,482
Judicial	-	-	-	-	14,417	-	-	576	-	22,776
Public safety	-	7,434	-	-	-	-	-	-	3,624	556,386
TOTAL DISBURSEMENTS	-	7,434	124,050	307,827	14,417	3,624	2,579	576	3,624	1,600,644
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	206	(2,059)	14,137	(67,504)	(1,574)	578	1,437	5,244	578	23,977
OTHER FINANCING (USES)										
Operating transfers (out)	-	-	-	-	-	-	-	-	-	(298,250)
TOTAL OTHER FINANCING (USES)	-	-	-	-	-	-	-	-	-	(298,250)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	206	(2,059)	14,137	(67,504)	(1,574)	578	1,437	5,244	578	(274,273)
FUND BALANCE, January 1	4,270	10,547	43,907	361,138	18,353	5,643	7,521	1,944	5,643	2,341,289
FUND BALANCE, December 31	\$ 4,476	\$ 8,488	\$ 58,044	\$ 293,634	\$ 16,779	\$ 6,221	\$ 8,958	\$ 7,188	\$ 6,221	\$ 2,067,016



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**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 financial statements of Taney County, Missouri as of and for the year ended December 31, 2006, and have issued our report thereon dated September 6, 2007. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described below to be a significant deficiency.

Taney County Commission
Taney County
Forsyth, Missouri

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. Consequently, there is the possibility that unintentional or intentional errors or irregularities could occur and not be promptly detected. This material weakness is a common weakness throughout smaller entities.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also consider to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

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 in a separate letter dated September 6, 2007.

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

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
September 6, 2007

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2007

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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2007, 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 Health Center, which represent 9%, 9% and 17%, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report therein has been furnished to us and our opinion, insofar as it relates to the amounts included for the Taney County Health Center is based on the report of the 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 and the report of the other auditors provide a reasonable basis for our opinions.

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

Taney County Commission
Taney County
Forsyth, Missouri

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the business-type activities, the Taney County Regional Sewer District, the Developmentally Disabled Board, and the Dorgan-Weaver Housing corporation, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2007, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Further, in our opinion, based on the report of other auditors, the basic financial statements of the Taney County Health Center present fairly, in all material respects, the financial position of the Taney County Health Center as of December 31, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2008, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 22, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Our discussion and analysis of the Taney County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2007, 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 \$2,210,020.
- The fund balance for the General Fund increased by \$2,610,569. Although this sounds like a very positive note, this is a result of a year where sales tax was up more than expected. Also keep in mind that some of the disbursements for 2006 were judicial disbursements, which were reimbursed to the GCR in 2007 from the judicial bonds. With those two things in mind, our receipts that could be spent for operations in 2006 were \$13,633,788. In 2007 those same receipts were \$14,571,155. The FY07 also included a full year of the 1/8 cent judicial tax where FY2006 only included about 7 months.
- The fund balance for the Road and Bridge Trust Fund increased by \$985,808. We have had several major projects in 2007 and this change in fund balance is a direct result of those. There are still more of those projects to do and therefore it is very important that we attempt to monitor actual upkeep of the roads we now have.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

Our financial analysis of the County as a whole begins on page 9. The government-wide financial statements are presented on pages 13-14. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?". The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

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

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

Fund Financial Statements

Our analysis of the County's funds begins on page 11. The fund financial statements begin on page 15 and provide detailed information about the County's funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for County programs.

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets – Modified Cash Basis

	December 31,	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and investments	\$ 32,263,321	\$ 30,053,301
TOTAL ASSETS	<u>\$ 32,263,321</u>	<u>\$ 30,053,301</u>
NET ASSETS		
Unrestricted	\$ 32,263,321	\$ 30,053,301
TOTAL NET ASSETS	<u>\$ 32,263,321</u>	<u>\$ 30,053,301</u>

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

Changes in Net Assets – Modified Cash Basis

	Year Ended December 31,	
	2007	2006
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 5,695,859	\$ 5,575,581
Operating grants and contributions	59,620	56,547
Capital grants and contributions	485,524	466,460
<u>General Receipts</u>		
Sales tax receipts	15,646,728	13,770,825
Motor vehicle sales tax	316,266	321,616
Gas tax	829,738	795,206
Telephone tax	511,922	496,515
Other taxes	108,695	94,420
Interest	1,644,064	1,225,468
Other receipts	718,639	529,429
TOTAL RECEIPTS	26,017,055	23,332,067
DISBURSEMENTS		
General government	4,589,456	5,154,133
Judicial	1,061,458	981,687
Public safety	3,888,642	3,729,124
Public works	167,247	130,312
Highway and roads	9,812,574	10,099,186
Airport	778,865	796,141
Debt service	1,286,791	-
Other	1,213,079	1,989,474
Transfer station	1,008,923	1,045,284
TOTAL DISBURSEMENTS	23,807,035	23,925,341
INCREASE (DECREASE) IN NET ASSETS	\$ 2,210,020	\$ (593,274)

Overall receipts of the County increased by \$2,684,988 over the prior year. Tax revenues were up \$1,934,767, which represents a 12% increase over the prior year. Overall disbursements of the County were up \$118,306.

The increase in net assets is a result of the increase in revenues and the careful control of disbursements. The management of the County is intent on providing the citizenry of Taney County with infrastructure to maintain the growth of business, industry, and population.

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 \$2,610,569 for the year ended December 31, 2007. Although this sounds like a very positive note, this is a result of a year where sales tax was up more than we expected. Also keep in mind that some of the disbursements for 2006 were judicial disbursements, which were reimbursed to the GCR in 2007 from the judicial bonds. With those two things in mind, our receipts that could be spent for operations in 2006 were \$13,633,788. In 2007 those same receipts were \$14,581,155. The FY2007 also included a full year of the 1/8 cent judicial tax, where FY2006 only included about 7 months.
- The Road and Bridge Fund balance decreased by \$1,519,195 for the year ended December 31, 2007.
- The Road and Bridge Trust Fund increased by \$985,808, which raised the fund balance to \$3,693,494 as of December 31, 2007. These two funds are tied very closely together and some years we take the salaries from the trust fund while other years those disbursements are paid from the Road and Bridge Fund. Therefore, we will have a variance in those years. Again it is very important that the management of the road and bridge department monitor the costs that would not be attributed to capital improvements.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 8,102,700	\$ 8,102,700	\$ 8,800,716
Commissions	463,600	463,600	502,288
Licenses and permits	50,400	50,400	55,159
Intergovernmental revenues	825,678	825,678	395,095
Fees and charges	2,846,000	2,846,000	2,872,616
Other	2,304,100	2,304,100	939,379
TOTAL RECEIPTS	\$ 14,592,478	\$ 14,592,478	\$ 13,565,253

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

	Budget		Actual
	Original	Final	
DISBURSEMENTS			
General government	\$ 5,374,892	\$ 5,374,892	\$ 3,751,119
Judicial	1,068,524	1,068,524	981,469
Public safety	3,566,669	3,566,669	3,340,130
Public works	176,225	176,225	167,247
Other	19,179,811	19,179,811	1,213,079
Airport	802,728	802,728	778,865
Debt service	1,555,860	1,555,860	1,286,791
TOTAL DISBURSEMENTS	\$ 31,724,709	\$ 31,724,709	\$ 11,518,700

Sales tax receipts in Taney County has continued to increase and County management continues to budget conservatively. We also have received more money from interest than we were comfortably predicting. These are both good situations for the fund balances of Taney County. On the other hand, we have embarked on more projects and continue to see increased costs in many of the common disbursements of the County. We will continue to have concerns on fuel costs and must look at ways of conserving. We also must look closely at the new costs which will be attributed to running the new judicial facility. There will be higher utilities because of the size of the building, we expect some increase in personnel costs to operate the jail, and maintenance costs will most likely be higher. It is expected that we will offset these costs by saving costs on out-of-county prisoner boarding and possibly have some receipts from housing other county prisoners. We actually cut some costs in the insurance area and hope to find other effective ways to maintain disbursements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic outlook for 2008 and forward has some real questions in it. We hope to see continued growth, but cannot count on that. Fortunately for the County, we have a reserve that we can use if the economy does lag and, therefore, have less sales tax receipts. We expect some challenges as we bring the new judicial facility into use. We are well aware that the expense for operating will be more so, therefore, we are looking for revenue streams to offset that, or places we can cut expenses because of the use of the facility.

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, 2007

	Primary Government			Component Units			
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Taney County Health Center
ASSETS							
Cash and investments - unrestricted	\$ 31,515,827	\$ 747,494	\$ 32,263,321	\$ 24,017,288	\$ 1,999,861	\$ 26,140	\$ 724,197
Ad valorem taxes receivable, net	-	-	-	-	-	-	861,784
Accounts receivable	-	-	-	-	-	-	95,861
Prepaid expenses	-	-	-	-	-	-	11,592
Restricted cash and investments	-	-	-	7,002,681	-	-	-
Capital Assets:							
Non-depreciable	-	-	-	-	-	-	200,000
Depreciable, net	-	-	-	-	-	-	1,452,583
TOTAL ASSETS	31,515,827	747,494	32,263,321	31,019,969	1,999,861	26,140	3,346,017
LIABILITIES							
Current							
Accounts payable	-	-	-	-	-	-	16,467
Accrued expenses	-	-	-	-	-	-	85,470
TOTAL LIABILITIES	-	-	-	-	-	-	101,937
NET ASSETS							
Invested in capital assets, net of related debt	-	-	-	-	-	-	1,652,583
Restricted for debt service	-	-	-	1,729,276	-	-	-
Restricted for sewer improvements	-	-	-	5,168,822	-	-	-
Restricted for security deposits	-	-	-	104,583	-	-	-
Unrestricted	31,515,827	747,494	32,263,321	24,017,288	1,999,861	26,140	1,591,497
TOTAL NET ASSETS	\$ 31,515,827	\$ 747,494	\$ 32,263,321	\$ 31,019,969	\$ 1,999,861	\$ 26,140	\$ 3,244,080

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2007

Functions/Programs	Primary Government							Component Units			
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Assets			Taney County Regional Sewer District	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Taney County Health Center
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total				
Primary Government											
Governmental Activities											
General government	\$ (4,589,456)	\$ 2,774,292	\$ -	\$ 65,474	\$ (1,749,690)	\$ -	\$ (1,749,690)				
Judicial	(1,061,458)	373,770	35,767	-	(651,921)	-	(651,921)				
Public safety	(3,888,642)	601,310	23,853	64,537	(3,198,942)	-	(3,198,942)				
Public works	(167,247)	-	-	-	(167,247)	-	(167,247)				
Highway and roads	(9,812,574)	-	-	355,513	(9,457,061)	-	(9,457,061)				
Airport	(778,865)	788,101	-	-	9,236	-	9,236				
Debt service	(1,286,791)	-	-	-	(1,286,791)	-	(1,286,791)				
Other	(1,213,079)	-	-	-	(1,213,079)	-	(1,213,079)				
TOTAL GOVERNMENTAL ACTIVITIES	(22,798,112)	4,537,473	59,620	485,524	(17,715,495)	-	(17,715,495)				
Business-Type Activities											
Transfer station	(1,008,923)	1,158,386	-	-	-	149,463	149,463				
TOTAL BUSINESS-TYPE ACTIVITIES	(1,008,923)	1,158,386	-	-	-	149,463	149,463				
TOTAL PRIMARY GOVERNMENT	\$ (23,807,035)	\$ 5,695,859	\$ 59,620	\$ 485,524	(17,715,495)	149,463	(17,566,032)				
Component Units											
Taney County Regional											
Sewer District	\$ (17,086,725)	\$ 900,194	\$ -	\$ -			\$ (16,186,531)	\$ -	\$ -	\$ -	
Developmentally Disabled Board	(2,067,021)	-	-	-			-	(2,067,021)	-	-	
Dorgan-Weaver Housing Corp.	(812,108)	20,905	-	795,081			-	-	3,878	-	
Taney County Health Center	(2,166,224)	1,063,552	-	-			-	-	-	(1,102,672)	
TOTAL COMPONENT UNITS	\$ (22,132,078)	\$ 1,984,651	\$ -	\$ 795,081			(16,186,531)	(2,067,021)	3,878	(1,102,672)	
General Receipts and Transfers:											
Ad valorem taxes					-	-	-	730,249	-	1,211,433	
Sales tax					15,646,728	-	15,646,728	6,948,606	-	-	
Motor vehicle sales tax					316,266	-	316,266	-	-	-	
Gas tax					829,738	-	829,738	-	-	-	
Telephone tax					511,922	-	511,922	-	-	-	
Other taxes					108,695	-	108,695	-	-	-	
Interest					1,608,860	35,204	1,644,064	1,683,245	132,907	89	40,292
Other receipts					718,639	-	718,639	13,250	14,975	2,922	-
Transfers					15,365	(15,365)	-	-	-	-	-
Total General Receipts and Transfers					19,756,213	19,839	19,776,052	8,645,101	878,131	3,011	1,251,725
Special Item:											
Loan proceeds					-	-	-	-	400,000	-	-
Increase (Decrease) in Net Assets					2,040,718	169,302	2,210,020	(7,541,430)	(788,890)	6,889	149,053
Net Assets, Beginning of year, as restated					29,475,109	578,192	30,053,301	38,561,399	2,788,751	19,251	3,095,027
Net Assets, End of year					\$ 31,515,827	\$ 747,494	\$ 32,263,321	\$ 31,019,969	\$ 1,999,861	\$ 26,140	\$ 3,244,080

