

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

Taney County Commission
Taney County
Forsyth, Missouri

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information, as of December 31, 2014, and the respective changes in modified cash basis financial position and cash flows thereof where applicable, for the year then ended in accordance with the basis of accounting described in Note A.

Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taney County, Missouri's basic financial statements. The Combining Nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Taney County Commission
Taney County
Forsyth, Missouri

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2015, on our consideration of Taney County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taney County's internal control over financial reporting and compliance.

KPM CPAs, PC
Springfield, Missouri
May 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

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, 2014, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The overall net position of the County decreased by \$306,012.
- The fund balance for the General Fund decreased by \$1,303,726. Using the modified cash basis does not take into consideration capital improvements.
- The fund balance for the Road and Bridge Trust Fund increased by \$1,099,223.
- The fund balance for the Law Enforcement Sales Tax Fund increased by \$1,337,160.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

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

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

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position – Modified Cash Basis

	December 31,	
	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and investments	\$ 47,294,009	\$ 47,600,021
	<u>\$ 47,294,009</u>	<u>\$ 47,600,021</u>
TOTAL ASSETS		
	<u>\$ 47,294,009</u>	<u>\$ 47,600,021</u>
NET POSITION		
Restricted	\$ 37,652,798	\$ 36,975,930
Unrestricted	9,641,211	10,624,091
	<u>9,641,211</u>	<u>10,624,091</u>
TOTAL NET POSITION	<u>\$ 47,294,009</u>	<u>\$ 47,600,021</u>

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

Changes in Net Position – Modified Cash Basis

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 6,150,948	\$ 5,853,442
Operating grants and contributions	119,446	162,759
Capital grants and contributions	4,753,730	924,838
<u>General Receipts</u>		
Sales tax receipts	23,323,577	22,436,674
Motor vehicle sales tax	1,306,368	1,213,119
Other taxes	609,315	670,151
Interest	359,735	368,453
Other receipts	544,401	942,160
TOTAL RECEIPTS	37,167,520	32,571,596
DISBURSEMENTS		
General government	5,719,586	5,383,706
Judicial	1,329,061	1,238,280
Public safety	4,957,060	4,230,382
Public works	55,000	50,162
Highway and roads	7,867,197	7,409,033
Airport	793,196	533,807
Sewer	9,747,577	12,820,798
Debt service	1,707,683	1,647,219
Other	4,261,583	1,670,150
Transfer station	1,035,589	935,683
TOTAL DISBURSEMENTS	37,473,532	35,919,220
(DECREASE) IN NET POSITION	\$ (306,012)	\$ (3,347,624)

Overall receipts of the County increased by \$4,595,924 from the prior year. Tax revenues were up \$919,316. Overall disbursements of the County were up \$1,554,312.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

- The General Fund balance decreased by \$1,303,726 for the year ended December 31, 2014.
- The Road and Bridge Trust Fund increased by \$1,099,223, which increased the fund balance to \$11,509,640 as of December 31, 2014.
- The Law Enforcement Sales Tax Fund increased by \$1,337,160, which increased the fund balance to \$1,419,320 as of December 31, 2014.
- County Sewer Sales Tax Fund decreased \$1,619,591, which decreased the fund balance to \$23,590,010. This was a result of several improvement projects occurring in the current year.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 7,153,800	\$ 7,153,800	\$ 7,338,215
Commissions	702,500	702,500	838,687
Licenses and permits	70,500	70,500	69,464
Intergovernmental receipts	4,030,700	4,030,700	2,652,234
Fees and charges	3,112,183	3,112,183	2,447,958
Other	116,600	116,600	375,032
TOTAL RECEIPTS	\$ 15,186,283	\$ 15,186,283	\$ 13,721,590
DISBURSEMENTS			
General government	\$ 5,479,727	\$ 5,479,727	\$ 4,672,597
Judicial	1,246,298	1,246,298	1,261,258
Public safety	3,687,037	3,687,037	4,216,984
Public works	76,600	76,600	55,000
Other	7,416,379	7,416,379	4,261,583
Airport	847,643	847,643	793,196
TOTAL DISBURSEMENTS	\$ 18,753,684	\$ 18,753,684	\$ 15,260,618

The County has always budgeted so that if there is a need that arises they are covered without having to revisit the budget process. Also, the flood buyout grant was budgeted for because we were unsure of when the expenses and revenues would occur. There was a large amount of the flood buyout funds that were budgeted and not spent in 2014. That grant will be finalized in 2015. The Commission has determined to do a better job of budgeting what we will have as a fund balance to carry forward, but there are several of the minor funds that are controlled by other elected officials and it makes sense to budget and appropriate the entire amount in those funds in case they are needed by those officials. We as a county are hoping that many of those expenses will not become reality, but funds are there and will be carried forward if not needed.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

We have seen a return to better economic times, but are hoping and expecting a better year in 2015. We have cut many of the offices more than they can sustain over any long period of time without a decrease in services. Hopefully we can bring in enough revenue to cycle some of those County positions back into the budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

TANEY COUNTY, MISSOURI
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
December 31, 2014

	Primary Government			Component Units				
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.
ASSETS								
Cash and investments	\$ 46,394,125	\$ 899,884	\$ 47,294,009	\$ 2,523,461	\$ 1,292,782	\$ 999,216	\$ 72,097	\$ 16,938
TOTAL ASSETS	<u>\$ 46,394,125</u>	<u>\$ 899,884</u>	<u>\$ 47,294,009</u>	<u>\$ 2,523,461</u>	<u>\$ 1,292,782</u>	<u>\$ 999,216</u>	<u>\$ 72,097</u>	<u>\$ 16,938</u>
NET POSITION								
Restricted	\$ 37,652,798	\$ -	\$ 37,652,798	\$ 706,031	\$ 46,385	\$ 102,500	\$ 63,586	\$ 13,949
Unrestricted	8,741,327	899,884	9,641,211	1,817,430	1,246,397	896,716	8,511	2,989
TOTAL NET POSITION	<u>\$ 46,394,125</u>	<u>\$ 899,884</u>	<u>\$ 47,294,009</u>	<u>\$ 2,523,461</u>	<u>\$ 1,292,782</u>	<u>\$ 999,216</u>	<u>\$ 72,097</u>	<u>\$ 16,938</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2014

