

NEW ISSUE  
BOOK ENTRY ONLY

NOT RATED  
BANK QUALIFIED

*In the opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the Interest Portion of Basic Rent paid by the County under the Lease (as described in this Official Statement) and distributed to the Owners of the Series 2011 Certificates (including any original issue discount properly allocable to an Owner thereof) is excludable from gross income for federal income tax purposes, except as described in this Official Statement, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (2) the Interest Portion of Basic Rent paid by the County under the Lease and distributed to the Owners of the Series 2011 Certificates is exempt from Missouri income taxation by the State of Missouri, except that Special Tax Counsel will not express any opinion for federal or Missouri tax purposes as to any money received in payment of or with respect to the Series 2011 Certificates subsequent to termination of the County’s obligations under the Lease by reason of an Event of Nonappropriation or an Event of Default. The County’s obligation to pay Basic Rent under the Lease is a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of Code. See “TAX MATTERS” in this Official Statement.*

**\$3,305,000**

**REFUNDING CERTIFICATES OF PARTICIPATION  
(CRAWFORD COUNTY, MISSOURI, LESSEE)  
SERIES 2011**

**Evidencing a Proportionate Interest  
in Basic Rent Payments to be Made by  
CRAWFORD COUNTY, MISSOURI  
Pursuant to an Annually-Renewable Lease Purchase Agreement**

**Dated: Date of Delivery**

**Due: November 1,  
as shown on the inside cover**

Principal of the Series 2011 Certificates will be payable annually on November 1, in the years shown on the inside cover page, commencing on November 1, 2011. Interest on the Series 2011 Certificates is payable semiannually on each May 1 and November 1, commencing November 1, 2011. The Series 2011 Certificates will be issued as fully-registered securities in the denomination of \$5,000 principal amount, or integral multiples thereof.

The Series 2011 Certificates will be payable solely from Basic Rent Payments under the Lease and certain money held by Commerce Bank, as trustee under the Declaration of Trust. See “**SECURITY FOR THE SERIES 2011 CERTIFICATES**” herein. The County has agreed to pay all Basic Rent due under the Lease for each fiscal year, but only if the County Commission annually appropriates sufficient money specifically designated to pay the Basic Rent coming due during each succeeding fiscal year. **The obligation to make payments will not create a general obligation or other indebtedness of the County within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2011 Certificates will not obligate the County to levy any form of taxation therefor or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect. The County intends to satisfy its obligation to pay Basic Rent out of revenues generated from the County’s law enforcement sales tax together with other legally available funds of the County. However, the County has not pledged these revenues or any other moneys to the payment of the Series 2011 Certificates.**

The Series 2011 Certificates are subject to prepayment prior to their stated payment dates under certain conditions. See “**THE SERIES 2011 CERTIFICATES — Prepayment Provisions**” herein.

*The Series 2011 Certificates are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel, and certain other conditions. Certain legal matters relating to this Official Statement will also be passed upon by Gilmore Bell, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the County by William Camm Seay, Esq., Steelville, Missouri. It is expected that the Series 2011 Certificates will be available for delivery through the facilities of DTC in New York, New York, on or about August 3, 2011.*

**PiperJaffray®**

The date of this Official Statement is June 28, 2011.

**\$3,305,000**  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**(CRAWFORD COUNTY, MISSOURI, LESSEE)**  
**SERIES 2011**

**Evidencing a Proportionate Interest  
in Basic Rent Payments to be Made by  
CRAWFORD COUNTY, MISSOURI  
Pursuant to an Annually-Renewable Lease Purchase Agreement**

**MATURITY SCHEDULE**

<b><u>Payment Date</u></b> <b><u>(November 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP</u></b>
2011	\$255,000	3.000%	1.003%	100.485%	22487P AA8
2012	265,000	3.000	1.201	102.215	22487P AB6
2013	275,000	3.000	1.650	102.961	22487P AC4
2014	280,000	3.000	2.050	102.965	22487P AD2
2015	290,000	3.000	2.500	101.999	22487P AE0
2016	300,000	3.000	2.900	100.480	22487P AF7
2017	305,000	3.125	3.250	99.295	22487P AG5
2018	315,000	3.500	3.600	99.363	22487P AH3
2019	325,000	3.750	4.000	98.254	22487P AJ9
2020	340,000	4.000	4.150	98.852	22487P AK6
2021	355,000	4.200	4.300	99.172	22487P AL4

## **CRAWFORD COUNTY, MISSOURI**

302 West Main Street  
Steelville, Missouri 65565

### **COUNTY COMMISSION**

Leo Sanders, *Presiding Commissioner*  
Richard Martin, *First District Commissioner*  
John Hewkin, *Second District Commissioner*

### **COUNTY OFFICIALS**

Mardy L. Leathers, *County Clerk*  
Jessica Vincent-Easler, *County Treasurer*  
Kim Cook, *County Recorder*  
Kerry Summers, *County Assessor*  
Pat Schwent, *County Collector*

### **COUNTY PROSECUTOR**

William Camm Seay, Esq.  
Steelville, Missouri

### **TRUSTEE**

Commerce Bank  
Kansas City, Missouri

### **SPECIAL TAX COUNSEL**

Gilmore & Bell, P.C.  
St. Louis, Missouri

### **UNDERWRITER**

Piper Jaffray & Co.  
St. Louis, Missouri

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE SERIES 2011 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE DECLARATION OF TRUST BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.**

**No dealer, broker, salesperson or other person has been authorized by the County or the Underwriter to give any information or to make any representation with respect to the Series 2011 Certificates offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2011 Certificates offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.**

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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**CAUTIONARY STATEMENTS REGARDING FORWARD-  
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

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Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “projected,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THIS OFFICIAL STATEMENT UNDER THE CAPTION “RISK FACTORS AND INVESTMENT CONSIDERATIONS.” NEITHER THE COUNTY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

## SUMMARY STATEMENT

<b>Issuer:</b>	Crawford County, Missouri
<b>Issue:</b>	\$3,305,000 Refunding Certificates of Participation (Crawford County, Missouri, Lessee), Series 2011
<b>Dated Date:</b>	As of the date of original delivery thereof.
<b>Interest:</b>	Semiannually on each May 1 and November 1, beginning on November 1, 2011.
<b>Principal:</b>	November 1, as show on the inside cover page of this Official Statement.
<b>Prepayment:</b>	<p><i>Optional Prepayment.</i> The Series 2011 Certificates with stated payment dates of November 1, 2017 and thereafter are subject to prepayment on November 1, 2016 and thereafter at any time, (1) in whole, if the County exercises its option to purchase the Trustee's interest in the Leased Property and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable optional Prepayment Date, or (2) in part, if the County prepays Basic Rent pursuant to the Lease. Any prepayment of the Series 2011 Certificates pursuant to this paragraph will be at the Prepayment Price of 100% of the Principal Portion of Basic Rent represented thereby, plus the Interest Portion of Basic Rent accrued thereon to the optional Prepayment Date.</p> <p><i>Extraordinary Optional Prepayment.</i> The Series 2011 Certificates are subject to prepayment prior to maturity, as a whole, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the County or any entity controlled by or otherwise affiliated with the County) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the County purchases the Trustee's interest in the Leased Property pursuant to the Lease.</p>
<b>Security:</b>	The Series 2011 Certificates represent ownership interests in Basic Rent to be paid by the County. The County's obligation to pay Basic Rent and other obligations of the County under the Lease are subject to and dependent upon annual appropriations being made by the County for such purpose. The Series 2011 Certificates shall not constitute an indebtedness of the County within the meaning of any constitutional or statutory debt limitation or restriction and neither the full faith and credit nor the taxing power of the County, the State of Missouri nor any political subdivision of such state is pledged to the payment of the Series 2011 Certificates, Basic Rent or Supplemental Rent.
<b>Purpose:</b>	Proceeds from the sale of the Series 2011 Certificates, together with other legally available funds of the County, will be used to (1) refund certain outstanding lease obligations issued on behalf of the County by the Crawford County, Missouri, Public Facilities Corporation and (2) pay certain costs in connection with the execution and delivery of the Series 2011 Certificates.
<b>Trustee:</b>	Commerce Bank, Kansas City, Missouri.
<b>Delivery:</b>	On or about August 3, 2011.
<b>Book-Entry Form:</b>	The Series 2011 Certificates will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2011 Certificates.

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## OFFICIAL STATEMENT

**\$3,305,000**

### **REFUNDING CERTIFICATES OF PARTICIPATION (CRAWFORD COUNTY, MISSOURI, LESSEE) SERIES 2011**

**Evidencing a Proportionate Interest  
in Basic Rent Payments to be Made by  
CRAWFORD COUNTY, MISSOURI  
Pursuant to an Annually-Renewable Lease Purchase Agreement**

## INTRODUCTION

*This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.*

### **Purpose of the Official Statement**

The purpose of this Official Statement is to furnish information in connection with the offering and sale of Refunding Certificates of Participation (Crawford County, Missouri, Lessee), Series 2011, in the aggregate principal amount of \$3,305,000 (the “**Series 2011 Certificates**”).

### **The County**

The County is a political subdivision of the State of Missouri, organized as a county of the third class. The County encompasses approximately 744 square miles and is located along Interstate 44 in Missouri’s Meramec Region in the south-central portion of Missouri, approximately 64 miles southwest of St. Louis. For more information on the County, see *Appendix A* hereto.

### **The Series 2011 Certificates**

The Series 2011 Certificates represent undivided, proportionate interests in Basic Rent to be paid by Crawford County, Missouri (the “**County**”) pursuant to an annually-renewable Lease Purchase Agreement dated as of August 1, 2011 (the “**Lease**”), between Commerce Bank (the “**Trustee**”), as trustee and lessor, and the County, as lessee. The Trustee has agreed to execute and deliver the Series 2011 Certificates pursuant to a Declaration of Trust dated as of August 1, 2011 (the “**Declaration**”). The Basic Rent Payments constitute rent for the Leased Property (hereafter defined) pursuant to the Lease.

Proceeds from the sale of the Series 2011 Certificates, together with other legally available funds of the County, will be used to (1) currently refund all of the outstanding Insured Leasehold Revenue Bonds (Crawford County, Missouri, Jail Project), Series 2001 (the “**Series 2001 Bonds**”) issued in the original principal amount of \$4,535,000 on behalf of the County by the Crawford County, Missouri, Public Facilities Corporation (the “**Corporation**”); (2) advance refund all of the outstanding Leasehold Revenue Bonds (Crawford County, Missouri, Jail Project), Series 2002 (the “**Series 2002 Bonds**” and, collectively with the Series 2001 Bonds, the “**Refunded Bonds**”) issued in the original principal amount of \$725,000 on behalf of the County by the Corporation; and (3) pay certain costs in connection with the execution and delivery of the Series 2011 Certificates. See the caption “**PLAN OF FINANCING – The Refunding.**”

## Plan of Financing

Simultaneously with the delivery of the Series 2011 Certificates and pursuant to a Base Lease dated as of August 1, 2011 (the **“Base Lease”**), the County will lease to the Trustee certain real property located within the County, together with the County jail and any other improvements now or hereafter located thereon (collectively, the **“Leased Property”**). See the caption **“PLAN OF FINANCING – The Leased Property.”** The Trustee, as lessor under the Lease, will lease the Leased Property back to the County for an initial term ending December 31, 2011, with nine (9) successive one-year renewal options commencing January 1, 2012, and a final renewal term commencing January 1, 2021 and ending November 1, 2021 (**“Renewal Terms”**). Each Renewal Term is subject to annual appropriation by the County Commission.

The Series 2011 Certificates are payable solely from Basic Rent to be paid by the County under the Lease and to the extent received by the Trustee.

Pursuant to the Declaration, a portion of each Basic Rent Payment will be used to pay interest distributable with respect to the Series 2011 Certificates, and a portion of each Basic Rent Payment will be used to pay principal distributable with respect to the Series 2011 Certificates.

