

TANEY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2015

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT..... 4

MANAGEMENT'S DISCUSSION AND ANALYSIS 8

BASIC FINANCIAL STATEMENTS

 Statement of Net Position – Modified Cash Basis..... 14

 Statement of Activities – Modified Cash Basis 15

 Balance Sheet – Governmental Funds – Modified Cash Basis..... 18

 Statement of Receipts, Disbursements and Changes in Fund
 Balance – Governmental Funds – Modified Cash Basis 19

 Statement of Net Position – Proprietary Fund – Modified Cash Basis..... 20

 Statement of Receipts, Disbursements and Changes in Net
 Position – Proprietary Fund – Modified Cash Basis..... 21

 Statement of Cash Flows – Proprietary Fund – Modified Cash Basis..... 22

 Statement of Assets and Liabilities – Agency Funds – Modified Cash Basis 23

 Notes to Basic Financial Statements..... 26

SUPPLEMENTARY INFORMATION

 Schedule of Changes in Net Pension Liability and Related
 Ratios – LAGERS – Primary Government..... 61

 Schedule of Contributions – LAGERS – Primary Government 62

 Notes to Schedule of Contributions – LAGERS – Primary Government..... 63

 Schedule of Changes in Net Pension Liability and Related
 Ratios – Taney County Regional Sewer District..... 64

 Schedule of Contributions – Taney County Regional Sewer District 65

 Notes to Schedule of Contributions – Taney County Regional Sewer District..... 66

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION (continued)

Schedule of Proportionate Share of the Net Pension Liability and Related Rations – CERF – Primary Government	67
Schedule of Employer Contributions – CERF – Primary Government	68
Budgetary Comparison Schedule – General Fund – Modified Cash Basis	69
Budgetary Comparison Schedule – Road and Bridge Trust Fund – Modified Cash Basis	71
Budgetary Comparison Schedule – Road and Bridge Fund – Modified Cash Basis	72
Budgetary Comparison Schedule – Law Enforcement Sales Tax Fund – Modified Cash Basis	73
Budgetary Comparison Schedule – County Sewer Sales Tax Fund – Modified Cash Basis	74
Note to Budgetary Comparison Schedules	75

OTHER FINANCIAL INFORMATION

Combining Statement of Assets and Fund Balances – Non-Major Special Revenue Funds – Modified Cash Basis	77
Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Non-Major Special Revenue Funds – Modified Cash Basis	79
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	83
Schedule of Expenditures of Federal Awards	86
Summary Schedule of Findings and Questioned Costs	88
Schedule of Prior Audit Findings	89



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, 2015, 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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Taney County
Forsyth, Missouri

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, 2015, 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, budgetary comparison information, and pension 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 June 30, 2016, on our consideration of Taney County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taney County's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

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, 2015, 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 increased by \$4,062,310. The sales tax increased at a healthy rate and sewer capital improvement expenditures decreased from the prior year.
- The fund balance for the General Fund decreased by \$138,031; this is an improvement over fiscal year 2014.
- The fund balance for the Road and Bridge Fund was separated into two funds to better track capital improvements; separating the funds makes it more difficult to see the total amount available to spend on the County's roads and bridges. The total increase between both Road and Bridge Funds was \$1,532,721.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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.

TANEY COUNTY, MISSOURI
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2015

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,	
	2015	2014
ASSETS		
Cash and investments	\$ 51,356,319	\$ 47,294,009
TOTAL ASSETS	\$ 51,356,319	\$ 47,294,009
NET POSITION		
Restricted	\$ 41,615,944	\$ 37,652,798
Unrestricted	9,740,375	9,641,211
TOTAL NET POSITION	\$ 51,356,319	\$ 47,294,009

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

Changes in Net Position – Modified Cash Basis

	Year Ended December 31,	
	2015	2014
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 6,353,356	\$ 6,150,948
Operating grants and contributions	104,950	119,446
Capital grants and contributions	550,113	4,753,730
<u>General Receipts</u>		
Sales tax receipts	24,669,629	23,323,577
Motor vehicle sales tax	1,333,245	1,306,368
Other taxes	823,398	609,315
Interest	432,472	359,735
Other receipts	413,325	544,401
TOTAL RECEIPTS	34,680,488	37,167,520
DISBURSEMENTS		
General government	6,572,741	5,719,586
Judicial	1,205,614	1,329,061
Public safety	4,735,244	4,957,060
Public works	50,000	55,000
Highway and roads	7,747,096	7,867,197
Airport	414,010	793,196
Sewer	5,906,053	9,747,577
Debt service	1,511,601	1,707,683
Other	1,277,641	4,261,583
Transfer station	1,198,178	1,035,589
TOTAL DISBURSEMENTS	30,618,178	37,473,532
INCREASE (DECREASE) IN NET POSITION	\$ 4,062,310	\$ (306,012)

Overall receipts of the County decreased by \$2,487,032 from the prior year. Tax revenues were up \$1,587,012. Overall disbursements of the County were down \$6,855,354.

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

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 \$138,031 for the year ended December 31, 2015.
- The Combined Road and Bridge Funds increased by \$1,532,721, which increased the combined fund balances to \$13,042,361 as of December 31, 2015.
- The Law Enforcement Sales Tax Fund increased by \$395,530, which increased the fund balance to \$1,814,850 as of December 31, 2015.
- County Sewer Sales Tax Fund increased \$2,159,052, which increased the fund balance to \$25,749,062. The County expects to see this balance decrease dramatically in the near future due to several major projects planned in the near future.

FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND

	Budget		Actual
	Original	Final	
RECEIPTS			
Taxes	\$ 7,454,800	\$ 7,454,800	\$ 7,757,083
Commissions	702,500	702,500	700,833
Licenses and permits	70,500	70,500	76,007
Intergovernmental receipts	172,200	172,200	242,422
Fees and charges	3,187,500	3,187,500	2,747,988
Other	136,600	136,600	230,846
TOTAL RECEIPTS	\$ 11,724,100	\$ 11,724,100	\$ 11,755,179
DISBURSEMENTS			
General government	\$ 6,304,205	\$ 6,304,205	\$ 5,573,589
Judicial	1,128,871	1,128,871	1,118,679
Public safety	3,816,914	3,816,914	4,170,854
Public works	50,000	50,000	50,000
Other	2,717,450	2,717,450	1,277,641
Airport	481,675	481,675	414,010
TOTAL DISBURSEMENTS	\$ 14,499,115	\$ 14,499,115	\$ 12,604,773

TANEY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

The County has always budgeted so that if there is a need that arises they are covered without having to revisit the budget process. The Commission has determined to do a better job of budgeting what we will have as a fund balance to carry forward, but there are several of the minor funds that are controlled by other elected officials and it makes sense to budget and appropriate the entire amount in those funds in case they are needed by those officials. We, as a County, have done a better job of applying expenses when they are actually expended instead of using a contingency fund as an expense line. This should make the County's budget more accurate and help the County use it as a tool for controls.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Our economy has improved and the County is hoping for, and expecting, a better year in 2016. We still have many financial difficulties including healthcare, increased cost of operations due to payroll costs, and general expectations of service. Several offices are working under conditions that the private sector would consider vastly understaffed. We have a very healthy benefits package, but the cost of that is continuing to rise. It is important for us to begin looking more closely at the future to ensure the continued financial health of the County.