Functions/Programs	Primary Government						
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ (5,719,586)	\$ 3,223,939	\$ 5,605	\$ -	\$ (2,490,042)	\$ -	\$ (2,490,042)
Judicial	(1,329,061)	231,996	-	-	(1,097,065)	-	(1,097,065)
Public safety	(4,957,060)	636,621	29,350	-	(4,291,089)	-	(4,291,089)
Public works	(55,000)	-	-	-	(55,000)	-	(55,000)
Highway and roads	(7,867,197)	52,727	84,491	122,386	(7,607,593)	-	(7,607,593)
Airport	(793,196)	730,709	-	-	(62,487)	-	(62,487)
Sewer	(9,747,577)	-	-	2,111,190	(7,636,387)	-	(7,636,387)
Debt service	(1,707,683)	-	-	-	(1,707,683)	-	(1,707,683)
Other	(4,261,583)	-	-	2,520,154	(1,741,429)	-	(1,741,429)
TOTAL GOVERNMENTAL ACTIVITIES	(36,437,943)	4,875,992	119,446	4,753,730	(26,688,775)	-	(26,688,775)
Business-Type Activities							
Transfer station	(1,035,589)	1,274,956	-	-	-	239,367	239,367
TOTAL BUSINESS-TYPE ACTIVITIES	(1,035,589)	1,274,956	-	-	-	239,367	239,367
TOTAL PRIMARY GOVERNMENT	\$ (37,473,532)	\$ 6,150,948	\$ 119,446	\$ 4,753,730	(26,688,775)	239,367	(26,449,408)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (continued)
Year Ended December 31, 2014

	Program Receipts				Primary Government		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Disbursements), Receipts and Changes in Net Position		
					Governmental Activities	Business- Type Activities	Total
Component Units							
Taney County Regional Sewer District	\$ (11,344,253)	\$ 1,509,354	\$ -	\$ 3,280,081			
Taney County Health Center	(3,732,667)	1,686,096	622,359	-			
Developmentally Disabled Board	(2,217,382)	1,071,322	-	-			
Dorgan-Weaver Housing Corp.	(59,075)	69,199	-	-			
Combs-Redfern Apartments Inc.	(153,955)	21,892	-	-			
TOTAL COMPONENT UNITS	\$ (17,507,332)	\$ 4,357,863	\$ 622,359	\$ 3,280,081			
	General Receipts and Transfers:						
					-	-	-
					23,323,577	-	23,323,577
					1,306,368	-	1,306,368
					609,315	-	609,315
					354,024	5,711	359,735
					520,608	23,793	544,401
					22,364	(22,364)	-
	Special Items:						
					-	-	-
					-	-	-
					<u>26,136,256</u>	<u>7,140</u>	<u>26,143,396</u>
					(552,519)	246,507	(306,012)
					<u>46,946,644</u>	<u>653,377</u>	<u>47,600,021</u>
					<u>\$ 46,394,125</u>	<u>\$ 899,884</u>	<u>\$ 47,294,009</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (continued)
Year Ended December 31, 2014

	Componet Units				
	Net (Disbursements), Receipts and Changes in Net Position				
	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.
Component Units					
Taney County Regional Sewer District	\$ (6,554,818)	\$ -	\$ -	\$ -	\$ -
Taney County Health Center	-	(1,424,212)	-	-	-
Developmentally Disabled Board	-	-	(1,146,060)	-	-
Dorgan-Weaver Housing Corp.	-	-	-	10,124	-
Combs-Redfearn Apartments Inc.	-	-	-	-	(132,063)
TOTAL COMPONENT UNITS	(6,554,818)	(1,424,212)	(1,146,060)	10,124	(132,063)
General Receipts and Transfers:					
As valorem taxes	-	1,390,000	916,865	-	-
Sales taxes	-	-	-	-	-
Motor vehicle sales taxes and gas taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Interest	4,955	8,928	2,308	77	1
Other receipts	256,383	24,806	37,367	522	-
Transfers	-	-	-	-	-
Special Items:					
Reimbursement from Combs-Redfearn Apartments Inc.	-	-	117,034	-	-
Loan proceeds	-	-	200,000	-	-
Total General Receipts and Transfers	261,338	1,423,734	1,273,574	599	1
Increase (Decrease) in Net Position	(6,293,480)	(478)	127,514	10,723	(132,062)
Net Position, Beginning of year	8,816,941	1,293,260	871,702	61,374	149,000
Net Position, End of year	<u>\$ 2,523,461</u>	<u>\$ 1,292,782</u>	<u>\$ 999,216</u>	<u>\$ 72,097</u>	<u>\$ 16,938</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
December 31, 2014

	Special Revenue Funds					Total Governmental Funds
	General Fund	Road and Bridge Trust Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Special Revenue Funds	
ASSETS						
Cash and investments	<u>\$ 8,538,313</u>	<u>\$ 11,509,640</u>	<u>\$ 1,419,320</u>	<u>\$ 23,590,010</u>	<u>\$ 1,336,842</u>	<u>\$ 46,394,125</u>
TOTAL ASSETS	<u><u>\$ 8,538,313</u></u>	<u><u>\$ 11,509,640</u></u>	<u><u>\$ 1,419,320</u></u>	<u><u>\$ 23,590,010</u></u>	<u><u>\$ 1,336,842</u></u>	<u><u>\$ 46,394,125</u></u>
FUND BALANCES						
Fund Balances						
Restricted for:						
Road and Bridge	\$ -	\$ 11,509,640	\$ -	\$ -	\$ -	\$ 11,509,640
Public Safety	-	-	1,419,320	-	303,314	1,722,634
Sewer	-	-	-	23,590,010	-	23,590,010
Elections	-	-	-	-	31,375	31,375
Recorder	-	-	-	-	413,572	413,572
Judicial	-	-	-	-	268,753	268,753
Tax maintenance	-	-	-	-	116,814	116,814
Assigned to:						
Assessment Fund	-	-	-	-	203,014	203,014
Unassigned	<u>8,538,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,538,313</u>
TOTAL FUND BALANCES	<u><u>\$ 8,538,313</u></u>	<u><u>\$ 11,509,640</u></u>	<u><u>\$ 1,419,320</u></u>	<u><u>\$ 23,590,010</u></u>	<u><u>\$ 1,336,842</u></u>	<u><u>\$ 46,394,125</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2014