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
BASIS
December 31, 2007

	<u>General Fund</u>	<u>Road and Bridge Trust Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 18,628,345	\$ 3,693,494	\$ 7,004,999	\$ 2,092,676	\$ 31,419,514
TOTAL ASSETS	<u>\$ 18,628,345</u>	<u>\$ 3,693,494</u>	<u>\$ 7,004,999</u>	<u>\$ 2,092,676</u>	<u>\$ 31,419,514</u>
FUND BALANCES					
Fund Balances					
Unreserved, reported in:					
General Fund	\$ 18,628,345	\$ -	\$ -	\$ -	\$ 18,628,345
Special Revenue Funds	<u>-</u>	<u>3,693,494</u>	<u>7,004,999</u>	<u>2,092,676</u>	<u>12,791,169</u>
TOTAL FUND BALANCES	<u>\$ 18,628,345</u>	<u>\$ 3,693,494</u>	<u>\$ 7,004,999</u>	<u>\$ 2,092,676</u>	<u>\$ 31,419,514</u>
Fund Balance Governmental Funds					\$ 31,419,514
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.					<u>96,313</u>
Net Assets of Governmental Activities					<u>\$ 31,515,827</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2007

	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 8,800,716	\$ 6,949,637	\$ 1,151,073	\$ 511,922	\$ 17,413,348
Collector's commission	502,288	-	-	-	502,288
Licenses and permits	55,159	-	-	-	55,159
Intergovernmental receipts	395,095	355,513	-	14,892	765,500
Fees and charges	2,872,616	-	-	887,054	3,759,670
Other	939,379	205,438	1,047,259	135,424	2,327,500
TOTAL RECEIPTS	13,565,253	7,510,588	2,198,332	1,549,292	24,823,465
DISBURSEMENTS					
Current					
General government	3,751,119	-	-	822,749	4,573,868
Judicial	981,469	-	-	79,989	1,061,458
Public safety	3,340,130	-	-	535,304	3,875,434
Public works	167,247	-	-	-	167,247
Airport	778,865	-	-	-	778,865
Other	1,213,079	-	-	-	1,213,079
Highway and roads	-	6,554,441	3,224,805	-	9,779,246
Debt service	1,286,791	-	-	-	1,286,791
TOTAL DISBURSEMENTS	11,518,700	6,554,441	3,224,805	1,438,042	22,735,988
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	2,046,553	956,147	(1,026,473)	111,250	2,087,477
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	564,016	29,661	(492,722)	(85,590)	15,365
TOTAL OTHER FINANCING SOURCES (USES)	564,016	29,661	(492,722)	(85,590)	15,365
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	2,610,569	985,808	(1,519,195)	25,660	2,102,842
FUND BALANCE, January 1	16,017,776	2,707,686	8,524,194	2,067,016	29,316,672
FUND BALANCE, December 31	\$ 18,628,345	\$ 3,693,494	\$ 7,004,999	\$ 2,092,676	\$ 31,419,514

Excess of Receipts and Other Sources
Over Disbursements and Other Uses \$ 2,102,842

Some of the amounts reported for Governmental activities in the
Statement of Activities are different because the Internal Service
Fund receipts and disbursements are included with Governmental activities. (62,124)

Increase in Net Assets \$ 2,040,718

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 December 31, 2007

	Enterprise Fund	Internal Service Fund
	<u>Transfer Station Fund</u>	<u>Employee Benefits Fund</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 747,494	\$ 96,313
TOTAL ASSETS	<u>\$ 747,494</u>	<u>\$ 96,313</u>
Net Assets		
Unrestricted	\$ 747,494	\$ 96,313
TOTAL NET ASSETS	<u>\$ 747,494</u>	<u>\$ 96,313</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2007

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
OPERATING RECEIPTS		
Charges for services	\$ 1,158,386	\$ -
TOTAL OPERATING RECEIPTS	1,158,386	-
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	8,925	69,762
Salaries and employee benefits	179,173	-
Supplies	83,458	-
Telephone and utilities	2,986	-
Repair and maintenance	62,059	-
Landfill services	669,209	-
Other	3,113	-
TOTAL OPERATING DISBURSEMENTS	1,008,923	69,762
OPERATING INCOME (LOSS)	149,463	(69,762)
NONOPERATING RECEIPTS		
Interest receipts	35,204	6,516
Other receipts	-	1,122
TOTAL NONOPERATING RECEIPTS	35,204	7,638
INCOME (LOSS) BEFORE OPERATING TRANSFERS	184,667	(62,124)
Operating transfers (out)	(15,365)	-
NET INCOME (LOSS)	169,302	(62,124)
NET ASSETS, January 1	578,192	158,437
NET ASSETS, December 31	\$ 747,494	\$ 96,313

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2007

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,158,386	\$ -
Cash paid to suppliers	(829,750)	(68,640)
Cash paid to employees	(179,173)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	149,463	(68,640)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	35,204	6,516
NET CASH PROVIDED BY INVESTING ACTIVITIES	35,204	6,516
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers (to) other funds	#REF!	-
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	#REF!	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	#REF!	(62,124)
CASH AND CASH EQUIVALENTS, Beginning of year	578,192	158,437
CASH AND CASH EQUIVALENTS, End of year	#REF!	\$ 96,313
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 149,463	\$ (69,762)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Other receipts	-	1,122
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 149,463	\$ (68,640)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2007

	Sheriff's Office Prisoner Fund	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Collector of Revenue Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Prosecuting Attorney Restitution Fund	Fines and Forfeitures Fund
ASSETS									
Cash and investments	\$ 375	\$ 344	\$ 25,745	\$ 261	\$ 31,425,753	\$ 149,134	\$ 6,825	\$ 9,734	\$ 52,423
TOTAL ASSETS	<u>\$ 375</u>	<u>\$ 344</u>	<u>\$ 25,745</u>	<u>\$ 261</u>	<u>\$ 31,425,753</u>	<u>\$ 149,134</u>	<u>\$ 6,825</u>	<u>\$ 9,734</u>	<u>\$ 52,423</u>
LIABILITIES									
Due to others	\$ 375	\$ -	\$ -	\$ 261	\$ 272,211	\$ 149,134	\$ 6,825	\$ 9,734	\$ -
Due to other governments	-	344	25,745	-	31,153,542	-	-	-	52,423
TOTAL LIABILITIES	<u>\$ 375</u>	<u>\$ 344</u>	<u>\$ 25,745</u>	<u>\$ 261</u>	<u>\$ 31,425,753</u>	<u>\$ 149,134</u>	<u>\$ 6,825</u>	<u>\$ 9,734</u>	<u>\$ 52,423</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (CONTINUED)
 December 31, 2007

	Criminal Cost Fund	Circuit Clerk Fund	Division I Associate Circuit Court Fund	Probate Division Fund	Recorder's User Fee Fund	Protest Tax Account Fund	Division II Associate Circuit Clerk Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS									
Cash and investments	\$ 629	\$ 5,582,104	\$ 85,937	\$ 196	\$ 185,791	\$ 272,211	\$ 5,566	\$ 29,926	\$ 37,832,954
TOTAL ASSETS	<u>\$ 629</u>	<u>\$ 5,582,104</u>	<u>\$ 85,937</u>	<u>\$ 196</u>	<u>\$ 185,791</u>	<u>\$ 272,211</u>	<u>\$ 5,566</u>	<u>\$ 29,926</u>	<u>\$ 37,832,954</u>
LIABILITIES									
Due to others	\$ -	\$ -	\$ -	\$ 196	\$ -	\$ 272,211	\$ -	\$ 29,926	\$ 740,873
Due to other governments	629	5,582,104	85,937	-	185,791	-	5,566	-	37,092,081
TOTAL LIABILITIES	<u>\$ 629</u>	<u>\$ 5,582,104</u>	<u>\$ 85,937</u>	<u>\$ 196</u>	<u>\$ 185,791</u>	<u>\$ 272,211</u>	<u>\$ 5,566</u>	<u>\$ 29,926</u>	<u>\$ 37,832,954</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

The Taney County Health Center, which is governed by an elected Board of Directors, provides public health services to the residents of Taney County. The Taney County Health Center is included in the financial statements of the County as a component unit due to its financial relationship with the County. The Taney County Health Center issues separate financial statements audited by other auditors. The Taney County Health Center's financial statements may be obtained by contacting the Center at (417) 546-4725.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

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

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

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

Taney County Board for the Developmentally Disabled

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

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

Dorgan-Weaver Housing Corporation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

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

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

The Taney County Health Center's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Taney County Health Center has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB).

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

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

Government-Wide Statements

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

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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, 2007, all bank balances on deposit are entirely insured or collateralized with securities.

The County's investments at December 31, 2007, are as follows:

Investment Type	Maturity	Carrying Value	Fair Value
Taney County			
Certificate of Deposit	01/08/08-01/15/10	\$ 12,580,678	\$ 12,580,678
Fannie Mae Notes Series 2	01/11/08-12/24/09	1,500,253	1,500,781
FHLB	07/24/08-08/14/09	6,341,656	6,344,367
FHLB Bank Bonds Street Convention	12/11/2008	500,000	500,625
FHLB Bonds US Domestic	11/28/2008	2,000,000	2,002,500
FHLB Callable	01/03/08-11/19/10	5,699,584	5,714,226
FHLB Global Bonds	02/25/09-11/03/09	4,024,856	4,029,375
FHLB Global Bonds Street Convention	10/16/2009	1,000,000	1,002,812
FHLB US Domestic Bonds	5/14/2010	1,000,000	1,003,438
FHLB US Domestic Bonds Street Convention	5/26/2010	1,000,000	1,002,812
FHLB US Domestic Street Convention	11/2/2009	1,000,378	1,001,875
FHLMC Callable	07/22/09-12/17/10	3,002,065	3,011,230
Freddie Mac Medium Term Note	07/25/09-06/29/10	3,534,359	3,531,816
Freddie Mac Notes Domestic Mtn Street Convention	10/15/2010	1,858,921	1,863,585
Freddie Mac Global Notes	11/3/2008	997,600	1,006,442
Freddie Mac Notes	07/23/08-12/17/09	3,000,000	3,008,889
		49,040,350	49,105,451
Less: Investments held for the			
Taney County Regional Sewer District		(29,897,299)	(29,897,299)
Total Investments Primary Government		\$ 19,143,051	\$ 19,208,152

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, 2007, all certificates of deposit are entirely insured or collateralized with securities.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

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

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

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2007, all bank balances on deposit are entirely insured or collateralized.

The District's investments at December 31, 2007, are as follows:

Investment Type	Maturity	Fair Value
Certificate of Deposit	1/3/2009	\$ 20,802
Certificate of Deposit	2/17/2009	14,342
Certificate of Deposit	1/28/2009	97,360
Certificate of Deposit	1/28/2009	87,844
Certificate of Deposit	1/28/2008	330,695
Certificate of Deposit	2/10/2008	57,000
Certificate of Deposit	6/21/2008	78,355
FHLB	07/24/08-08/14/09	6,341,656
FHLB Bonds US Domestic	11/28/2008	2,000,000
FHLB Callable	01/03/08-11/19/10	4,713,641
FHLB Global Bonds	02/25/09-11/03/09	4,024,856
FHLB Global Bonds Street Convention	10/16/2009	1,000,000
FHLB US Domestic Bonds	5/14/2010	1,000,000
FHLB US Domestic Bonds Street Convention	5/26/2010	1,000,000
FHLMC Callable	07/22/09-12/17/10	3,002,065
AIGMFC Float Fund	1/1/2026	867,702
Federated Government Tax Managed Fund	N/A	529,974
Fidelity Treasury Fund Class III #696	N/A	5,168,822
Fidelity Treasury Fund #695	N/A	248,583
		\$ 30,583,697

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

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 District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2007, all certificates of deposit are entirely insured or collateralized with securities.

