



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ozark County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

August 2010
Report No. 2010-98

OZARK COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

OZARK COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS:	
Statements of Receipts, Disbursements, and Changes in Cash and Investment Balances – All Governmental Funds – Regulatory Basis	
Year Ended December 31, 2009	5
Year Ended December 31, 2008	6
Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2009 and 2008.....	7
Statements of Assets and Liabilities Arising from Cash Transactions – Agency Funds – Regulatory Basis	
December 31, 2009	18
December 31, 2008	20
Notes to the Financial Statements.....	21
SUPPLEMENTARY SCHEDULES AND AUDITORS' REPORTS:	
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>	30
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133.....	32
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2009 and 2008	34
Notes to the Supplementary Schedule	36
Schedule of Findings and Questioned Costs Years Ended December 31, 2009 and 2008.....	37
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133	39



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INDEPENDENT AUDITORS' REPORT

Ozark County Commission
Ozark County
Gainesville, Missouri

We have audited the accompanying financial statements of Ozark County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Ozark County, Missouri, as of December 31, 2009 and 2008, or the changes in financial position for the years then ended.

Ozark County Commission
Ozark County
Gainesville, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Ozark County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010

OZARK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 462,176	\$ 1,169,029	\$ 1,339,024	\$ 292,181
Special Road and Bridge	523,451	1,761,996	1,803,240	482,207
Assessment	10	177,476	170,904	6,582
Law Enforcement Training	1,143	1,948	1,799	1,292
Law Enforcement Sales Tax	10	793,865	782,284	11,591
Prosecuting Attorney Training	394	350	330	414
Prosecuting Attorney Bad Check	7,672	7,735	6,883	8,524
Prosecuting Attorney Delinquent Tax	1,397	243	-	1,640
Capital Improvement Sales Tax	7	152,108	121,204	30,911
Local Emergency Planning Commission	12,704	2,422	4,366	10,760
Election Services	5,493	2,381	1,973	5,901
Recorder User Fee	29,635	8,029	12,699	24,965
Tax Maintenance	10,982	10,380	8,306	13,056
Sheriff's Revolving	4,295	10,760	7,022	8,033
Sheriff's Civil Fee	8,886	9,007	8,557	9,336
Children of Domestic Violence	585	280	560	305
Law Library	469	2,745	247	2,967
Inmate Security	-	46	-	46
Community Development Block Grant	-	288,283	288,283	-
TOTAL	\$ 1,069,309	\$ 4,399,083	\$ 4,557,681	\$ 910,711

See accompanying notes.

OZARK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2008

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 406,419	\$ 1,155,590	\$ 1,099,833	\$ 462,176
Special Road and Bridge	256,952	1,810,275	1,543,776	523,451
Assessment	17,981	141,947	159,918	10
Law Enforcement Training	1,694	2,065	2,616	1,143
Law Enforcement Sales Tax	1,848	846,484	848,322	10
Prosecuting Attorney Training	517	332	455	394
Prosecuting Attorney Bad Check	6,227	7,674	6,229	7,672
Prosecuting Attorney Delinquent Tax	649	748	-	1,397
Capital Improvement Sales Tax	7	-	-	7
Local Emergency Planning Commission	13,891	1,826	3,013	12,704
Election Services	3,048	4,109	1,664	5,493
Recorder User Fee	22,968	9,201	2,534	29,635
Tax Maintenance	10,837	10,335	10,190	10,982
Sheriff's Revolving	3,512	3,310	2,527	4,295
Sheriff's Civil Fee	6,848	7,371	5,333	8,886
Children of Domestic Violence	360	225	-	585
Law Library	815	2,450	2,796	469
TOTAL	<u>\$ 754,573</u>	<u>\$ 4,003,942</u>	<u>\$ 3,689,206</u>	<u>\$ 1,069,309</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$ 216,000	\$ 209,323	\$ (6,677)	\$ 180,000	\$ 175,993	\$ (4,007)
Sales taxes	535,000	550,046	15,046	600,000	564,193	(35,807)
Intergovernmental	173,589	180,790	7,201	202,970	189,204	(13,766)
Charges for services	173,471	194,377	20,906	184,114	175,326	(8,788)
Interest	33,250	8,809	(24,441)	30,600	16,247	(14,353)
Other	35,762	10,800	(24,962)	48,848	30,947	(17,901)
Transfers in	8,500	14,884	6,384	5,400	3,680	(1,720)
TOTAL RECEIPTS	1,175,572	1,169,029	(6,543)	1,251,932	1,155,590	(96,342)
DISBURSEMENTS						
County Commission	82,874	73,754	9,120	76,097	62,477	13,620
County Clerk	67,215	57,849	9,366	64,584	55,920	8,664
Elections	36,339	34,139	2,200	62,915	70,485	(7,570)
Buildings and grounds	93,988	69,306	24,682	116,435	65,108	51,327
Employee fringe benefit	133,778	157,377	(23,599)	166,846	178,487	(11,641)
County Treasurer	40,960	36,790	4,170	38,770	35,078	3,692
County Collector	78,294	69,051	9,243	74,387	66,273	8,114
Circuit Clerk/Ex Officio Recorder of Deeds	24,110	22,799	1,311	30,303	24,408	5,895
Associate Circuit Court	8,950	5,735	3,215	11,000	4,324	6,676
Court administration	8,699	7,908	791	8,752	8,032	720
Public Defender	5,595	5,668	(73)	2,750	2,679	71
Prosecuting Attorney	105,706	103,291	2,415	101,298	107,031	(5,733)
Juvenile Officer	27,465	24,535	2,930	25,409	24,363	1,046
County Coroner	22,769	14,255	8,514	24,487	21,028	3,459
Recycling	57,220	53,903	3,317	56,437	54,736	1,701
Child support enforcement	61,263	51,958	9,305	51,377	52,299	(922)
Public Administrator	33,478	30,631	2,847	37,400	34,769	2,631
Emergency Management	900	900	-	29,569	950	28,619
Other	80,100	66,476	13,624	92,500	80,142	12,358
Debt Service	5,320	5,320	-	5,320	5,320	-
Emergency Fund	34,860	-	34,860	37,229	-	37,229
Transfers out	489,739	447,379	42,360	185,821	145,924	39,897
TOTAL DISBURSEMENTS	1,499,622	1,339,024	160,598	1,299,686	1,099,833	199,853
RECEIPTS OVER (UNDER) DISBURSEMENTS	(324,050)	(169,995)	154,055	(47,754)	55,757	103,511
CASH AND INVESTMENT BALANCE, January 1	462,176	462,176	-	406,419	406,419	-
CASH AND INVESTMENT BALANCE, December 31	\$ 138,126	\$ 292,181	\$ 154,055	\$ 358,665	\$ 462,176	\$ 103,511