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, 2015

	Primary Government			Component Units						
	Governmental Activities	Business- Type Activities	Total	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
ASSETS										
Cash and investments	\$ 50,340,009	\$ 1,016,310	\$ 51,356,319	\$ 2,715,403	\$ 1,317,510	\$ 1,055,904	\$ 76,015	\$ 16,482	\$ 69,710	\$ 55,070
TOTAL ASSETS	\$ 50,340,009	\$ 1,016,310	\$ 51,356,319	\$ 2,715,403	\$ 1,317,510	\$ 1,055,904	\$ 76,015	\$ 16,482	\$ 69,710	\$ 55,070
NET POSITION										
Restricted	\$ 41,615,944	\$ -	\$ 41,615,944	\$ 707,529	\$ 25,316	\$ 102,500	\$ 71,066	\$ 15,978	\$ -	\$ -
Unrestricted	8,724,065	1,016,310	9,740,375	2,007,874	1,292,194	953,404	4,949	504	69,710	55,070
TOTAL NET POSITION	\$ 50,340,009	\$ 1,016,310	\$ 51,356,319	\$ 2,715,403	\$ 1,317,510	\$ 1,055,904	\$ 76,015	\$ 16,482	\$ 69,710	\$ 55,070

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2015

Functions/Programs	Primary Government						
	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ (6,572,741)	\$ 2,962,347	\$ -	\$ 100,000	\$ (3,510,394)	\$ -	\$ (3,510,394)
Judicial	(1,205,614)	172,885	-	-	(1,032,729)	-	(1,032,729)
Public safety	(4,735,244)	1,350,931	36,976	-	(3,347,337)	-	(3,347,337)
Public works	(50,000)	-	-	-	(50,000)	-	(50,000)
Highway and roads	(7,747,096)	67,032	67,974	34,964	(7,577,126)	-	(7,577,126)
Airport	(414,010)	427,559	-	-	13,549	-	13,549
Sewer	(5,906,053)	-	-	378,869	(5,527,184)	-	(5,527,184)
Debt service	(1,511,601)	-	-	-	(1,511,601)	-	(1,511,601)
Other	(1,277,641)	-	-	36,280	(1,241,361)	-	(1,241,361)
TOTAL GOVERNMENTAL ACTIVITIES	(29,420,000)	4,980,754	104,950	550,113	(23,784,183)	-	(23,784,183)
Business-Type Activities							
Transfer station	(1,198,178)	1,372,602	-	-	-	174,424	174,424
TOTAL BUSINESS-TYPE ACTIVITIES	(1,198,178)	1,372,602	-	-	-	174,424	174,424
TOTAL PRIMARY GOVERNMENT	\$ (30,618,178)	\$ 6,353,356	\$ 104,950	\$ 550,113	(23,784,183)	174,424	(23,609,759)

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES -- MODIFIED CASH BASIS (continued)
Year Ended December 31, 2015

	Disbursements	Program Receipts			Primary Government Net (Disbursements), Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Component Units							
Taney County Regional Sewer District	\$ (4,319,630)	\$ 1,454,763	\$ -	\$ 2,902,810			
Taney County Health Center	(3,579,675)	1,228,406	894,088	-			
Developmentally Disabled Board	(2,658,865)	1,557,815	-	-			
Dorgan-Weaver Housing Corp.	(65,572)	69,423	-	-			
Combs-Redfern Apartments Inc.	(137,067)	43,532	-	93,069			
Tantone Industries, Inc.	(340,549)	268,031	129,517	-			
Dignity Now, Inc.	(127,261)	8,480	30,354	100,000			
TOTAL COMPONENT UNITS	\$ (11,228,619)	\$ 4,630,450	\$ 1,053,959	\$ 3,095,879			
General Receipts and Transfers:							
Ad valorem taxes				-	-	-	
Sales taxes				24,669,629	-	24,669,629	
Motor vehicle sales taxes and gas taxes				1,333,245	-	1,333,245	
Other taxes				823,398	-	823,398	
Interest				423,884	8,588	432,472	
Other receipts				398,123	15,202	413,325	
Transfers				81,788	(81,788)	-	
Special Items:							
Reimbursement from Combs-Redfern Apartments Inc.				-	-	-	
Loan proceeds				-	-	-	
			Total General Receipts and Transfers	27,730,067	(57,998)	27,672,069	
			Increase (Decrease) in Net Position	3,945,884	116,426	4,062,310	
			Net Position, Beginning of year	46,394,125	899,884	47,294,009	
			Net Position, End of year	\$ 50,340,009	\$ 1,016,310	\$ 51,356,319	

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (continued)
Year Ended December 31, 2015

	Component Units						
	Net (Disbursements), Receipts and Changes in Net Position						
	Taney County Regional Sewer District	Taney County Health Center	Develop- mentally Disabled Board	Dorgan- Weaver Housing Corporation	Combs- Redfern Apartments Inc.	Tantone Industries Inc.	Dignity Now Inc.
Component Units							
Taney County Regional Sewer District	\$ 37,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taney County Health Center	-	(1,457,181)	-	-	-	-	-
Developmentally Disabled Board	-	-	(1,101,050)	-	-	-	-
Dorgan-Weaver Housing Corp.	-	-	-	3,851	-	-	-
Combs-Redfern Apartments Inc.	-	-	-	-	(466)	-	-
Tantone Industries, Inc.	-	-	-	-	-	56,999	-
Dignity Now, Inc.	-	-	-	-	-	-	11,573
TOTAL COMPONENT UNITS	37,943	(1,457,181)	(1,101,050)	3,851	(466)	56,999	11,573
General Receipts and Transfers:							
Ad valorem taxes	-	1,397,284	964,675	-	-	-	-
Sales taxes	-	-	-	-	-	-	-
Motor vehicle sales taxes and gas taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Interest	94,644	11,720	1,882	67	10	-	-
Other receipts	59,355	72,905	57,189	-	-	501	-
Transfers	-	-	-	-	-	-	-
Special Items:							
Reimbursement from Combs-Redfern Apartments Inc.	-	-	33,992	-	-	-	-
Loan proceeds	-	-	100,000	-	-	-	-
Total General Receipts and Transfers	153,999	1,481,909	1,157,738	67	10	501	-
Increase (Decrease) in Net Position	191,942	24,728	56,688	3,918	(456)	57,500	11,573
Net Position, Beginning of year	2,523,461	1,292,782	999,216	72,097	16,938	12,210	43,497
Net Position, End of year	<u>\$ 2,715,403</u>	<u>\$ 1,317,510</u>	<u>\$ 1,055,904</u>	<u>\$ 76,015</u>	<u>\$ 16,482</u>	<u>\$ 69,710</u>	<u>\$ 55,070</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
 December 31, 2015

	Special Revenue Funds						Total Governmental Funds
	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Special Revenue Funds	
ASSETS							
Cash and investments	\$ 8,400,282	\$ 11,441,956	\$ 1,600,405	\$ 1,814,850	\$ 25,749,062	\$ 1,333,454	\$ 50,340,009
TOTAL ASSETS	<u>\$ 8,400,282</u>	<u>\$ 11,441,956</u>	<u>\$ 1,600,405</u>	<u>\$ 1,814,850</u>	<u>\$ 25,749,062</u>	<u>\$ 1,333,454</u>	<u>\$ 50,340,009</u>
FUND BALANCES							
Fund Balances							
Restricted for:							
Road and Bridge	\$ -	\$ 11,441,956	\$ 1,600,405	\$ -	\$ -	\$ -	\$ 13,042,361
Public Safety	-	-	-	1,814,850	-	407,355	2,222,205
Sewer	-	-	-	-	25,749,062	-	25,749,062
Elections	-	-	-	-	-	32,613	32,613
Recorder	-	-	-	-	-	277,254	277,254
Judicial	-	-	-	-	-	226,498	226,498
Tax maintenance	-	-	-	-	-	65,951	65,951
Assigned to:							
Assessment Fund	-	-	-	-	-	323,783	323,783
Unassigned	8,400,282	-	-	-	-	-	8,400,282
TOTAL FUND BALANCES	<u>\$ 8,400,282</u>	<u>\$ 11,441,956</u>	<u>\$ 1,600,405</u>	<u>\$ 1,814,850</u>	<u>\$ 25,749,062</u>	<u>\$ 1,333,454</u>	<u>\$ 50,340,009</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, 2015