Federated Government Tax Managed Fund

The District also has federated government tax managed funds on deposit with United Missouri Bank. Fair market value approximates cost as the District has a pro-rata share of the funds. These deposits are held in trust accounts for the 2004 Water Pollution Control Revenue Bonds debt service account.

AIGMFC Float Fund

The County has AIG fixed income securities on deposit with United Missouri Bank, which are rated AA by Standard and Poor's. Fair market value approximates cost as the County has a pro-rata share of the fund. These deposits are held in trust accounts for the 2004 Water Pollution Control Revenue Bonds principal and interest accounts.

Fidelity Treasury Fund

The County has Fidelity Treasury funds on deposit with United Missouri Bank, which are rated AAAM by Standard and Poor's. Fair Market value approximates costs as the County has a pro-rata share of the fund. These deposits are held in a trust account for the 2004 Water Pollution Control Revenue Bonds Construction Fund and rebate accounts.

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

TANEY COUNTY HEALTH CENTER

At December 31, 2007, substantially all of the Health Department's deposits were covered by federal depository insurance or collateralized by securities subject to joint custody safekeeping receipts issued by custodial financial institutions.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE B – CASH AND INVESTMENTS (continued)

At December 31, 2007, the Health Department had bank balances as follows:

	Carrying Amounts	Bank Balance
Petty cash accounts	\$ 300	\$ -
Checking	27,386	59,092
Money market accounts	396,511	396,511
Certificates of deposit	300,000	300,000
TOTAL	<u>\$ 724,197</u>	<u>\$ 755,603</u>

Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At December 31, 2007, all the Organization's deposits were either covered by federal depository insurance or collateralized through securities held by the Organization's custodial bank in the Organization's name.

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

State statutes require that the Board's deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2007, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2007, are as follows:

Investment Type	Maturity	Fair Value
Certificate of Deposit	3/3/2008	\$ 231,417
Certificate of Deposit	4/3/2008	456,009
Certificate of Deposit	5/20/2008	229,884
Certificate of Deposit	12/6/2008	171,653
Certificate of Deposit	12/6/2008	171,653
		<u>\$ 1,260,616</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE B – CASH AND INVESTMENTS (continued)

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2007, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

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

Dorgan-Weaver Housing Corporation

Investments of the Corporation as of December 31, 2007, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/18/2008	<u>\$ 7,656</u>

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2007, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

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

Funding Policy

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

NOTE E – PENSION PLAN – LAGERS

Plan Description

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

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.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE E – PENSION PLAN – LAGERS (continued)

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 10.9% (general), and 11.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost

For 2007, the political subdivision's annual pension cost of \$877,227 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2005 and/or February 28, 2006, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2007, included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2007 was 18 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 773,955	100%	\$ -
6/30/2006	841,524	100%	-
6/30/2007	877,227	100%	-

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

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

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

The 2006 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	
Real estate	\$ 746,109,008
Personal property	149,315,616
Railroad and utilities	<u>3,553,017</u>
	<u><u>\$ 898,977,641</u></u>
TAX LEVY	
General Fund	<u><u>\$ -</u></u>

The legal debt margin at December 31, 2007, is computed as follows:

Constitutional debt limit	\$ 89,897,764
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 89,897,764</u></u>

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

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

2004 Water Pollution Control Revenue Bonds:

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

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

The interest paid is offset by an interest subsidy from the State of Missouri’s 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2007, are due as follows:

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2008	\$ 775,000	\$ 599,845	\$ 100,353	\$ 1,475,198
2009	780,000	576,520	94,819	1,451,339
2010	790,000	552,970	89,250	1,432,220
2011	800,000	528,320	83,609	1,411,929
2012	800,000	502,320	77,897	1,380,217
2013	810,000	474,945	72,185	1,357,130
2014	820,000	446,010	66,402	1,332,412
2015	840,000	410,250	60,547	1,310,797
2016	865,000	367,625	54,550	1,287,175
2017	885,000	323,875	48,374	1,257,249
2018	910,000	279,000	42,055	1,231,055
2019	940,000	231,575	35,557	1,207,132
2020	965,000	181,568	28,846	1,175,414
2021	995,000	130,119	21,956	1,147,075
2022	1,025,000	78,375	14,851	1,118,226
2023	1,055,000	26,375	7,533	1,088,908
	<u>\$ 14,055,000</u>	<u>\$ 5,709,692</u>	<u>\$ 898,784</u>	<u>\$ 20,663,476</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2007:

	Balance December 31, 2006	New Obligations	Retired	Balance December 31, 2007
2004 SRF Revenue Bonds Payable	<u>\$ 14,825,000</u>	<u>\$ -</u>	<u>\$ 770,000</u>	<u>\$ 14,055,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

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. As of December 31, 2007, the facility had not been completed. 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, 2007, are as follows:

<u>Year Ended December 31,</u>	
2008	\$ 1,374,882
2009	1,399,082
2010	1,421,281
2011	1,446,381
2012	1,474,181
2013	1,494,681
2014	1,520,393
2015	1,545,844
2016	1,570,881
2017	1,597,656
2018	1,626,331
2019	1,649,831
2020	1,680,131
2021	1,710,994
2022	1,737,263
2023	<u>2,832,235</u>
	TOTAL MINIMUM LEASE PAYMENTS 26,082,047
	LESS AMOUNT REPRESENTING INTEREST <u>(7,477,047)</u>
	PRINCIPAL BALANCE, DECEMBER 31, 2007 <u>\$18,605,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

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, 2007:

	Balance December 31, 2006	Additions	Retirements	Balance December 31, 2007
2006 Certificates of Participation	\$ 19,260,000	\$ -	\$ 655,000	\$ 18,605,000
Compensated absences	113,827	-	8,611	105,216
	<u>\$ 19,373,827</u>	<u>\$ -</u>	<u>\$ 663,611</u>	<u>\$ 18,710,216</u>

NOTE I – LINE OF CREDIT – DEVELOPMENTALLY DISABLED BOARD

At December 31, the Board had a \$400,000 secured line of credit with Commerce Bank for construction to be drawn upon as needed with an indexed interest rate currently at 7.025%. As of December 31, 2007, \$400,000 is outstanding and due December 31, 2007. A total of \$2,786 of interest was paid in the current year.

NOTE J – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2007, the Board had a mortgage payable of \$1,531,400. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

The following represents the changes in the mortgage payable during the year ended December 31, 2007:

Balance, December 31, 2006	\$ 747,712
Additions	783,688
Reductions	-
Balance, December 31, 2007	<u>\$ 1,531,400</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE K – 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 L – 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, 2007, only \$15,590,000 of these bonds have been issued.

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

The Health Center pays fixed premiums for annual professional liability insurance coverage under an occurrence-basis policy. Under such a policy, incidents which occur during the policy term are covered claims. For covered claims, in general, the Health Center bears the risk of the excess, if any, over individual claim costs of \$2,000,000 with no annual aggregate limitations. The Health Center accrues the expense of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the Health Center's own claims experience. Health Center management does not expect any claims to exceed the professional liability coverage limits; and accordingly, no accruals for claims have been included in these financial statements. Additionally, there were no claims filed during the year ended December 31, 2007, and the Health Center is not aware of any unasserted claims or unreported incidents at December 31, 2007.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE N – CONCENTRATIONS OF CREDIT RISK – TANEY COUNTY HEALTH CENTER

The Health Center is located in Forsyth, Missouri. The Health Department grants credit without collateral to patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2007</u>
WIC Program	44%
MCH Program	6%
General Services	7%
HEPP - Bioterrorism	36%
Other	4%
Dental Clinic	3%
	<u>100%</u>

NOTE O – CAPITAL ASSETS – TANEY COUNTY HEALTH CENTER

Capital asset activities for the year ended December 31, 2007, were as follows:

	Balance December 31, <u>2006</u>	Additions	Retirements	Balance December 31, <u>2007</u>
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Buildings and improvements	951,451	671,514	-	1,622,965
Furniture and equipment	371,530	60,474	-	432,004
Less accumulated depreciation	<u>(538,529)</u>	<u>(63,857)</u>	-	<u>(602,386)</u>
Net Capital Assets	<u>\$ 984,452</u>	<u>\$ 668,131</u>	<u>\$ -</u>	<u>\$ 1,652,583</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE P – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007, consisted of the following:

	Transfers In (Out)
General Fund	\$ 564,016
Road and Bridge Trust Fund	29,661
Road and Bridge Fund	(492,722)
Assessment Fund	233,217
Tax Maintenance Fund	(100,000)
E-911 Fund	(218,807)
Transfer Station Fund	(15,365)
	<u>\$ -</u>

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

NOTE Q – 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, 2007, the Reserve Account balance was \$1,948,941.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2007

NOTE R – COMMITMENTS

As of December 31, 2007, the County is committed on the following contracts for building the Justice Center:

<u>Contractor</u>	<u>Amount of Commitment</u>
Kennedy Contractor	\$ 171,270
Sweeper Metal Fabrication	285,251
Walton Construction Company	6,167,928
Markham Restaurant Supply	57,894
Pre-Stressed Casting, Inc.	89,670
Tindall Corporation	5,900
Swager Communications	60,550
Hill Huffman Construction Co. LLC	191,315
Septagon	110,000
HMN Arch.	115,587
APAC Missouri Inc.	65,781
	<u>\$ 7,321,146</u>

As of December 31, 2007, the County is committed to Rosetta Construction, LLC in the amount of \$428,620 for work on the Bee Creek Watershed Wastewater.

NOTE S – RESTATEMENT OF BEGINNING NET ASSETS TANEY COUNTY REGIONAL SEWER DISTRICT

Net assets have been restated as of January 1, 2007, as follows:

Net Assets, as previously stated, December 31, 2006	\$ 38,541,399
Investments - unrestricted	<u>20,000</u>
Net Assets, as restated, January 1, 2007	<u>\$ 38,561,399</u>

REQUIRED SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2007

Missouri Local Government Employees Retirement System (LAGERS)

	(a)	(b)	(b-a)		(c)	[(b-a)/c]
Actuarial	Actuarial	Entry Age	Unfunded		Annual	[(b-a)/c]
Valuation	Value of	Accrued	Accrued	(a/b)	Covered	UAL as a
Date	Assets	Liability	Liability	Funded	Payroll	Percentage
			(UAL)	Ratio		of Covered
						Payroll
2/28/2005	\$ 5,621,378	\$ 7,242,757	\$ 1,621,379	78%	\$ 6,157,433	26%
2/28/2006	6,777,830	8,104,824	1,326,994	84%	6,568,169	20%
2/28/2007	7,956,827	9,309,880	1,353,053	85%	7,492,510	18%

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

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 8,006,000	\$ 8,006,000	\$ 8,697,091	\$ 691,091
Surtax	5,700	5,700	7,580	1,880
Payment in lieu of taxes	91,000	91,000	96,045	5,045
	8,102,700	8,102,700	8,800,716	698,016
Collector's Commission				
Collection commissions	463,600	463,600	502,288	38,688
Licenses and Permits				
Beverage licenses	50,000	50,000	54,439	4,439
ATV permits	400	400	720	320
	50,400	50,400	55,159	4,759
Intergovernmental Revenues				
Federal	639,500	639,500	163,739	(475,761)
Other	186,178	186,178	231,356	45,178
	825,678	825,678	395,095	(430,583)
Fees and Charges				
Court	61,500	61,500	74,462	12,962
Public administration	55,000	55,000	70,243	15,243
County clerk	1,000	1,000	852	(148)
Recorder of deeds	1,290,000	1,290,000	1,189,182	(100,818)
Tax sale publication	5,000	5,000	8,530	3,530
Planning and zoning	87,000	87,000	171,660	84,660
Sheriff fees	496,000	496,000	531,825	35,825
Phone and vending	3,000	3,000	846	(2,154)
Election reimbursement	15,000	15,000	34,264	19,264
Computer room	2,500	2,500	2,651	151
Airport	830,000	830,000	788,101	(41,899)
	2,846,000	2,846,000	2,872,616	26,616
Other				
Interest income	325,000	325,000	877,958	552,958
Miscellaneous	1,953,100	1,953,100	55,290	(1,897,810)
Sale of property	26,000	26,000	6,131	(19,869)
	2,304,100	2,304,100	939,379	(1,364,721)
TOTAL RECEIPTS	14,592,478	14,592,478	13,565,253	(1,027,225)
DISBURSEMENTS				
Current				
General Government				
University extension	46,430	46,430	46,426	4
Collector of revenue	216,700	216,700	207,424	9,276
Treasurer	79,150	79,150	79,279	(129)
Recorder of deeds	290,001	290,001	260,378	29,623
County commission	1,619,280	1,619,280	386,701	1,232,579
Employee fringe benefits	1,707,500	1,707,500	1,358,402	349,098
Information technology	325,130	325,130	305,104	20,026
Planning and zoning	263,520	263,520	274,473	(10,953)
Election and voter registration	142,937	142,937	117,521	25,416
County clerk	82,360	82,360	93,975	(11,615)
Auditor	171,096	171,096	165,562	5,534
Building and grounds	430,788	430,788	455,874	(25,086)
	5,374,892	5,374,892	3,751,119	1,623,773