Although payment of the principal of and interest on the Series 2011 Certificates may be made, subject to annual appropriation, from any funds of the County legally available for such purpose, the County intends to annually budget and appropriate a portion of such payments from the revenues of its one-half cent law enforcement sales tax (the **“Law Enforcement Sales Tax”**) and other legally available funds of the County. **SUCH REVENUES, HOWEVER, ARE NOT PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2011 CERTIFICATES AND THERE CAN BE NO ASSURANCE THAT THE COUNTY WILL APPROPRIATE FUNDS FOR PAYMENT OF THE SERIES 2011 CERTIFICATES.** Neither the revenues of the Law Enforcement Sales Tax nor any other funds or revenues of the County are, or can be, pledged to the payment of the Series 2011 Certificates. The Lease does not require or limit the County to use Law Enforcement Sales Tax revenues to pay Basic Rent.

See the caption **“PLAN OF FINANCING”** herein.

## Limited Obligations

Under the Lease, the County has agreed to pay rental payments (the **“Basic Rent”**), consisting of a principal component (the **“Principal Portion”**) and an interest component (the **“Interest Portion”**), but only if and to the extent that the County Commission annually appropriates sufficient money to pay the Basic Rent coming due during each succeeding Renewal Term. The Series 2011 Certificates represent undivided, proportionate interests in the Basic Rent.

Neither the Series 2011 Certificates, the Lease nor any payments required under the Lease will constitute a mandatory payment obligation of the County in any year beyond the year during which the County is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the County. The County is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease is in effect, and there can be no assurance that the County will appropriate funds to make Basic Rent Payments or renew the Lease after any Renewal Term. The County may terminate its obligations under the Lease on an annual basis. The County will have the option to purchase the Trustee’s interest in the Leased Property at the times and upon the conditions described under **“SUMMARY OF THE LEASE — Purchase Option”** in *Appendix C* hereto.

Neither the Series 2011 Certificates nor the Lease will constitute a debt or liability of the County or of the State of Missouri (the **“State”**) or any political subdivision thereof, nor will they constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease will not obligate the County to levy any form of taxation for the payments required thereunder or



to make any appropriation for such payments in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

### **Risk Factors**

Payment of the Principal Portions and Interest Portions represented by the Series 2011 Certificates is subject to certain risks. Among the risks is that the County has not historically and does not intend to engage an independent auditor to audit the County's financial statements on an annual basis. As permitted by Missouri law for counties that have not elected a county auditor, the County relies on Section 29.230 of the Revised Statutes of Missouri, as amended, which requires that an audit be conducted at least once during the term for which any county officer is chosen (which is every two years for the County). Accordingly, there are no assurances that the County will have audited financial statements performed on an annual basis. The County's most recent audited financial statements for the fiscal years ended December 31, 2007 and December 31, 2008 and unaudited financial statements for the fiscal years ended December 31, 2009 and December 31, 2010, are attached hereto as *Appendix B*. See the section captioned **"RISK FACTORS AND INVESTMENT CONSIDERATIONS"** herein.

### **Additional Parity Obligations**

Additional Certificates may be delivered under and be equally and ratably secured by the Declaration on a parity with the Series 2011 Certificates and any other Additional Certificates Outstanding, at any time and from time to time so long as no Event of Default or Event of Nonappropriation exists, upon compliance with the conditions provided in the Declaration. See **"SUMMARY OF THE DECLARATION OF TRUST — Additional Certificates"** in *Appendix C* hereto.

### **Continuing Disclosure Information**

The County has covenanted in a Continuing Disclosure Agreement to disclose certain financial information, operating data and notices of material events in compliance with Rule 15c2-12 (the **"Rule"**) promulgated by the Securities and Exchange Commission. The County has never been in default with respect to any continuing disclosure obligation under the Rule. A summary of the Continuing Disclosure Agreement is included in *Appendix C* to this Official Statement.

### **Definitions and Descriptions; Inspection of Documents**

All capitalized terms used in this Official Statement not defined in the text hereof are defined under **"Definitions of Words and Terms"** set forth in *Appendix C* to this Official Statement. Brief descriptions of the Series 2011 Certificates, the Base Lease, the Lease, the Declaration and certain other matters are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Base Lease, the Lease and the Declaration are qualified in their entirety by reference to such documents, drafts of which may be viewed prior to the delivery of the Series 2011 Certificates at the office of the Underwriter, Piper Jaffray & Co., 8235 Forsyth Boulevard, Suite 600, St. Louis, Missouri 63105. Copies of the final executed documents may be viewed after the delivery of the Series 2011 Certificates at the office of the Trustee, Commerce Bank, Corporate Trust Department, 922 Walnut Street, 10th Floor, Kansas City, Missouri 64106, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Series 2011 Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Base Lease, the Lease and the Declaration.

## THE SERIES 2011 CERTIFICATES

### Description

The Series 2011 Certificates will be dated as of the date of original delivery thereof. The Principal Portion of Basic Rent represented by each Series 2011 Certificate will bear interest at specified rates as set forth on the inside cover page hereof. The Interest Portion of Basic Rent represented by the Series 2011 Certificates will be payable semiannually on May 1 and November 1 of each year, beginning on November 1, 2011 (the **“Payment Dates”**). The Principal Portion of Basic Rent represented by the Series 2011 Certificates is payable annually on November 1 of each year in the principal amounts set forth on the inside cover page of this Official Statement.

The Interest Portion represented by the Series 2011 Certificates is payable by (a) by check or draft mailed by the Trustee to the address of such Owners shown on the registration books for the Series 2011 Certificates (the **“Register”**), or (b) in the case of an interest payment to the Securities Depository or any Owner of \$500,000 or more in aggregate principal amount of Series 2011 Certificates, by electronic transfer to such Owner upon written notice given to the Trustee by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name of the bank (which shall be in the continental United States), the bank’s ABA routing number and the account name and number to which such Owner wishes to have such transfer directed. The Principal Portion of Basic Rent and prepayment premium, if any, represented by the Series 2011 Certificates is payable (whether at maturity or upon prepayment or acceleration) by check or draft to the Owners of such Series 2011 Certificates upon presentation and surrender of such Series 2011 Certificates at the designated corporate trust office of the Trustee.

### Book-Entry Only System

**General.** The Series 2011 Certificates are available in book-entry only form. Purchasers of the Series 2011 Certificates will not receive certificates representing their interests in the Series 2011 Certificates. Ownership interests in the Series 2011 Certificates will be available to purchasers only through a book-entry system (the **“Book-Entry System”**) maintained by The Depository Trust Company **“DTC”**), New York, New York.

*The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The County takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.*

DTC will act as securities depository for the Series 2011 Certificates. The Series 2011 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2011 Certificates, each in the aggregate principal amount of such maturity and will be deposited with DTC.

**DTC and its Participants.** DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (**“Direct Participants”**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities

transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

**Purchases of Ownership Interests.** Purchases of Series 2011 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2011 Certificate (the "**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2011 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2011 Certificates, except in the event that use of the book-entry system for the Series 2011 Certificates is discontinued.

**Transfers.** To facilitate subsequent transfers, all Series 2011 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

**Notices.** Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2011 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Declaration or Lease. For example, Beneficial Owners of Series 2011 Certificates may wish to ascertain that the nominee holding the Series 2011 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices will be sent to DTC. If less than all of the Series 2011 Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

**Voting.** Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2011 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts Series 2011 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

***Payments of Principal, Prepayment Price and Interest.*** Payment of principal and interest represented by the Series 2011 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest represented by the Series 2011 Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

***Discontinuation of Book-Entry System.*** DTC may discontinue providing its services as depository with respect to the Series 2011 Certificates at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2011 Certificates are required to be printed and delivered. The Direct Participants holding a majority position in the Series 2011 Certificates may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Series 2011 Certificates will be printed and delivered.

#### **Prepayment Provisions**

***Optional Prepayment.*** The Series 2011 Certificates with stated payment dates of November 1, 2017 and thereafter are subject to prepayment on November 1, 2016 and thereafter at any time, (1) in whole, if the County exercises its option to purchase the Trustee's interest in the Leased Property and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable optional Prepayment Date, or (2) in part, if the County prepays Basic Rent pursuant to the Lease. Any prepayment of the Series 2011 Certificates pursuant to this paragraph will be at the Prepayment Price of 100% of the Principal Portion of Basic Rent represented thereby, plus the Interest Portion of Basic Rent accrued thereon to the optional Prepayment Date.

***Extraordinary Optional Prepayment.*** The Series 2011 Certificates will be subject to optional prepayment, as a whole, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the prepayment date, in the event of substantial damage to or destruction or condemnation (other than by the County or any entity controlled by or otherwise affiliated with the County) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the County purchases the Trustee's interest in the Leased Property pursuant to the Lease. See "**SUMMARY OF THE LEASE – Damage, Destruction and Condemnation**" in *Appendix C* hereto.

***Partial Prepayment of Certificates.*** Upon surrender of any Series 2011 Certificate prepaid in part only, the Trustee will execute and deliver to the Owner thereof, at the expense of the County, a new Certificate or Certificates of the same series and maturity, equal in aggregate principal amount to the unprepaid portion of the Series 2011 Certificate surrendered.

***Notice of Prepayment.*** Unless otherwise provided in the Declaration, notice of prepayment will be given by the Trustee, not more than 60 days and not less than 30 days prior to the Prepayment Date, to the County and the Owner of each Series 2011 Certificate affected at the address shown on the registration books of the Registrar on the date such notice is mailed. Each notice of prepayment will state (1) the Prepayment

Date, (2) the place of prepayment, (3) the Prepayment Price, (4) if less than all, the identification of the Series 2011 Certificates to be prepaid, and (5) if a Series 2011 Certificate is being prepaid in part, the portion thereof being prepaid. Such notice will also state that the Interest Portion of the Basic Rent represented by the Series 2011 Certificates designated for prepayment will cease to accrue from and after such Prepayment Date and that on said date the Prepayment Price will become due and payable on each of said Series 2011 Certificates. The failure of the Owner of any Series 2011 Certificate to be so prepaid to receive notice of prepayment mailed as herein provided or any defect therein will not affect or invalidate the validity of any proceedings for the prepayment of such Series 2011 Certificate.

The Trustee is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards will not affect or invalidate the prepayment of any Series 2011 Certificate to be prepaid.

The Trustee, as long as a book-entry system is used for the Series 2011 Certificates, will send notices of prepayment only to the Securities Depository, as the Owner of the Series 2011 Certificates. Any failure of the Securities Depository to advise any of the Participants, or of any participant or any nominee to notify any Beneficial Owner of the Series 2011 Certificates, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Series 2011 Certificates called for prepayment.

***Effect of Prepayment.*** Notice of prepayment having been duly given as aforesaid, and upon funds for payment of the Prepayment Price of such Series 2011 Certificates (or portions thereof) being held by the Trustee, on the Prepayment Date designated in such notice, the Series 2011 Certificates (or portions thereof) so called for prepayment will become due and payable at the Prepayment Price specified in such notice and the Interest Portion of Basic Rent represented by the Series 2011 Certificates so called for prepayment will cease to accrue, said Series 2011 Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Declaration and the Owners of such Series 2011 Certificates will have no rights in respect thereof except to receive payment of the Prepayment Price. All Series 2011 Certificates prepaid pursuant to the provisions of the Declaration will be cancelled upon surrender thereof and destroyed by the Trustee.

## **PLAN OF FINANCING**

### **The Refunding**

A portion of the proceeds of the Series 2011 Certificates, together with other legally available funds of the County, will be used to refund the Refunded Bonds. On the date of delivery of the Series 2011 Certificates, the County will deposit with Commerce Bank, Kansas City, Missouri, as escrow agent for the Refunded Bonds (the “**Escrow Agent**”), proceeds of the Series 2011 Certificates, together with other legally available funds of the County, as indicated below under the caption “**PLAN OF FINANCING - Sources and Uses of Funds.**” Pursuant to the Declaration and the Escrow Trust Agreement dated as of August 1, 2011, between the County and the Escrow Agent (the “**Escrow Agreement**”), the Escrow Agent will apply the moneys so deposited to pay the principal and interest distributable with respect to the Refunded Bonds becoming due and payable to and including the dates of early redemption.