	General Fund	Road and Bridge Trust Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	County Sewer Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes	\$ 7,757,083	\$ 8,323,521	\$ 597,217	\$ 1,896,226	\$ 7,585,690	\$ 666,535	\$ 26,826,272
Collector's commission	700,833	-	-	-	-	-	700,833
Licenses and permits	76,007	-	-	-	-	-	76,007
Intergovernmental receipts	242,422	169,970	-	-	378,869	15,530	806,791
Fees and charges	2,747,988	-	-	-	-	1,387,985	4,135,973
Other	230,846	234,004	3,188	10,905	225,546	33,731	738,220
TOTAL RECEIPTS	11,755,179	8,727,495	600,405	1,907,131	8,190,105	2,103,781	33,284,096
DISBURSEMENTS							
General government	5,573,589	-	-	-	-	999,152	6,572,741
Judicial	1,118,679	-	-	-	-	86,935	1,205,614
Public safety	4,170,854	-	-	-	-	564,390	4,735,244
Public works	50,000	-	-	-	-	-	50,000
Airport	414,010	-	-	-	-	-	414,010
Other	1,277,641	-	-	-	-	-	1,277,641
Highway and roads	-	7,747,096	-	-	-	-	7,747,096
Sewer	-	-	-	-	5,906,053	-	5,906,053
Debt service	-	-	-	1,511,601	-	-	1,511,601
TOTAL DISBURSEMENTS	12,604,773	7,747,096	-	1,511,601	5,906,053	1,650,477	29,420,000
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(849,594)	980,399	600,405	395,530	2,284,052	453,304	3,864,096
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	711,563	(1,048,083)	1,000,000	-	(125,000)	(456,692)	81,788
TOTAL OTHER FINANCING SOURCES (USES)	711,563	(1,048,083)	1,000,000	-	(125,000)	(456,692)	81,788
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(138,031)	(67,684)	1,600,405	395,530	2,159,052	(3,388)	3,945,884
FUND BALANCE, January 1	8,538,313	11,509,640	-	1,419,320	23,590,010	1,336,842	46,394,125
FUND BALANCE, December 31	\$ 8,400,282	\$ 11,441,956	\$ 1,600,405	\$ 1,814,850	\$ 25,749,062	\$ 1,333,454	\$ 50,340,009

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF NET POSITION – PROPRIETARY FUND – MODIFIED CASH BASIS
 December 31, 2015

	<u>Enterprise Fund</u>
	<u>Transfer Station Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,016,310
	<u> </u>
	TOTAL ASSETS
	<u>\$ 1,016,310</u>
Net Position	
Unrestricted	\$ 1,016,310
	<u> </u>
	TOTAL NET POSITION
	<u>\$ 1,016,310</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, 2015

	<u>Enterprise Fund Transfer Station Fund</u>
OPERATING RECEIPTS	
Charges for services	\$ 1,372,602
TOTAL OPERATING RECEIPTS	1,372,602
OPERATING DISBURSEMENTS	
Insurance claims and disbursements	14,640
Salaries and employee benefits	272,709
Supplies	352,396
Telephone and utilities	3,154
Repair and maintenance	128,531
Landfill services	414,521
Other	12,227
TOTAL OPERATING DISBURSEMENTS	1,198,178
OPERATING INCOME	174,424
NONOPERATING RECEIPTS	
Interest receipts	8,588
Other receipts	15,202
TOTAL NONOPERATING RECEIPTS	23,790
INCOME BEFORE OPERATING TRANSFERS	198,214
Operating transfers (out)	(81,788)
NET INCOME	116,426
NET POSITION, January 1	899,884
NET POSITION, December 31	<u>\$ 1,016,310</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2015

	Enterprise Fund
	<u>Transfer Station Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,387,804
Cash paid to suppliers	(925,469)
Cash paid to employees	<u>(272,709)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	189,626
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>8,588</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	8,588
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers (to) other funds	<u>(81,788)</u>
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(81,788)
NET INCREASE IN CASH AND CASH EQUIVALENTS	116,426
CASH AND CASH EQUIVALENTS, Beginning of year	<u>899,884</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 1,016,310</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 174,424
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other receipts	<u>15,202</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 189,626</u></u>

See accompanying notes.

TANEY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS
December 31, 2015

	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	\$ 461	\$ 9,301	\$ 9	\$ 12,940	\$ 25,029,637	\$ 28,447	\$ 112,457	\$ 21,282
TOTAL ASSETS	<u>\$ 461</u>	<u>\$ 9,301</u>	<u>\$ 9</u>	<u>\$ 12,940</u>	<u>\$ 25,029,637</u>	<u>\$ 28,447</u>	<u>\$ 112,457</u>	<u>\$ 21,282</u>
LIABILITIES								
Due to others	\$ -	\$ -	\$ 9	\$ 12,940	\$ -	\$ -	\$ -	\$ 21,282
Due to other governments	461	9,301	-	-	25,029,637	28,447	112,457	-
TOTAL LIABILITIES	<u>\$ 461</u>	<u>\$ 9,301</u>	<u>\$ 9</u>	<u>\$ 12,940</u>	<u>\$ 25,029,637</u>	<u>\$ 28,447</u>	<u>\$ 112,457</u>	<u>\$ 21,282</u>

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2015

	Fines and Forfeitures Fund	Western Fire Fund	Central Fire Fund	P & Z Bonds Fund	National Forest Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Protest Tax Account Fund
ASSETS								
Cash and investments	\$ 60,442	\$ 77	\$ 3	\$ 216,887	\$ 162,128	\$ 421,811	\$ 125,436	\$ 919,784
TOTAL ASSETS	\$ 60,442	\$ 77	\$ 3	\$ 216,887	\$ 162,128	\$ 421,811	\$ 125,436	\$ 919,784
LIABILITIES								
Due to others	\$ -	\$ -	\$ -	\$ 216,887	\$ -	\$ -	\$ -	\$ 919,784
Due to other governments	60,442	77	3	-	162,128	421,811	125,436	-
TOTAL LIABILITIES	\$ 60,442	\$ 77	\$ 3	\$ 216,887	\$ 162,128	\$ 421,811	\$ 125,436	\$ 919,784

See accompanying notes.

TANEY COUNTY, MISSOURI
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)
 December 31, 2015

	Health Center Fund	Handicapped Fund	School Fund	OTC Financial Institution Tax Fund	Senior Services Fund	Cedar Creek Fire Fund	Protem Fire Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS									
Cash and investments	\$ 1,540	\$ 1,021	\$ 46,319	\$ 73	\$ 351,949	\$ 1	\$ 11	\$ 17,439	\$ 27,539,455
TOTAL ASSETS	<u>\$ 1,540</u>	<u>\$ 1,021</u>	<u>\$ 46,319</u>	<u>\$ 73</u>	<u>\$ 351,949</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 17,439</u>	<u>\$ 27,539,455</u>
LIABILITIES									
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,439	\$ 1,188,341
Due to other governments	1,540	1,021	46,319	73	351,949	1	11	-	26,351,114
TOTAL LIABILITIES	<u>\$ 1,540</u>	<u>\$ 1,021</u>	<u>\$ 46,319</u>	<u>\$ 73</u>	<u>\$ 351,949</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 17,439</u>	<u>\$ 27,539,455</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Component Units

Taney County Health Center

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

The Taney County Health Center issues separate financial statements. 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)

Tantone Industries, Inc.

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

Dignity Now, Inc.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following major governmental funds:

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

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

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

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

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

The County also reports the following fund types:

Agency funds 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2015, was \$163,623.

Cash and Cash Equivalents

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

Net Patient Service Revenue

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

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

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

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

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, 2015, 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;

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE B – CASH AND INVESTMENTS (continued)

- 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.

The County’s investments at December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Taney County			
Certificates of Deposit	1/25/2016 - 12/31/2018	\$ 44,476,272	\$ 44,447,617
FHLMC one time call	5/18/2018	250,000	249,005
FHLB Bonds US Domestic	6/10/2016 - 6/26/2017	773,875	753,288
FNMA Callable Note	3/15/2016	522,835	501,860
		<u>\$ 46,022,982</u>	<u>\$ 45,951,770</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, 2015, 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.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE B – CASH AND INVESTMENTS (continued)

Interest Rate Risk

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

TANEY COUNTY REGIONAL SEWER DISTRICT

State statutes require that the District’s deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all bank balances on deposit are entirely insured or collateralized.

The District’s investments at December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/28/2016	<u>\$ 217,148</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, 2015, 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, 2015, all bank balances on deposit are entirely insured or collateralized.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE B – CASH AND INVESTMENTS (continued)

The Center’s investments at December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	7/3/2017	\$ 265,294
Certificate of Deposit	4/1/2018	154,756
		<u>\$ 420,050</u>

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the Board’s deposits be collateralized in the name of the Center by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, 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, 2015, all bank balances on deposit are entirely insured or collateralized.