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Associate circuit #1	37,650	37,650	34,898	2,752
Court administration	37,000	37,000	20,013	16,987
Associate circuit #2	37,900	37,900	23,581	14,319
Circuit judge	43,548	43,548	31,017	12,531
Circuit clerk	26,800	26,800	24,074	2,726
Coroner	45,012	45,012	53,800	(8,788)
Circuit court	2,112	2,112	1,479	633
Child support	48,720	48,720	28,699	20,021
Public administrator	86,016	86,016	83,947	2,069
Juvenile	124,716	124,716	118,380	6,336
Prosecuting attorney	579,050	579,050	561,581	17,469
	<u>1,068,524</u>	<u>1,068,524</u>	<u>981,469</u>	<u>87,055</u>
Public Safety				
Sheriff	2,053,972	2,053,972	1,994,793	59,179
Jail	1,153,539	1,153,539	1,127,435	26,104
Animal control	93,684	93,684	148,296	(54,612)
Emergency management	265,474	265,474	69,606	195,868
	<u>3,566,669</u>	<u>3,566,669</u>	<u>3,340,130</u>	<u>226,539</u>
Other	19,179,811	19,179,811	1,213,079	17,966,732
Public Works				
Sewer	110,025	110,025	124,864	(14,839)
Industrial Development Board	66,200	66,200	42,383	23,817
	<u>176,225</u>	<u>176,225</u>	<u>167,247</u>	<u>8,978</u>
Airport				
Airport	802,728	802,728	778,865	23,863
Debt Service				
Principal and interest	1,555,860	1,555,860	1,286,791	269,069
TOTAL DISBURSEMENTS	<u>31,724,709</u>	<u>31,724,709</u>	<u>11,518,700</u>	<u>20,206,009</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(17,132,231)	(17,132,231)	2,046,553	19,178,784
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	-	-	(233,217)	(233,217)
Operating transfers in	955,552	955,552	797,233	(158,319)
TOTAL OTHER FINANCING SOURCES (USES)	<u>955,552</u>	<u>955,552</u>	<u>564,016</u>	<u>(391,536)</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(16,176,679)	(16,176,679)	2,610,569	18,787,248
FUND BALANCE, January 1	<u>16,176,679</u>	<u>16,176,679</u>	<u>16,017,776</u>	<u>(158,903)</u>
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,628,345</u>	<u>\$ 18,628,345</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 6,250,000	\$ 6,250,000	\$ 6,949,637	\$ 699,637
Intergovernmental receipts	100,500	100,500	355,513	255,013
Other receipts	210,000	210,000	205,438	(4,562)
TOTAL RECEIPTS	6,560,500	6,560,500	7,510,588	950,088
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	917,700	917,700	10,151	907,549
Computer related disbursements	22,000	22,000	11,275	10,725
Mileage and training	5,900	5,900	1,822	4,078
Professional services	158,700	158,700	133,307	25,393
Rental equipment	45,000	45,000	111,814	(66,814)
Telephone and utilities	53,500	53,500	33,548	19,952
Insurance	132,000	132,000	86,387	45,613
Repair and maintenance	310,000	310,000	446,806	(136,806)
Equipment	1,051,000	1,051,000	884,026	166,974
Road construction	600,000	600,000	335,793	264,207
Road supplies	3,580,000	3,580,000	3,313,256	266,744
Bridges	-	-	2,256	(2,256)
Other supplies	497,000	497,000	599,913	(102,913)
Trail construction	50,000	50,000	100,692	(50,692)
Other	1,696,102	1,696,102	483,395	1,212,707
TOTAL DISBURSEMENTS	9,118,902	9,118,902	6,554,441	2,564,461
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(2,558,402)	(2,558,402)	956,147	3,514,549
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	29,661	29,661
Operating transfers (out)	(149,284)	(149,284)	-	149,284
TOTAL OTHER FINANCING SOURCES (USES)	(149,284)	(149,284)	29,661	178,945
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(2,707,686)	(2,707,686)	985,808	3,693,494
FUND BALANCE, January 1	2,707,686	2,707,686	2,707,686	-
FUND BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,693,494</u>	<u>\$ 3,693,494</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 933,000	\$ 933,000	\$ 1,151,073	\$ 218,073
Other receipts	234,000	234,000	1,047,259	813,259
TOTAL RECEIPTS	1,167,000	1,167,000	2,198,332	1,031,332
DISBURSEMENTS				
Highway and Roads	8,922,292	8,922,292	3,224,805	5,697,487
TOTAL DISBURSEMENTS	8,922,292	8,922,292	3,224,805	5,697,487
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(7,755,292)	(7,755,292)	(1,026,473)	6,728,819
OTHER FINANCING (USES)				
Operating transfers (out)	(610,000)	(610,000)	(492,722)	117,278
TOTAL OTHER FINANCING (USES)	(610,000)	(610,000)	(492,722)	117,278
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(8,365,292)	(8,365,292)	(1,519,195)	6,846,097
FUND BALANCE, January 1	8,365,292	8,365,292	8,524,194	158,902
FUND BALANCE, December 31	\$ -	\$ -	\$ 7,004,999	\$ 7,004,999

OTHER FINANCIAL INFORMATION

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2007

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
ASSETS									
Cash and investments	\$ 3,100	\$ 3,608	\$ 6,365	\$ 1,099,557	\$ 111,445	\$ 16,485	\$ 97,171	\$ 2,026	\$ 264,443
TOTAL ASSETS	<u>\$ 3,100</u>	<u>\$ 3,608</u>	<u>\$ 6,365</u>	<u>\$ 1,099,557</u>	<u>\$ 111,445</u>	<u>\$ 16,485</u>	<u>\$ 97,171</u>	<u>\$ 2,026</u>	<u>\$ 264,443</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 3,100	\$ 3,608	\$ 6,365	\$ 1,099,557	\$ 111,445	\$ 16,485	\$ 97,171	\$ 2,026	\$ 264,443
TOTAL FUND BALANCES	<u>\$ 3,100</u>	<u>\$ 3,608</u>	<u>\$ 6,365</u>	<u>\$ 1,099,557</u>	<u>\$ 111,445</u>	<u>\$ 16,485</u>	<u>\$ 97,171</u>	<u>\$ 2,026</u>	<u>\$ 264,443</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (CONTINUED)
 December 31, 2007

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Special Children Trust Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Domestic Violence Fund	Total
ASSETS										
Cash and investments	\$ 4,719	\$ 11,839	\$ 31,698	\$ 379,307	\$ 23,104	\$ 8,362	\$ 10,073	\$ 11,012	\$ 8,362	\$ 2,092,676
TOTAL ASSETS	<u>\$ 4,719</u>	<u>\$ 11,839</u>	<u>\$ 31,698</u>	<u>\$ 379,307</u>	<u>\$ 23,104</u>	<u>\$ 8,362</u>	<u>\$ 10,073</u>	<u>\$ 11,012</u>	<u>\$ 8,362</u>	<u>\$ 2,092,676</u>
FUND BALANCES										
Fund Balance										
Unreserved	\$ 4,719	\$ 11,839	\$ 31,698	\$ 379,307	\$ 23,104	\$ 8,362	\$ 10,073	\$ 11,012	\$ 8,362	\$ 2,092,676
TOTAL FUND BALANCES	<u>\$ 4,719</u>	<u>\$ 11,839</u>	<u>\$ 31,698</u>	<u>\$ 379,307</u>	<u>\$ 23,104</u>	<u>\$ 8,362</u>	<u>\$ 10,073</u>	<u>\$ 11,012</u>	<u>\$ 8,362</u>	<u>\$ 2,092,676</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2007

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ 511,922	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	1,521	-
Fees and charges	344,646	-	1,403	1,364	112,335	7,389	50,333	-	62,661
Other receipts	2,539	8,299	367	70,630	6,195	554	5,616	72	12,937
TOTAL RECEIPTS	347,185	8,299	1,770	583,916	118,530	7,943	55,949	1,593	75,598
DISBURSEMENTS									
Current									
General government	577,316	-	-	-	9,129	-	-	-	-
Judicial	-	-	5,220	-	-	-	-	-	64,693
Public safety	-	4,749	-	461,088	-	-	44,425	1,380	-
TOTAL DISBURSEMENTS	577,316	4,749	5,220	461,088	9,129	-	44,425	1,380	64,693
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(230,131)	3,550	(3,450)	122,828	109,401	7,943	11,524	213	10,905
OTHER FINANCING SOURCES (USES)									
Operating transfers in (out)	233,217	-	-	(218,807)	(100,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	233,217	-	-	(218,807)	(100,000)	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	3,086	3,550	(3,450)	(95,979)	9,401	7,943	11,524	213	10,905
FUND BALANCE, January 1	14	58	9,815	1,195,536	102,044	8,542	85,647	1,813	253,538
FUND BALANCE, December 31	\$ 3,100	\$ 3,608	\$ 6,365	\$ 1,099,557	\$ 111,445	\$ 16,485	\$ 97,171	\$ 2,026	\$ 264,443

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2007

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Special Children Trust Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Domestic Violence Fund	Total
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 511,922
Intergovernmental receipts	-	11,332	2,039	-	-	-	-	-	-	14,892
Fees and charges	-	-	3,527	258,231	15,108	7,499	10,289	4,770	7,499	887,054
Other receipts	243	547	7,616	18,628	335	232	370	12	232	135,424
TOTAL RECEIPTS	243	11,879	13,182	276,859	15,443	7,731	10,659	4,782	7,731	1,549,292
DISBURSEMENTS										
Current										
General government	-	-	39,528	191,186	-	5,590	-	-	-	822,749
Judicial	-	-	-	-	9,118	-	-	958	-	79,989
Public safety	-	8,528	-	-	-	-	9,544	-	5,590	535,304
TOTAL DISBURSEMENTS	-	8,528	39,528	191,186	9,118	5,590	9,544	958	5,590	1,438,042
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	243	3,351	(26,346)	85,673	6,325	2,141	1,115	3,824	2,141	111,250
OTHER FINANCING SOURCES (USES)										
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	(85,590)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	(85,590)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	243	3,351	(26,346)	85,673	6,325	2,141	1,115	3,824	2,141	25,660
FUND BALANCE, January 1	4,476	8,488	58,044	293,634	16,779	6,221	8,958	7,188	6,221	2,067,016
FUND BALANCE, December 31	<u>\$ 4,719</u>	<u>\$ 11,839</u>	<u>\$ 31,698</u>	<u>\$ 379,307</u>	<u>\$ 23,104</u>	<u>\$ 8,362</u>	<u>\$ 10,073</u>	<u>\$ 11,012</u>	<u>\$ 8,362</u>	<u>\$ 2,092,676</u>



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri as of and for the year ended December 31, 2007, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated July 22, 2008. In our report, our opinion was modified because 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 preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

Taney County Commission
Taney County
Forsyth, Missouri

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 07-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

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 July 22, 2008.

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

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 22, 2008

TANEY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2007

07-1. Segregation of duties

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

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

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

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

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

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2008

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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2008, 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 Health Center, which represent 9%, 9% and 17%, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report therein has been furnished to us and our opinion, insofar as it relates to the amounts included for the Taney County Health Center is based on the report of the 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 and the report of the other auditors provide a reasonable basis for our opinions.

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

Taney County Commission
Taney County
Forsyth, Missouri

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the Taney County Regional Sewer District, the Developmentally Disabled Board, and the Dorgan-Weaver Housing corporation, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of December 31, 2008, 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.