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 272,749	\$ 311,554	\$ 38,805	\$ 360,207	\$ 310,379	\$ (49,828)
Intergovernmental	1,307,732	1,438,732	131,000	1,308,736	1,480,233	171,497
Charges for services	2,900	2,916	16	3,700	10,716	7,016
Interest	8,000	6,206	(1,794)	7,500	8,059	559
Other	1,828	2,588	760	14,505	888	(13,617)
Transfers in	786	-	(786)	786	-	(786)
TOTAL RECEIPTS	1,593,995	1,761,996	168,001	1,695,434	1,810,275	114,841
DISBURSEMENTS						
Salaries	691,020	651,689	39,331	530,549	463,606	66,943
Employee fringe benefits	94,380	100,422	(6,042)	64,108	115,367	(51,259)
Supplies	182,414	165,111	17,303	196,150	197,080	(930)
Insurance	18,000	18,281	(281)	18,000	15,401	2,599
Utilities	5,400	4,978	422	4,800	4,577	223
Road and bridge materials	123,391	198,713	(75,322)	320,500	292,235	28,265
Equipment repairs	199,500	159,170	40,330	169,200	163,835	5,365
Equipment purchases	289,846	276,438	13,408	125,188	122,847	2,341
Construction repair and maintenance	283,000	12,247	270,753	13,000	10,322	2,678
Distributions to school districts	-	172,267	(172,267)	-	141,138	(141,138)
Other	20,350	43,924	(23,574)	15,550	17,368	(1,818)
Transfers out	-	-	-	786	-	786
TOTAL DISBURSEMENTS	1,907,301	1,803,240	104,061	1,457,831	1,543,776	(85,945)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(313,306)	(41,244)	272,062	237,603	266,499	28,896
CASH AND INVESTMENT BALANCE, January 1						
	523,451	523,451	-	256,952	256,952	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 210,145	\$ 482,207	\$ 272,062	\$ 494,555	\$ 523,451	\$ 28,896