	General Fund	Road and Bridge Trust Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$ 7,338,215	\$ 8,481,418	\$ 1,791,417	\$ 7,172,704	\$ 455,506	\$ 25,239,260
Collector's commission	838,687	-	-	-	-	838,687
Licenses and permits	69,464	-	-	-	-	69,464
Intergovernmental receipts	2,652,234	236,604	-	2,111,189	10,056	5,010,083
Fees and charges	2,447,958	-	-	-	1,467,156	3,915,114
Other	375,032	197,323	4,987	192,532	20,578	790,452
TOTAL RECEIPTS	13,721,590	8,915,345	1,796,404	9,476,425	1,953,296	35,863,060
DISBURSEMENTS						
General government	4,672,597	-	-	-	1,046,989	5,719,586
Judicial	1,261,258	-	-	-	67,803	1,329,061
Public safety	4,216,984	-	-	-	740,076	4,957,060
Public works	55,000	-	-	-	-	55,000
Airport	793,196	-	-	-	-	793,196
Other	4,261,583	-	-	-	-	4,261,583
Highway and roads	-	7,867,197	-	-	-	7,867,197
Sewer	-	-	-	9,747,577	-	9,747,577
Debt service	-	-	1,707,683	-	-	1,707,683
TOTAL DISBURSEMENTS	15,260,618	7,867,197	1,707,683	9,747,577	1,854,868	36,437,943
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,539,028)	1,048,148	88,721	(271,152)	98,428	(574,883)
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	235,302	51,075	1,248,439	(1,348,439)	(164,013)	22,364
TOTAL OTHER FINANCING SOURCES (USES)	235,302	51,075	1,248,439	(1,348,439)	(164,013)	22,364
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(1,303,726)	1,099,223	1,337,160	(1,619,591)	(65,585)	(552,519)
FUND BALANCE, January 1	9,842,039	10,410,417	82,160	25,209,601	1,402,427	46,946,644
FUND BALANCE, December 31	<u>\$ 8,538,313</u>	<u>\$ 11,509,640</u>	<u>\$ 1,419,320</u>	<u>\$ 23,590,010</u>	<u>\$ 1,336,842</u>	<u>\$ 46,394,125</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET POSITION – PROPRIETARY FUND – MODIFIED CASH BASIS
 December 31, 2014

	Enterprise Fund
	<u>Transfer Station Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 899,884
	<u> </u>
	<u>\$ 899,884</u>
	<u> </u>
Net Position	
Unrestricted	\$ 899,884
	<u> </u>
	<u>\$ 899,884</u>
	<u> </u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – PROPRIETARY
FUND – MODIFIED CASH BASIS
Year Ended December 31, 2014

	Enterprise Fund
	<u>Transfer Station Fund</u>
OPERATING RECEIPTS	
Charges for services	\$ 1,274,956
TOTAL OPERATING RECEIPTS	<u>1,274,956</u>
OPERATING DISBURSEMENTS	
Insurance claims and disbursements	9,300
Salaries and employee benefits	260,518
Supplies	306,748
Telephone and utilities	3,354
Repair and maintenance	75,499
Landfill services	368,942
Other	11,228
TOTAL OPERATING DISBURSEMENTS	<u>1,035,589</u>
OPERATING INCOME	239,367
NONOPERATING RECEIPTS	
Interest receipts	5,711
Other receipts	23,793
TOTAL NONOPERATING RECEIPTS	<u>29,504</u>
INCOME BEFORE OPERATING TRANSFERS	268,871
Operating transfers (out)	<u>(22,364)</u>
NET INCOME	246,507
NET POSITION, January 1	<u>653,377</u>
NET POSITION, December 31	<u><u>\$ 899,884</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
Year Ended December 31, 2014

	Enterprise Fund
	<u>Transfer Station Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,298,749
Cash paid to suppliers	(775,071)
Cash paid to employees	<u>(260,518)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	263,160
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>5,711</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	5,711
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers (to) other funds	<u>(22,364)</u>
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(22,364)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	246,507
CASH AND CASH EQUIVALENTS, Beginning of year	<u>653,377</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 899,884</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 239,367
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other receipts	<u>23,793</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 263,160</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2014

	Sheriff's Office Transport Fund	Sheriff's Office General Fund	Sheriff's Office Bond Fund	Sheriff Commissary Fund	Collector of Revenue Fund	Cities Financial Institution Tax Fund	Land Sales Surplus Fund	Unclaimed Fee Fund
ASSETS								
Cash and investments	\$ 493	\$ 79,036	\$ 6	\$ 14,579	\$ 25,235,442	\$ 24,382	\$ 127,835	\$ 12,590
TOTAL ASSETS	\$ 493	\$ 79,036	\$ 6	\$ 14,579	\$ 25,235,442	\$ 24,382	\$ 127,835	\$ 12,590
LIABILITIES								
Due to others	\$ -	\$ -	\$ 6	\$ 14,579	\$ -	\$ -	\$ -	\$ 12,590
Due to other governments	493	79,036	-	-	25,235,442	24,382	127,835	-
TOTAL LIABILITIES	\$ 493	\$ 79,036	\$ 6	\$ 14,579	\$ 25,235,442	\$ 24,382	\$ 127,835	\$ 12,590

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2014

	Fines and Forfeitures Fund	Western Fire Fund	P & Z Bonds Fund	National Forest Fund	Criminal Cost Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Protest Tax Account Fund
ASSETS								
Cash and investments	\$ 58,833	\$ 362	\$ 172,172	\$ 138,912	\$ 69	\$ 454,892	\$ 187,506	\$ 908,829
TOTAL ASSETS	\$ 58,833	\$ 362	\$ 172,172	\$ 138,912	\$ 69	\$ 454,892	\$ 187,506	\$ 908,829
LIABILITIES								
Due to others	\$ -	\$ -	\$ 172,172	\$ -	\$ -	\$ -	\$ -	\$ 908,829
Due to other governments	58,833	362	-	138,912	69	454,892	187,506	-
TOTAL LIABILITIES	\$ 58,833	\$ 362	\$ 172,172	\$ 138,912	\$ 69	\$ 454,892	\$ 187,506	\$ 908,829

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2014

	County Employee Retirement Fund	Health Center Fund	Handicapped Fund	School Fund	OTC Financial Institution Tax Fund	Senior Services Fund	Total
ASSETS							
Cash and investments	\$ 14,290	\$ 743	\$ 490	\$ 22,167	\$ 164	485,794	\$ 27,939,586
TOTAL ASSETS	\$ 14,290	\$ 743	\$ 490	\$ 22,167	\$ 164	\$ 485,794	\$ 27,939,586
LIABILITIES							
Due to others	\$ 14,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,122,466
Due to other governments	-	743	490	22,167	164	485,794	26,817,120
TOTAL LIABILITIES	\$ 14,290	\$ 743	\$ 490	\$ 22,167	\$ 164	\$ 485,794	\$ 27,939,586

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taney County Regional Sewer District

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

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

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

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

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

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

Dorgan-Weaver Housing Corporation

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

Combs-Redfern Apartments, Inc.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County also reports the following fund types:

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

The County reports the following major proprietary fund:

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

Basis of Accounting

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

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

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

Cash and Investments

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classification

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

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

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

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

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

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

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

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2014, was \$193,651.