Further, in our opinion, based on the report of other auditors, the basic financial statements of the Taney County Health Center present fairly, in all material respects, the financial position of the Taney County Health Center as of December 31, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 10, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

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, 2008, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The overall net assets of the County decreased by \$10,614,968.
- The fund balance for the General Fund decreased by \$5,577,263. Using the cash basis does not take into consideration capital improvements. We spent about \$7.5 million finishing the new judicial facility.
- The fund balance for the Road and Bridge Trust Fund decreased by \$268,812. A big portion of the decrease is money that we spent for FEMA that will be reimbursed.
- The Road and Bridge Fund decreased \$4,629,572. We also had a capital improvement project from this fund (Casey Road).

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

Our financial analysis of the County as a whole begins on page 9. The government-wide financial statements are presented on pages 13-14. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?". The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

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

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

Fund Financial Statements

Our analysis of the County's funds begins on page 11. The fund financial statements begin on page 15 and provide detailed information about the County's funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for County programs.

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets – Modified Cash Basis

	December 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 21,639,991	\$ 32,254,959
TOTAL ASSETS	<u>\$ 21,639,991</u>	<u>\$ 32,254,959</u>
NET ASSETS		
Unrestricted	\$ 21,639,991	\$ 32,254,959
TOTAL NET ASSETS	<u>\$ 21,639,991</u>	<u>\$ 32,254,959</u>

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2008

Changes in Net Assets – Modified Cash Basis

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 5,915,463	\$ 5,695,859
Operating grants and contributions	106,975	59,620
Capital grants and contributions	430,244	485,524
<u>General Receipts</u>		
Sales tax receipts	15,735,092	15,646,728
Motor vehicle sales tax	256,497	316,266
Gas tax	825,454	829,738
Telephone tax	502,847	511,922
Other taxes	133,512	108,695
Interest	1,177,603	1,644,064
Other receipts	348,601	718,639
TOTAL RECEIPTS	25,432,288	26,017,055
DISBURSEMENTS		
General government	5,568,943	4,589,456
Judicial	1,200,426	1,061,458
Public safety	4,646,262	3,888,642
Public works	177,143	167,247
Highway and roads	13,392,323	9,812,574
Airport	991,286	778,865
Debt service	1,272,479	1,286,791
Other	7,695,348	1,213,079
Transfer station	1,103,046	1,008,923
TOTAL DISBURSEMENTS	36,047,256	23,807,035
INCREASE (DECREASE) IN NET ASSETS	\$ (10,614,968)	\$ 2,210,020

Overall receipts of the County decreased by \$584,767 from the prior year. Tax revenues were up \$40,053, which represents a .2% increase over the prior year. Overall disbursements of the County were up \$12,240,221.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

- The General Fund balance decreased by \$5,577,263 for the year ended December 31, 2008. This decrease was primarily because of monies used to finish the new judicial facility.
- The Road and Bridge Fund balance decreased by \$4,629,572 for the year ended December 31, 2008. This was primarily due to the large capital improvements of Casey Road.
- The Road and Bridge Trust Fund decreased by \$268,812, which lowered the fund balance to \$3,424,682 as of December 31, 2008. A large portion of this is monies that have not been reimbursed for FEMA work.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 9,040,500	\$ 9,040,500	\$ 8,878,030
Commissions	457,500	457,500	552,412
Licenses and permits	50,425	50,425	40,310
Intergovernmental revenues	435,638	435,638	546,433
Fees and charges	3,041,000	3,041,000	3,019,189
Other	367,100	367,100	770,372
TOTAL RECEIPTS	\$ 13,392,163	\$ 13,392,163	\$ 13,806,746
DISBURSEMENTS			
General government	\$ 4,724,030	\$ 4,724,030	\$ 4,651,791
Judicial	1,107,558	1,107,558	1,096,502
Public safety	4,295,595	4,295,595	4,089,671
Public works	399,582	399,582	177,143
Other	18,449,994	18,449,994	7,695,348
Airport	1,661,718	1,661,718	991,286
Debt service	1,400,000	1,400,000	1,272,479
TOTAL DISBURSEMENTS	\$ 32,038,477	\$ 32,038,477	\$ 19,974,220

The differences in the budget can be attributed to good stewardship in most cases. The big difference in the other category is explained by the fact that we budget all monies that we have available so that we can spend those if we find it necessary. We place a large number in contingency and a larger number in capital improvements. In the airport portion we had budgeted to build an additional hangar and did not get that accomplished this year. Our bonds did not cost as much as we had expected because of interest rate drops.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

We are looking at tougher economic times in 2009. We are expecting less revenues, but because we have a good balance to take forward, we do not see any major problems or any reduction in services to our constituents. We don't look forward to hard economic times, but realize when they come they are a great opportunity to find where we can be smarter and better financial stewards.

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, 2008

	Primary Government			Component Units			
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Taney County Health Center
ASSETS							
Cash and investments - unrestricted	\$ 20,875,993	\$ 763,998	\$ 21,639,991	\$ 28,536,886	\$ 1,785,569	\$ 38,017	\$ 950,816
Ad valorem taxes receivable, net	-	-	-	-	-	-	990,545
Accounts receivable	-	-	-	77,319	-	-	55,953
Prepaid expenses	-	-	-	-	-	-	49,443
Restricted cash and investments	-	-	-	1,742,419	-	-	-
Deferred Bond Issuance Costs	-	-	-	216,464	-	-	10,019
Capital Assets:							
Non-depreciable	-	-	-	19,411,184	-	-	200,000
Depreciable, net	-	-	-	24,903,848	-	-	2,452,845
TOTAL ASSETS	20,875,993	763,998	21,639,991	74,888,120	1,785,569	38,017	4,709,621
LIABILITIES							
Current							
Accounts payable	-	-	-	16,154	-	-	133,606
Accrued expenses	-	-	-	64,338	-	-	130,622
Deposits payable	-	-	-	81,828	-	-	-
Accrued interest payable	-	-	-	294,110	-	-	-
Arbitrage payable	-	-	-	252,444	-	-	-
Current maturities of long-term debt	-	-	-	780,000	-	-	40,451
TOTAL CURRENT LIABILITIES	-	-	-	1,488,874	-	-	304,679
Noncurrent							
Revenue bonds payable	-	-	-	12,500,000	-	-	-
Leases payable	-	-	-	-	-	-	793,377
TOTAL LIABILITIES	-	-	-	13,988,874	-	-	1,098,056
NET ASSETS							
Invested in capital assets, net of related debt	-	-	-	31,035,032	-	-	1,819,017
Restricted for debt service	-	-	-	1,465,735	-	-	-
Unrestricted	20,875,993	763,998	21,639,991	28,398,479	1,785,569	38,017	1,792,548
TOTAL NET ASSETS	\$ 20,875,993	\$ 763,998	\$ 21,639,991	\$ 60,899,246	\$ 1,785,569	\$ 38,017	\$ 3,611,565

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2008

Functions/Programs	Primary Government							Component Units			
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Assets			Taney County Regional Sewer District	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Taney County Health Center
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total				
Primary Government											
Governmental Activities											
General government	\$ (5,568,943)	\$ 2,724,720	\$ -	\$ 29,777	\$ (2,814,446)	\$ -	\$ (2,814,446)				
Judicial	(1,200,426)	477,448	39,971	-	(683,007)	-	(683,007)				
Public safety	(4,646,262)	758,964	38,424	150,805	(3,698,069)	-	(3,698,069)				
Public works	(177,143)	-	-	-	(177,143)	-	(177,143)				
Highway and roads	(13,392,323)	-	28,580	249,662	(13,114,081)	-	(13,114,081)				
Airport	(991,286)	850,782	-	-	(140,504)	-	(140,504)				
Debt service	(1,272,479)	-	-	-	(1,272,479)	-	(1,272,479)				
Other	(7,695,348)	-	-	-	(7,695,348)	-	(7,695,348)				
TOTAL GOVERNMENTAL ACTIVITIES	(34,944,210)	4,811,914	106,975	430,244	(29,595,077)	-	(29,595,077)				
Business-Type Activities											
Transfer station	(1,103,046)	1,103,549	-	-	-	503	503				
TOTAL BUSINESS-TYPE ACTIVITIES	(1,103,046)	1,103,549	-	-	-	503	503				
TOTAL PRIMARY GOVERNMENT	\$ (36,047,256)	\$ 5,915,463	\$ 106,975	\$ 430,244	(29,595,077)	503	(29,594,574)				
Component Units											
Taney County Regional											
Sewer District	\$ (3,671,085)	\$ 950,919	\$ -	\$ -			\$ (2,720,166)	\$ -	\$ -	\$ -	
Developmentally Disabled Board	(1,361,406)	41,020	-	-			-	(1,361,406)	-	-	
Dorgan-Weaver Housing Corp.	(76,894)	-	-	42,334			-	-	6,460	-	
Taney County Health Center	(3,059,349)	2,035,375	-	53,940			-	-	-	(970,034)	
TOTAL COMPONENT UNITS	\$ (8,168,734)	\$ 3,027,314	\$ -	\$ 96,274			(2,720,166)	(1,361,406)	6,460	(970,034)	
General Receipts and Transfers:											
Ad valorem taxes					-	-	-	759,914	-	1,304,854	
Sales tax					15,735,092	-	15,735,092	6,981,243	-	-	
Motor vehicle sales tax					256,497	-	256,497	-	-	-	
Gas tax					825,454	-	825,454	-	-	-	
Telephone tax					502,847	-	502,847	-	-	-	
Other taxes					133,512	-	133,512	-	-	-	
Interest					1,145,319	32,284	1,177,603	1,158,271	61,313	496	32,665
Other receipts					348,601	-	348,601	25,935	25,887	4,921	-
Transfers					16,283	(16,283)	-	-	-	-	-
Total General Receipts and Transfers					18,963,605	16,001	18,979,606	8,165,449	847,114	5,417	1,337,519
Special Item:											
Loan proceeds					-	-	-	-	300,000	-	-
Increase (Decrease) in Net Assets					(10,631,472)	16,504	(10,614,968)	5,445,283	(214,292)	11,877	367,485
Net Assets, Beginning of year, as restated					31,507,465	747,494	32,254,959	55,453,963	1,999,861	26,140	3,244,080
Net Assets, End of year					\$ 20,875,993	\$ 763,998	\$ 21,639,991	\$ 60,899,246	\$ 1,785,569	\$ 38,017	\$ 3,611,565

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
BASIS
December 31, 2008

	<u>General Fund</u>	<u>Road and Bridge Trust Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 13,051,082	\$ 3,424,682	\$ 2,375,427	\$ 2,006,252	\$ 20,857,443
TOTAL ASSETS	<u>\$ 13,051,082</u>	<u>\$ 3,424,682</u>	<u>\$ 2,375,427</u>	<u>\$ 2,006,252</u>	<u>\$ 20,857,443</u>
FUND BALANCES					
Fund Balances					
Unreserved, reported in:					
General Fund	\$ 13,051,082	\$ -	\$ -	\$ -	\$ 13,051,082
Special Revenue Funds	<u>-</u>	<u>3,424,682</u>	<u>2,375,427</u>	<u>2,006,252</u>	<u>7,806,361</u>
TOTAL FUND BALANCES	<u>\$ 13,051,082</u>	<u>\$ 3,424,682</u>	<u>\$ 2,375,427</u>	<u>\$ 2,006,252</u>	<u>\$ 20,857,443</u>
Fund Balance Governmental Funds					\$ 20,857,443
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.					<u>18,550</u>
Net Assets of Governmental Activities					<u>\$ 20,875,993</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2008

	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 8,878,030	\$ 6,983,682	\$ 1,088,843	\$ 502,847	\$ 17,453,402
Collector's commission	552,412	-	-	-	552,412
Licenses and permits	40,310	-	-	-	40,310
Intergovernmental receipts	546,433	274,681	-	7,076	828,190
Fees and charges	3,019,189	-	-	909,031	3,928,220
Other	770,372	166,825	437,352	119,372	1,493,921
TOTAL RECEIPTS	13,806,746	7,425,188	1,526,195	1,538,326	24,296,455
DISBURSEMENTS					
Current					
General government	4,651,791	-	-	898,808	5,550,599
Judicial	1,096,502	-	-	103,924	1,200,426
Public safety	4,089,671	-	-	541,286	4,630,957
Public works	177,143	-	-	-	177,143
Airport	991,286	-	-	-	991,286
Other	7,695,348	-	-	-	7,695,348
Highway and roads	-	7,694,000	5,654,209	-	13,348,209
Debt service	1,272,479	-	-	-	1,272,479
TOTAL DISBURSEMENTS	19,974,220	7,694,000	5,654,209	1,544,018	34,866,447
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(6,167,474)	(268,812)	(4,128,014)	(5,692)	(10,569,992)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	590,211	-	(501,558)	(72,370)	16,283
TOTAL OTHER FINANCING SOURCES (USES)	590,211	-	(501,558)	(72,370)	16,283
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(5,577,263)	(268,812)	(4,629,572)	(78,062)	(10,553,709)
FUND BALANCE, January 1	18,628,345	3,693,494	7,004,999	2,084,314	31,411,152
FUND BALANCE, December 31	\$ 13,051,082	\$ 3,424,682	\$ 2,375,427	\$ 2,006,252	\$ 20,857,443

(Deficit) of Receipts and Other Sources
Over Disbursements and Other Uses

\$ (10,553,709)

Some of the amounts reported for Governmental activities in the
Statement of Activities are different because the Internal Service
Fund receipts and disbursements are included with Governmental activities.