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Property taxes	\$ -	\$ 68,203	\$ 68,203	\$ 56,250	\$ 51,943	\$ (4,307)
Intergovernmental	129,323	74,306	(55,017)	71,318	66,288	(5,030)
Charges for services	-	2,762	2,762	4,000	5,602	1,602
Interest	350	212	(138)	300	406	106
Other	4,000	115	(3,885)	-	128	128
Transfers in	49,366	31,878	(17,488)	25,667	17,580	(8,087)
TOTAL RECEIPTS	183,039	177,476	(5,563)	157,535	141,947	(15,588)
DISBURSEMENTS						
Assessor	183,039	170,904	12,135	175,362	159,918	15,444
TOTAL DISBURSEMENTS	183,039	170,904	12,135	175,362	159,918	15,444
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	6,572	6,572	(17,827)	(17,971)	(144)
CASH AND INVESTMENT BALANCE, January 1						
	10	10	-	17,981	17,981	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 10	\$ 6,582	\$ 6,572	\$ 154	\$ 10	\$ (144)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 576	\$ 576	\$ -	\$ 763	\$ 763
Charges for services	3,730	1,372	(2,358)	2,995	1,302	(1,693)
TOTAL RECEIPTS	3,730	1,948	(1,782)	2,995	2,065	(930)
DISBURSEMENTS						
Sheriff	4,675	1,799	2,876	2,995	2,616	379
TOTAL DISBURSEMENTS	4,675	1,799	2,876	2,995	2,616	379
RECEIPTS OVER (UNDER) DISBURSEMENTS	(945)	149	1,094	-	(551)	(551)
CASH AND INVESTMENT BALANCE, January 1						
	1,143	1,143	-	1,694	1,694	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 198	\$ 1,292	\$ 1,094	\$ 1,694	\$ 1,143	\$ (551)

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT SALES TAX</u>						
RECEIPTS						
Sales taxes	\$ 265,000	\$ 258,177	\$ (6,823)	\$ 280,000	\$ 265,152	\$ (14,848)
Intergovernmental	243,133	249,082	5,949	454,005	419,648	(34,357)
Charges for services	46,300	22,538	(23,762)	17,950	17,676	(274)
Interest	1,000	199	(801)	1,000	535	(465)
Other	3,500	5,419	1,919	23,500	14,129	(9,371)
Transfers in	271,373	258,450	(12,923)	161,154	129,344	(31,810)
TOTAL RECEIPTS	830,306	793,865	(36,441)	937,609	846,484	(91,125)
DISBURSEMENTS						
Public safety	830,306	782,284	48,022	863,882	848,322	15,560
TOTAL DISBURSEMENTS	830,306	782,284	48,022	863,882	848,322	15,560
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	-	11,581	11,581	73,727	(1,838)	(75,565)
CASH AND INVESTMENT BALANCE, January 1						
	10	10	-	1,848	1,848	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 10	\$ 11,591	\$ 11,581	\$ 75,575	\$ 10	\$ (75,565)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 350	\$ 350	\$ -	\$ 500	\$ 332	\$ (168)
TOTAL RECEIPTS	350	350	-	500	332	(168)
DISBURSEMENTS						
Prosecuting Attorney	660	330	330	660	455	205
TOTAL DISBURSEMENTS	660	330	330	660	455	205
RECEIPTS OVER (UNDER) DISBURSEMENTS						
	(310)	20	330	(160)	(123)	37
CASH AND INVESTMENT BALANCE, January 1						
	394	394	-	517	517	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 84	\$ 414	\$ 330	\$ 357	\$ 394	\$ 37

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 7,000	\$ 7,681	\$ 681	\$ 5,250	\$ 7,539	\$ 2,289
Interest	135	54	(81)	155	135	(20)
TOTAL RECEIPTS	7,135	7,735	600	5,405	7,674	2,269
DISBURSEMENTS						
Prosecuting Attorney	6,750	3,383	3,367	8,670	2,729	5,941
Transfers out	-	3,500	(3,500)	-	3,500	(3,500)
TOTAL DISBURSEMENTS	6,750	6,883	(133)	8,670	6,229	2,441
RECEIPTS OVER (UNDER) DISBURSEMENTS	385	852	467	(3,265)	1,445	4,710
CASH AND INVESTMENT BALANCE, January 1	7,672	7,672	-	6,227	6,227	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 8,057</u>	<u>\$ 8,524</u>	<u>\$ 467</u>	<u>\$ 2,962</u>	<u>\$ 7,672</u>	<u>\$ 4,710</u>
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX</u>						
RECEIPTS						
Charges for services	\$ 1,000	\$ 243	\$ (757)	\$ 500	\$ 748	\$ 248
TOTAL RECEIPTS	1,000	243	(757)	500	748	248
DISBURSEMENTS						
Prosecuting Attorney	300	-	300	300	-	300
TOTAL DISBURSEMENTS	300	-	300	300	-	300
RECEIPTS OVER DISBURSEMENTS	700	243	(457)	200	748	548
CASH AND INVESTMENT BALANCE, January 1	1,397	1,397	-	649	649	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,097</u>	<u>\$ 1,640</u>	<u>\$ (457)</u>	<u>\$ 849</u>	<u>\$ 1,397</u>	<u>\$ 548</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CAPITAL IMPROVEMENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ -	\$ 2,002	\$ 2,002	\$ -	\$ -	\$ -
Intergovernmental	150,000	-	(150,000)	-	-	-
Interest	-	139	139	-	-	-
Transfers in	-	149,967	149,967	-	-	-
TOTAL RECEIPTS	150,000	152,108	2,108	-	-	-
DISBURSEMENTS						
Capital improvements	150,000	120,782	29,218	-	-	-
Other	-	422	(422)	-	-	-
TOTAL DISBURSEMENTS	150,000	121,204	28,796	-	-	-
RECEIPTS OVER DISBURSEMENTS						
	-	30,904	30,904	-	-	-
CASH AND INVESTMENT BALANCE, January 1						
	7	7	-	7	7	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 7	\$ 30,911	\$ 30,904	\$ 7	\$ 7	\$ -
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 2,422	\$ 2,422	\$ 3,308	\$ 1,826	\$ (1,482)
TOTAL RECEIPTS	-	2,422	2,422	3,308	1,826	(1,482)
DISBURSEMENTS						
Local Emergency Planning Commission	9,750	4,366	5,384	8,350	3,013	5,337
TOTAL DISBURSEMENTS	9,750	4,366	5,384	8,350	3,013	5,337
RECEIPTS (UNDER) DISBURSEMENTS						
	(9,750)	(1,944)	7,806	(5,042)	(1,187)	3,855
CASH AND INVESTMENT BALANCE, January 1						
	12,704	12,704	-	13,891	13,891	-
CASH AND INVESTMENT BALANCE, December 31						
	\$ 2,954	\$ 10,760	\$ 7,806	\$ 8,849	\$ 12,704	\$ 3,855