The Series 2001 Bonds maturing on November 1, 2012 and thereafter will be called for redemption on November 1, 2011, at a redemption price of 100% of the outstanding principal amount thereof, plus accrued interest to the date of redemption. The Series 2002 Bonds maturing on November 1, 2022 will be called for redemption on November 1, 2012, at a redemption price of 100% of the outstanding principal amount thereof, plus accrued interest to the date of redemption.

Set forth below is a description of the Series 2001 Bonds being redeemed prior to maturity:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2012	\$ 220,000	4.35%	224872 AL5	November 1, 2011	100.00%
2013	230,000	4.45	224872 AM3	November 1, 2011	100.00
2014	245,000	4.60	224872 AN1	November 1, 2011	100.00
2015	255,000	4.75	224872 AP6	November 1, 2011	100.00
2016	265,000	4.80	224872 AQ4	November 1, 2011	100.00
2017	280,000	4.85	224872 AR2	November 1, 2011	100.00
2018	295,000	4.90	224872 AS0	November 1, 2011	100.00
2021	<u>975,000</u>	5.00	224872 AT8	November 1, 2011	100.00
Total	<u>\$2,765,000</u>				

Set forth below is a description of the Series 2002 Bonds being redeemed prior to maturity:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2022	<u>\$450,000</u>	5.25%	N/A	November 1, 2012	100.00%
Total	<u>\$450,000</u>				

Robert Thomas CPA, LLC (the “**Escrow Verifier**”), will provide a report to the effect that the money deposited in the Escrow Fund is sufficient to make the required payments in accordance with the County’s refunding plan as set forth herein. See the caption “**VERIFICATION OF MATHEMATICAL COMPUTATIONS.**”

After the delivery of the Series 2011 Certificates and the deposit of a portion of the proceeds thereof with the Escrow Agent, the Refunded Bonds will be payable from the funds on deposit in the Escrow Fund. The Declaration and the Escrow Agreement provide that the funds deposited and held in the Escrow Fund are irrevocably pledged to the payment of the Refunded Bonds and the interest thereon and may be applied only to such payment.

### **The Leased Property**

The Leased Property consists of the County’s entire interest in its jail facility and the approximately 1.52 acre parcel of real property on which the facility is situated. The jail facility was originally financed with the Series 2001 Bonds and Series 2002 Bonds and is located in Steelville, Missouri. The facility is an approximately 23,000 square foot concrete block and precast concrete building. It includes 5 holding cells, 108 inmate housing beds, a booking area, a visitation area, a control center, recreational areas, a medical exam room, an interview room, an electronic security system, administrative offices, a squad room, evidence storage, investigator offices, a records room, a training room, locker rooms, a telephone/computer room, and related facilities. The facility is insured by the County for \$4,274,360.00. The County estimates the value of the real property on which the jail facility is located, excluding the building thereon, at \$40,000.00.

## Sources and Uses of Funds

The following table itemizes the estimated sources of funds, including the proceeds from the sale of the Series 2011 Certificates and other legally available funds of the County, and the expected uses of such funds, in connection with the plan of financing:

### *Sources of Funds:*

Principal Amount of the Series 2011 Certificates .....	\$3,305,000.00
Prior Debt Service Reserve Fund .....	358,750.00
Plus: Net Original Issue Premium .....	<u>14,114.45</u>
Total .....	\$3,677,864.45

### *Uses of Funds:*

Deposit to Escrow Fund .....	\$3,599,737.50
Costs of Delivery (including Underwriter's Discount) .....	<u>78,126.95</u>
Total .....	\$3,677,864.45

## SECURITY FOR THE SERIES 2011 CERTIFICATES

### Limited Obligations; Sources of Payment

Each Series 2011 Certificate evidences the undivided, proportionate interest of the Owner thereof in the right to receive Basic Rent to be made by the County under the Lease. The Series 2011 Certificates are payable solely out of the Basic Rent Payments and other money and investments held by the Trustee under the Declaration.

The County's obligation to make Basic Rent Payments and other payments under the Lease is subject to annual appropriation by the County Commission and will not constitute a debt or liability of the County or of the State or any political subdivision thereof. Neither the Lease nor the Series 2011 Certificates will constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease and the Series 2011 Certificates will not obligate the County to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Under the terms of the Lease, if the County elects to renew the Lease at the end of any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its general revenues derived from property and sale taxes and other sources, which appropriation must be sufficient to make the Basic Rent Payments coming due during the ensuing fiscal year. To provide for the timely payment of Basic Rent, the County will pay to the Trustee for deposit in the Lease Revenue Fund not less than five Business Days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date (but only if the County elects to renew the Lease for each Renewal Term). **There can be no assurance that the County Commission will appropriate funds for Basic Rent Payments or renew the Lease for any subsequent Renewal Term. The County is not legally required to budget or appropriate money for any subsequent fiscal year beyond the current fiscal year.**

Although payment of the principal of and interest on the Series 2011 Certificates may be made, subject to annual appropriation, from any funds of the County legally available for such purpose, the County intends to annually budget and appropriate a portion of such payments from the revenues of its Law Enforcement Sales Tax and other legally available funds of the County. **SUCH REVENUES, HOWEVER, ARE NOT PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2011 CERTIFICATES AND THERE CAN BE NO ASSURANCE THAT THE COUNTY WILL APPROPRIATE FUNDS FOR PAYMENT OF THE SERIES 2011 CERTIFICATES.** Neither the revenues of the Law Enforcement Sales Tax nor any other funds

or revenues of the County are, or can be, pledged to the payment of the Series 2011 Certificates. The Lease does not require or limit the County to use Law Enforcement Sales Tax revenues to pay Basic Rent.

### **Base Lease**

The County will, pursuant to the Base Lease, lease all its interest in the Leased Property to the Trustee, as lessee. The Base Lease is for a term ending November 1, 2041 (which is 20 years after the latest scheduled maturity date of the Series 2011 Certificates), unless sooner terminated if the County makes all payments required by the Lease. If an Event of Default or Event of Nonappropriation occurs under the Declaration or the Lease, the Trustee has the right to possess and use the Leased Property for the remainder of the term of the Base Lease, and has the right to sublease or assign its interests under the Base Lease upon such terms as it deems prudent.

The proceeds from any assignment of the Base Lease and the Trustee's rights thereunder or any sublease of the Leased Property are required to be paid to the Trustee and applied in accordance with the Declaration. **Owners of the Series 2011 Certificates are cautioned, however, that the nature of the Leased Property may impair the Trustee's ability to assign its interest in the Base Lease or to sublease the Leased Property upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount therefor that would be sufficient to pay the Principal Portions and the Interest Portions represented by all Certificates then Outstanding.** See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS — Expiration or Termination of the Lease"** herein.

### **Maintenance and Insurance of the Leased Property**

The County will at its own expense (1) keep the Leased Property in a safe condition, (2) with respect to the Leased Property, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (3) keep the Leased Property in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the County will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Leased Property the maintenance, repair, replacement or renewal of which becomes uneconomical to the County because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The County will not permit or suffer others to commit a nuisance in or about the Leased Property or itself commit a nuisance in connection with its use or occupancy of the Leased Property. The County will pay all costs and expenses of operation of the Leased Property.

The Leased Property is required to be insured to the extent described in *Appendix C* hereto under **"SUMMARY OF THE LEASE - Insurance."** All Net Proceeds from policies of insurance or condemnation awards will be applied to the prompt replacement, repair, restoration or modification of the Leased Property, unless the County has exercised its option to purchase the Trustee's interest in the Lease Property pursuant to the Lease.

If the County determines that the repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interest of the County, then, in lieu of making such replacement, repair, restoration, modification or improvement and if permitted by law, the County will promptly purchase the Trustee's interest in the Leased Property pursuant to the Lease. The Net Proceeds will be applied by the County to the purchase of the Leased Property. Any balance of the Net Proceeds remaining after purchasing the Leased Property will belong to the County.

If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement of the Leased Property and the County has not elected to purchase the Trustee's interest in the Leased Property pursuant to the Lease, the County will complete such replacement, repair, restoration,



modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and the County will not be entitled to any reimbursement therefor from the Trustee nor will the County be entitled to any diminution of Basic Rent.

### **Additional Parity Obligations**

Additional Certificates may be issued under and be equally and ratably secured by the Declaration on a parity with the Series 2011 Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under the Declaration upon compliance with the conditions provided in the Declaration. See “**SUMMARY OF THE DECLARATION OF TRUST — Additional Certificates**” in *Appendix C* hereto.

Pursuant to the Declaration, Additional Certificates may be issued to provide funds to pay the costs of (a) repairing, replacing or restoring the Leased Property, (b) improving, upgrading or modifying the Leased Property, (c) additional improvements to the Project or the acquisition of additional real property to be included in the Leased Property or the acquisition, purchase construction or equipping of additions to or expansions or remodeling or modification of the Leased Property, and (d) refunding any or all of the Series 2011 Certificates.

### **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

*The purchase of the Series 2011 Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2011 Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2011 Certificates are described below.*

### **Limited Obligations**

Each Series 2011 Certificate evidences the undivided, proportionate interest of the Owner thereof in the right to receive Basic Rent to be paid by the County under the Lease. The Series 2011 Certificates are payable solely from Basic Rent and other money and investments held by the Trustee under the Declaration. The Basic Rent Payments constitute currently budgeted expenditures of the County, payable only if the County Commission appropriates sufficient money to extend the term of the Lease for each successive fiscal year. The Trustee, as lessor under the Lease, will lease the Leased Property back to the County for an initial term ending December 31, 2011, with nine (9) successive one-year renewal options commencing January 1, 2012, and a final renewal term commencing January 1, 2021 and ending November 1, 2021 (“**Renewal Terms**”). Each Renewal Term is subject to annual appropriation by the County Commission.

**The County’s obligations under the Lease do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Series 2011 Certificates are payable from annual appropriations. The County is not obligated to pay Basic Rent under the Lease in any Fiscal Year for which the County has not appropriated such payments.** Although payment of the principal of and interest on the Series 2011 Certificates may be made, subject to annual appropriation, from any funds of the County legally available for such purpose, the County intends to annually budget and appropriate a portion of such payments from the revenues of its Law Enforcement Sales Tax and other legally available funds of the County. **SUCH REVENUES, HOWEVER, ARE NOT PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2011 CERTIFICATES AND THERE CAN BE NO ASSURANCE THAT THE COUNTY WILL APPROPRIATE FUNDS FOR PAYMENT OF THE SERIES 2011 CERTIFICATES.** Neither the revenues of the Law Enforcement Sales Tax nor any other funds or revenues of the County are, or can be, pledged to the payment of the Series 2011 Certificates. The Lease does not require or limit the County to use Law Enforcement Sales Tax revenues to pay Basic Rent. **Neither the Basic Rent Payments nor any**

**other payments under the Lease nor any payments on the Series 2011 Certificates constitute a general obligation or other indebtedness of the County or a mandatory payment obligation of the County.**

The County Commission has declared its current intention and expectation that the Lease will be renewed annually until the County exercises its option to acquire the Trustee's interest in the Leased Property. However, such a declaration may not be construed as contractually obligating or otherwise binding the County. Accordingly, the likelihood that the County will renew the Lease for all Renewal Terms and continue to pay the Basic Rent thereunder to enable the Trustee to timely pay the Principal Portions and Interest Portions of Basic Rent represented by the Series 2011 Certificates is dependent upon certain factors which are beyond the control of the Owners, including (1) the County's continuing need for the Leased Property, (2) the demographic conditions within the County, (3) the County's ability to generate sufficient property taxes, sales taxes and charges and revenues from other sources to pay its obligations under the Lease and all other obligations and (4) the value of the Leased Property if the Trustee's interest therein is relet or sold in a foreclosure or other liquidation proceeding instituted by the Trustee upon the termination of the Lease as a result of an Event of Default or Event of Nonappropriation.