(77,763)

(Decrease) in Net Assets

\$ (10,631,472)

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET ASSETS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
 December 31, 2008

	Enterprise Fund	Internal Service Fund
	<u>Transfer Station Fund</u>	<u>Employee Benefits Fund</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 763,998	\$ 18,550
TOTAL ASSETS	<u>\$ 763,998</u>	<u>\$ 18,550</u>
Net Assets		
Unrestricted	\$ 763,998	\$ 18,550
TOTAL NET ASSETS	<u>\$ 763,998</u>	<u>\$ 18,550</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY
FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2008

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
OPERATING RECEIPTS		
Charges for services	\$ 1,103,549	\$ -
TOTAL OPERATING RECEIPTS	1,103,549	-
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	746	81,501
Salaries and employee benefits	216,828	-
Supplies	113,751	-
Telephone and utilities	3,774	-
Repair and maintenance	23,098	-
Landfill services	744,253	-
Other	596	-
TOTAL OPERATING DISBURSEMENTS	1,103,046	81,501
OPERATING INCOME (LOSS)	503	(81,501)
NONOPERATING RECEIPTS		
Interest receipts	32,284	2,684
Other receipts	-	1,054
TOTAL NONOPERATING RECEIPTS	32,284	3,738
INCOME (LOSS) BEFORE OPERATING TRANSFERS	32,787	(77,763)
Operating transfers (out)	(16,283)	-
NET INCOME (LOSS)	16,504	(77,763)
NET ASSETS, January 1	747,494	96,313
NET ASSETS, December 31	\$ 763,998	\$ 18,550

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2008

	Enterprise Fund	Internal Service Fund
	Transfer Station Fund	Employee Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,103,549	\$ -
Cash paid to suppliers	(886,218)	(80,447)
Cash paid to employees	(216,828)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	503	(80,447)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	32,284	2,684
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,284	2,684
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers (to) other funds	(16,283)	-
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(16,283)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,504	(77,763)
CASH AND CASH EQUIVALENTS, Beginning of year	747,494	96,313
CASH AND CASH EQUIVALENTS, End of year	\$ 763,998	\$ 18,550
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 503	\$ (81,501)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Other receipts	-	1,054
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 503	\$ (80,447)

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
 December 31, 2008

	Sheriff's Office Prisoner Fund	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Collector of Revenue Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Prosecuting Attorney Restitution Fund	Fines and Forfeitures Fund
ASSETS									
Cash and investments	\$ 56	\$ 192	\$ 8,289	\$ 64	\$ 35,975,705	\$ 135,598	\$ 9,927	\$ 29,155	\$ 65,942
TOTAL ASSETS	\$ 56	\$ 192	\$ 8,289	\$ 64	\$ 35,975,705	\$ 135,598	\$ 9,927	\$ 29,155	\$ 65,942
LIABILITIES									
Due to others	\$ 56	\$ -	\$ -	\$ 64	\$ 272,211	\$ 135,598	\$ 9,927	\$ 29,155	\$ -
Due to other governments	-	192	8,289	-	35,703,494	-	-	-	65,942
TOTAL LIABILITIES	\$ 56	\$ 192	\$ 8,289	\$ 64	\$ 35,975,705	\$ 135,598	\$ 9,927	\$ 29,155	\$ 65,942

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (CONTINUED)
 December 31, 2008

	Criminal Cost Fund	Circuit Clerk Fund	Division I Associate Circuit Court Fund	Probate Division Fund	Recorder's User Fee Fund	Protest Tax Account Fund	Division II Associate Circuit Clerk Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS									
Cash and investments	\$ 743	\$ 641,959	\$ 14,571	\$ -	\$ 150,728	\$ 167,762	\$ -	\$ 10,189	\$ 37,210,880
TOTAL ASSETS	\$ 743	\$ 641,959	\$ 14,571	\$ -	\$ 150,728	\$ 167,762	\$ -	\$ 10,189	\$ 37,210,880
LIABILITIES									
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,762	\$ -	\$ 10,189	\$ 624,962
Due to other governments	743	641,959	14,571	-	150,728	-	-	-	36,585,918
TOTAL LIABILITIES	\$ 743	\$ 641,959	\$ 14,571	\$ -	\$ 150,728	\$ 167,762	\$ -	\$ 10,189	\$ 37,210,880

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

The Taney County Health Center, which is governed by an elected Board of Directors, provides public health services to the residents of Taney County. The Taney County Health Center is included in the financial statements of the County as a component unit due to its financial relationship with the County. The Taney County Health Center issues separate financial statements audited by other auditors. The Taney County Health Center's financial statements may be obtained by contacting the Center at (417) 546-4725.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

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

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

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

Taney County Board for the Developmentally Disabled

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

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

Dorgan-Weaver Housing Corporation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fund types:

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

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

The County reports the following major proprietary fund:

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

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

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

The Taney County Health Center and the Taney County Regional Sewer District's basic financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Taney County Health Center has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB).

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

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

Government-Wide Statements

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

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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, 2008, all bank balances on deposit are entirely insured or collateralized with securities.

The County's investments at December 31, 2008, are as follows:

Investment Type	Maturity	Carrying Value	Fair Value
Taney County			
Certificate of Deposit	01/08/09-12/10/10	\$ 17,403,678	\$ 17,403,678
Fannie Mae Notes	6/18/2010	3,350,419	3,391,875
Fannie Mae US Domestic Notes	2/19/09-6/24/11	3,001,342	3,029,375
FHLB	1/28/2011	1,000,000	1,017,187
FHLB Bonds US Domestic	6/11/2010	2,054,724	2,096,250
FHLB Global Bonds	1/8/2009	1,020,439	1,030,625
FHLB Global Series I Bonds	2/4/2010	1,075,000	1,077,352
FHLB US Domestic Bonds	1/30/09-9/11/09	2,015,955	2,028,438
FFCB US Domestic Bonds	2/11/2010	1,500,000	1,503,750
FFCB Callable	1/7/2009	1,004,244	1,000,680
FNMA Callable	8/18/09-12/23/10	2,767,085	2,791,702
Freddie Mac Notes Domestic Mtn Street Convention	2/26/10-7/23/10	3,000,302	3,019,363
Freddie Mac Global Notes	8/16/2010	1,047,353	1,058,609
		40,240,541	40,448,884
Less: Investments held for the			
Taney County Regional Sewer District		(28,360,142)	(28,360,142)
Total Investments Primary Government		\$ 11,880,399	\$ 12,088,742

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, 2008, all certificates of deposit are entirely insured or collateralized with securities.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

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

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

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District’s deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2008, all bank balances on deposit are entirely insured or collateralized.

The District’s investments at December 31, 2008, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of Deposit	1/3/2009-9/29/2010	\$ 6,840,057
FHLB	1/28/2011	1,000,000
FHLB Bonds US Domestic	1/30/2009-6/11/2010	4,070,679
FHLB Global Bonds	1/8/2009	1,020,439
FFCB Domestic	1/7/2009-2/11/2010	2,504,244
FHLB US Domestic Bonds Street Convention	2/4/2010	1,075,000
Fannie Mae Notes - US Domestic	2/19/2009-6/24/2011	6,351,761
Freddie MAC Notes - Domestic	5/7/2010-7/23/2010	3,000,302
Freddie MAC Global Notes	8/16/2010	1,047,353
FNMA 1 time call	01/7/2009-7/23/2010	1,450,307
		<u>\$ 28,360,142</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2008, all certificates of deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE B – CASH AND INVESTMENTS (continued)

U.S. Government Agency Obligations

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

TANEY COUNTY HEALTH CENTER

At December 31, 2008, substantially all of the Health Department’s deposits were covered by federal depository insurance or collateralized by securities subject to joint custody safekeeping receipts issued by custodial financial institutions.

At December 31, 2008, the Health Department had bank balances as follows:

	<u>Carrying Amounts</u>	<u>Bank Balance</u>
Petty cash accounts	\$ 400	\$ -
Checking	14	30,827
Money market accounts	637,802	634,892
Certificates of deposit	<u>312,600</u>	<u>312,600</u>
TOTAL	<u>\$ 950,816</u>	<u>\$ 978,319</u>

Custodial credit risk for deposits is the risk that, in the event of bank failure, a government’s deposits may not be returned to it. At December 31, 2008, all the Organization’s deposits were either covered by federal depository insurance or collateralized through securities held by the Organization’s custodial bank in the Organization’s name.

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

State statutes require that the Board’s deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2008, all bank balances on deposit are entirely insured or collateralized.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE B – CASH AND INVESTMENTS (continued)

Investments of the Board as of December 31, 2008, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	3/3/2009	\$ 240,431
Certificate of Deposit	6/2/2009	238,408
Certificate of Deposit	4/15/2009	470,584
Certificate of Deposit	11/16/2009	180,954
Certificate of Deposit	11/16/2009	180,954
		<u>\$ 1,311,331</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board's deposits be collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2008, certificates of deposit in the amount of \$111,908 were not insured or collateralized with securities.

Interest Rate Risk

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

Dorgan-Weaver Housing Corporation

Investments of the Corporation as of December 31, 2008, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/18/2009	<u>\$ 8,112</u>

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

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

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE D – PENSION PLAN – CERF (continued)

Funding Policy

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

NOTE E – PENSION PLAN – LAGERS

Plan Description

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

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 10.8% (general), and 11.3% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE E – PENSION PLAN – LAGERS (continued)

Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$966,508 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008, included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 29, 2008 was 17 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 841,524	100%	\$ -
6/30/2007	877,227	100%	-
6/30/2008	966,508	100%	-

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	\$ 9,618,259	\$ 10,577,588	\$ 959,329	91%	\$ 8,655,618	11%

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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

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

The 2008 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	
Real estate	\$ 759,758,480
Personal property	141,427,861
Railroad and utilities	<u>3,553,017</u>
	<u><u>\$ 904,739,358</u></u>
TAX LEVY	
General Fund	<u><u>\$ -</u></u>

The legal debt margin at December 31, 2008, is computed as follows:

Constitutional debt limit	\$ 90,473,936
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 90,473,936</u></u>

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

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

2004 Water Pollution Control Revenue Bonds:

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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

The interest paid is offset by an interest subsidy from the State of Missouri’s 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2008, are due as follows:

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2009	\$ 780,000	\$ 576,520	\$ 94,819	\$ 1,451,339
2010	790,000	552,970	89,250	1,432,220
2011	800,000	528,320	83,609	1,411,929
2012	800,000	502,320	77,897	1,380,217
2013	810,000	474,945	72,185	1,357,130
2014	820,000	446,010	66,402	1,332,412
2015	840,000	410,250	60,547	1,310,797
2016	865,000	367,625	54,550	1,287,175
2017	885,000	323,875	48,374	1,257,249
2018	910,000	279,000	42,055	1,231,055
2019	940,000	231,575	35,557	1,207,132
2020	965,000	181,568	28,846	1,175,414
2021	995,000	130,119	21,956	1,147,075
2022	1,025,000	78,375	14,851	1,118,226
2023	1,055,000	26,375	7,533	1,088,908
	<u>\$ 13,280,000</u>	<u>\$ 5,109,847</u>	<u>\$ 798,431</u>	<u>\$ 19,188,278</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2008:

	Balance December 31, 2007	New Obligations	Retired	Balance December 31, 2008
2004 SRF Revenue Bonds Payable	<u>\$ 14,055,000</u>	<u>\$ -</u>	<u>\$ 775,000</u>	<u>\$ 13,280,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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. As of December 31, 2008, the facility had not been completed. 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, 2008, are as follows:

Year Ended December 31,	
2009	\$ 1,399,082
2010	1,421,281
2011	1,446,381
2012	1,474,181
2013	1,494,681
2014	1,520,393
2015	1,545,844
2016	1,570,881
2017	1,597,656
2018	1,626,331
2019	1,649,831
2020	1,680,131
2021	1,710,994
2022	1,737,263
2023	<u>2,832,235</u>
TOTAL MINIMUM LEASE PAYMENTS	24,707,165
LESS AMOUNT REPRESENTING INTEREST	<u>(6,722,165)</u>
PRINCIPAL BALANCE, DECEMBER 31, 2008	<u>\$ 17,985,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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, 2008:

	Balance December 31, 2007	Additions	Retirements	Balance December 31, 2008
2006 Certificates of Participation	\$ 18,605,000	\$ -	\$ 620,000	\$ 17,985,000
Compensated absences	105,216	19,174	-	124,390
	<u>\$ 18,710,216</u>	<u>\$ 19,174</u>	<u>\$ 620,000</u>	<u>\$ 18,109,390</u>

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

The Health Department entered into a capital lease agreement (certificates of participation COPs) to build an addition to the existing building. A summary of changes of loans payable for the year ended December 31, 2008, follows. The interest rate on the capital lease is 4.85% until July 1, 2013, and then adjusts to the rate equal to (i) 65% of the sum of (a) 2.00% plus (b) the current prime rate as published in the Wall Street Journal; plus (ii) .20%. Payments are payable monthly.