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 650	\$ 2,347	\$ 1,697	\$ 3,820	\$ 4,037	\$ 217
Interest	70	34	(36)	80	72	(8)
TOTAL RECEIPTS	720	2,381	1,661	3,900	4,109	209
DISBURSEMENTS						
Elections	2,350	1,973	377	2,000	1,664	336
TOTAL DISBURSEMENTS	2,350	1,973	377	2,000	1,664	336
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,630)	408	2,038	1,900	2,445	545
CASH AND INVESTMENT BALANCE, January 1	5,493	5,493	-	3,048	3,048	-
CASH AND INVESTMENT BALANCE, December 31	\$ 3,863	\$ 5,901	\$ 2,038	\$ 4,948	\$ 5,493	\$ 545
<u>RECORDER USER FEE</u>						
RECEIPTS						
Charges for services	\$ 7,500	\$ 7,837	\$ 337	\$ 8,500	\$ 8,758	\$ 258
Interest	350	192	(158)	-	443	443
TOTAL RECEIPTS	7,850	8,029	179	8,500	9,201	701
DISBURSEMENTS						
Recorder of Deeds	17,700	12,699	5,001	17,700	2,534	15,166
TOTAL DISBURSEMENTS	17,700	12,699	5,001	17,700	2,534	15,166
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,850)	(4,670)	5,180	(9,200)	6,667	15,867
CASH AND INVESTMENT BALANCE, January 1	29,635	29,635	-	22,968	22,968	-
CASH AND INVESTMENT BALANCE, December 31	\$ 19,785	\$ 24,965	\$ 5,180	\$ 13,768	\$ 29,635	\$ 15,867

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
TAX MAINTENANCE FUND						
RECEIPTS						
Charges for services	\$ 10,000	\$ 10,299	\$ 299	\$ 8,500	\$ 10,112	\$ 1,612
Interest	222	81	(141)	260	223	(37)
TOTAL RECEIPTS	10,222	10,380	158	8,760	10,335	1,575
DISBURSEMENTS						
Collector	11,000	4,155	6,845	9,685	9,010	675
Transfers out	-	4,151	(4,151)	-	1,180	(1,180)
TOTAL DISBURSEMENTS	11,000	8,306	2,694	9,685	10,190	(505)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(778)	2,074	2,852	(925)	145	1,070
CASH AND INVESTMENT BALANCE, January 1	10,982	10,982	-	10,837	10,837	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 10,204</u>	<u>\$ 13,056</u>	<u>\$ 2,852</u>	<u>\$ 9,912</u>	<u>\$ 10,982</u>	<u>\$ 1,070</u>
SHERIFF'S REVOLVING FUND						
RECEIPTS						
Charges for services	\$ 10,800	\$ 10,728	\$ (72)	\$ 2,240	\$ 3,230	\$ 990
Interest	60	32	(28)	49	80	31
TOTAL RECEIPTS	10,860	10,760	(100)	2,289	3,310	1,021
DISBURSEMENTS						
Sheriff	8,950	7,022	1,928	2,289	2,527	(238)
TOTAL DISBURSEMENTS	8,950	7,022	1,928	2,289	2,527	(238)
RECEIPTS OVER DISBURSEMENTS	1,910	3,738	1,828	-	783	783
CASH AND INVESTMENT BALANCE, January 1	4,295	4,295	-	3,512	3,512	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 6,205</u>	<u>\$ 8,033</u>	<u>\$ 1,828</u>	<u>\$ 3,512</u>	<u>\$ 4,295</u>	<u>\$ 783</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF'S CIVIL FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 7,400	\$ 9,007	\$ 1,607	\$ 10,000	\$ 7,371	\$ (2,629)
TOTAL RECEIPTS	7,400	9,007	1,607	10,000	7,371	(2,629)
DISBURSEMENTS						
Sheriff	15,000	8,408	6,592	9,000	5,333	3,667
Transfers out	-	149	(149)	-	-	-
TOTAL DISBURSEMENTS	15,000	8,557	6,443	9,000	5,333	3,667
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,600)	450	8,050	1,000	2,038	1,038
CASH AND INVESTMENT BALANCE, January 1	8,886	8,886	-	6,848	6,848	-
CASH AND INVESTMENT BALANCE, December 31	\$ 1,286	\$ 9,336	\$ 8,050	\$ 7,848	\$ 8,886	\$ 1,038
<u>CHILDREN OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 200	\$ 280	\$ 80	\$ 200	\$ 225	\$ 25
TOTAL RECEIPTS	200	280	80	200	225	25
DISBURSEMENTS						
Domestic Violence Shelter	560	560	-	560	-	560
TOTAL DISBURSEMENTS	560	560	-	560	-	560
RECEIPTS OVER (UNDER) DISBURSEMENTS	(360)	(280)	80	(360)	225	585
CASH AND INVESTMENT BALANCE, January 1	585	585	-	360	360	-
CASH AND INVESTMENT BALANCE, December 31	\$ 225	\$ 305	\$ 80	\$ -	\$ 585	\$ 585