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

NOTE B – CASH AND INVESTMENTS

PRIMARY GOVERNMENT

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position as "Cash and investments". In addition, investments are separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2014, all bank balances on deposit were entirely insured or collateralized with securities.

County Investments

Statutes authorize the County to invest in investments that are:

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE B – CASH AND INVESTMENTS (continued)

The County’s investments at December 31, 2014, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Taney County			
Certificates of Deposit	1/8/2015 - 2/9/2019	\$ 39,818,274	\$ 39,802,205
FHLMC one time call	1/30/2015 - 6/30/2017	1,500,250	1,498,555
FHLB Bonds US Domestic	6/10/2016 - 6/26/2017	1,773,875	1,757,117
Fannie Mae Notes - US Domestic	3/15/2016	522,835	510,580
Federal Farm Credit Bank	8/18/2017	500,000	498,640
		<u>\$ 44,115,234</u>	<u>\$ 44,067,097</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2014, all Certificates of Deposit are entirely insured or collateralized with securities.

Credit Risk

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

Interest Rate Risk

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE B – CASH AND INVESTMENTS (continued)

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District’s deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2014, all bank balances on deposit are entirely insured or collateralized.

The District’s investments at December 31, 2014, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	1/28/2015	<u>\$ 216,500</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, 2014, all Certificates of Deposit are entirely insured or collateralized with securities. Certificates of deposit are held to maturity.

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

TANEY COUNTY HEALTH CENTER

State statutes require that the Center’s deposits be insured or collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2014, all bank balances on deposit are entirely insured or collateralized.

The Center’s investments at December 31, 2014, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/3/2017	\$ 260,494
Certificate of Deposit	4/1/2018	<u>152,837</u>
		<u>\$ 413,331</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE B – CASH AND INVESTMENTS (continued)

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2014, all certificates of deposit were insured or collateralized with securities.

Interest Rate Risk

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

TANEY COUNTY BOARD FOR THE DEVELOPMENTALLY DISABLED

State statutes require that the Board’s deposits be insured or collateralized in the name of the Board by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2014, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2014, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	3/23/2015	\$ 260,073
Certificate of Deposit	4/17/2015	253,915
		<u>\$ 513,988</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, 2014, all Certificates of Deposit were insured or collateralized with securities.

Interest Rate Risk

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

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2014, 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, except for the legal matter noted below.

The County is currently involved in appealing the Herion case in which \$495,556 was awarded to the plaintiff for breach of contract. It is reasonably possible that the plaintiff will prevail.

NOTE D – PENSION PLAN – CERF

State of Missouri County Employees' Retirement Fund

Plan Description

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE D – PENSION PLAN – CERF (continued)

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Plan Administrator, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

Funding Policy

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

NOTE E – PENSION PLAN – LAGERS – PRIMARY GOVERNMENT

Plan Description

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

LAGERS was created and governed by statute section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

Funding Status

Full-time employees of Taney County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 15.7% (General) and 18.0% (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, 2014

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

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

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

Annual required contribution	\$ 1,490,831
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,490,831</u>
Actual contributions	<u>1,490,831</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u><u>\$ -</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2012, was 15 years for the General division and 15 years for the Police division. The amortization period at February 28, 2013, was 23 years for the General division and 21 years for the Police division.

Three-Year Trend Information

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 1,072,089	100%	\$ -
2013	1,259,800	100%	-
2014	1,490,831	100%	-

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2014	\$ 15,987,761	\$ 21,420,711	\$ 5,432,950	75%	\$ 9,244,209	59%

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

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

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

LAGERS *was* created and governed by statute section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

Funding Status

Full-time employees of Taney County Regional Sewer District do not contribute to the pension plan. The June 30th statutorily required contribution rate is 11.6% (General) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

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

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

Annual required contribution	\$ 32,903
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>32,903</u>
Actual contributions	<u>32,903</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u><u>\$ -</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2012, was 29 years for the General division. The amortization period as of February 28, 2013, was 29 years for the General division.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

Three-Year Trend Information			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 7,836	100.0%	\$ -
2013	30,422	100.0%	-
2014	32,903	100.0%	-

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2014	\$ 74,489	\$ 98,557	\$ 24,068	76%	\$ 263,013	9%

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

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

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

The 2014 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	\$ 866,015,380
Personal property	134,311,366
Railroad and utilities	<u>33,820,319</u>
	<u>\$ 1,034,147,065</u>
TAX LEVY	
General Fund	<u>\$ -</u>

The legal debt margin at December 31, 2014, is computed as follows:

Constitutional debt limit	\$ 103,414,707
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 103,414,707</u>

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

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

During 2004, the District entered into an agreement with the Missouri Leveraged State Water Pollution Control Revolving Fund Program to sell \$15,590,000 in Wastewater System Revenue Bonds, Series 2004C. The bonds bear interest at 3.0% to 5.25%. The interest paid is offset by an interest subsidy from the State of Missouri's 50% bond reserves. Interest payments are due semi-annually on January 1 and July 1 of each year with annual principal payments due January 1 of each year. The bonds also require an administrative fee payable annually on January 1 of each year at .714% of the outstanding principal balance. The bonds outstanding at December 31, 2014, are due as follows:

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
2015	\$ -	\$ 152,250	\$ 17,091	\$ 169,341
2016	-	152,250	17,091	169,341
2017	-	152,250	17,091	169,341
2018	-	152,250	17,091	169,341
2019	940,000	127,575	16,950	1,084,525
2020	965,000	77,569	11,390	1,053,959
2021	995,000	26,119	5,697	1,026,816
	<u>\$ 2,900,000</u>	<u>\$ 840,263</u>	<u>\$ 102,401</u>	<u>\$ 3,842,664</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2014:

	Balance December 31, 2013	New Obligations	Retired	Balance December 31, 2014	Current Portion
2004 SRF Revenue Bonds Payable	<u>\$ 9,300,000</u>	<u>\$ -</u>	<u>\$ 6,400,000</u>	<u>\$ 2,900,000</u>	<u>\$ -</u>

NOTE I – LONG-TERM DEBT – PRIMARY GOVERNMENT

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

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

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

The total annual minimum lease payments required at December 31, 2014, are as follows:

Year Ended December 31,	
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	15,951,166
LESS AMOUNT REPRESENTING INTEREST	<u>(2,811,166)</u>
PRINCIPAL BALANCE, DECEMBER 31, 2014	<u><u>\$ 13,140,000</u></u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2014:

	Balance December 31, 2013	Additions	Retirements	Balance December 31, 2014	Current Portion
2006 Certificates of Participation	\$ 14,095,000	\$ -	\$ 955,000	\$ 13,140,000	\$ 1,025,000
Compensated absences	218,885	-	25,234	193,651	-
	<u>\$ 14,313,885</u>	<u>\$ -</u>	<u>\$ 980,234</u>	<u>\$ 13,333,651</u>	<u>\$ 1,025,000</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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

On July 1, 2008, the Health Department issued \$850,000 in Certificates of Participation, Series 2008, to build an addition to the existing building. The interest rate on the Certificates was 4.85% until July 1, 2013, and then changed to 3.612%. This rate will be in effect until December 1, 2018. At that time, the interest rate will be adjusted again based on market rates, for the remaining 5 years. Principal and interest payments are due monthly. The Certificates of Participation outstanding at December 31, 2014, based on the current rate, are due as follows:

Year Ended December 31,	Principal	Interest	Total
2015	\$ 56,076	\$ 19,390	\$ 75,466
2016	58,114	17,352	75,466
2017	60,329	15,137	75,466
2018	62,576	12,890	75,466
2019	64,906	10,560	75,466
2020	67,324	8,142	75,466
2021	69,831	5,635	75,466
2022	72,431	3,035	75,466
2023	43,465	515	43,980
	<u>\$ 555,052</u>	<u>\$ 92,656</u>	<u>\$ 647,708</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2014:

	Balance			Balance		Current Portion
	December 31, 2013	Additions	Retirements	December 31, 2014		
2008 Certificate of Participation	\$ 609,114	\$ -	\$ 54,062	\$ 555,052	\$ 56,076	
Compensated absences	91,972	-	2,192	89,780	-	
	<u>\$ 701,086</u>	<u>\$ -</u>	<u>\$ 56,254</u>	<u>\$ 644,832</u>	<u>\$ 56,076</u>	

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE K – LOAN – BOARD FOR THE DEVELOPMENTALLY DISABLED

During the year ended December 31, 2008, the Board entered into an interest free \$300,000 loan with White River Electric Cooperative, Inc. with monthly payments of \$2,500. The loan is for a pump, tank and fire suppression system.

The following is a schedule of payments under the loan:

Year Ended December 31,	Principal
2015	\$ 30,000
2016	30,000
2017	30,000
2018	12,500
	<u>\$ 102,500</u>

The summary of changes in the loan for the year ended December 31, 2014, is as follows:

Balance, December 31, 2013	\$ 132,500
Additions	-
Deletions	(30,000)
Balance, December 31, 2014	<u>\$ 102,500</u>

NOTE L – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE L – LEASE PAYABLE – BOARD FOR THE DEVELOPMENTALLY DISABLED (continued)

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

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

The total annual minimum lease payments required at December 31, 2014, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 138,875
2016	134,475
2017	134,750
2018	134,883
2019	134,713
2020	134,345
2021	133,458
2022	132,375
2023	130,988
2024	129,335
2025	<u>127,300</u>
TOTAL MINIMUM LEASE PAYMENTS	1,465,497
LESS AMOUNT REPRESENTING INTEREST	(415,497)
PRINCIPAL BALANCE, DECEMBER 31, 2014	<u><u>\$ 1,050,000</u></u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2014:

	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2014</u>	<u>Current Portion</u>
2010 Certificates of Participation	<u>\$ 1,120,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 1,050,000</u>	<u>\$ 75,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

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

At December 31, 2014, the Organization had a \$250,000 secured line of credit with Commerce Bank to be drawn upon as needed with a variable interest rate not to exceed 4%. As of December 31, 2014, the balance on the line of credit was \$200,000. Interest of \$550 was paid in the current year.

NOTE N – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2014, 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, 2014:

Balance, December 31, 2013	\$ 1,531,400
Additions	-
Repayments	-
Balance, December 31, 2014	<u>\$ 1,531,400</u>

NOTE O – RISK MANAGEMENT

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2014

NOTE P – 2002 BOND ELECTION

On April 2, 2002, the Taney County Regional Sewer District passed a \$30,000,000 bond issue for the purpose of extending and improving the sewerage system of the District. The Capital Improvement Sales Tax passed by voters on April 4, 2000, has been pledged for the repayment of these bonds. As of December 31, 2014, only \$15,590,000 of these bonds has been issued.

NOTE Q – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2014, consisted of the following:

	Transfers In (Out)
General Fund	\$ 235,302
Road and Bridge Fund	51,075
Law Enforcement Sales Tax Fund	1,248,439
Sewer Sales Tax Fund	(1,348,439)
Assessment Fund	1,962
Tax Maintenance Fund	(20,000)
E-911 Fund	(56,066)
Prosecuting Attorney Bad Check Fund	(17,500)
Recorder Tech Fund	(72,409)
Transfer Station Fund	(22,364)
	<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 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, 2014, the Reserve Account balance was \$1,926,065.

NOTE S – COMMITMENTS

At December 31, 2014, the County was committed to the following contracts:

- Carson-Mitchell, Inc. for the Tri-lakes Biosolids Facility project, in the amount of \$1,223,008
- The Wilson Group for the Road & Bridge Shop Building project, in the amount of \$282,679
- The City of Forsyth for reimbursement for waste water treatment plant upgrades, in the amount of \$363,339
- The City of Hollister for reimbursement for waste water treatment plant upgrades, in the amount of \$66,018

NOTE T – COMMITMENTS – TANEY COUNTY REGIONAL SEWER DISTRICT

The District was committed to contracts for utility improvements with the following as of December 31, 2014:

- Ace Pipe Cleaning, Inc. in the amount of \$250,007
- Excel Excavating, in the amount of \$30,908
- Tom Boyce Excavating, in the amount of \$86,977

SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2014

Primary Government

Missouri Local Government Employees Retirement System (LAGERS)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded (Excess) Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 12,029,405	\$ 14,217,025	\$ 2,187,620	85%	\$ 8,808,205	25%
2/28/2013#	13,720,946	19,759,054	6,038,108	69%	8,964,337	67%
2/28/2014	15,987,761	21,420,711	5,432,950	75%	9,244,209	59%

After benefit changes.