Investments of the Board as of December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	3/23/2016	\$ 261,113
Certificate of Deposit	4/17/2016	253,915
Certificate of Deposit	10/7/2016	100,159
		<u>\$ 615,187</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, 2015, all Certificates of Deposit were insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Interest Rate Risk

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

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, 2015, 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.

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT

State of Missouri County Employees' Retirement Fund

General Information about the Pension Plan

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

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT (continued)

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

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

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at www.mocerf.org.

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

Cost-of-Living Adjustments ("COLA"). The Missouri Legislature has established a policy of providing an annual increase in the retirement benefit of the lesser of 1% and the February increase in CPI with the increase to take effect each July. The first increase will occur in the year following retirement so long as the retiree has been receiving benefits for at least one year on July 1st. The total of all increases shall not exceed 50% of the initial benefit.

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participated county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Eligible employees of the employer contribute 4% to the pension plan. The employer did not elect to make all or a portion of the required 4% contribution on behalf of the employee.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT (continued)

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

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

During 2015 and 2014, the County collected and remitted to CERF, employee contributions of \$194,590 and \$218,985, respectively, for the years then ended. The County's contributions to CERF were \$698,027 for the year ended December 31, 2015.

Pension Liability. At December 31, 2015, the County had a liability of \$4,167,047 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of December 31, 2014, and determined by an actuarial valuation as of that date. The County's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$706,349 paid to CERF for the year ended December 31, 2014, relative to the actual contributions of \$19,781,513 from all participating employers. At December 31, 2014, the County's proportionate share was 3.5708%.

Actuarial Assumptions. Actuarial valuations of the Plan involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future compensation increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial assumptions are based on an experience study covering the period January 1, 2002, through December 31, 2007. A new experience study was recently completed for the period January 1, 2008, through December 31, 2013. However, assumption changes that were otherwise indicated have not been adopted because of the aberrant economic conditions during that time period.

The total pension liability as of December 31, 2014, was based on the most recent actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014, using the following actuarial assumptions:

- Measurement date - December 31, 2014
- Valuation date - December 31, 2014
- Actuarial cost method – Entry age

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT (continued)

- Investment rate of return – 8%
- Inflation – 3%
- Compensation increases – Inflation plus an age-graded allowance for merit, promotion, and seniority. Total average increases, including inflation, are approximately 5.3%
- Mortality rates – RP 2000 table separately for males and females projected for mortality improvement through 2010.
- Fiduciary Net Position – CERF issues a publicly available financial report that can be obtained at www.mocerf.org.

The long-term expected rate of return on the Plan’s investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target allocation as of June 30, 2013 is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. This method eliminates the effects created by cash flows.

Asset Class	Target Asset Allocation	Long-Term Arithmetic Basis	
		Expected Real Return	Weighted Expected Real Return
Core Plus	15.00%	3.11%	0.47%
Absolute Return	15.00%	4.35%	0.65%
U.S. Large Cap Equity	25.00%	7.77%	1.94%
U.S. Small Cap Equity	10.00%	9.03%	0.90%
Non-U.S. Equity	15.00%	8.99%	1.35%
Long/Short Equity	10.00%	7.64%	0.76%
Private Equity	5.00%	1.65%	0.08%
Core Real Estate	5.00%	5.30%	0.27%
Total	100.00%		6.42%
		Inflation	3.00%
		Long-term expected geometric return	9.42%

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE D – EMPLOYEE PENSION PLAN – CERF – PRIMARY GOVERNMENT (continued)

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the Plan’s revenue sources (various fees and penalties paid by the counties). Such revenue was assumed to increase at the rate of 1.0% per year. This increase assumption has been used by the Plan in prior funding status projects. Historically, revenue increase has averaged more than 1.0% per year. Based on the assumptions, the Plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the Plan’s investments was applied to projected benefit payments.

Discount Rate Sensitivity. The sensitivity of the net pension liability to changes in the discount rate is presented below. The net pension liability calculated using the discount rate of 8.0% is presented as well as what the net pension liability would be using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	<u>1.0% Decrease (7.0%)</u>	<u>Current Rate (8.0%)</u>	<u>1.0% Increase (9.0%)</u>
Proportionate share of the Net Pension Liability	\$ 6,751,957	\$ 4,167,047	\$ 2,133,915

NOTE E – EMPLOYEE PENSION PLAN – LAGERS – PRIMARY GOVERNMENT

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

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

	<u>2015 Valuation</u>
Benefit Multiplier	2.00% for life
Final Average Salary	5 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2015, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	95	32	127
Inactive employees entitled to but not yet receiving benefits	90	31	121
Active employees	<u>226</u>	<u>37</u>	<u>263</u>
	<u>411</u>	<u>100</u>	<u>511</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 15.7% (General) and 18.0% (Police) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

Actuarial Assumptions. The total pension liability in the February 28, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation for general and police
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015, valuation were based on the results of an actuarial experience study for the period March 1, 2005, through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount Rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>General Division</i>			
Balance at June 30, 2014	\$ 24,831,026	\$ 23,670,332	\$ 1,160,694
Changes for the year:			
Service Cost	890,908	-	890,908
Interest	1,799,971	-	1,799,971
Difference between expected and actual experiences	(503,007)	-	(503,007)
Contributions - employer	-	1,213,330	(1,213,330)
Net investment income	-	487,443	(487,443)
Benefits paid, including refunds	(898,725)	(898,725)	-
Administrative expenses	-	(34,952)	34,952
Other changes	-	632,878	(632,878)
Net Changes	<u>1,289,147</u>	<u>1,399,974</u>	<u>(110,827)</u>
Balance at June 30, 2015	<u>26,120,173</u>	<u>25,070,306</u>	<u>1,049,867</u>
<i>Police Division</i>			
Balance at June 30, 2014	5,300,992	5,006,262	294,730
Changes for the year:			
Service Cost	163,165	-	163,165
Interest	383,976	-	383,976
Difference between expected and actual experiences	(152,629)	-	(152,629)
Contributions - employer	-	235,640	(235,640)
Net investment income	-	97,744	(97,744)
Benefits paid, including refunds	(172,873)	(172,873)	-
Administrative expenses	-	(7,829)	7,829
Other changes	-	49,489	(49,489)
Net Changes	<u>221,639</u>	<u>202,171</u>	<u>19,468</u>
Balance at June 30, 2015	<u>5,522,631</u>	<u>5,208,433</u>	<u>314,198</u>
Total Plan Balances at June 30, 2015	<u>\$ 31,642,804</u>	<u>\$ 30,278,739</u>	<u>\$ 1,364,065</u>
Taney County			\$ 1,125,535
Taney County Health Department			238,530
			<u>\$ 1,364,065</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE E -- EMPLOYEE PENSION PLAN -- LAGERS -- PRIMARY GOVERNMENT (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following present the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<i>General Division</i>			
Total Pension Liability	\$ 30,209,279	\$ 26,120,173	\$ 22,750,089
Fiduciary Net Position	25,070,306	25,070,306	25,070,306
Net Pension Liability/(Asset)	\$ 5,138,973	\$ 1,049,867	\$ (2,320,217)
<i>Police Division</i>			
Total Pension Liability	6,361,904	5,522,631	4,827,164
Fiduciary Net Position	5,208,433	5,208,433	5,208,433
Net Pension Liability/(Asset)	1,153,471	314,198	(381,269)
Total Net Pension Liability (Asset)	\$ 6,292,444	\$ 1,364,065	\$ (2,701,486)

Pension Expense

For the year ended 2015, the employer recognized pension expense of \$309,223 in the general division and \$101,751 in the police division.