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Intergovernmental	\$ 2,000	\$ 2,745	\$ 745	\$ 2,000	\$ 2,450	\$ 450
TOTAL RECEIPTS	2,000	2,745	745	2,000	2,450	450
DISBURSEMENTS						
Law Library	2,000	247	1,753	2,800	2,796	4
TOTAL DISBURSEMENTS	2,000	247	1,753	2,800	2,796	4
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	2,498	2,498	(800)	(346)	454
CASH AND INVESTMENT BALANCE, January 1	469	469	-	815	815	-
CASH AND INVESTMENT BALANCE, December 31	\$ 469	\$ 2,967	\$ 2,498	\$ 15	\$ 469	\$ 454
<u>INMATE SECURITY FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 46	\$ 46	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	46	46	-	-	-
DISBURSEMENTS						
Sheriff	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	46	46	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ 46	\$ 46	\$ -	\$ -	\$ -

See accompanying notes.

OZARK COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
 INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
 REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>COMMUNITY DEVELOPMENT</u>						
<u>BLOCK GRANT</u>						
RECEIPTS						
Intergovernmental	\$ 400,000	\$ 288,283	\$ (111,717)	\$ -	\$ -	\$ -
TOTAL RECEIPTS	400,000	288,283	(111,717)	-	-	-
DISBURSEMENTS						
Community development	400,000	288,283	111,717	-	-	-
TOTAL DISBURSEMENTS	400,000	288,283	111,717	-	-	-
RECEIPTS OVER						
DISBURSEMENTS						
	-	-	-	-	-	-
CASH AND INVESTMENT						
BALANCE, January 1						
	-	-	-	-	-	-
CASH AND INVESTMENT						
BALANCE, December 31						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2009

	Schools Fund	Surplus Tax Fund	Fines and Forfeitures Fund	Financial Institution Tax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS						
Cash and investments	\$ 34,551	\$ 59,276	\$ 34,779	\$ 25,582	\$ 886	\$ 5,211
TOTAL ASSETS	<u>\$ 34,551</u>	<u>\$ 59,276</u>	<u>\$ 34,779</u>	<u>\$ 25,582</u>	<u>\$ 886</u>	<u>\$ 5,211</u>
LIABILITIES						
Due to others	\$ -	\$ 59,276	\$ -	\$ -	\$ 886	\$ -
Due to other funds	-	-	-	2,277	-	-
Due to other governments	34,551	-	34,779	23,305	-	5,211
TOTAL LIABILITIES	<u>\$ 34,551</u>	<u>\$ 59,276</u>	<u>\$ 34,779</u>	<u>\$ 25,582</u>	<u>\$ 886</u>	<u>\$ 5,211</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2009

	Collector of Revenue Fund	Collector's Protested Tax Fund	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Sheriff's Office Evidence Fund	Total
ASSETS						
Cash and investments	\$ 2,921,346	\$ 1,179	\$ 1,187	\$ 533	\$ 48	\$ 3,084,578
TOTAL ASSETS	<u>\$ 2,921,346</u>	<u>\$ 1,179</u>	<u>\$ 1,187</u>	<u>\$ 533</u>	<u>\$ 48</u>	<u>\$ 3,084,578</u>
LIABILITIES						
Due to others	\$ 7,495	\$ 1,179	\$ -	\$ 533	\$ 46	\$ 69,415
Due to other funds	359,696	-	1,187	-	2	363,162
Due to other governments	2,554,155	-	-	-	-	2,652,001
TOTAL LIABILITIES	<u>\$ 2,921,346</u>	<u>\$ 1,179</u>	<u>\$ 1,187</u>	<u>\$ 533</u>	<u>\$ 48</u>	<u>\$ 3,084,578</u>