### **Recency of Audited Financial Statements**

Missouri law does not require the County to have annual audited financial statements prepared nor has the County sought annual audits of its financial statements in recent history. As permitted by Missouri law for counties that have not elected a county auditor, the County relies on Section 29.230 of the Revised Statutes of Missouri, as amended, which requires that an audit be conducted at least once during the term for which any county officer is chosen (which is every two years for the County). The County's most recent audited financial statements, which are for the fiscal years ended December 31, 2007 and December 31, 2008 (and the County's unaudited financial statements for the fiscal years ended December 31, 2009 and December 31, 2010), are attached hereto as *Appendix B*.

Pursuant to Section 50.800 of the Revised Statutes of Missouri, as amended, on or before the first Monday in March of each year, the County Commission of the County must prepare and publish in a newspaper of general circulation within the County, a detailed financial statement of the County for the prior year ending December 31. The information contained in these published financial statements will be made available as part of the County's continuing disclosure responsibilities. See **"SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT - Provisions of Annual Reports"** in *Appendix C* hereto.

### **Expiration or Termination of the Lease**

The Lease will expire by its terms on December 31 during each year until December 31, 2020, with a final Renewal Term commencing January 1, 2021 and ending November 1, 2021, unless the County in its sole discretion exercises the option provided in the Lease to extend its term for each next succeeding Renewal Term. If in any year the County does not extend the term of the Lease, the County's obligation to make payments will terminate at the end of the then current Renewal Term. Upon (1) the expiration of any Renewal Term during which an Event of Nonappropriation occurs (which is not waived by the Trustee as provided in the Lease) or (2) a default under the Lease and an election by the Trustee to terminate the County's possessory interest under the Lease, the County's right of possession and use of the Leased Property under the Lease will expire or be terminated, as appropriate. See **"SUMMARY OF THE LEASE — Events of Default"** and **"— Remedies on Default"** in *Appendix C* hereto.

If the County's right of possession and use of the Leased Property under the Lease expires or is terminated for either of the reasons described in the preceding paragraph, (1) the County's obligation to make payments thereunder will continue through the Renewal Term then in effect, but not thereafter; (2) the Principal Portion of Basic Rent that have been appropriated but are then unpaid by the County for the County's then current fiscal year may be declared immediately due and payable; and (3) the Series 2011 Certificates will be payable from, among other sources, such money as may be available by way of recovery from the County

of the Basic Rent Payments that are due through the Renewal Term then in effect. If the Lease expires at the end of a Renewal Term without any extension for the next succeeding Renewal Term or if an event occurs as described above pursuant to which the Trustee terminates the County's right of possession of the Leased Property under the Lease, the Trustee may recover possession of the Leased Property and assign the Base Lease and its rights thereunder or sublease the Leased Property pursuant to its rights under the Base Lease. The net proceeds of any assignment of the Base Lease or sublease of the Trustee's interest in the Leased Property, together with certain other money then held by the Trustee under the Declaration, are required to be used to pay the Series 2011 Certificates to the extent of such money.

**Due to the nature of the Leased Property, no assurance can be given that the Trustee could assign the Base Lease and its rights thereunder or sublease the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the Principal Portions and Interest Portions of Basic Rent then due with respect to the Series 2011 Certificates. Furthermore, no assurance can be given that the amount, if any, realized upon any assignment or sublease of the Trustee's interest in the Leased Property will be available to provide for the payment of the Series 2011 Certificates on a timely basis.**

#### **Delays in Exercising Remedies**

A termination of the Lease will give the Trustee the right to possession and use of the Leased Property, and the right to assign the Base Lease and its rights thereunder or to sublease the Leased Property, all in accordance with the provisions of the Base Lease, the Lease and the Declaration. However, the enforceability of the Lease and the Declaration is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by State or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of Principal Portions and Interest Portions of Basic Rent represented by the Series 2011 Certificates.

#### **No Reserve Fund**

The County has not established a reserve fund to secure the payment of the Principal Portions and Interest Portions of the Basic Rent represented by the Series 2011 Certificates. There is no assurance that the County will have funds available for the timely payment of the Principal Portions and Interest Portions of the Basic Rent.

#### **Destruction of the Leased Property**

The Lease requires the Leased Property to be insured as described in **"SUMMARY OF THE LEASE - Insurance"** in *Appendix C* hereto. If the Leased Property is damaged or destroyed, the County is nevertheless required to continue to make Basic Rent Payments under the Lease, subject to the exercise of its option to extend the term of the Lease for each next succeeding Renewal Term and to apply Net Proceeds from insurance and certain other sources to repair, restore, modify, improve or replace the affected portion of the Leased Property. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement and the County has not elected to purchase the Trustee's interest in the Leased Property, the County will complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the County will elect to extend the term of the Lease for the next

Renewal Term succeeding such damage or destruction. See **“SUMMARY OF THE LEASE - Damage, Destruction and Condemnation”** in *Appendix C* hereto.

### **Special Use Facility; Limited Term**

Although the Trustee has the right under the Declaration and the Lease to take possession and relet the Leased Property for the remaining term of the Base Lease upon the occurrence of an Event of Default or an Event of Nonappropriation, no assurance can be made that the Leased Property as a whole could generate sufficient revenues to pay the Principal Portion and Interest Portion of Basic Rent represented by the Series 2011 Certificates upon the exercise of such remedy by the Trustee. The Base Lease extends only to November 1, 2041. There can be no assurance, upon the occurrence of an Event of Default or an Event of Nonappropriation, that the then remaining term of the Base Lease would permit the Trustee to relet the Leased Property for sufficient revenues to pay the Principal Portion and Interest Portion of Basic Rent represented by the Series 2011 Certificates upon the exercise of such remedy by the Trustee.

### **Amendment of the Declaration, Lease and Base Lease**

Certain amendments to the Declaration, the Lease and the Base Lease may be made with consent of the Owners of not less than a majority in principal amount of the Series 2011 Certificates (including any Additional Certificates which may be hereafter delivered) then Outstanding affected by such amendments. Such amendments may adversely affect the security of the Owners of the Series 2011 Certificates.

### **Taxability**

The Series 2011 Certificates are not subject to prepayment nor are the interest rates on the Series 2011 Certificates subject to adjustment in the event of a determination by the Internal Revenue Service (the **“Service”**) or a court of competent jurisdiction that the Interest Portion of Basic Rent paid or to be paid on any Series 2011 Certificate is or was includible in the gross income of the Certificate Owner for federal income tax purposes. *Under such circumstances, Owners of Series 2011 Certificates would continue to hold their Series 2011 Certificates, receiving the Principal Portion and Interest Portion of Basic Rent as and when due, but would be required to include the Interest Portion of Basic Rent in gross income for federal and Missouri income tax purposes.* See **“TAX MATTERS”** herein.

### **Effect on Tax-Exemption of Termination of the Lease**

Special Tax Counsel is not rendering an opinion with respect to the tax-exempt status of the Interest Portion of Basic Rent distributable to the Owners of the Series 2011 Certificates subsequent to the termination of the Lease for any reason (including an Event of Default or an Event of Nonappropriation under the Lease). If the Lease is terminated while the Series 2011 Certificates are Outstanding, there is no assurance that payments made to Series 2011 Certificate Owners after such termination with respect to interest will be excluded from gross income of the Owners thereof for federal or Missouri income tax purposes. See **“TAX MATTERS”** herein.

### **Risk of Audit**

The Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2011 Certificates. Owners of the Series 2011 Certificates are advised that, if an audit of the Series 2011 Certificates were commenced, in accordance with its current published procedures, the Service is likely to treat the County as the taxpayer, and the Owners of the Series 2011 Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2011 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

### **No Rating; No Credit Enhancement**

The Series 2011 Certificates have not received any credit rating by any recognized rating agency. No bond insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the principal of or interest on the Series 2011 Certificates. The absence of any such rating or credit enhancement could adversely affect the ability of holders to sell the Series 2011 Certificates or the price at which the Series 2011 Certificates can be sold. No assurance can be given that a secondary market for the Series 2011 Certificates will develop following the completion of the offering of the Series 2011 Certificates.

### **Secondary Markets and Prices**

The Series 2011 Certificates are not readily liquid, and no person should invest in the Series 2011 Certificates with funds such person may need to convert readily into cash. Owners of the Series 2011 Certificates should be prepared to hold their Series 2011 Certificates to the stated maturity date. The Underwriter will not be obligated to repurchase any of the Series 2011 Certificates, and no representation is made concerning the existence of any secondary market for the Series 2011 Certificates. No assurance can be given that any secondary market will develop following the completion of the offering of the Series 2011 Certificates as no assurance can be given that the initial offering price for the Series 2011 Certificates will continue for any period of time.

### **Other Factors**

One or more of the following factors or events could adversely affect the County's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration.* Pursuant to the County's most recent audit for the fiscal years ended December 31, 2007 and December 31, 2008, the County's auditor noted several deficiencies in the management of the County. See the County's most recent audited financial statements for the fiscal years ended December 31, 2007 and December 31, 2008 attached hereto as **Appendix B**. New administrative personnel for the County has and/or intends to implement new procedures to address the issues raised in the audit. Future changes in key management personnel could affect the capability of the management of the County.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the County, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the County's financial condition.
3. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the County's financial performance.
4. *Environmental Hazards.* The County has covenanted in the Lease to comply with all applicable environmental laws. No environmental studies have been performed with respect to the Leased Property. The County is not aware of any environmental condition of the Leased Property that requires any present remedial action. The discovery of such a condition may adversely affect the County's willingness to renew the Lease after the expiration of the Initial Term or any Renewal Term.

## **THE COUNTY**

The County is a political subdivision of the State of Missouri, organized as a county of the third class. The County encompasses approximately 744 square miles and is located along Interstate 44 in Missouri's Meramec Region in the south-central portion of Missouri, approximately 64 miles southwest of St. Louis. The 2010 population of the County is 24,696. For more information on the County, see *Appendix A* hereto.

## **THE TRUSTEE**

Commerce Bank, a state banking corporation organized and existing under the laws of the State of Missouri, will be the Trustee under the Declaration and lessor under the Lease. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Declaration or the Lease by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2011 Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Declaration, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Declaration or the Lease is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either express or implied in the Series 2011 Certificates, the Declaration or the Lease, all such liability, if any, being expressly waived by the Owners of the Series 2011 Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Series 2011 Certificates. Insofar as the County is concerned, the Trustee and the Owner of any Series 2011 Certificate and any person claiming by, through or under the Trustee or the Owner of any Series 2011 Certificate may look solely to the Trust Estate described in the Declaration for payment of the interests evidenced by the Series 2011 Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Declaration, the Trustee will have a first lien with right of payment prior to payment on account of any principal or interest with respect to the Series 2011 Certificates for such compensation, expenses, disbursements and indemnification.

## **NO RATING**

The Series 2011 Certificates are not being rated by Standard & Poor's or Moody's Investors Service, Inc. or any other similar rating service.

## **FINANCIAL STATEMENTS**

Missouri law does not require the County to have annual audited financial statements prepared nor has the County sought annual audits of its financial statements in recent history. As permitted by Missouri law for counties that have not elected a county auditor, the County relies on Section 29.230 of the Revised Statutes of Missouri, as amended, which requires that an audit be conducted at least once during the term for which any county officer is chosen (which is every two years for the County). The County's most recent audited financial statements, which are for the fiscal years ended December 31, 2007 and December 31, 2008 (and the County's unaudited financial statements for the fiscal years ended December 31, 2009 and December 31, 2010), are attached hereto as *Appendix B*.

Pursuant to Section 50.800 of the Revised Statutes of Missouri, as amended, on or before the first Monday in March of each year, the County Commission of the County must prepare and publish in a newspaper of general circulation within the County, a detailed financial statement of the County for the prior year ending December 31. The information contained in these published financial statements will be made available as part of the County's continuing disclosure responsibilities. See **"SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT - Provisions of Annual Reports"** in *Appendix C* hereto.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Upon delivery of the Series 2011 Certificates, the Escrow Verifier will deliver to the County and the Underwriter a report indicating that such firm has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Underwriter and the County and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the adequacy of the money deposited in the Escrow Fund to redeem and pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same become due and payable (as described under the caption **"PLAN OF FINANCING – The Refunding"**), and (b) the mathematical computations supporting the conclusion that the Series 2011 Certificates are not "arbitrage bonds" under Section 148 of the Code. Such verification of the accuracy of the computations will be based upon information supplied by the Underwriter and on interpretations of the Code, provided by Special Tax Counsel.