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

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

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

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

	<u>2015 Valuation</u>
Benefit Multiplier	1.50%
Final Average Salary	5 Years
Member Contributions	0%

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

Employees Covered by Benefit Terms. At June 30, 2015, the following employees were covered by the benefit terms:

	<u>General</u>
Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	2
Active employees	10
	<u>12</u>

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.9% (General) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

Actuarial Assumptions. The total pension liability in the February 28, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation for general
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015, valuation were based on the results of an actuarial experience study for the period March 1, 2005, through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount Rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
<i>General Division</i>			
Balance at June 30, 2014	\$ 110,617	\$ 99,862	\$ 10,755
Changes for the year:			
Service Cost	32,040	-	32,040
Interest	9,161	-	9,161
Difference between expected and actual experiences	23,503	-	23,503
Contributions - employer	-	44,458	(44,458)
Net investment income	-	2,359	(2,359)
Administrative expenses	-	(1,025)	1,025
Other changes	-	8,326	(8,326)
Net Changes	64,704	54,118	10,586
Balance at June 30, 2015	\$ 175,321	\$ 153,980	\$ 21,341

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following present the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
<i>General Division</i>			
Total Pension Liability	\$ 200,576	\$ 175,321	\$ 154,319
Fiduciary Net Position	153,980	153,980	153,980
Net Pension Liability/(Asset)	\$ 46,596	\$ 21,341	\$ 339

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended 2015, the employer recognized pension expense of \$41,398 in the general division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>General Division</i>			
Differences in experiences	\$ 19,033	\$ -	\$ 19,033
Excess (deficit) investment returns	5,379	-	5,379
Contributions subsequent to the measurement date*	25,287	-	25,287
	\$ 49,699	\$ -	\$ 49,699

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2016.

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>General Net Deferred Outflows of Resources</u>
2016	\$ 31,102
2017	5,815
2018	5,815
2019	5,814
2020	1,153
Total	<u><u>\$ 49,699</u></u>

Payable to the Pension Plan

At December 31, 2015, the County had no outstanding amounts of contributions to the pension plan required for the year ended December 31, 2015, therefore no payable was reported.

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, 2015

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

The 2015 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	\$ 900,013,734
Personal property	136,478,432
Railroad and utilities	<u>2,076,840</u>
	<u>\$ 1,038,569,006</u>

TAX LEVY

General Fund	<u>\$ -</u>
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The legal debt margin at December 31, 2015, is computed as follows:

Constitutional debt limit	\$ 103,856,901
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 103,856,901</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, 2015, are due as follows:

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

Year Ended December 31,	Principal	Interest	Administrative Fee	Total
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	5,696	1,026,815
	<u>\$ 2,900,000</u>	<u>\$ 688,013</u>	<u>\$ 85,309</u>	<u>\$ 3,673,322</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2015:

	Balance December 31, 2014	New Obligations	Retired	Balance December 31, 2015	Current Portion
2004 SRF Revenue Bonds Payable	<u>\$ 2,900,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,900,000</u>	<u>\$ -</u>

NOTE I – LONG-TERM DEBT – PRIMARY GOVERNMENT

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

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

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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, 2015, are as follows:

<u>Year Ended</u> <u>December 31,</u>	
2016	\$ 1,460,835
2017	1,491,193
2018	1,519,933
2019	1,542,562
2020	1,579,181
2021	1,609,487
2022	1,638,581
2023	<u>831,463</u>
	TOTAL MINIMUM LEASE PAYMENTS 11,673,235
	LESS AMOUNT REPRESENTING INTEREST <u>(878,235)</u>
	PRINCIPAL BALANCE, DECEMBER 31, 2015 <u>\$ 10,795,000</u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2015:

	Balance			Balance	
	December 31,			December 31,	Current
	<u>2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>2015</u>	<u>Portion</u>
2006 Certificates of Participation	\$ 13,140,000	\$ -	\$ 13,140,000	\$ -	\$ -
2015A Certificates of Participation	-	9,995,000	-	9,995,000	530,000
2015B Certificates of Participation	-	800,000	-	800,000	800,000
Compensated absences	<u>193,651</u>	<u>-</u>	<u>30,028</u>	<u>163,623</u>	<u>-</u>
	<u>\$ 13,333,651</u>	<u>\$ 10,795,000</u>	<u>\$ 13,170,028</u>	<u>\$ 10,958,623</u>	<u>\$ 1,330,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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, 2015, based on the current rate, are due as follows:

Year Ended December 31,	Principal	Interest	Total
2016	\$ 58,114	\$ 17,352	\$ 75,466
2017	60,329	15,137	75,466
2018	62,576	12,890	75,466
2019	64,906	10,560	75,466
2020	67,323	8,143	75,466
2021	69,831	5,635	75,466
2022	72,431	3,035	75,466
2023	43,466	515	43,981
	<u>\$ 498,976</u>	<u>\$ 73,267</u>	<u>\$ 572,243</u>

The following table is a summary of the changes in the long-term debt for the year ended December 31, 2015:

	Balance			Balance	
	December 31, 2014	Additions	Retirements	December 31, 2015	Current Portion
2008 Certificate of Participation	\$ 555,052	\$ -	\$ 56,076	\$ 498,976	\$ 58,114
Compensated absences	89,780	10,209	-	99,989	-
	<u>\$ 644,832</u>	<u>\$ 10,209</u>	<u>\$ 56,076</u>	<u>\$ 598,965</u>	<u>\$ 58,114</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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
2016	\$ 30,000
2017	30,000
2018	12,500
	<u>\$ 72,500</u>

The summary of changes in the loan for the year ended December 31, 2015, is as follows:

Balance, December 31, 2014	\$ 102,500
Additions	-
Deletions	(30,000)
Balance, December 31, 2015	<u>\$ 72,500</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, 2015

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, 2015, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
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	1,326,622
LESS AMOUNT REPRESENTING INTEREST	(351,622)
PRINCIPAL BALANCE, DECEMBER 31, 2015	<u>\$ 975,000</u>

The following schedule presents the changes in the long-term debt for the year ended December 31, 2015:

	<u>Balance December 31, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2015</u>	<u>Current Portion</u>
2010 Certificates of Participation	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 975,000</u>	<u>\$ 75,000</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

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

At December 31, 2015, 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, 2015, the balance on the line of credit was \$200,000. Interest of \$8,089 was paid in the current year.

NOTE N – MORTGAGE PAYABLE – DORGAN-WEAVER HOUSING CORPORATION

As of December 31, 2015, 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, 2015:

Balance, December 31, 2014	\$ 1,531,400
Additions	-
Repayments	-
Balance, December 31, 2015	<u>\$ 1,531,400</u>

NOTE O – MORTGAGE PAYABLE – COMBS-REDFERN APARTMENTS INC.

As of December 31, 2015, the Board had a mortgage payable of \$2,054,431. The mortgage payable represents a capital advance from the U.S. Department of Housing and Urban Development for the construction of a 14-unit residential facility. The mortgage bears no interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities.

Balance, December 31, 2014	\$ 2,054,431
Additions	-
Repayments	-
Balance, December 31, 2015	<u>\$ 2,054,431</u>

TANEY COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

NOTE P – 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.

NOTE Q – 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, 2015, only \$15,590,000 of these bonds has been issued.

NOTE R – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2015, consisted of the following:

	Transfers In (Out)
General Fund	\$ 711,563
Road and Bridge Trust Fund	(1,048,083)
Road and Bridge Fund	1,000,000
Sewer Sales Tax Fund	(125,000)
Assessment Fund	26,143
E-911 Fund	(292,132)
Recorder Tech Fund	(190,703)
Transfer Station Fund	(81,788)
	<u>\$ -</u>

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

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE S – COMMITMENTS

At December 31, 2015, 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, 2015:

- 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

NOTE U – CURRENT YEAR DEBT REFUNDING

On August 25, 2015, the County issued \$10,795,000 in Series 2015A and 2015B Refunding Certificates of Participation with a fixed interest rate of 2.02%. The County deposited proceeds and debt service reserve funds totaling \$12,596,661 to pay principal of \$12,115,000 and accrued interest of \$481,661 on the Series 2006 Certificates of Participation with interest of 4.00% to 4.50% on August 25, 2015.

As a result of the refunding, the County reduced its total debt service requirements by \$981,707, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$921,234.

TANEY COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE V – DEBT DEFEASANCE

On August 25, 2015, the County issued Series 2015A and 2015B Refunding Certificates of Participation in the amount of \$10,795,000. The proceeds of this issue were deposited into an irrevocable escrow account at UMB Bank in the amount of \$10,670,582 along with debt service reserve funds of \$1,926,080 to earn interest and pay principal of \$12,115,000 and accrued interest on Series 2006 Certificates of Participation on April 1, 2016. At December 31, 2015, the refunding escrow account for the Series 2006 Certificates of Participation held a balance of \$12,341,251.74 and had outstanding principal due of \$12,115,000.