	Balance 1/1/2008	Additions	Payments	Balance 12/31/2008	Due in one year
2008 COP's	<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ 16,172</u>	<u>\$ 833,828</u>	<u>\$ 40,451</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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

Debt service payments are as follows:

Year Ended December 31,	Principal	Interest	Total
2009	\$ 40,451	\$ 40,096	\$ 80,547
2010	42,485	38,062	80,547
2011	44,622	35,925	80,547
2012	46,769	33,778	80,547
2013	49,219	31,328	80,547
2014	51,695	28,852	80,547
2015	54,294	26,253	80,547
2016	56,956	23,591	80,547
2017	59,891	20,656	80,547
2018	62,902	17,645	80,547
2019-2023	324,544	37,918	362,462
	<u>\$ 833,828</u>	<u>\$ 334,104</u>	<u>\$ 1,167,932</u>

NOTE J – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED

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

The following is a schedule of payments under the loan:

Year Ended December 31,	Principal
2009	\$ 30,000
2010	30,000
2011	30,000
2012	30,000
2013	30,000
2014-2018	132,500
	<u>\$ 282,500</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

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

The summary of changes in the loan for the year ended December 31, 2008, is as follows:

Balance, December 31, 2007	\$ -
Additions	300,000
Deletions	<u>(17,500)</u>
Balance, December 31, 2008	<u><u>\$ 282,500</u></u>

NOTE K – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2008, the Board had a mortgage payable of \$1,531,400. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

The following represents the changes in the mortgage payable during the year ended December 31, 2008:

Balance, December 31, 2007	\$ 1,531,400
Additions	-
Reductions	<u>-</u>
Balance, December 31, 2008	<u><u>\$ 1,531,400</u></u>

NOTE L – 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.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE M – 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, 2008, only \$15,590,000 of these bonds have been issued.

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

The Health Center pays fixed premiums for annual professional liability insurance coverage under an occurrence-basis policy. Under such a policy, incidents which occur during the policy term are covered claims. For covered claims, in general, the Health Center bears the risk of the excess, if any, over individual claim costs of \$2,000,000 with no annual aggregate limitations. The Health Center accrues the expense of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the Health Center’s own claims experience. Health Center management does not expect any claims to exceed the professional liability coverage limits; and accordingly, no accruals for claims have been included in these financial statements. Additionally, there were no claims filed during the year ended December 31, 2008, and the Health Center is not aware of any unasserted claims or unreported incidents at December 31, 2008.

NOTE O – CAPITAL ASSETS – TANEY COUNTY HEALTH CENTER

Capital asset activities for the year ended December 31, 2008, were as follows:

	Balance December 31, 2007	Additions	Retirements	Balance December 31, 2008
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Buildings and improvements	1,622,965	31,019	-	1,653,984
Furniture and equipment	432,002	192,759	599	624,162
Less accumulated depreciation	<u>(602,384)</u>	<u>(106,128)</u>	<u>(599)</u>	<u>(707,913)</u>
Net Capital Assets	<u>\$ 1,652,583</u>	<u>\$ 117,650</u>	<u>\$ -</u>	<u>\$ 1,770,233</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE P – CAPITAL ASSETS – TANEY COUNTY REGIONAL SEWER DISTRICT

Capital asset activity for the year ended December 31, 2008, was as follows:

Business-Type Activities	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008
Sewer				
Nondepreciable capital assets:				
Land	\$ 64,100	\$ 42,476	\$ -	\$ 106,576
Construction in progress	12,759,087	6,545,521	-	19,304,608
Total Nondepreciable Capital Assets	12,823,187	<u>\$ 6,587,997</u>	<u>\$ -</u>	19,411,184
Depreciable capital assets:				
Sewer System	30,543,841	\$ -	\$ -	30,543,841
Equipment	155,686	69,070	-	224,756
	30,699,527	<u>\$ 69,070</u>	<u>\$ -</u>	30,768,597
Less accumulated depreciation				
Sewer System	4,713,023	\$ 1,018,128	\$ -	5,731,151
Equipment	130,773	2,825	-	133,598
	4,843,796	<u>\$ 1,020,953</u>	<u>\$ -</u>	5,864,749
Total Depreciable Capital Assets, net	25,855,731			24,903,848
Total Capital Assets - Business-Type Activities, net	<u>\$ 38,678,918</u>			<u>\$ 44,315,032</u>

NOTE Q – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2008, consisted of the following:

	Transfers In (Out)
General Fund	\$ 590,211
Road and Bridge Fund	(501,558)
Assessment Fund	233,001
Tax Maintenance Fund	(70,000)
E-911 Fund	(225,371)
Election Services Fund	(10,000)
Transfer Station Fund	(16,283)
	<u>\$ -</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008

NOTE Q – INTERFUND TRANSFERS (continued)

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 R – JUDICIAL FACILITY RESERVE FUND

A Reserve Fund is established pursuant to the Indenture and is required to be funded on the date of initial delivery of the Series 2006 Certificates in an amount equal to \$1,926,000 (the “Reserve Requirement”). Money in the Reserve Fund may be used solely (a) to make up any deficiencies in the Certificate Payment Fund and, if the money in the Certificate Payment Fund is insufficient to pay the principal component or the interest component of Base Rentals as the same become due, the Trustee is required to transfer from the Reserve Fund to the Certificate Payment Fund an amount sufficient to make up such deficiency or (b) to make Base Rentals or to make deposits to the Certificate Payment Fund to make such payments, in the amounts and at the times specified in a written request of the County given to the Trustee. If the Trustee receives any such request, it must transfer the amount specified therein on the date or dates specified therein. As of December 31, 2008, the Reserve Account balance was \$1,934,873.

NOTE S – RESTATEMENT – TANEY COUNTY REGIONAL SEWER DISTRICT

On January 1, 2008, the District converted from the modified cash basis of accounting to the accrual basis. Net assets have been restated, for this conversion, as follows:

Sewer Fund

Net Assets, as previously stated, December 31, 2007	\$ 31,019,969
Accounts Receivable	73,885
Deferred Bond Issuance Costs	230,895
Capital Assets	43,522,714
Accumulated Depreciation	(4,843,796)
Accounts Payable	(15,691)
Accrued Expenses	(57,352)
Accrued Interest Payable	(94,698)
Arbitrage Payable	(248,584)
Deposits Payable	(78,379)
Bonds Payable	(14,055,000)
Net Assets, as restated, January 1, 2008	<u>\$ 55,453,963</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE T – COMMITMENTS

At December 31, 2008, the County was committed to the following contracts:

- Herion Company for Casey Road Improvements in the amount of \$129,668.
- Walton Construction Company for building of the Justice Center in the amount of \$905,588.
- Great River Engineering for work on the Bee Creek Watershed Project in the amount of \$428,620.

NOTE U – COMMITMENTS – BOARD FOR THE DEVELOPMENTALLY DISABLED

At December 31, 2008, the Board was committed to Wehr Construction in the amount of \$187,000 for construction of a fire reservoir and pump equipment.

REQUIRED SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2008

Missouri Local Government Employees Retirement System (LAGERS)

	(a)	(b)	(b-a)		(c)	[(b-a)/c]
Actuarial	Actuarial	Entry Age	Unfunded		Annual	[(b-a)/c]
Valuation	Value of	Accrued	(Excess)	(a/b)	Covered	UAL as a
Date	Assets	Liability	Accrued	Funded	Payroll	Percentage
			Liability	Ratio		of Covered
			(UAL)			Payroll
2/28/2006	\$ 6,777,830	\$ 8,104,824	\$ 1,326,994	84%	\$ 6,568,169	20%
2/28/2007	7,956,827	9,309,880	1,353,053	85%	7,492,510	18%
2/29/2008	9,618,259	10,577,588	959,329	91%	8,655,618	11%