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Schools Fund	Surplus Tax Fund	Financial Institution Tax Fund	Unclaimed Fees Fund	CERF Fund	Collector of Revenue Fund	Sheriff's Office Fee Account Fund	Sheriff's Office Evidence Fund	Total
ASSETS									
Cash and investments	\$ -	\$ 73,600	\$ 31,444	\$ 886	\$ 4,850	\$ 3,083,132	\$ 911	\$ 48	\$ 3,194,871
TOTAL ASSETS	\$ -	\$ 73,600	\$ 31,444	\$ 886	\$ 4,850	\$ 3,083,132	\$ 911	\$ 48	\$ 3,194,871
LIABILITIES									
Due to others	\$ -	\$ 73,600	\$ -	\$ 886	\$ -	\$ 6,886	\$ -	\$ 46	\$ 81,418
Due to other funds	-	-	3,342	-	-	434,028	911	2	438,283
Due to other governments	-	-	28,102	-	4,850	2,642,218	-	-	2,675,170
TOTAL LIABILITIES	\$ -	\$ 73,600	\$ 31,444	\$ 886	\$ 4,850	\$ 3,083,132	\$ 911	\$ 48	\$ 3,194,871

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ozark County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ozark County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

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 and investments 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.

NOTE B – CASH AND INVESTMENTS

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 as "Cash and investments". In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2009 and 2008, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Ozark County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

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

Funding Policy

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

OZARK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

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

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

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2009</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 74,743,136	\$ 72,733,721
Personal property	<u>25,957,627</u>	<u>27,614,473</u>
	<u>\$ 100,700,763</u>	<u>\$ 100,348,194</u>
TAX LEVY		
General Fund	\$.1397	\$.2234
Road and Bridge	<u>.2339</u>	<u>.2308</u>
	<u>\$.3736</u>	<u>\$.4542</u>

The legal debt margin at December 31, 2009 and December 31, 2008, is computed as follows:

	<u>2009</u>	<u>2008</u>
Constitutional debt limit	\$ 10,070,076	\$ 10,034,819
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 10,070,076</u>	<u>\$ 10,034,819</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.

OZARK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE F – RISK MANAGEMENT

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

NOTE G – LONG-TERM DEBT

Long-term debt for the County at December 31, 2009, consists of a Department of Natural Resources (DNR) Energy Loan, two capital leases, and compensated absences payable.

DNR Energy Loan

On December 16, 2004, the County entered into a loan agreement with the DNR under the Energy Efficiency Leveraged Loan Program in an amount not to exceed \$63,630 to be used to implement energy conservation measures. The loan is at 3.75% interest with a 1% origination fee. The following is a schedule of required payments under the agreement:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 3,528	\$ 1,793	\$ 5,321
2011	3,661	1,659	5,320
2012	3,799	1,521	5,320
2013	3,943	1,377	5,320
2014	4,092	1,227	5,319
2015-2019	22,906	3,694	26,600
2020-2021	6,751	236	6,987
	<u>\$ 48,680</u>	<u>\$ 11,507</u>	<u>\$ 60,187</u>

Capital Lease Obligations

On October 20, 2005, the County entered into a lease purchase agreement to finance the purchase of a 2004 John Deere backhoe loader. The agreement requires annual lease payments of \$9,219, including interest at 5.25%.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE G – LONG-TERM DEBT (continued)

The annual debt service requirements to amortize the principal on this lease outstanding at December 31, 2009, are listed in the following table:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 8,749	\$ 470	\$ 9,219

On May 11, 2007, the County entered into a lease purchase agreement to finance the purchase of a motor grader. The agreement requires annual lease payments of \$17,191, including interest at 4.75%.

The annual debt service requirements to amortize the principal on this lease outstanding at December 31, 2009, are as follows:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 12,739	\$ 4,452	\$ 17,191
2011	14,620	2,571	17,191
2012	15,330	1,861	17,191
2013	16,075	1,116	17,191
2014	16,855	336	17,191
	<u>\$ 75,619</u>	<u>\$ 10,336</u>	<u>\$ 85,955</u>

A summary of the changes in long-term debt for the years ended December 31, 2009 and 2008, is as follows:

	Balance December 31,			Balance December 31,			Balance December 31,
	2007	Additions	Retirements	2008	Additions	Retirements	2009
DNR Energy Loan	\$ 55,353	\$ -	\$ 3,274	\$ 52,079	\$ -	\$ 3,399	\$ 48,680
Capital Lease Obligations							
2004 John Deere Lease	14,603	-	7,129	7,474	-	7,474	-
2005 John Deere Lease	24,929	-	7,878	17,051	-	8,302	8,749
2007 John Deere Lease	100,000	-	12,336	87,664	-	12,045	75,619
Compensated Absences	23,042	12,417	-	35,459	7,277	-	42,736
	<u>\$ 217,927</u>	<u>\$ 12,417</u>	<u>\$ 30,617</u>	<u>\$ 199,727</u>	<u>\$ 7,277</u>	<u>\$ 31,220</u>	<u>\$ 175,784</u>

OZARK COUNTY, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following:

	Transfers In (Out)	
	2009	2008
General Fund	\$ (432,495)	\$ (142,244)
Assessment Fund	31,878	17,580
Law Enforcement Sales Tax Fund	258,450	129,344
Prosecutor's Bad Check Fund	(3,500)	(3,500)
Sheriff's Civil Fees Fund	(149)	-
Capital Improvement Sales Tax Fund	149,967	-
Tax Maintenance Fund	(4,151)	(1,180)
	<u>\$ -</u>	<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.

SUPPLEMENTARY SCHEDULE



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

County Commission
Ozark County
Gainesville, Missouri

We have audited the financial statements of Ozark County, Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 12, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 09-1 described in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

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

We noted certain other matters that we have reported to management of Ozark County in a separate letter dated May 12, 2010.

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

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

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

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

County Commission
Ozark County
Gainesville, Missouri

Compliance

We have audited the compliance of Ozark County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. Ozark County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on Ozark County, Missouri's compliance based on our audit.

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

In our opinion, Ozark County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Ozark 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.

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.

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

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010

OZARK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Office of Administration				
Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	\$ 264,628	\$ 202,669
TOTAL U.S. DEPARTMENT OF AGRICULTURE			264,628	202,669
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
University of Central Missouri				
Alcohol Open Container Requirements	20.607	N/A	705	-
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	N/A	384	-
Click It or Ticket	20.600	N/A	992	-
Missouri Department of Public Safety				
Interagency Hazardous Materials Public				
Sector Training Grants	20.703	N/A	1,903	1,826
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			3,984	1,826
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial State and Local Law				
Enforcement Assistance Discretionary Grants Program	16.580	DPS2008-MOSMART-001	-	35,135
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-LBGJ-069	-	9,000
		2008-LBGJ-044	7,458	-
Recovery Act Edward Byrne Memorial JAG Program	16.803	2009-LBGJ-RA-092	10,000	-
Drug Task Force	16.810	N/A	46,872	-
TOTAL U.S. DEPARTMENT OF JUSTICE			64,330	44,135
<u>GENERAL SERVICES ADMINISTRATION</u>				
Missouri Office of Administration				
Donation of Federal Surplus Personal Property	39.003	N/A	7	3,883
TOTAL GENERAL SERVICES ADMINISTRATION			7	3,883
<u>ELECTION ASSISTANCE COMMISSION</u>				
Missouri Office of Secretary of State				
HAVA	90.401	N/A	538	2,421
TOTAL ELECTION ASSISTANCE COMMISSION			538	2,421

OZARK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures	
			Year Ended December 31, 2009	2008
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement - Title IV-D	93.563	N/A	<u>60,096</u>	<u>61,487</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			60,096	61,487
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Economic Development				
Community Development Block Grants	14.228	N/A	<u>288,283</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			288,283	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Public Assistance Grant	97.036	FEMA 1749-DR	-	695,060
		FEMA 1822-DR	581,582	-
		FEMA 1847-DR	<u>13,561</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>595,143</u>	<u>695,060</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,277,009</u>	<u>\$ 1,011,481</u>

N/A - Not Applicable

OZARK COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2009 and 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ozark County, Missouri.

B Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

OZARK COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Years ended December 31, 2009 and 2008

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? X Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes X No

Identification of major program(s):

CFDA or Other

Identifying Number Program Title

97.036 Public Assistance Grant

Dollar threshold used to distinguish between Type A and Type B program: \$ 300,000

Auditee qualified as a low -risk auditee? Yes X No

OZARK COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2009 and 2008

Financial Statement Findings

09-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

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

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

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

Response: The limited number of available personnel prohibits segregation of incompatible duties.

Federal Award Findings and Questioned Costs

None

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

This section represents the summary schedule of prior audit findings. The prior audit period was for the two years ended December 31, 2005.

05-1 Procurement and Prevailing Wage

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Numbers:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity Identifying Number:	FEMA-1412-DR-MO
Award Years:	2005 and 2004
Questioned Costs:	\$21,930

The County Commission did not adhere to procurement requirements during the reconstruction of its county roads and bridges, and did not require a contractor to provide supporting documentation of wages paid to ensure compliance with prevailing wage laws.