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

TANEY COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS (continued)
 Year Ended December 31, 2014

Taney County Regional Sewer District

Missouri Local Government Employees Retirement System (LAGERS)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 999	\$ 27,965	\$ 26,966	4%	\$ 88,481	30%
2/28/2013	31,630	70,456	38,456	45%	244,011	16%
2/28/2014	74,489	98,557	24,068	76%	263,013	9%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 7,010,000	\$ 7,010,000	\$ 7,184,406	\$ 174,406
Surtax	8,800	8,800	9,877	1,077
Payment in lieu of taxes	135,000	135,000	143,932	8,932
	<u>7,153,800</u>	<u>7,153,800</u>	<u>7,338,215</u>	<u>184,415</u>
Collector's Commission				
Collection commissions	702,500	702,500	838,687	136,187
Licenses and Permits				
Beverage licenses	70,000	70,000	68,339	(1,661)
ATV permits	500	500	1,125	625
	<u>70,500</u>	<u>70,500</u>	<u>69,464</u>	<u>(1,036)</u>
Intergovernmental Revenues				
Federal	4,014,000	4,014,000	2,632,127	(1,381,873)
Other	16,700	16,700	20,107	3,407
	<u>4,030,700</u>	<u>4,030,700</u>	<u>2,652,234</u>	<u>(1,378,466)</u>
Fees and Charges				
Court	72,000	72,000	72,417	417
Public administration	50,000	50,000	66,095	16,095
County clerk	750	750	870	120
Recorder of deeds	1,050,000	1,050,000	1,114,770	64,770
Tax sale publication	15,000	15,000	17,224	2,224
Planning and zoning	20,000	20,000	21,860	1,860
Sheriff fees	970,000	970,000	371,524	(598,476)
Phone and vending	750	750	514	(236)
Election reimbursement	80,000	80,000	50,887	(29,113)
Computer room	1,000	1,000	1,088	88
Airport	852,683	852,683	730,709	(121,974)
	<u>3,112,183</u>	<u>3,112,183</u>	<u>2,447,958</u>	<u>(664,225)</u>
Other				
Interest income	50,000	50,000	72,977	22,977
Miscellaneous	61,600	61,600	275,464	213,864
Sale of property	5,000	5,000	26,591	21,591
	<u>116,600</u>	<u>116,600</u>	<u>375,032</u>	<u>258,432</u>
TOTAL RECEIPTS	15,186,283	15,186,283	13,721,590	(1,464,693)
DISBURSEMENTS				
Current				
General Government				
University extension	46,658	46,658	46,658	-
Collector of revenue	226,175	226,175	240,529	(14,354)
Treasurer	102,312	102,312	95,838	6,474
Recorder of deeds	255,982	255,982	277,813	(21,831)
County commission	944,600	944,600	201,881	742,719
Employee fringe benefits	2,216,500	2,216,500	2,090,651	125,849
Information technology	386,750	386,750	379,973	6,777
Planning and zoning	213,618	213,618	202,422	11,196
Election and voter registration	198,475	198,475	168,984	29,491
County clerk	136,744	136,744	134,613	2,131
Auditor	128,437	128,437	125,359	3,078
Building and grounds	623,476	623,476	707,876	(84,400)
	<u>5,479,727</u>	<u>5,479,727</u>	<u>4,672,597</u>	<u>807,130</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (continued)
 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Court administration	45,590	45,590	28,622	16,968
Circuit judge	59,114	59,114	92,087	(32,973)
Circuit clerk	74,250	74,250	61,645	12,605
Coroner	57,750	57,750	92,775	(35,025)
Court reporter	143,844	143,844	108,032	35,812
Public administrator	97,263	97,263	103,194	(5,931)
Juvenile	162,453	162,453	171,308	(8,855)
Prosecuting attorney	606,034	606,034	603,595	2,439
	<u>1,246,298</u>	<u>1,246,298</u>	<u>1,261,258</u>	<u>(14,960)</u>
Public Safety				
Sheriff	1,971,526	1,971,526	2,422,259	(450,733)
Jail	1,457,268	1,457,268	1,509,542	(52,274)
Animal control	200,000	200,000	222,521	(22,521)
Emergency management	58,243	58,243	62,662	(4,419)
	<u>3,687,037</u>	<u>3,687,037</u>	<u>4,216,984</u>	<u>(529,947)</u>
Other	7,416,379	7,416,379	4,261,583	3,154,796
Public Works				
Industrial Development Board	76,600	76,600	55,000	21,600
Airport				
Airport	847,643	847,643	793,196	54,447
TOTAL DISBURSEMENTS	<u>18,753,684</u>	<u>18,753,684</u>	<u>15,260,618</u>	<u>3,493,066</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,567,401)	(3,567,401)	(1,539,028)	2,028,373
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(310,000)	(310,000)	(61,963)	248,037
Operating transfers in	428,000	428,000	297,265	(130,735)
TOTAL OTHER FINANCING SOURCES (USES)	<u>118,000</u>	<u>118,000</u>	<u>235,302</u>	<u>117,302</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(3,449,401)	(3,449,401)	(1,303,726)	2,145,675
FUND BALANCE, January 1	<u>9,842,039</u>	<u>9,842,039</u>	<u>9,842,039</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 6,392,638</u>	<u>\$ 6,392,638</u>	<u>\$ 8,538,313</u>	<u>\$ 2,145,675</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 8,155,000	\$ 8,155,000	\$ 8,481,418	\$ 326,418
Intergovernmental receipts	182,750	182,750	236,604	53,854
Other receipts	111,700	111,700	197,323	85,623
TOTAL RECEIPTS	8,449,450	8,449,450	8,915,345	465,895
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	3,164,700	3,164,700	2,874,665	290,035
Computer related disbursements	15,000	15,000	10,295	4,705
Mileage and training	3,000	3,000	923	2,077
Professional services	120,500	120,500	18,386	102,114
Rental equipment	10,000	10,000	4,073	5,927
Telephone and utilities	50,500	50,500	62,893	(12,393)
Insurance	130,000	130,000	112,665	17,335
Repair and maintenance	420,000	420,000	485,057	(65,057)
Equipment	561,500	561,500	567,957	(6,457)
Road construction	2,139,000	2,139,000	1,026,833	1,112,167
Road supplies	1,878,500	1,878,500	2,110,886	(232,386)
Other supplies	520,250	520,250	529,257	(9,007)
Other	1,021,850	1,021,850	63,307	958,543
TOTAL DISBURSEMENTS	10,034,800	10,034,800	7,867,197	2,167,603
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,585,350)	(1,585,350)	1,048,148	2,633,498
OTHER FINANCING SOURCES				
Operating transfers in	25,000	25,000	51,075	26,075
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(1,560,350)	(1,560,350)	1,099,223	2,659,573
FUND BALANCE, January 1	10,410,417	10,410,417	10,410,417	-
FUND BALANCE, December 31	<u>\$ 8,850,067</u>	<u>\$ 8,850,067</u>	<u>\$ 11,509,640</u>	<u>\$ 2,659,573</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,675,000	\$ 1,675,000	\$ 1,791,417	\$ 116,417
Other receipts	1,500	1,500	4,987	3,487
TOTAL RECEIPTS	1,676,500	1,676,500	1,796,404	119,904
DISBURSEMENTS				
Debt service	1,727,000	1,727,000	1,707,683	19,317
TOTAL DISBURSEMENTS	1,727,000	1,727,000	1,707,683	19,317
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS				
	(50,500)	(50,500)	88,721	139,221
OTHER FINANCING SOURCES				
Operating transfers in	-	-	1,248,439	1,248,439
TOTAL OTHER FINANCING SOURCES	-	-	1,248,439	1,248,439
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS				
	(50,500)	(50,500)	1,337,160	1,387,660
FUND BALANCE, January 1	82,160	82,160	82,160	-
FUND BALANCE, December 31	\$ 31,660	\$ 31,660	\$ 1,419,320	\$ 1,387,660