SUPPLEMENTARY INFORMATION

TANEY COUNTY, MISSOURI
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS -- LAGERS --
 PRIMARY GOVERNMENT
 Year Ended December 31, 2015

Primary Government
Missouri Local Government Employees Retirement System (LAGERS)

	<u>June 30,</u> <u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 1,054,073
Interest on the Total Pension Liability	2,183,947
Benefit Changes	
Difference between expected and actual experience	(655,636)
Assumption Changes	
Benefit Payments	(1,071,598)
NET CHANGE IN TOTAL PENSION LIABILITY	<u>1,510,786</u>
TOTAL PENSION LIABILITY, BEGINNING	<u>30,132,018</u>
TOTAL PENSION LIABILITY, ENDING	<u>31,642,804</u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	1,448,970
Pension Plan Net Investment Income	585,187
Benefit Payments	(1,071,598)
Pension Plan Administrative Expense	(42,781)
Other	682,367
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>1,602,145</u>
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>28,676,594</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>30,278,739</u>
EMPLOYER NET PENSION LIABILITY	<u><u>\$ 1,364,065</u></u>
Plan fiduciary net position as a percentage of the total pension liability	95.69%
Covered employee payroll	\$ 8,977,101
Employer's net pension asset as a percentage of covered employee payroll	15.19%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

TANEY COUNTY, MISSOURI
 SCHEDULE OF CONTRIBUTIONS – LAGERS – PRIMARY GOVERNMENT
 Year Ended December 31, 2015

**Primary Government
 Missouri Local Government Employees Retirement System (LAGERS)
 Schedule of Contributions
 Last 10 Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$1,226,769	\$1,208,170	\$ 786,023	\$ 818,380	\$ 904,759	\$1,021,936	\$ 900,500	\$ 875,556	\$ 789,304	\$ 744,852
Contributions in relation to the actuarially determined contribution	<u>1,226,768</u>	<u>1,208,168</u>	<u>1,169,928</u>	<u>818,380</u>	<u>904,760</u>	<u>942,069</u>	<u>900,327</u>	<u>875,557</u>	<u>789,304</u>	<u>744,852</u>
Contribution deficiency (excess)	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ (383,905)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 79,867</u>	<u>\$ 173</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$7,964,268	\$7,500,539	\$7,144,963	\$7,057,564	\$7,458,348	\$8,277,508	\$8,677,097	\$8,046,150	\$7,129,314	\$6,407,565
Contributions as a percentage of covered-employee payroll	15.40%	16.11%	16.37%	11.60%	12.13%	11.38%	10.38%	10.88%	11.07%	11.62%

TANEY COUNTY, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS – LAGERS – PRIMARY GOVERNMENT
Year Ended December 31, 2015

Primary Government

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2015.

Notes: The roll-forward of total pension liability from February 28, 2015, to June 30, 2015, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Percentage of Payroll, Closed

Remaining Amortization Period – Multiple bases from 14 to 20 years

Asset Valuation Method – 5-Year smoothed market; 20% corridor

Inflation – 3.5% wage inflation; 3.0% price inflation

Salary Increases – 3.5% to 6.8% including wage inflation for the general and police division

Investment Rate of Return – 7.25%, net of investment and administrative expenses

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition

Mortality – 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other Information – None

TANEY COUNTY, MISSOURI
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – TANEY COUNTY
 REGIONAL SEWER DISTRICT
 Year Ended December 31, 2015

**Taney County Regional Sewer District
 Missouri Local Government Employees Retirement System (LAGERS)**

	<u>June 30, 2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 32,040
Interest on the Total Pension Liability	9,161
Difference between expected and actual experience	<u>23,503</u>
NET CHANGE IN TOTAL PENSION LIABILITY	64,704
TOTAL PENSION LIABILITY, BEGINNING	<u>110,617</u>
TOTAL PENSION LIABILITY, ENDING	175,321
PLAN FIDUCIARY NET POSITION	
Contributions - employer	44,458
Pension Plan Net Investment Income	2,359
Pension Plan Administrative Expense	(1,025)
Other	<u>8,326</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	54,118
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>99,862</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>153,980</u>
EMPLOYER NET PENSION LIABILITY	<u>\$ 21,341</u>
Plan fiduciary net position as a percentage of the total pension liability	87.83%
Covered employee payroll	\$ 389,550
Employer's net pension liability as a percentage of covered employee payroll	5.48%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

TANEY COUNTY, MISSOURI
 SCHEDULE OF CONTRIBUTIONS – TANEY COUNTY REGIONAL SEWER DISTRICT
 Year Ended December 31, 2015

**Taney County Regional Sewer District
 Missouri Local Government Employees Retirement System (LAGERS)
 Schedule of Contributions
 Last 10 Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 48,659	\$ 38,555	\$ 31,334
Contributions in relation to the actuarially determined contribution	<u>48,659</u>	<u>38,555</u>	<u>31,334</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 419,476	 \$ 332,367	 \$ 256,834
 Contributions as a percentage of covered-employee payroll	 11.60%	 11.60%	 12.20%

TANEY COUNTY, MISSOURI
NOTES TO SCHEDULE OF CONTRIBUTIONS – TANEY COUNTY REGIONAL SEWER DISTRICT
Year Ended December 31, 2015

Taney County Regional Sewer District

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: February 28, 2015.

Notes: The roll-forward of total pension liability from February 28, 2015, to June 30, 2015, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Percentage of Payroll, Closed

Remaining Amortization Period – Multiple bases from 15 to 26 years

Asset Valuation Method – 5-Year smoothed market; 20% corridor

Inflation – 3.5% wage inflation; 3.0% price inflation

Salary Increases – 3.5% to 6.8% including wage inflation for the general

Investment Rate of Return – 7.25%, net of investment and administrative expenses

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition

Mortality – 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other Information – None

TANEY COUNTY, MISSOURI
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED
 RATIOS – CERF – PRIMARY GOVERNMENT
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability (a)</u>	<u>Actual Covered Employee Payroll (b)</u>	<u>Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2015	3.5708%	\$ 4,167,047	\$ 7,984,463	52.19%	78.83%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

*The data provided in the schedule is based as of the measurement date of CERFs' net pension liability, which is as of the beginning of the County's fiscal year.