Flooding caused significant damage to county roads and bridges, and as a result, the County was awarded federal emergency management assistance (FEMA) to repair and rebuild its roads and bridges. The County Commission hired a contractor to perform work on County roads, but did not solicit bids for these services totaling approximately \$21,930 during 2005 and 2004. In addition, the County Commission did not require the contractor to provide supporting documentation of wages paid or review any of the payroll records for the contractor to ensure compliance with prevailing wage laws.

Section 50.660, RSMo, requires bids for all purchase or services of \$4,500 or more from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provides a framework for economical management of county resources and helps assure the County that it receives fair value by contracting with the lowest and best bidders. Competitive bidding ensures all parties are given equal opportunity to participate in County business. In addition, the Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor. Also, Section 290.230, RSMo, requires prevailing wages to be paid to all workmen employed by or on behalf of any public body engaged in construction projects exclusive of routine maintenance work.

Auditor's Recommendation:

The County Commission work with the granting agency to resolve the questioned costs and ensure bids are solicited in accordance with state law, and prevailing wage rates are paid on all construction projects.

Status:

The recommendation has been implemented.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-2 Cash Management

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Numbers:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-B077(8)
Award Years:	2005
Questioned Costs:	Not applicable

During the year ended December 31, 2005, the County participated in the Highway Planning and Construction Program and received and disbursed approximately \$489,750 through this program.

The County had not established cash management procedures to ensure the minimum time lapses between its receipt of federal project monies and the disbursement of such monies to contractors. The County Commission maintained a separate bank account for the BRO federal project monies, and made payments to contractors subsequent to receiving the reimbursement from the federal grant. We noted two reimbursements which were held for an extended time period prior to being disbursed. One payment totaling \$62,843 had been held for more than seven days.

Section 6.2.2 of the Cash Management Improvement Act Agreement between the State of Missouri and the Secretary of the Treasury, United States Department of the Treasury, states that funds shall be requested such that they are received no more than two days prior to disbursement of a payment.

Auditor's Recommendation:

The County Commission establish procedures to minimize the time elapsed between the receipt of federal funds and the disbursement of such funds.

Status:

The recommendation has been implemented.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (continued)
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-3 Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: State Highway and Transportation Commission
Federal CFDA Numbers: 20.205
Program Title: Highway Planning and Construction
Pass-Through Entity
Identifying Number: BRO-B077(8)
Award Years: 2005
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Department of Public Safety
Federal CFDA Numbers: 97.036
Program Title: Public Assistance Grants
Pass-Through Entity
Identifying Number: FEMA-1412-DR-MO
Award Years: 2005 and 2004
Questioned Costs: Not applicable

The County did not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards (SEFA). The County prepared a SEFA for the years ended December 31, 2005 and 2004; however, it contained numerous errors and omissions. In total, expenditures were overstated by approximately \$32,683 and \$229,864 for 2005 and 2004, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The County is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

Expenditures relating to several federal grants were reported incorrectly or not included on the schedule. Additionally, some federal grant expenditures were reported on the schedule in the wrong year, and some non-federal reimbursements were included on the schedule.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements, which could result in future reductions of federal funds of the County.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (continued)
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-3 Schedule of Expenditures of Federal Awards

Auditor's Recommendation:

The County Commission and County Clerk work together to prepare a complete and accurate schedule of expenditures of federal awards.

Status:

The recommendation has been implemented.



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
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Ozark County Commission
Ozark County
Gainesville, Missouri

In planning and performing our audit of the basic financial statements of Ozark County, Missouri for the years ended December 31, 2009 and 2008, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weakness discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of an additional matter to bring to your attention. The following paragraphs summarize our comments and suggestion regarding this matter.

Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo as actual disbursements exceeded budgeted disbursements in the Road and Bridge Fund, Tax Maintenance Fund, and the Sheriff's Revolving Fund in 2008, and the Prosecuting Attorney's Bad Check Fund in 2009. The budgetary statute prohibits the County from disbursing amounts in excess of budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure actual disbursements do not exceed budgeted disbursements.

Ozark County Commission
Ozark County
Gainesville, Missouri
Page Two

We will review the status of this comment during our next audit engagement. We will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter or to assist you in implementing the recommendation.

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

A handwritten signature in black ink that reads "Davis, Lynn; Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010



DAVIS, LYNN &
MOOTS, P.C.
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County Commission
Ozark County
Gainesville, Missouri

We have audited the basic financial statements of Ozark County, Missouri for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 12, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 12, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Ozark County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008 or 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Grant Activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

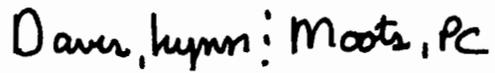
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Ozark County Commission
Ozark County
Gainesville, Missouri
Page Three

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

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly slanted style.

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010