### **APPROVAL OF LEGALITY**

Legal matters incident to the authorization, delivery and sale of the Series 2011 Certificates are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel. Gilmore & Bell, P.C., will also pass upon certain matters relating to this Official Statement. Certain legal matters will be passed upon for the County by William Camm Seay, Esq., Steelville, Missouri.

The various legal opinions to be delivered concurrently with the delivery of the Series 2011 Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **TAX MATTERS**

The following is a summary of the material Federal and State of Missouri income tax consequences of holding and disposing of the Series 2011 Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of Federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the Federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2011 Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2011 Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding Federal, state, local and other tax considerations of holding and disposing of the Series 2011 Certificates.

## Opinion of Special Tax Counsel

In the opinion of Gilmore & Bell, P.C., Special Tax Counsel, under existing law as of the delivery date of the Series 2011 Certificates:

***Federal and Missouri Tax Exemption.*** The Interest Portion of Basic Rent paid by the County and distributed to the Owners of the Series 2011 Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

***Alternative Minimum Tax.*** The Interest Portion of Basic Rent received with respect to the Series 2011 Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

***Bank Qualification.*** The County's obligation to pay Basic Rent under the Lease is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

Special Tax Counsel's opinions are provided as of the date of the initial delivery of the Series 2011 Certificates, subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2011 Certificates in order that the Interest Portion of Basic Rent be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion of Basic Rent represented by the Series 2011 Certificates in gross income for federal and Missouri income tax purposes retroactive to the date of initial delivery of the Series 2011 Certificates. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2011 Certificates but has reviewed the discussion under the heading "TAX MATTERS."

## Other Tax Consequences

***Original Issue Discount.*** For Federal income tax purposes, the original issue discount ("OID") is the excess of the stated prepayment price at maturity of a Series 2011 Certificate over its issue price. The issue price of a Series 2011 Certificate is the first price at which a substantial amount of the Series 2011 Certificates of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2011 Certificate during any accrual period generally equals (1) the issue price of that Series 2011 Certificate, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2011 Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2011 Certificate during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in that Series 2011 Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

***Original Issue Premium.*** If a Series 2011 Certificate is issued at a price that exceeds the stated redemption price at maturity of the Series 2011 Certificate, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Series 2011 Certificate. Under Section 171 of the Code, the purchaser of that Series 2011 Certificate must amortize the premium over the term of the Series 2011 Certificate using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2011 Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an



increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2011 Certificate prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of certificate premium.

***Sale, Exchange or Retirement of Series 2011 Certificates.*** Upon the sale, exchange or retirement (including prepayment) of a Series 2011 Certificate, an owner of the Series 2011 Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2011 Certificate (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2011 Certificate. To the extent a Series 2011 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2011 Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

***Reporting Requirements.*** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2011 Certificates, and to the proceeds paid on the sale of the Series 2011 Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

***Collateral Federal Income Tax Consequences.*** Prospective purchasers of the Series 2011 Certificates should be aware that ownership of the Series 2011 Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2011 Certificates. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2011 Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2011 Certificates, including the possible application of state, local, foreign and other tax laws.

## **LITIGATION**

There is not now pending or, to the County's knowledge, threatened any litigation (a) seeking to restrain or enjoin the issuance and delivery of the Series 2011 Certificates, (b) challenging the proceedings or authority under which the Series 2011 Certificates are to be issued, (c) materially affecting the security for the Series 2011 Certificates, (d) challenging or threatening the County's powers to enter into or carry out the transactions contemplated by the Declaration, the Lease, the Base Lease and this Official Statement, or (e) which would otherwise materially adversely affect the County's financial condition or its ability to repay the Series 2011 Certificates.

## **UNDERWRITING**

Piper Jaffray & Co. (the "**Underwriter**") has agreed, subject to certain conditions, to purchase the Series 2011 Certificates at a price of \$3,286,064.45 (which equals the principal amount of the Series 2011 Certificates, plus a net original issue premium of \$14,114.45 and less an underwriter's discount of \$33,050.00). The Series 2011 Certificates may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such initial offering price may be changed from time to time. The

Underwriter is purchasing the Series 2011 Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Series 2011 Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, determines.

The Underwriter has entered into an agreement (the "**Distribution Agreement**") with Advisors Asset Management, Inc. ("**AAM**") for the distribution of certain municipal securities offerings allocated to the Underwriter at the original offering prices. Under the Distribution Agreement, if applicable to the Series 2011 Certificates, the Underwriter will share with AAM a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

### **CERTAIN RELATIONSHIPS**

Gilmore & Bell, P.C., Special Tax Counsel, has represented the Underwriter and Trustee in transactions unrelated to the delivery of the Series 2011 Certificates, but is not representing the Underwriter or the Trustee in connection with the delivery of the Series 2011 Certificates.

### **MISCELLANEOUS**

References herein to the Declaration, the Base Lease, the Lease and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the County and the Underwriter and the purchaser or Owners of any Series 2011 Certificates.

The form of this Official Statement and its distribution and use by the Underwriter have been approved by the County.

### **CRAWFORD COUNTY, MISSOURI**

By: /s/ Leo Sanders  
Presiding Commissioner

## **APPENDIX A**

### **GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY**

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## GENERAL AND ECONOMIC INFORMATION OF THE COUNTY

### Location and Size

Crawford County, Missouri (the “County”), encompasses approximately 744 square miles and is located along Interstate 44 in Missouri’s Meramec Region in the south-central portion of Missouri, approximately 64 miles southwest of St. Louis. The 2010 population of the County is 24,696.

### Government and Organization of the County

The County is a political subdivision of the State of Missouri, organized as a county of the third class. The County is governed by a County Commission consisting of three commissioners. The current Presiding Commissioner and members of the County Commission are as follows:

<u>Name</u>	<u>Title</u>
Leo Sanders	Presiding Commissioner
Richard Martin	Commissioner, First District
John Hewkin	Commissioner, Second District

The Clerk of the County Commission is presently Mardy L. Leathers.

### Employee Relations

The County has 91 full-time and 12 part-time employees, including uniformed personnel. The County’s employees are not represented by a union or other bargaining agent, nor is such representation expected. The County has never experienced any work slowdown.

### Pension Plans

The County participates in the County Employees’ Retirement Fund (“CERF”), which was established by the State of Missouri to provide pension benefits for County officials and employees. CERF is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose actual performance of duties equals not less than 1,000 hours per calendar year (unless there has been a 30 day or greater break in service before 1,000 hours is reached). It does not include county prosecuting attorneys, circuit and deputy circuit clerks and county sheriffs covered under other Missouri programs.

Pursuant to Missouri statute, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. A contribution of 6% gross compensation is required for all participants hired on or after February 2002. A contribution of 4% of compensation is required of employees hired before February 2002. The source of funding of these contributions is determined by each county. During 2009 and 2010, the County collected and remitted to CERF employee contributions of approximately \$116,673.14 and \$117,479.87, respectively, for the years then ended, equal to the required contribution.

### 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, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of a risk pool is to provide liability protection to participating public entities, their officials and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay

losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool. There have been no significant reductions in coverage from the prior year and settlements have not exceed coverage in the past three years.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

### **Transportation and Communication Facilities**

Interstate 44 runs through the County. Lambert International Airport in St. Louis, Missouri is located approximately 77 miles northeast of the County with major airline service. The County has rail service provided by Burlington Northern and Santa Fe Railroads. The Cities of Sullivan and Cuba own and operate small public airports. Telecommunications services are provided by AT&T, Steelville Telephone Exchange, Inc. and Fidelity Telephone Company. Residents of the County are able to receive broadcast signals from Sullivan, Rolla and St. Louis, Missouri radio and television stations. The *Steelville Star-Crawford Mirror* and the *Cuba Free Press* are weekly newspapers published in the County.

### **Educational Institutions and Facilities**

Public elementary and secondary education is primarily provided by the following four school Districts: Crawford County R-1, Crawford County R-II, Sullivan County C-2 and Steelville R-III School Districts. All four school districts are currently assigned "accredited" status by the Missouri Department of Elementary and Secondary Education, the highest accreditation status given to Missouri school districts. Private school options are also available to residents of the County.

Residents of the County can continue their education at the East Central College, which has a campus located within the City of Sullivan. Residents have easy access to numerous colleges and universities in the St. Louis, Missouri Metropolitan Area as well as the various institutions located in and around Columbia, Missouri and Jefferson City, Missouri.

### **Medical and Health Facilities**

The Missouri Baptist Hospital, a 46-bed acute care hospital, is located in the City of Sullivan, Missouri in the County. It serves the residents of the County, and of the counties of Franklin and Washington. The hospital is a member of the BJC Health Care System and provides a wide variety of services. Residents also have easy access to numerous hospitals and health care facilities in the St. Louis, Missouri Metropolitan Area as well as the various hospitals and health care facilities located in and around the cities of Columbia and Jefferson City, Missouri.

### **Tourism and Entertainment**

The major cities within the County include the Cities of Steelville (the County seat), Cuba, Leasburg, Bourbon and Sullivan, Missouri. Each of these cities are located along Historic Route 66, the first designated scenic route in the state.

Three spring-fed-rivers, the Meramec, Huzzah and Courtois, provide floating, rafting, and camping recreation for thousands of County tourists each year. Fishing enthusiasts flock to streams filled with small and large mouthed bass, trophy trout and rock bass. Tourists can also visit Onondaga Cave State Park, a registered national natural landmark, with its geologic wonders such as the King's Canopy, the Twins, and other unusual

speleothems. The County is also home to the “World’s Largest Rocking Chair,” officially designated by the Guinness organization in 2009. The County offers restaurants, lodging, shopping, museums and many resorts that provide camping, cabins and RV hookups.

## Employment

The County has a diverse economic base. Listed below are the major employers located in the County and the approximate number of employees employed by each:

<u>No.</u>	<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full and Part-Time Employees</u>
1.	Paramount Apparel International	Clothing promotional products company	552
2.	Missouri Baptist Hospital of Sullivan	Health care	400
3.	Crawford County R-II School District	Public education	142
4.	Ozark Mountain Tech Inc.	Electroplating, plating, polishing	125
5.	McGinnis Wood Products	Wood Products	120
6.	Meramec Electric Products	Manufacturing transformers	115
7.	Crawford County	County Government	103
8.	Wal-Mart	Discount retail	85
9.	Gibbs Care Center	Nursing facility	83
10.	Mar Bal	Manufacturing electric components	76

Source: Missouri Department of Economic Development and Telephone Surveys.

The following table sets forth the total labor force, number of employed and unemployed workers in the County and, for comparative purposes, the unemployment rates for the County, the State of Missouri and the United States for 2006 through 2010:

<u>Average For Year</u>	<u>Labor Force</u>			<u>Unemployment Rate %</u>		
	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Crawford County</u>	<u>State of Missouri</u>	<u>United States</u>
2006	12,100	11,406	694	5.7%	4.8%	4.6%
2007	12,241	11,388	853	7.0	5.1	4.6
2008	12,187	11,212	975	8.0	6.1	5.8
2009	12,227	10,883	1,344	11.0	9.3	9.3
2010	11,775	10,452	1,323	11.2	9.6	9.6

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Housing

The median value of owner-occupied housing units in the County and the State of Missouri is as follows:

Crawford County	\$ 66,100
State of Missouri	89,900
United States	119,600

Source: U.S. Census Bureau, 2000 Census.

## General Demographic Statistics

**Population.** The population patterns for the County and the State of Missouri have been as follows:

	<u>Crawford County</u>		<u>State of Missouri</u>	
	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
2005	23,610	N/A	5,806,639	N/A
2006	23,742	+0.56	5,861,572	+0.95%
2007	23,981	+1.01	5,909,824	+0.82
2008	23,877	-0.43	5,956,335	+0.79
2009	23,915	+0.16	5,987,580	+0.52
2010	24,696	+3.26	5,988,927	+0.02

Source: U.S. Census Bureau.