TANEY COUNTY, MISSOURI
 SCHEDULE OF EMPLOYER CONTRIBUTIONS – CERF – PRIMARY GOVERNMENT
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 706,349	\$ 706,349	\$ -	\$ 7,984,463	8.85%
12/31/2015	698,027	698,027	-	8,546,110	8.17%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
County sales tax	\$ 7,306,000	\$ 7,306,000	\$ 7,600,220	\$ 294,220
Surtax	8,800	8,800	9,128	328
Payment in lieu of taxes	140,000	140,000	147,735	7,735
	<u>7,454,800</u>	<u>7,454,800</u>	<u>7,757,083</u>	<u>302,283</u>
Collector's Commission				
Collection commissions	702,500	702,500	700,833	(1,667)
Licenses and Permits				
Beverage licenses	70,000	70,000	75,062	5,062
ATV permits	500	500	945	445
	<u>70,500</u>	<u>70,500</u>	<u>76,007</u>	<u>5,507</u>
Intergovernmental Revenues				
Federal	155,000	155,000	227,523	72,523
Other	17,200	17,200	14,899	(2,301)
	<u>172,200</u>	<u>172,200</u>	<u>242,422</u>	<u>70,222</u>
Fees and Charges				
Court	72,000	72,000	72,614	614
Public administration	60,000	60,000	67,627	7,627
County clerk	750	750	1,008	258
Recorder of deeds	1,150,000	1,150,000	1,021,981	(128,019)
Tax sale publication	15,000	15,000	11,680	(3,320)
Planning and zoning	20,000	20,000	25,817	5,817
Sheriff fees	1,315,000	1,315,000	1,066,967	(248,033)
Phone and vending	750	750	1,108	358
Election reimbursement	30,000	30,000	51,316	21,316
Computer room	1,000	1,000	312	(688)
Airport	523,000	523,000	427,558	(95,442)
	<u>3,187,500</u>	<u>3,187,500</u>	<u>2,747,988</u>	<u>(439,512)</u>
Other				
Interest income	50,000	50,000	74,767	24,767
Miscellaneous	61,600	61,600	155,869	94,269
Sale of property	25,000	25,000	210	(24,790)
	<u>136,600</u>	<u>136,600</u>	<u>230,846</u>	<u>94,246</u>
TOTAL RECEIPTS	11,724,100	11,724,100	11,755,179	31,079
DISBURSEMENTS				
Current				
General Government				
University extension	54,608	54,608	53,932	676
Collector of revenue	260,015	260,015	260,050	(35)
Treasurer	103,594	103,594	98,374	5,220
Recorder of deeds	317,418	317,418	357,955	(40,537)
County commission	722,526	722,526	212,993	509,533
Administrative office	680,687	680,687	653,769	26,918
Employee fringe benefits	2,420,500	2,420,500	2,338,964	81,536
Information technology	498,446	498,446	395,310	103,136
Planning and zoning	217,502	217,502	219,783	(2,281)
Election and voter registration	72,000	72,000	61,288	10,712
County clerk	135,169	135,169	136,323	(1,154)
Auditor	106,630	106,630	106,400	230
Building and grounds	715,110	715,110	678,448	36,662
	<u>6,304,205</u>	<u>6,304,205</u>	<u>5,573,589</u>	<u>730,616</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND -- MODIFIED CASH BASIS (continued)
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Judicial				
Court administration	47,000	47,000	26,992	20,008
Circuit judge	96,114	96,114	101,071	(4,957)
Circuit clerk	53,250	53,250	44,425	8,825
Coroner	67,450	67,450	69,562	(2,112)
Court reporter	2,049	2,049	1,327	722
Public administrator	109,063	109,063	110,961	(1,898)
Juvenile	164,805	164,805	153,090	11,715
Prosecuting attorney	589,140	589,140	611,251	(22,111)
	<u>1,128,871</u>	<u>1,128,871</u>	<u>1,118,679</u>	<u>10,192</u>
Public Safety				
Sheriff	2,079,108	2,079,108	2,377,478	(298,370)
Jail	1,469,925	1,469,925	1,528,654	(58,729)
Animal control	200,000	200,000	200,000	-
Emergency management	67,881	67,881	64,722	3,159
	<u>3,816,914</u>	<u>3,816,914</u>	<u>4,170,854</u>	<u>(353,940)</u>
Other	2,717,450	2,717,450	1,277,641	1,439,809
Public Works				
Industrial Development Board	50,000	50,000	50,000	-
Airport				
Airport	481,675	481,675	414,010	67,665
TOTAL DISBURSEMENTS	<u>14,499,115</u>	<u>14,499,115</u>	<u>12,604,773</u>	<u>1,894,342</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(2,775,015)	(2,775,015)	(849,594)	1,925,421
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(75,000)	(75,000)	(46,272)	28,728
Operating transfers in	663,000	663,000	757,835	94,835
TOTAL OTHER FINANCING SOURCES (USES)	<u>588,000</u>	<u>588,000</u>	<u>711,563</u>	<u>123,563</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(2,187,015)	(2,187,015)	(138,031)	2,048,984
FUND BALANCE, January 1	<u>8,538,313</u>	<u>8,538,313</u>	<u>8,538,313</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 6,351,298</u>	<u>\$ 6,351,298</u>	<u>\$ 8,400,282</u>	<u>\$ 2,048,984</u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE TRUST FUND – MODIFIED CASH
 BASIS
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 8,480,000	\$ 8,480,000	\$ 8,323,521	\$ (156,479)
Intergovernmental receipts	75,000	75,000	169,970	94,970
Other receipts	126,700	126,700	234,004	107,304
TOTAL RECEIPTS	8,681,700	8,681,700	8,727,495	45,795
DISBURSEMENTS				
Highway and Roads				
Wages and benefits	3,289,700	3,289,700	3,096,095	193,605
Computer related disbursements	15,500	15,500	12,500	3,000
Mileage and training	3,000	3,000	1,785	1,215
Professional services	603,000	603,000	51,883	551,117
Rental equipment	10,000	10,000	4,918	5,082
Telephone and utilities	62,500	62,500	54,315	8,185
Insurance	130,000	130,000	101,745	28,255
Repair and maintenance	390,000	390,000	391,691	(1,691)
Equipment	560,000	560,000	679,205	(119,205)
Road construction	2,139,000	2,139,000	1,120,647	1,018,353
Road supplies	1,909,500	1,909,500	1,818,487	91,013
Other supplies	560,300	560,300	377,456	182,844
Other	1,026,100	1,026,100	36,369	989,731
TOTAL DISBURSEMENTS	10,698,600	10,698,600	7,747,096	2,951,504
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(2,016,900)	(2,016,900)	980,399	2,997,299
OTHER FINANCING SOURCES (USES)				
Operating transfers in	25,000	25,000	76,917	51,917
Operating transfers out	(125,000)	(125,000)	(1,125,000)	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	(100,000)	(100,000)	(1,048,083)	(948,083)
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(2,116,900)	(2,116,900)	(67,684)	2,049,216
FUND BALANCE, January 1	11,509,640	11,509,640	11,509,640	-
FUND BALANCE, December 31	\$ 9,392,740	\$ 9,392,740	\$ 11,441,956	\$ 2,049,216

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ -	\$ -	\$ 597,217	\$ 597,217
Other receipts	-	-	3,188	3,188
TOTAL RECEIPTS	-	-	600,405	600,405
OTHER FINANCING SOURCES				
Operating transfers in	-	-	1,000,000	1,000,000
TOTAL RECEIPTS AND OTHER SOURCES	-	-	1,600,405	1,600,405
FUND BALANCE, January 1	-	-	-	-
FUND BALANCE, December 31	\$ -	\$ -	\$ 1,600,405	\$ 1,600,405

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED
 CASH BASIS
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,825,000	\$ 1,825,000	\$ 1,896,226	\$ 71,226
Other receipts	1,500	1,500	10,905	9,405
TOTAL RECEIPTS	<u>1,826,500</u>	<u>1,826,500</u>	<u>1,907,131</u>	<u>80,631</u>
DISBURSEMENTS				
Debt service	<u>1,750,375</u>	<u>1,750,375</u>	<u>1,511,601</u>	<u>238,774</u>
TOTAL DISBURSEMENTS	<u>1,750,375</u>	<u>1,750,375</u>	<u>1,511,601</u>	<u>238,774</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	76,125	76,125	395,530	319,405
FUND BALANCE, January 1	<u>1,419,320</u>	<u>1,419,320</u>	<u>1,419,320</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>\$ 1,495,445</u></u>	<u><u>\$ 1,495,445</u></u>	<u><u>\$ 1,814,850</u></u>	<u><u>\$ 319,405</u></u>

TANEY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE -- COUNTY SEWER SALES TAX FUND -- MODIFIED CASH
 BASIS
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 7,300,000	\$ 7,300,000	\$ 7,585,690	\$ 285,690
Intergovernmental	538,000	538,000	378,869	(159,131)
Other receipts	305,000	305,000	225,546	(79,454)
TOTAL RECEIPTS	<u>8,143,000</u>	<u>8,143,000</u>	<u>8,190,105</u>	<u>47,105</u>
DISBURSEMENTS				
Sewer	<u>23,072,502</u>	<u>23,072,502</u>	<u>5,906,053</u>	<u>17,166,449</u>
TOTAL DISBURSEMENTS	<u>23,072,502</u>	<u>23,072,502</u>	<u>5,906,053</u>	<u>17,166,449</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(14,929,502)	(14,929,502)	2,284,052	17,213,554
OTHER FINANCING (USES)				
Operating transfers (out)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(15,054,502)	(15,054,502)	2,159,052	17,213,554
FUND BALANCE, January 1	<u>23,590,010</u>	<u>23,590,010</u>	<u>23,590,010</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$ 8,535,508</u>	<u>\$ 8,535,508</u>	<u>\$ 25,749,062</u>	<u>\$ 17,213,554</u>