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – COUNTY SEWER SALES TAX FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 7,000,000	\$ 7,000,000	\$ 7,172,704	\$ 172,704
Intergovernmental	3,000,000	3,000,000	2,111,189	(888,811)
Other receipts	105,000	105,000	192,532	87,532
TOTAL RECEIPTS	<u>10,105,000</u>	<u>10,105,000</u>	<u>9,476,425</u>	<u>(628,575)</u>
DISBURSEMENTS				
Sewer	<u>20,818,200</u>	<u>20,818,200</u>	<u>9,747,577</u>	<u>11,070,623</u>
TOTAL DISBURSEMENTS	<u>20,818,200</u>	<u>20,818,200</u>	<u>9,747,577</u>	<u>11,070,623</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(10,713,200)	(10,713,200)	(271,152)	10,442,048
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,250,000	1,250,000	-	(1,250,000)
Operating transfers (out)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(1,348,439)</u>	<u>(1,248,439)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,150,000</u>	<u>1,150,000</u>	<u>(1,348,439)</u>	<u>(2,498,439)</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(9,563,200)	(9,563,200)	(1,619,591)	7,943,609
FUND BALANCE, January 1	<u>25,209,601</u>	<u>25,209,601</u>	<u>25,209,601</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 15,646,401</u></u>	<u><u>\$ 15,646,401</u></u>	<u><u>\$ 23,590,010</u></u>	<u><u>\$ 7,943,609</u></u>

TANEY COUNTY, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
December 31, 2014

Budgets and Budgetary Accounting

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

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

OTHER FINANCIAL INFORMATION

TANEY COUNTY, MISSOURI

COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS

December 31, 2014

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund	Sheriff Drug Forfeiture Fund
ASSETS										
Cash and investments	\$ 203,014	\$ 2,421	\$ 2,549	\$ 96,543	\$ 116,814	\$ 81,197	\$ 34,217	\$ 3,055	\$ 68,640	\$ 5,146
TOTAL ASSETS	<u>\$ 203,014</u>	<u>\$ 2,421</u>	<u>\$ 2,549</u>	<u>\$ 96,543</u>	<u>\$ 116,814</u>	<u>\$ 81,197</u>	<u>\$ 34,217</u>	<u>\$ 3,055</u>	<u>\$ 68,640</u>	<u>\$ 5,146</u>
FUND BALANCES										
Restricted for:										
Public safety	\$ -	\$ 2,421	\$ -	\$ 96,543	\$ -	\$ -	\$ 34,217	\$ 3,055	\$ -	\$ 5,146
Elections	-	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	2,549	-	-	81,197	-	-	68,640	-
Tax maintenance	-	-	-	-	116,814	-	-	-	-	-
Assigned										
Assessment	203,014	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 203,014</u>	<u>\$ 2,421</u>	<u>\$ 2,549</u>	<u>\$ 96,543</u>	<u>\$ 116,814</u>	<u>\$ 81,197</u>	<u>\$ 34,217</u>	<u>\$ 3,055</u>	<u>\$ 68,640</u>	<u>\$ 5,146</u>

TANEY COUNTY, MISSOURI
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
 (continued)
 December 31, 2014

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Prosecuting Attorney Witness Investigation Fund	Total
ASSETS										
Cash and investments	\$ 6,836	\$ 31,375	\$ 413,572	\$ 55,889	\$ 7,780	\$ 89,448	\$ 57,868	\$ 53,656	\$ 6,822	\$ 1,336,842
TOTAL ASSETS	<u>\$ 6,836</u>	<u>\$ 31,375</u>	<u>\$ 413,572</u>	<u>\$ 55,889</u>	<u>\$ 7,780</u>	<u>\$ 89,448</u>	<u>\$ 57,868</u>	<u>\$ 53,656</u>	<u>\$ 6,822</u>	<u>\$ 1,336,842</u>
FUND BALANCES										
Restricted for:										
Public safety	\$ 6,836	\$ -	\$ -	\$ -	\$ 7,780	\$ 89,448	\$ 57,868	\$ -	\$ -	\$ 303,314
Elections	-	31,375	-	-	-	-	-	-	-	31,375
Recorder	-	-	413,572	-	-	-	-	-	-	413,572
Judicial	-	-	-	55,889	-	-	-	53,656	6,822	268,753
Tax maintenance	-	-	-	-	-	-	-	-	-	116,814
Assigned										
Assessment	-	-	-	-	-	-	-	-	-	203,014
TOTAL FUND BALANCES	<u>\$ 6,836</u>	<u>\$ 31,375</u>	<u>\$ 413,572</u>	<u>\$ 55,889</u>	<u>\$ 7,780</u>	<u>\$ 89,448</u>	<u>\$ 57,868</u>	<u>\$ 53,656</u>	<u>\$ 6,822</u>	<u>\$ 1,336,842</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, 2014