The following table shows population distribution by age categories for the County and the State of Missouri:

<u>Age</u>	<u>Crawford County</u>	<u>State of Missouri</u>
Under 5	1,485	369,898
5-19 years	5,088	1,224,274
20-24 years	1,220	369,498
25-44 years	6,143	1,626,302
45-64 years	5,266	1,249,860
65 and over	<u>3,602</u>	<u>755,379</u>
Total	<u>22,804</u>	<u>5,595,211</u>
Median Age	37.9	36.1

Source: U.S. Census Bureau, 2000 Census.

**Income.** The following table presents median family income statistics for the County, the State of Missouri and the United States:

	<u>Median Family Income 1999 (dollars)</u>
Crawford County	\$36,558
State of Missouri	46,044
United States	50,046

Source: U.S. Census Bureau, 2000 Census.



The following table presents per capita personal income<sup>(1)</sup> for the County and the State of Missouri for the years 2005 through 2009, the latest years for which such information is available:

<u>Year</u>	<u>Crawford County Per Capita Income</u>	<u>State of Missouri Per Capita Income</u>
2005	\$26,686	\$32,162
2006	27,545	33,903
2007	28,245	35,387
2008	29,031	36,884
2009	28,347	36,181

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

(1) "Per Capita Personal Income" is the annual total personal income of residents divided by the resident population as of July 1. "Personal Income" is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. "Net Earnings" is earnings by place of work - the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income - less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

## FINANCIAL INFORMATION CONCERNING THE COUNTY

### Accounting, Budgeting and Auditing Procedures

The County follows a regulatory basis accounting. Under this system, accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

The Treasurer of the County is responsible for handling all moneys of the County and administering the County's funds. All moneys received by the County from whatever source are credited to the appropriate fund. Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they are levied, collected or received and only upon warrants drawn by order of the County Commission.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the County Clerk and is presented to the County Commission prior to January 1 for approval after a public hearing. The County's fiscal year is January 1 through December 31. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from County property taxes.

As permitted by Missouri law for counties that have not elected a county auditor, the County relies on Section 29.230 of the Revised Statutes of Missouri, as amended, which requires an audit be conducted at least once during the term for which any county officer is chosen (which is every two years for the County). The County's most recent audited financial statements for the fiscal years ended December 31, 2007 and December 31, 2008 and unaudited financial statements for the fiscal years ended December 31, 2009 and December 31, 2010, are attached hereto as **Appendix B**. Pursuant to Section 50.800 of the Revised Statutes of Missouri, as amended, on or before the first Monday in March of each year, the County Commission of the County must prepare and publish in a newspaper of general circulation within the County, a detailed financial statement of the County for the prior year ending December 31. The information contained in these published financial statements will be made available as part of the County's continuing disclosure responsibilities. See **"SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT - Provisions of Annual Reports"** in **Appendix C** hereto.

The following table was compiled from the audited financial statements for the fiscal years ended December 31, 2007 and December 31, 2008 and unaudited financial statements for the fiscal years ended December 31, 2009 and 2010 and shows general fund revenues, disbursements and fund balances for the following fiscal years:

### THE GENERAL FUND

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>(unaudited)</u>	<u>2010</u> <u>(unaudited)</u>
<b>REVENUES</b>				
Property Tax	\$ 168,987	\$ 274,729	\$ 315,672	\$ 314,252
Sales Tax	955,278	943,673	924,200	932,411
Intergovernmental Revenue	765,570	706,823	658,029	675,212
Charges for Services	481,015	503,520	486,244	550,556
Interest Income	11,220	23,717	18,116	5,732
Other	88,975	135,955	127,025	122,835
Transfers In	<u>67,899</u>	<u>64,841</u>	<u>85,453</u>	<u>231,862<sup>(3)</sup></u>
Total Revenues Received	<u>\$2,538,944</u>	<u>\$2,653,258</u>	<u>\$2,614,739</u>	<u>\$2,832,860</u>
<b>DISBURSEMENTS</b>				
County Commission	\$ 100,334	\$ 99,912	\$ 105,310	\$ 104,100
County Clerk	105,149	93,797	93,331	91,789
Elections	79,037	179,422	87,315	133,536
Buildings and Grounds	95,505	101,682	109,362	84,588
Employee Benefits <sup>(1)</sup>	15,691	6,578	48,414	52,215
County Treasurer	50,047	49,146	47,893	47,953
Collector	133,669	135,843	132,068	135,377
Recorder of Deeds	89,117	92,946	92,800	91,427
Circuit Clerk	19,822	22,124	21,656	32,334
Associate Circuit Court	15,424	12,964	6,940	0
Court Administration	18,475	15,293	17,927	16,959
Public Administrator	44,776	45,184	48,834	48,586
Sheriff	534,855	582,041	615,438	598,774
Administration	235,208	248,128	217,395	195,908
Child Support	134,004	128,418	134,607	195,908
Prosecuting Attorney	278,501	293,210	287,668	278,611
Juvenile Officer	68,487	69,366	74,243	75,984
County Coroner	33,371	32,570	43,263	48,928
Health & Welfare	426,469	421,725	382,026	356,773
Crime Victim Advocate	24,309	25,656	23,776	22,776
Emergency Funds	0	0	0	0
Transfer <sup>(2)</sup>	<u>83,454</u>	<u>0</u>	<u>255,000</u>	<u>164,000</u>
Total Expenditures	<u>\$2,585,704</u>	<u>\$2,656,005</u>	<u>\$2,845,266</u>	<u>\$2,698,478</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (46,760)	(2,747)	(230,527)	\$ 134,382
CASH -- BEGINNING OF YEAR	<u>\$ 327,635</u>	<u>\$ 280,875</u>	<u>\$278,127</u>	<u>\$ 47,600</u>
CASH -- END OF YEAR	<u>\$ 280,875</u>	<u>\$ 278,128</u>	<u>\$ 47,600</u>	<u>\$ 181,982</u>

Source: Audited financial statements for the fiscal years ended December 31, 2007 and December 31, 2008 and unaudited financial statements for the fiscal years ended December 31, 2009 and December 31, 2010.

(1) Employee Benefits includes reimbursable insurance premiums on retired employees and unemployment costs.

(2) Transfer to Jail Fund.

(3) The Administrative Fee for the Road and Bridge increased \$80,000 from previous years. The Commission transferred \$63,953.50 from Criminal Cost Fund to General Revenue. This was a one time transfer due to a change in elected officials.

## Sources of Revenue

The County derives its revenue from a variety of sources. The following table shows the estimated allocation of the County's General Fund revenue by source for the fiscal year ended 2010:

<u>Source</u>	<u>% of Total General Fund Revenue</u>
Property taxes	11.09%
Sales taxes	32.92
Intergovernmental	23.84
Charges for services	19.43
Interest	0.20
Other	4.34
Transfers in	<u>8.18</u>
Total Revenues	<u>100.00%</u>

Source: Unaudited financial statements of the County for fiscal year ended December 31, 2010.

## Property Valuations

**Assessment Procedure.** All taxable real and personal property within the County is assessed annually by the County Assessor, except for certain railroad and utility real and personal property, which is assessed by state authorities. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property .....	19%
Agricultural and horticultural real property .....	12%
Utility, industrial, commercial, railroad and all other real property .....	32%

On January 1 of each odd-numbered year, the County Assessor must adjust the assessed valuation of all real property located within the County in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in a non-manufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

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**Current Assessed Valuation.** The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the County according to the assessment as of January 1, 2010, as finally equalized:

<u>Category</u>	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Total Valuation</u>
Real estate: <sup>(1)</sup>			
Residential	\$144,865,100	19%	\$ 762,447,895
Commercial	70,810,719	32%	221,283,497
Agricultural	6,608,570	12%	55,071,417
Sub-Total	<u>\$222,284,389</u>		<u>\$1,038,802,808</u>
Personal property <sup>(2)</sup>	<u>\$ 68,429,637</u>	33.33%	<u>\$ 205,288,911</u>
<b>TOTAL</b>	<u><b>\$290,714,026</b></u>		<u><b>\$1,244,091,719</b></u>

Source: County Clerk's Office.

<sup>(1)</sup> Includes state and locally assessed railroad and utility property, which is assessed at 32%.

<sup>(2)</sup> Assumes all personal property is assessed at 33-1/3%; because certain subclasses of tangible personal property are assessed at less than 33-1/3%, the estimated actual valuation for personal property would likely be greater than that shown above.

**History of Property Valuation.** The total assessed valuation of all taxable tangible property situated in the County, including state-assessed railroad and utility property, according to the assessments of January 1 in each of the following years, as finally equalized, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percentage Increase (Decrease)</u>
2006	\$241,205,844	N/A
2007	256,535,091	+6.36%
2008	259,527,981	+1.17
2009	283,587,674	+9.27
2010	290,714,026	+2.51

Source: County Assessor's Office.

### **Property Tax Levies and Collection**

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

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

The following table sets forth tax collection information for property taxes deposited in the County's General Fund for the last four fiscal years<sup>(1)</sup>:

<u>Tax Year</u>	<u>Total Taxes Levied</u>	<u>Taxes Collected<sup>(2)</sup></u>		<u>Delinquent Taxes for Applicable Tax Year Remaining Outstanding</u>	
		<u>Amount</u>	<u>Percentage Collected</u>	<u>Amount Outstanding</u>	<u>Percentage Outstanding</u>
2008	\$279,047.60	\$218,557.87	78.3%	\$74,963.60	26.9%
2009	264,198.00	257,178.70	97.3	54,037.00	20.5
2010	284,683.10	254,206.39	89.3	47,627.10	16.7

Source: County Collector's Office.

<sup>(1)</sup> Excludes surtax, private railroad car tax and railroad and utility property taxes.

<sup>(2)</sup> Includes current and delinquent taxes collected.

### Major Property Taxpayers

The following table sets forth the ten highest valued properties in the County based upon their 2010 assessed valuations. These properties represent 1.6% of the County's 2010 assessed valuation.

<u>Top Ten Taxpayers</u>		<u>Product/Service</u>	<u>2010 Assessed Value</u>	<u>Percent of Total Assessed Value</u>
1.	Paramount Apparel	Clothing, Accessories	\$ 963,440	0.33%
2.	Beirman and Turntine	Warehouse, Rentals	905,880	0.31
3.	Crawford Electric Co-Op	Electric Co-Op	905,590	0.31
4.	Wallis Companies	Fuel Distribution, C-Stores	424,540	0.15
5.	Robert Bass	Resort	404,180	0.14
6.	Rega, LLC	Excavation & Equipment	356,590	0.12
7.	Sunshine Realty	Real Estate, Property Mgt.	244,520	0.08
8.	Show-Me Power	Utility Provider	193,600	0.07
9.	Little, Franklyn & Little	ATV Dealer	175,170	0.06
10.	Crump Investments Inc.	Investment company	<u>167,010</u>	<u>0.06</u>
			<u>\$4,573,510</u>	<u>1.63%</u>

### Sales Tax Collection

**Law Enforcement Sales Tax.** On April 3, 2001, the voters of the County approved the imposition of a county-wide law enforcement sales tax (the "**Law Enforcement Sales Tax**") at the rate of one-half percent (1/2%) for a period of twenty (20) years from the date the tax is first imposed for the purpose of constructing, equipping, staffing and maintaining a new jail and, thereafter at the rate of one-fourth of one percent (1/4%) for the purpose of maintaining, staffing and operating such jail. The County's Law Enforcement Sales Tax will be reduced to the rate of one-fourth of one percent on January 1, 2022.

Although payment of the principal of and interest on the Series 2011 Certificates may be made, subject to annual appropriation, from any funds of the County legally available for such purpose, the County intends to annually budget and appropriate a portion of such payments from the revenues of its Law Enforcement Sales Tax and other legally available funds of the County. **SUCH REVENUES, HOWEVER, ARE NOT PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2011 CERTIFICATES AND THERE CAN BE NO ASSURANCE THAT THE COUNTY WILL APPROPRIATE FUNDS FOR PAYMENT OF THE**

**SERIES 2011 CERTIFICATES.** Neither the revenues of the Law Enforcement Sales Tax nor any other funds or revenues of the County are, or can be, pledged to the payment of the Series 2011 Certificates. The Lease does not require or limit the County to use Law Enforcement Sales Tax revenues to pay Basic Rent.