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

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 8,935,500	\$ 8,935,500	\$ 8,751,410	\$ (184,090)
Surtax	7,000	7,000	8,756	1,756
Payment in lieu of taxes	98,000	98,000	117,864	19,864
	<u>9,040,500</u>	<u>9,040,500</u>	<u>8,878,030</u>	<u>(162,470)</u>
Collector's Commission				
Collection commissions	457,500	457,500	552,412	94,912
Licenses and Permits				
Beverage licenses	50,000	50,000	39,560	(10,440)
ATV permits	425	425	750	325
	<u>50,425</u>	<u>50,425</u>	<u>40,310</u>	<u>(10,115)</u>
Intergovernmental Revenues				
Federal	214,497	214,497	224,114	9,617
Other	221,141	221,141	322,319	101,178
	<u>435,638</u>	<u>435,638</u>	<u>546,433</u>	<u>110,795</u>
Fees and Charges				
Court	66,500	66,500	73,316	6,816
Public administration	70,000	70,000	87,076	17,076
County clerk	1,000	1,000	834	(166)
Recorder of deeds	1,257,500	1,257,500	1,083,661	(173,839)
Tax sale publication	5,000	5,000	14,465	9,465
Planning and zoning	87,000	87,000	140,396	53,396
Sheriff fees	482,500	482,500	696,700	214,200
Phone and vending	1,500	1,500	809	(691)
Election reimbursement	56,000	56,000	67,827	11,827
Computer room	4,000	4,000	3,323	(677)
Airport	1,010,000	1,010,000	850,782	(159,218)
	<u>3,041,000</u>	<u>3,041,000</u>	<u>3,019,189</u>	<u>(21,811)</u>
Other				
Interest income	325,000	325,000	688,195	363,195
Miscellaneous	22,100	22,100	43,040	20,940
Sale of property	20,000	20,000	39,137	19,137
	<u>367,100</u>	<u>367,100</u>	<u>770,372</u>	<u>403,272</u>
TOTAL RECEIPTS	13,392,163	13,392,163	13,806,746	414,583
DISBURSEMENTS				
Current				
General Government				
University extension	49,498	49,498	47,740	1,758
Collector of revenue	217,353	217,353	213,055	4,298
Treasurer	80,866	80,866	80,907	(41)
Recorder of deeds	317,390	317,390	267,537	49,853
County commission	331,012	331,012	336,462	(5,450)
Employee fringe benefits	1,968,997	1,968,997	2,079,160	(110,163)
Information technology	375,713	375,713	355,877	19,836
Planning and zoning	260,713	260,713	227,637	33,076
Election and voter registration	181,430	181,430	182,762	(1,332)
County clerk	166,496	166,496	178,184	(11,688)
Auditor	180,577	180,577	168,094	12,483
Building and grounds	593,985	593,985	514,376	79,609
	<u>4,724,030</u>	<u>4,724,030</u>	<u>4,651,791</u>	<u>72,239</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Associate circuit #1	34,350	34,350	35,882	(1,532)
Court administration	37,000	37,000	26,400	10,600
Associate circuit #2	36,950	36,950	28,031	8,919
Circuit judge	55,548	55,548	60,541	(4,993)
Circuit clerk	36,000	36,000	34,763	1,237
Coroner	48,262	48,262	45,001	3,261
Court reporter	2,112	2,112	885	1,227
Child support	30,920	30,920	27,151	3,769
Public administrator	90,316	90,316	92,992	(2,676)
Juvenile	126,542	126,542	125,414	1,128
Prosecuting attorney	609,558	609,558	619,442	(9,884)
	<u>1,107,558</u>	<u>1,107,558</u>	<u>1,096,502</u>	<u>11,056</u>
Public Safety				
Sheriff	2,361,346	2,361,346	2,370,485	(9,139)
Jail	1,567,704	1,567,704	1,448,528	119,176
Animal control	131,400	131,400	163,349	(31,949)
Emergency management	235,145	235,145	107,309	127,836
	<u>4,295,595</u>	<u>4,295,595</u>	<u>4,089,671</u>	<u>205,924</u>
Other	18,449,994	18,449,994	7,695,348	10,754,646
Public Works				
Sewer	333,382	333,382	155,107	178,275
Industrial Development Board	66,200	66,200	22,036	44,164
	<u>399,582</u>	<u>399,582</u>	<u>177,143</u>	<u>222,439</u>
Airport				
Airport	1,661,718	1,661,718	991,286	670,432
Debt Service				
Principal and interest	1,400,000	1,400,000	1,272,479	127,521
TOTAL DISBURSEMENTS	<u>32,038,477</u>	<u>32,038,477</u>	<u>19,974,220</u>	<u>12,064,257</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(18,646,314)	(18,646,314)	(6,167,474)	12,478,840
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(260,000)	(260,000)	(233,001)	26,999
Operating transfers in	1,086,436	1,086,436	823,212	(263,224)
TOTAL OTHER FINANCING SOURCES (USES)	<u>826,436</u>	<u>826,436</u>	<u>590,211</u>	<u>(236,225)</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(17,819,878)	(17,819,878)	(5,577,263)	12,242,615
FUND BALANCE, January 1	18,628,345	18,628,345	18,628,345	-
FUND BALANCE, December 31	<u>\$ 808,467</u>	<u>\$ 808,467</u>	<u>\$ 13,051,082</u>	<u>\$ 12,242,615</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 7,025,000	\$ 7,025,000	\$ 6,983,682	\$ (41,318)
Intergovernmental receipts	150,000	150,000	274,681	124,681
Other receipts	220,000	220,000	166,825	(53,175)
TOTAL RECEIPTS	7,395,000	7,395,000	7,425,188	30,188
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	745,500	745,500	1,146,794	(401,294)
Computer related disbursements	16,500	16,500	13,154	3,346
Mileage and training	4,900	4,900	419	4,481
Professional services	193,700	193,700	51,500	142,200
Rental equipment	80,000	80,000	52,491	27,509
Telephone and utilities	55,500	55,500	43,316	12,184
Insurance	150,000	150,000	2,383	147,617
Repair and maintenance	380,000	380,000	448,266	(68,266)
Equipment	1,055,000	1,055,000	1,305,159	(250,159)
Road construction	550,000	550,000	502,318	47,682
Road supplies	3,998,500	3,998,500	2,859,140	1,139,360
Other supplies	698,500	698,500	742,004	(43,504)
Trail construction	-	-	5,996	(5,996)
Other	2,983,774	2,983,774	521,060	2,462,714
TOTAL DISBURSEMENTS	10,911,874	10,911,874	7,694,000	3,217,874
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,516,874)	(3,516,874)	(268,812)	3,248,062
OTHER FINANCING (USES)				
Operating transfers (out)	(165,000)	(165,000)	-	165,000
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(3,681,874)	(3,681,874)	(268,812)	3,413,062
FUND BALANCE, January 1	3,693,494	3,693,494	3,693,494	-
FUND BALANCE, December 31	<u>\$ 11,620</u>	<u>\$ 11,620</u>	<u>\$ 3,424,682</u>	<u>\$ 3,413,062</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 963,000	\$ 963,000	\$ 1,088,843	\$ 125,843
Other receipts	310,000	310,000	437,352	127,352
TOTAL RECEIPTS	1,273,000	1,273,000	1,526,195	253,195
DISBURSEMENTS				
Highway and Roads	7,667,074	7,667,074	5,654,209	2,012,865
TOTAL DISBURSEMENTS	7,667,074	7,667,074	5,654,209	2,012,865
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(6,394,074)	(6,394,074)	(4,128,014)	2,266,060
OTHER FINANCING (USES)				
Operating transfers (out)	(501,495)	(501,495)	(501,558)	(63)
TOTAL OTHER FINANCING (USES)	(501,495)	(501,495)	(501,558)	(63)
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(6,895,569)	(6,895,569)	(4,629,572)	2,265,997
FUND BALANCE, January 1	7,004,999	7,004,999	7,004,999	-
FUND BALANCE, December 31	\$ 109,430	\$ 109,430	\$ 2,375,427	\$ 2,265,997

OTHER FINANCIAL INFORMATION

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 December 31, 2008

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
ASSETS									
Cash and investments	\$ 7,670	\$ 3,055	\$ 5,968	\$ 932,023	\$ 117,199	\$ 54,396	\$ 132,948	\$ 2,115	\$ 261,992
TOTAL ASSETS	<u>\$ 7,670</u>	<u>\$ 3,055</u>	<u>\$ 5,968</u>	<u>\$ 932,023</u>	<u>\$ 117,199</u>	<u>\$ 54,396</u>	<u>\$ 132,948</u>	<u>\$ 2,115</u>	<u>\$ 261,992</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 7,670	\$ 3,055	\$ 5,968	\$ 932,023	\$ 117,199	\$ 54,396	\$ 132,948	\$ 2,115	\$ 261,992
TOTAL FUND BALANCES	<u>\$ 7,670</u>	<u>\$ 3,055</u>	<u>\$ 5,968</u>	<u>\$ 932,023</u>	<u>\$ 117,199</u>	<u>\$ 54,396</u>	<u>\$ 132,948</u>	<u>\$ 2,115</u>	<u>\$ 261,992</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (CONTINUED)
 December 31, 2008

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Total
ASSETS									
Cash and investments	\$ 4,844	\$ 7,997	\$ 12,588	\$ 406,448	\$ 29,829	\$ 8,892	\$ 18,288	\$ -	\$ 2,006,252
TOTAL ASSETS	<u>\$ 4,844</u>	<u>\$ 7,997</u>	<u>\$ 12,588</u>	<u>\$ 406,448</u>	<u>\$ 29,829</u>	<u>\$ 8,892</u>	<u>\$ 18,288</u>	<u>\$ -</u>	<u>\$ 2,006,252</u>
FUND BALANCES									
Fund Balance									
Unreserved	\$ 4,844	\$ 7,997	\$ 12,588	\$ 406,448	\$ 29,829	\$ 8,892	\$ 18,288	\$ -	\$ 2,006,252
TOTAL FUND BALANCES	<u>\$ 4,844</u>	<u>\$ 7,997</u>	<u>\$ 12,588</u>	<u>\$ 406,448</u>	<u>\$ 29,829</u>	<u>\$ 8,892</u>	<u>\$ 18,288</u>	<u>\$ -</u>	<u>\$ 2,006,252</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS
 Year Ended December 31, 2008

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ 502,847	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	5,416	-
Fees and charges	381,185	-	1,231	1,452	93,208	36,077	50,000	-	68,023
Other receipts	3,906	4,930	272	48,231	5,905	1,834	12,361	89	11,985
TOTAL RECEIPTS	385,091	4,930	1,503	552,530	99,113	37,911	62,361	5,505	80,008
DISBURSEMENTS									
Current									
General government	613,522	-	-	-	23,359	-	-	-	-
Judicial	-	-	1,900	-	-	-	-	-	82,459
Public safety	-	5,483	-	494,693	-	-	26,584	5,416	-
TOTAL DISBURSEMENTS	613,522	5,483	1,900	494,693	23,359	-	26,584	5,416	82,459
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(228,431)	(553)	(397)	57,837	75,754	37,911	35,777	89	(2,451)
OTHER FINANCING SOURCES (USES)									
Operating transfers in (out)	233,001	-	-	(225,371)	(70,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	233,001	-	-	(225,371)	(70,000)	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	4,570	(553)	(397)	(167,534)	5,754	37,911	35,777	89	(2,451)
FUND BALANCE, January 1	3,100	3,608	6,365	1,099,557	111,445	16,485	97,171	2,026	264,443
FUND BALANCE, December 31	<u>\$ 7,670</u>	<u>\$ 3,055</u>	<u>\$ 5,968</u>	<u>\$ 932,023</u>	<u>\$ 117,199</u>	<u>\$ 54,396</u>	<u>\$ 132,948</u>	<u>\$ 2,115</u>	<u>\$ 261,992</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE
 FUNDS – MODIFIED CASH BASIS (CONTINUED)
 Year Ended December 31, 2008

	Sheriff Drug Forfeiture Fund	Local Emergency Planning Commission Fund	Election Services Fund	Recorder User Fee Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Circuit Court Passport Fund	Total
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 502,847
Intergovernmental receipts	-	1,660	-	-	-	-	-	-	7,076
Fees and charges	-	-	3,147	241,057	15,010	7,829	10,812	-	909,031
Other receipts	125	413	9,739	18,490	166	226	598	102	119,372
TOTAL RECEIPTS	125	2,073	12,886	259,547	15,176	8,055	11,410	102	1,538,326
DISBURSEMENTS									
Current									
General government	-	-	21,996	232,406	-	7,525	-	-	898,808
Judicial	-	-	-	-	8,451	-	-	11,114	103,924
Public safety	-	5,915	-	-	-	-	3,195	-	541,286
TOTAL DISBURSEMENTS	-	5,915	21,996	232,406	8,451	7,525	3,195	11,114	1,544,018
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	125	(3,842)	(9,110)	27,141	6,725	530	8,215	(11,012)	(5,692)
OTHER FINANCING SOURCES (USES)									
Operating transfers in (out)	-	-	(10,000)	-	-	-	-	-	(72,370)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(10,000)	-	-	-	-	-	(72,370)
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	125	(3,842)	(19,110)	27,141	6,725	530	8,215	(11,012)	(78,062)
FUND BALANCE, January 1	4,719	11,839	31,698	379,307	23,104	8,362	10,073	11,012	2,084,314
FUND BALANCE, December 31	<u>\$ 4,844</u>	<u>\$ 7,997</u>	<u>\$ 12,588</u>	<u>\$ 406,448</u>	<u>\$ 29,829</u>	<u>\$ 8,892</u>	<u>\$ 18,288</u>	<u>\$ -</u>	<u>\$ 2,006,252</u>



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri as of and for the year ended December 31, 2008, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report thereon dated July 10, 2009. In our report, our opinion was modified because 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 preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

Taney County Commission
Taney County
Forsyth, Missouri

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 08-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

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 July 10, 2009.

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

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 10, 2009



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited the compliance of Taney County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. Taney County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Taney County, Missouri's management. Our responsibility is to express an opinion on Taney County, Missouri's compliance based on our audit.

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

Taney County Commission
Taney County
Forsyth, Missouri

In our opinion, Taney County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

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

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

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

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

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

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
July 10, 2009

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
State of Missouri Emergency Management Agency			
Law Enforcement Terrorism Prevention Grant	97.067	2005-GE-T5-0022 SHSP-TEAMHRST HMEP	\$ 4,500 38,718 4,451
Public Assistance Grant	97.036	FEMA-1809-DR-MO FEMA-1773-DR-MO FEMA-1749-DR-MO	99,253 446,134 367,323
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			960,379
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Missouri Department of Transportation			
Highway Planning and Construction Grant	20.205	STP 9900	249,662
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			249,662
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Missouri Department of Social Services			
Emergency Shelter Grant	14.231	ERO 1640850	10,590
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			10,590
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
State of Missouri Treasurer's Office			
School and Roads Grants to States	10.665	N/A	19,186
TOTAL U.S. DEPARTMENT OF AGRICULTURE			19,186
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
State of Missouri Social Services Department			
Child Support Enforcement - Title IV-D	93.563	N/A	38,254
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			38,254
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct			
U.S. Army Corps of Engineers Cooperative Agreement	12.000	N/A	10,155
TOTAL U.S. DEPARTMENT OF DEFENSE			10,155
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,288,226</u>

N/A - Not Applicable

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended December 31, 2008

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

A. SUMMARY OF AUDIT RESULTS

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

Public Assistance Grant	97.036
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8. The threshold for determining Type A programs was \$300,000.
9. Taney County, Missouri was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

08-1. Segregation of duties

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

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended December 31, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

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

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

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

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

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

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

TANEY COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2008

There were no prior audit findings.