TANEY COUNTY, MISSOURI
NOTE TO BUDGETARY COMPARISON SCHEDULES
December 31, 2015

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, 2015

	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	\$ 323,783	\$ 1,316	\$ 1,702	\$ 60,329	\$ 65,951	\$ 81,989	\$ 86,718	\$ 3,511	\$ 35,269	\$ 7,359
TOTAL ASSETS	<u>\$ 323,783</u>	<u>\$ 1,316</u>	<u>\$ 1,702</u>	<u>\$ 60,329</u>	<u>\$ 65,951</u>	<u>\$ 81,989</u>	<u>\$ 86,718</u>	<u>\$ 3,511</u>	<u>\$ 35,269</u>	<u>\$ 7,359</u>
FUND BALANCES										
Restricted for:										
Public safety	\$ -	\$ 1,316	\$ -	\$ 60,329	\$ -	\$ -	\$ 86,718	\$ 3,511	\$ -	\$ 7,359
Elections	-	-	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	1,702	-	-	81,989	-	-	35,269	-
Tax maintenance	-	-	-	-	65,951	-	-	-	-	-
Assigned										
Assessment	323,783	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 323,783</u>	<u>\$ 1,316</u>	<u>\$ 1,702</u>	<u>\$ 60,329</u>	<u>\$ 65,951</u>	<u>\$ 81,989</u>	<u>\$ 86,718</u>	<u>\$ 3,511</u>	<u>\$ 35,269</u>	<u>\$ 7,359</u>

TANEY COUNTY, MISSOURI

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

(continued)

December 31, 2015

	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	\$ 11,975	\$ 32,613	\$ 277,254	\$ 52,503	\$ 7,886	\$ 98,544	\$129,717	\$ 48,658	\$ 6,377	\$ 1,333,454
TOTAL ASSETS	<u>\$ 11,975</u>	<u>\$ 32,613</u>	<u>\$ 277,254</u>	<u>\$ 52,503</u>	<u>\$ 7,886</u>	<u>\$ 98,544</u>	<u>\$129,717</u>	<u>\$ 48,658</u>	<u>\$ 6,377</u>	<u>\$ 1,333,454</u>
FUND BALANCES										
Restricted for:										
Public safety	\$ 11,975	\$ -	\$ -	\$ -	\$ 7,886	\$ 98,544	\$129,717	\$ -	\$ -	\$ 407,355
Elections	-	32,613	-	-	-	-	-	-	-	32,613
Recorder	-	-	277,254	-	-	-	-	-	-	277,254
Judicial	-	-	-	52,503	-	-	-	48,658	6,377	226,498
Tax maintenance	-	-	-	-	-	-	-	-	-	65,951
Assigned										
Assessment	-	-	-	-	-	-	-	-	-	323,783
TOTAL FUND BALANCES	<u>\$ 11,975</u>	<u>\$ 32,613</u>	<u>\$ 277,254</u>	<u>\$ 52,503</u>	<u>\$ 7,886</u>	<u>\$ 98,544</u>	<u>\$129,717</u>	<u>\$ 48,658</u>	<u>\$ 6,377</u>	<u>\$ 1,333,454</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, 2015

	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	\$ -	\$ -	\$ -	\$ 666,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	-	3,665	-	4,189
Fees and charges	736,671	4,225	1,079	-	111,883	12,718	81,071	-	21,261	-
Other receipts	16,850	1,838	19	2,134	1,051	707	474	28	517	32
TOTAL RECEIPTS	753,521	6,063	1,098	668,669	112,934	13,425	81,545	3,693	21,778	4,221
DISBURSEMENTS										
Current										
General government	658,895	-	-	-	163,797	-	-	-	-	-
Judicial	-	-	1,945	-	-	12,633	-	-	55,149	-
Public safety	-	7,168	-	412,751	-	-	29,044	3,237	-	2,008
TOTAL DISBURSEMENTS	658,895	7,168	1,945	412,751	163,797	12,633	29,044	3,237	55,149	2,008
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	94,626	(1,105)	(847)	255,918	(50,863)	792	52,501	456	(33,371)	2,213
OTHER FINANCING SOURCES (USES)										
Operating transfers in (out)	26,143	-	-	(292,132)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	26,143	-	-	(292,132)	-	-	-	-	-	-
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	120,769	(1,105)	(847)	(36,214)	(50,863)	792	52,501	456	(33,371)	2,213
FUND BALANCE, January 1	203,014	2,421	2,549	96,543	116,814	81,197	34,217	3,055	68,640	5,146
FUND BALANCE, December 31	<u>\$ 323,783</u>	<u>\$ 1,316</u>	<u>\$ 1,702</u>	<u>\$ 60,329</u>	<u>\$ 65,951</u>	<u>\$ 81,989</u>	<u>\$ 86,718</u>	<u>\$ 3,511</u>	<u>\$ 35,269</u>	<u>\$ 7,359</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, 2015

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666,535
Intergovernmental receipts	7,676	-	-	-	-	-	-	-	-	15,530
Fees and charges	-	4,071	220,102	7,510	7,852	53,071	125,881	590	-	1,387,985
Other receipts	93	4,468	3,442	139	34	832	933	140	-	33,731
TOTAL RECEIPTS	7,769	8,539	223,544	7,649	7,886	53,903	126,814	730	-	2,103,781
DISBURSEMENTS										
Current										
General government	-	7,301	169,159	-	-	-	-	-	-	999,152
Judicial	-	-	-	11,035	-	-	-	5,728	445	86,935
Public safety	2,630	-	-	-	7,780	44,807	54,965	-	-	564,390
TOTAL DISBURSEMENTS	2,630	7,301	169,159	11,035	7,780	44,807	54,965	5,728	445	1,650,477
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	5,139	1,238	54,385	(3,386)	106	9,096	71,849	(4,998)	(445)	453,304
OTHER FINANCING SOURCES (USES)										
Operating transfers in (out)	-	-	(190,703)	-	-	-	-	-	-	(456,692)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(190,703)	-	-	-	-	-	-	(456,692)
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	5,139	1,238	(136,318)	(3,386)	106	9,096	71,849	(4,998)	(445)	(3,388)
FUND BALANCE, January 1	6,836	31,375	413,572	55,889	7,780	89,448	57,868	53,656	6,822	1,336,842
FUND BALANCE, December 31	\$ 11,975	\$ 32,613	\$ 277,254	\$ 52,503	\$ 7,886	\$ 98,544	\$ 129,717	\$ 48,658	\$ 6,377	\$ 1,333,454



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

Taney County Commission
Taney County
Forsyth, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Taney County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Taney County, Missouri's basic financial statements and have issued our report dated June 30, 2016.

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.

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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

KPM CPAs, PC
Springfield, Missouri
June 30, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2015. 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 program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Taney County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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Taney County Commission
Taney County
Forsyth, Missouri

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, 2015.

Report on 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 30, 2016

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

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-2015-EP-0043-108	\$ 21,711
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			21,711
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Missouri Department of Economic Development Community Development Block Grant	14.228	2008-DI-105	100,000
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			100,000
<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	259,284
Direct Payment in Lieu of Taxes	15.226	N/A	147,735
TOTAL U.S. DEPARTMENT OF INTERIOR			407,019
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Bulletproof Vest Partnership Program	16.607	N/A	3,237
Lawrence County Missouri Domestic Cannabis Eradication Program	16.000	MSA-DCE-SP	6,025
TOTAL U.S. DEPARTMENT OF JUSTICE			9,262
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Direct Cooperative Agreement	12.000	W91275-15-2-0041	5,000
Cooperative Agreement		TRL-LETC-15	2,985
TOTAL U.S. DEPARTMENT OF DEFENSE			7,985
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Missouri Department of Natural Resources Capitalization Grants for Clean Water State Revolving Funds	66.458	C295538.01	328,367
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			328,367
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 874,344</u>

N/A - Not Applicable

TANEY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended December 31, 2015

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note A to the City's financial statements.
3. The County did not provide funds to subrecipients in the current year.
4. The County did not utilize the de minimis cost rate.

TANEY COUNTY, MISSOURI
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified: yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified: yes none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? yes no

Identification of major federal programs:

CFDA Number(s)

14.228

66.458

Name of Federal Program or Cluster

Community Development Block Grant
Capitalization Grants for Clean Water
State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

TANEY COUNTY, MISSOURI
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2015

There were no prior year audit findings.