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	E-911 Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Civil Fees Fund	Vest Grant Fund	Prosecuting Attorney Bad Check Fund	Sheriff Drug Forfeiture Fund
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ 455,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	4,451	-	-
Fees and charges	738,727	4,340	1,104	370	121,750	9,350	50,110	-	69,066	-
Other receipts	2,458	2,297	23	1,070	1,150	606	1,514	14	1,441	21
TOTAL RECEIPTS	741,185	6,637	1,127	456,946	122,900	9,956	51,624	4,465	70,507	21
DISBURSEMENTS										
Current										
General government	668,808	-	-	-	107,113	10,436	-	-	-	-
Judicial	-	-	2,565	-	-	-	-	-	51,539	-
Public safety	-	7,372	-	458,658	-	-	86,643	1,410	-	300
TOTAL DISBURSEMENTS	668,808	7,372	2,565	458,658	107,113	10,436	86,643	1,410	51,539	300
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	72,377	(735)	(1,438)	(1,712)	15,787	(480)	(35,019)	3,055	18,968	(279)
OTHER FINANCING SOURCES (USES)										
Operating transfers in (out)	1,962	-	-	(56,066)	(20,000)	-	-	-	(17,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,962	-	-	(56,066)	(20,000)	-	-	-	(17,500)	-
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	74,339	(735)	(1,438)	(57,778)	(4,213)	(480)	(35,019)	3,055	1,468	(279)
FUND BALANCE, January 1	128,675	3,156	3,987	154,321	121,027	81,677	69,236	-	67,172	5,425
FUND BALANCE, December 31	<u>\$ 203,014</u>	<u>\$ 2,421</u>	<u>\$ 2,549</u>	<u>\$ 96,543</u>	<u>\$ 116,814</u>	<u>\$ 81,197</u>	<u>\$ 34,217</u>	<u>\$ 3,055</u>	<u>\$ 68,640</u>	<u>\$ 5,146</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, 2014

	Local Emergency Planning Commission Fund	Election Services Fund	Recorder Tech Fund	Law Library Fund	Domestic Violence Fund	Sheriff Revolving Fund	Inmate Security Fund	Circuit Clerk Interest Fund	Prosecuting Attorney Witness Investigation Fund	Total
RECEIPTS										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,506
Intergovernmental receipts	-	5,605	-	-	-	-	-	-	-	10,056
Fees and charges	-	13,713	234,385	11,947	7,751	43,766	158,760	2,017	-	1,467,156
Other receipts	77	4,952	3,549	143	29	660	440	134	-	20,578
TOTAL RECEIPTS	77	24,270	237,934	12,090	7,780	44,426	159,200	2,151	-	1,953,296
DISBURSEMENTS										
Current										
General government	-	33,448	226,886	-	-	-	-	298	-	1,046,989
Judicial	-	-	-	12,695	-	-	-	-	1,004	67,803
Public safety	6,178	-	-	-	9,277	41,968	128,270	-	-	740,076
TOTAL DISBURSEMENTS	6,178	33,448	226,886	12,695	9,277	41,968	128,270	298	1,004	1,854,868
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(6,101)	(9,178)	11,048	(605)	(1,497)	2,458	30,930	1,853	(1,004)	98,428
OTHER FINANCING SOURCES (USES)										
Operating transfers in (out)	-	-	(72,409)	-	-	-	-	-	-	(164,013)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(72,409)	-	-	-	-	-	-	(164,013)
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(6,101)	(9,178)	(61,361)	(605)	(1,497)	2,458	30,930	1,853	(1,004)	(65,585)
FUND BALANCE, January 1	12,937	40,553	474,933	56,494	9,277	86,990	26,938	51,803	7,826	1,402,427
FUND BALANCE, December 31	\$ 6,836	\$ 31,375	\$ 413,572	\$ 55,889	\$ 7,780	\$ 89,448	\$ 57,868	\$ 53,656	\$ 6,822	\$ 1,336,842



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report dated May 18, 2015.

Internal Control over Financial Reporting

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

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

Taney County Commission
Taney County
Forsyth, Missouri

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

Compliance and Other Matters

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

Purpose of this Report

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

KPM CPAs, PC
Springfield, Missouri
May 18, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Taney County Commission
Taney County
Forsyth, Missouri

Compliance

We have audited Taney County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2014. Taney County, Missouri's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Taney County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination on Taney County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Taney County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2014.

Internal Control over Compliance

Management of Taney County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, material weaknesses may exist that have not been identified.

Taney County Commission
Taney County
Forsyth, Missouri

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC
Springfield, Missouri
May 18, 2015

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

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			
Emergency Management Performance Grant	97.042	EMW-2014-EP-00005-110	\$ 20,975
Hazard Mitigation Grant	97.039	FEMA-4144-DR-MO	1,916,627
Missouri Department of Homeland Security			
Homeland Security Grant Program	97.067	HSRRS	<u>1,234</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			1,938,836
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Missouri Department of Economic Development			
Community Development Block Grant	14.228	2011-EM-30	<u>640,932</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			640,932
<u>U.S. DEPARTMENT OF INTERIOR</u>			
State of Missouri Treasurer's Office			
Distribution of Receipts to State and Local Governments	15.227	N/A	250,980
Direct			
Payment in Lieu of Taxes	15.226	N/A	<u>143,932</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			394,912
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct			
Bullet Proof Vest Partnership Grant	16.607	N/A	2,943
Missouri Sheriff Association			
Domestic Cannabis Eradication Program	16.000	MSA-DCE-SP	<u>7,000</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			9,943
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct			
Cooperative Agreement	12.000	W91275-14-2-0046	4,384
Cooperative Agreement		TRL-LETC-12	<u>2,415</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			6,799
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
Missouri Secretary of State			
Help America Vote Act Requirements	90.401	N/A	<u>6,331</u>
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			6,331
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Missouri Department of Natural Resources			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295538.01	<u>2,161,692</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>2,161,692</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,159,445</u></u>

N/A - Not Applicable

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended December 31, 2014

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note A to the City's financial statements.
2. The County did not provide funds to subrecipients in the current year.

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements presented on the modified cash basis of accounting.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No material weaknesses were disclosed during the audit of the financial statements.
4. No instances of noncompliance material to the financial statements were disclosed during the audit.
5. No significant deficiencies or material weaknesses were disclosed during the audit of the major federal awards programs.
6. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
7. There were no findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
8. The following were tested as major programs:

Hazard Mitigation Grant	97.039
Community Development Block Grant	14.228
Capitalization Grants for Clean Water State Revolving Funds	66.458
9. The threshold to determine a Type A program was \$300,000.
10. Taney County, Missouri, was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None

TANEY COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2014

There were no prior year audit findings.