The following table shows the amount of revenues received by the County from the Law Enforcement Sales Tax:

<u>Year</u>	<u>Law Enforcement Sales Tax<sup>(1)</sup></u>
2007	\$865,567.68
2008	852,702.54
2009	828,532.66
2010	836,764.69

<sup>(1)</sup> Collections based on rate of one-half of one percent. The County's Law Enforcement Sales Tax will be reduced to the rate of one-fourth of one percent on January 1, 2022.

**General Sales Tax.** The following table shows the amount of revenues received by the County from a one-half percent (1/2%) general sales tax for the past four fiscal years:

<u>Year</u>	<u>General Sales Tax</u>
2007	\$955,277.76
2008	943,672.92
2009	924,200.41
2010	932,410.68

**County Capital Improvement Sales Tax.** On June 4, 1985, the voters of the County approved the imposition of a one-half percent (1/2%) capital improvement sales tax. The tax must be reauthorized every five years, most recently in 2009. A portion of the revenue (85%) derived from the sales tax is dedicated to roads and bridges within the County, the remaining 15% is authorized to be used for courthouse and jail improvements and meeting ADA requirements. The following table shows the amount of revenues received by the County from the County's capital improvement sales tax for the past four fiscal years:

<u>Year</u>	<u>Capital Improvement Sales Tax</u>
2007	\$865,713.97
2008	846,694.53
2009	828,640.04
2010	836,860.69

## **DEBT STRUCTURE OF THE COUNTY**

### **General Obligation Indebtedness**

The County currently has no outstanding general obligation indebtedness.

## Debt Limitation

Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri limit the net outstanding amount of authorized general obligation bonds for a county to 10% of the assessed valuation of the county. The legal debt margin of the County based upon the 2010 assessed valuation is \$29,071,420.

## Overlapping General Obligation Indebtedness

The following table sets forth the overlapping and underlying indebtedness of political subdivisions with boundaries overlapping the County and the percent attributable (on the basis of assessed valuation) to the County as of April 1, 2011. The County is not responsible for such overlapping debt. The table was compiled from information furnished by the Missouri State Auditor's Office and jurisdictions responsible for the debt, and the County has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Issuing Body</u>	<u>Outstanding Bonds</u>	<u>Applicable to the County</u>	
		<u>Percent</u>	<u>Amount</u>
Crawford County R-I School District	\$ 8,089,942	86.6%	\$ 7,005,890
Crawford County R-II School District	9,535,000	99.8	9,515,930
Steelville R-III School District	5,375,000	100.0	5,375,000
City of Sullivan, Missouri	260,000	28.0	72,800
Sullivan C-2 School District	17,840,000	15.5	<u>2,765,200</u>
TOTAL			<u>\$24,734,820</u>

Source: Municipal Securities Market Access – Electronic Municipal Market Access, Taxing jurisdiction files, Missouri State Auditor's Office and telephone surveys.

## Debt Ratios and Related Information

Estimated Population (2010):	24,696
Assessed Valuation (2010):	\$290,714,026
Estimated Actual Value (2010):	\$1,244,091,719
Outstanding Direct Debt:	\$0
Overlapping General Obligation Debt:	\$24,734,820
Total Direct and Overlapping General Obligation Debt:	\$24,734,820
Per Capita Direct Debt:	\$0.00
Per Capita Direct and Overlapping General Obligation Debt:	\$1,001.57
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	8.51%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value:	1.99%

## Lease Transactions

The County does not have any outstanding capital lease transactions.

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**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED DECEMBER 31, 2007 AND  
DECEMBER 31, 2008 AND UNAUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS  
ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2010**

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**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Crawford County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Crawford County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

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

Susan Montee, JD, CPA  
State Auditor

July 2010  
Report No. 2010-73

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ANNUAL FINANCIAL REPORT

**CRAWFORD COUNTY, MISSOURI**

For the Years Ended  
December 31, 2008 and 2007

# CRAWFORD COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

CRAWFORD COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Ed Worley

Associate Commissioner – John Hewkin

Associate Commissioner – Richard Martin

*Other Elected Officials*

Assessor – Kerry Summers Sr.

Circuit Clerk, Recorder – Rhonda Jurgens

Collector – Linda Branson

Coroner – Paul Hutson

County Clerk – Connie Smith

Prosecuting Attorney – Sid Pearson

Public Administrator – Franky Todd

Sheriff – Randy Martin

Treasurer – Jessica Easler

Recorder – Sandy Cook



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CERTIFIED PUBLIC ACCOUNTANTS

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## McBRIDE, LOCK & ASSOCIATES

### INDEPENDENT AUDITORS' REPORT

To the County Commission and  
Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic 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 audits.

Except as explained in the fifth paragraph below, we conducted our audits 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 misstatement. 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 more fully in Note 1, Crawford County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices 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 Crawford County, Missouri, as of December 31, 2008 and 2007, or the changes in its financial position for the years then ended.

As described more fully in Note 8, the County has not maintained adequate accounting records for the year ended December 31, 2006, and we were unable to form an opinion regarding the amounts at which cash is recorded in the accompanying financial statements as of January 1, 2007.

In our opinion, except for the effects on the 2007 financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to substantiate the recorded cash balances as of January 1, 2007, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of the funds of Crawford County, Missouri, as of December 31, 2008 and 2007, and the receipts, disbursements and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 7, 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, and grants 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 read in conjunction with this report in considering the results of our audit.

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

*(Original signed by Auditor)*

McBride, Lock & Associates  
May 7, 2010

## **FINANCIAL SECTION**

CRAWFORD COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2007 AND 2008

Fund	Cash January 1, 2007 (Note 8)	Receipts 2007	Disbursements 2007	Cash December 31, 2007	Receipts 2008	Disbursements 2008	Cash December 31, 2008
General Revenue	\$ 327,635	\$ 2,538,944	\$ 2,585,704	\$ 280,875	\$ 2,653,258	\$ 2,656,005	\$ 278,128
Special Road and Bridge	637,030	2,245,568	2,156,229	726,369	2,294,700	2,268,477	752,592
Assessment	95,323	266,881	294,126	68,078	263,374	246,798	84,654
Children's Trust	1,269	1,621	2,890	-	1,183	1,183	-
Tax Maintenance	32,104	52,847	35,216	49,735	42,905	40,220	52,420
Records Preservation	21,536	14,962	11,030	25,468	13,244	10,692	28,020
Law Enforcement Training	9,113	7,126	6,255	9,984	8,199	6,525	11,658
Prosecuting Attorney Bad Check	8,435	20,409	19,819	9,025	15,472	15,550	8,947
Prosecuting Attorney Training	1,104	1,117	1,811	410	1,309	942	777
Prosecuting Attorney Tax Collection	1,980	853	1,748	1,085	18,202	2,259	17,028
Courthouse and Jail Capital Improvement	251,154	141,587	123,342	269,399	146,635	217,942	198,092
Law Enforcement Equipment	65,734	63,030	47,751	81,013	141,636	118,147	104,502
American Disability Act	58,501	2,432	4,285	56,648	4,081	3,391	57,338
Inmate Security	10,436	4,454	-	14,890	6,228	2,625	18,493
Sheriff Special	42,607	53,159	45,021	50,745	72,782	83,216	40,311
Family Access	1,134	-	-	1,134	85	-	1,219
Election Services	16,733	434	11,255	5,912	1,496	2,307	5,101
Recorder's Technology	10,302	7,594	7,725	10,171	6,813	10,496	6,488
County Jail Project	115,853	1,734,042	1,801,954	47,941	2,030,883	1,963,342	115,482
Sheriff's Revolving	12,415	7,881	10,000	10,296	18,875	6,241	22,930
Law Enforcement Restitution	47,844	50,327	35,302	62,869	60,458	60,672	62,655
Scenic Railway	50,000	51,842	28,833	73,009	3,162	45,277	30,894
Global Imaging System	-	136,598	125,802	10,796	22,768	30,160	3,404
E911 Communications	357,063	431,478	438,436	350,105	434,139	427,181	357,063
Senior Citizen Services	21,229	113,083	101,731	32,581	116,135	101,603	47,113
Criminal Cost	49,831	184,514	106,062	128,283	186,440	273,731	40,992
Total	<u>\$ 2,246,365</u>	<u>\$ 8,132,783</u>	<u>\$ 8,002,327</u>	<u>\$ 2,376,821</u>	<u>\$ 8,564,462</u>	<u>\$ 8,594,982</u>	<u>\$ 2,346,301</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL FUND			
	Year Ended December 31,			
	2007		2008	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Property taxes	\$ 280,000	\$ 168,987	\$ 253,000	\$ 274,729
Sales taxes	980,000	955,278	950,000	943,673
Intergovernmental	646,101	765,570	760,519	706,823
Charges for services	524,000	481,015	531,291	503,520
Interest	14,000	11,220	10,000	23,717
Other	334,300	105,126	133,060	150,795
Transfers in	60,891	51,748	50,500	50,001
Total Receipts	<u>\$ 2,839,292</u>	<u>\$ 2,538,944</u>	<u>\$ 2,688,370</u>	<u>\$ 2,653,258</u>
<b>DISBURSEMENTS</b>				
County Commission	\$ 104,952	\$ 100,334	\$ 98,652	\$ 99,912
County Clerk	100,090	105,149	108,363	93,797
Elections	78,138	79,037	153,792	179,422
Buildings and grounds	90,447	95,505	100,773	101,682
Employee fringe benefits	17,558	15,691	14,500	6,578
Treasurer	48,822	50,047	49,425	49,146
Collector	123,256	133,669	114,965	135,843
Recorder of Deeds	89,203	89,117	100,827	92,946
Circuit Clerk	20,064	19,822	20,433	22,124
Associate Circuit Court	16,409	15,424	16,363	12,964
Court administration	15,047	10,638	12,550	7,224
Public Administrator	44,774	44,776	49,689	45,184
Sheriff	517,008	534,855	591,635	582,041
Jail	240,000	83,454	-	-
Prosecuting Attorney	275,038	278,501	287,181	293,210
Juvenile Officer	67,982	68,487	68,988	69,366
Coroner	37,753	33,371	38,802	32,570
Other general revenue	368,015	377,049	381,828	384,615
Health and welfare	396,793	426,469	437,275	421,725
Debt Services	23,008	24,309	23,891	25,656
Emergency fund	-	-	79,751	-
Total Disbursements	<u>\$ 2,674,357</u>	<u>\$ 2,585,704</u>	<u>\$ 2,749,683</u>	<u>\$ 2,656,005</u>
<b>RECEIPTS OVER (UNDER)</b>				
DISBURSEMENTS	\$ 164,935	\$ (46,760)	\$ (61,313)	\$ (2,747)
CASH, JANUARY 1	<u>327,635</u>	<u>327,635</u>	<u>280,875</u>	<u>280,875</u>
CASH, DECEMBER 31	<u>\$ 492,570</u>	<u>\$ 280,875</u>	<u>\$ 219,562</u>	<u>\$ 278,128</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -  
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND			ASSESSMENT FUND		
	Year Ended December 31,			Year Ended December 31,		
	2007		2008	2007		2008
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ 490,000	\$ 510,854	\$ 516,000	\$ 521,936	\$ -	\$ -
Sales taxes	775,000	730,437	736,000	719,688	-	-
Intergovernmental	837,000	822,301	806,000	720,986	265,000	253,000
Charges for services	1,200	345	400	1,325	2,300	2,500
Interest	56,000	36,660	32,000	58,547	5,000	5,000
Other	9,040	144,971	10,450	272,218	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 2,168,240	\$ 2,245,568	\$ 2,100,850	\$ 2,294,700	\$ 272,300	\$ 266,881
					\$ 260,500	\$ 263,374
<b>DISBURSEMENTS</b>						
Salaries	\$ 675,500	\$ 628,595	\$ 645,191	\$ 656,731	\$ 172,189	\$ 172,321
Employee fringe benefits	136,500	122,950	144,000	135,388	-	-
Materials and Supplies	480,000	515,621	510,000	576,384	22,407	21,025
Services and Other	867,300	839,063	560,700	598,697	41,103	100,780
Capital Outlay	280,000	-	356,000	221,441	-	-
Construction	55,000	-	55,000	9,836	-	-
Transfers out	50,000	50,000	50,000	70,000	-	-
Total Disbursements	\$ 2,544,300	\$ 2,156,229	\$ 2,320,891	\$ 2,268,477	\$ 235,699	\$ 294,126
<b>RECEIPTS OVER (UNDER)</b>					\$ 246,398	\$ 246,798
<b>DISBURSEMENTS</b>						
	\$ (376,060)	\$ 89,339	\$ (220,041)	\$ 26,223	\$ 36,601	\$ (27,245)
<b>CASH, JANUARY 1</b>	637,030	637,030	726,369	726,369	69,375	95,323
<b>CASH, DECEMBER 31</b>	\$ 260,970	\$ 726,369	\$ 506,328	\$ 752,592	\$ 105,976	\$ 68,078
					\$ 82,180	\$ 84,654

The accompanying Notes to the Financial Statements are an integral part of these statements.

## CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHILDREN'S TRUST FUND		TAX MAINTENANCE FUND			
	Year Ended December 31,		Year Ended December 31,			
	2008		2007			
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 36,500	\$ 43,791
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,300	1,621	1,500	1,170	-	-
Charges for services	-	-	-	-	-	-
Interest	40	-	-	13	700	1,206
Other	-	-	-	-	-	7,850
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 1,340	\$ 1,621	\$ 1,500	\$ 1,183	\$ 37,200	\$ 52,847
					\$ 47,200	\$ 42,905
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-
Services and Other	1,000	2,890	1,500	1,183	40,300	1,144
Capital Outlay	-	-	-	-	-	34,072
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 1,000	\$ 2,890	\$ 1,500	\$ 1,183	\$ 40,300	\$ 35,216
RECEIPTS OVER (UNDER)	\$ 340	\$ (1,269)	\$ -	\$ -	\$ (3,100)	\$ 17,631
DISBURSEMENTS						
CASH, JANUARY 1	1,269	1,269	-	-	32,104	32,104
CASH, DECEMBER 31	\$ 1,609	\$ -	\$ -	\$ -	\$ 29,004	\$ 49,735
					\$ 72,935	\$ 52,420

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDS PRESERVATION FUND			LAW ENFORCEMENT TRAINING FUND		
	Year Ended December 31,			Year Ended December 31,		
	2007		2008	2007		2008
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	11,000	13,904	12,000	11,281	-	-
Charges for services	-	-	-	-	-	-
Interest	500	1,058	-	1,963	300	288
Other	-	-	-	-	391	805
Transfers in	-	-	-	-	6,000	7,106
Total Receipts	\$ 11,500	\$ 14,962	\$ 12,000	\$ 13,244	\$ 6,300	\$ 8,199
DISBURSEMENTS						
Salaries	\$ -	\$ 2,376	\$ 3,000	\$ 825	\$ -	\$ -
Employee fringe benefits	-	181	230	63	-	-
Materials and Supplies	250	-	-	-	-	-
Services and Other	5,000	8,473	15,000	9,804	6,000	6,525
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 5,250	\$ 11,030	\$ 18,230	\$ 10,692	\$ 6,000	\$ 6,525
RECEIPTS OVER (UNDER)	\$ 6,250	\$ 3,932	\$ (6,230)	\$ 2,552	\$ 871	\$ 1,674
DISBURSEMENTS	-	-	-	-	-	-
CASH, JANUARY 1	-	21,536	25,468	25,468	9,984	9,984
CASH, DECEMBER 31	\$ 6,250	\$ 25,468	\$ 19,238	\$ 28,020	\$ 10,284	\$ 11,658

The accompanying Notes to the Financial Statements are an integral part of these statements.



## CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	16,300	20,136	21,000	14,778	1,350	1,111	1,500	1,266
Interest	50	263	150	694	-	6	6	43
Other	-	10	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 16,350	\$ 20,409	\$ 21,150	\$ 15,472	\$ 1,350	\$ 1,117	\$ 1,506	\$ 1,309
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	16,000	19,819	22,305	15,550	1,900	1,811	1,900	942
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 16,000	\$ 19,819	\$ 22,305	\$ 15,550	\$ 1,900	\$ 1,811	\$ 1,900	\$ 942
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ 350	\$ 590	\$ (1,155)	\$ (78)	\$ (550)	\$ (694)	\$ (394)	\$ 367
CASH, JANUARY 1	8,435	8,435	9,025	9,025	1,104	1,104	410	410
CASH, DECEMBER 31	\$ 8,785	\$ 9,025	\$ 7,870	\$ 8,947	\$ 554	\$ 410	\$ 16	\$ 777

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				COURTHOUSE & JAIL CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	135,000	129,857	130,000	127,004
Intergovernmental	-	-	-	-	20,000	-	-	-
Charges for services	1,200	809	1,000	17,380	-	-	-	-
Interest	20	44	50	822	12,000	11,730	5,000	16,631
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	3,000
Total Receipts	\$ 1,220	\$ 853	\$ 1,050	\$ 18,202	\$ 167,000	\$ 141,587	\$ 135,000	\$ 146,635
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	30,000	53,924	195,000	133,886
Services and Other	-	-	-	-	218,000	69,418	80,700	84,056
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,000	1,748	2,000	2,259	-	-	-	-
Total Disbursements	\$ 2,000	\$ 1,748	\$ 2,000	\$ 2,259	\$ 248,000	\$ 123,342	\$ 275,700	\$ 217,942
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (780)	\$ (895)	\$ (950)	\$ 15,943	\$ (81,000)	\$ 18,245	\$ (140,700)	\$ (71,307)
CASH, JANUARY 1	1,980	1,980	1,085	1,085	251,154	251,154	269,399	269,399
CASH, DECEMBER 31	\$ 1,200	\$ 1,085	\$ 135	\$ 17,028	\$ 170,154	\$ 269,399	\$ 128,699	\$ 198,092

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	LAW ENFORCEMENT EQUIPMENT FUND			AMERICAN DISABILITY ACT FUND		
	Year Ended December 31,			Year Ended December 31,		
	2007		2008	2007		2008
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	4,910	5,000	-	-	-
Charges for services	-	-	-	-	-	-
Interest	-	2,956	2,000	2,432	2,000	4,081
Other	47,000	55,164	57,500	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 47,000	\$ 63,030	\$ 64,500	\$ 2,432	\$ 2,000	\$ 4,081
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and Supplies	60,000	44,938	65,000	-	-	-
Services and Other	3,000	2,813	-	10,000	4,285	10,000
Capital Outlay	-	-	-	-	-	3,391
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 63,000	\$ 47,751	\$ 65,000	\$ 10,000	\$ 4,285	\$ 10,000
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (16,000)	\$ 15,279	\$ (500)	\$ (7,000)	\$ (1,853)	\$ (8,000)
CASH, JANUARY 1	65,734	65,734	81,013	58,501	58,501	56,648
CASH, DECEMBER 31	\$ 49,734	\$ 81,013	\$ 80,513	\$ 51,501	\$ 56,648	\$ 48,648
						\$ 57,338

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				SHERIFF SPECIAL FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,000	3,934	4,000	4,969	50,000	51,546	50,000	69,767
Charges for services	-	-	-	-	-	-	-	-
Interest	100	520	500	1,259	2,000	1,613	1,000	3,015
Other	-	-	-	-	17,200	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,100	\$ 4,454	\$ 4,500	\$ 6,228	\$ 69,200	\$ 53,159	\$ 51,000	\$ 72,782
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	4,000	2,625	80,000	45,021	52,000	67,874
Capital Outlay	-	-	-	-	1,000	-	23,000	15,342
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 4,000	\$ 2,625	\$ 81,000	\$ 45,021	\$ 75,000	\$ 83,216
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ 4,100	\$ 4,454	\$ 500	\$ 3,603	\$ (11,800)	\$ 8,138	\$ (24,000)	\$ (10,434)
CASH, JANUARY 1	10,436	10,436	14,890	14,890	42,607	42,607	50,745	50,745
CASH, DECEMBER 31	\$ 14,536	\$ 14,890	\$ 15,390	\$ 18,493	\$ 30,807	\$ 50,745	\$ 26,745	\$ 40,311

The accompanying Notes to the Financial Statements are an integral part of these statements.

## CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FAMILY ACCESS FUND			ELECTION SERVICES FUND					
	Year Ended December 31,			Year Ended December 31,					
	2007	2008		2007		2008		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Actual
RECEIPTS									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	1,113
Charges for services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	85	434	500	500	383	-
Other	-	-	-	-	2,000	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ 85	\$ 434	\$ 500	\$ 500	\$ 1,496	-
DISBURSEMENTS									
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee fringe benefits	-	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	11,255	5,000	5,000	2,307	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 11,255	\$ 5,000	\$ 5,000	\$ 2,307	-
RECEIPTS OVER (UNDER)									
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 85	\$ (7,500)	\$ (10,821)	\$ (4,500)	\$ (811)	-
CASH, JANUARY 1	1,134	1,134	1,134	1,134	16,733	16,733	5,912	5,912	-
CASH, DECEMBER 31	\$ 1,134	\$ 1,134	\$ 1,134	\$ 1,219	\$ 9,233	\$ 5,912	\$ 1,412	\$ 5,101	-

The accompanying Notes to the Financial Statements are an integral part of these statements.

## CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY FUND				COUNTY JAIL PROJECT FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	900,000	865,568	850,000	852,703
Intergovernmental	-	-	-	-	-	41,449	278,000	-
Charges for services	12,375	7,048	6,875	6,181	795,000	717,075	800,000	894,813
Interest	-	546	-	632	13,000	3,661	3,500	6,828
Other	-	-	-	-	4,000	227	500	3,017
Transfers in	-	-	-	-	240,000	106,062	-	273,522
Total Receipts	\$ 12,375	\$ 7,594	\$ 6,875	\$ 6,813	\$ 1,952,000	\$ 1,734,042	\$ 1,932,000	\$ 2,030,883
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 693,168	\$ 689,711	\$ 793,800	\$ 828,393
Employee fringe benefits	-	-	-	-	146,882	139,753	151,016	149,773
Materials and Supplies	-	-	-	-	700	4,100	5,800	3,499
Services and Other	2,000	7,725	1,800	10,496	964,158	968,390	940,000	981,677
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,000	\$ 7,725	\$ 1,800	\$ 10,496	\$ 1,804,908	\$ 1,801,954	\$ 1,890,616	\$ 1,963,342
RECEIPTS OVER (UNDER)	\$ 10,375	\$ (131)	\$ 5,075	\$ (3,683)	\$ 147,092	\$ (67,912)	\$ 41,384	\$ 67,541
DISBURSEMENTS								
CASH, JANUARY 1	10,302	10,302	10,171	10,171	115,853	115,853	47,941	47,941
CASH, DECEMBER 31	\$ 20,677	\$ 10,171	\$ 15,246	\$ 6,488	\$ 262,945	\$ 47,941	\$ 89,325	\$ 115,482

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND			LAW ENFORCEMENT RESTITUTION FUND		
	Year Ended December 31,			Year Ended December 31,		
	2007			2008		
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,000	7,490	5,000	17,420	-	-
Interest	300	391	300	1,455	1,000	4,660
Other	-	-	-	-	43,000	55,798
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 3,300	\$ 7,881	\$ 5,300	\$ 18,875	\$ 44,000	\$ 60,458
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-
Services and Other	10,000	10,000	5,000	6,241	24,750	50,672
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 10,000	\$ 10,000	\$ 5,000	\$ 6,241	\$ 24,750	\$ 10,000
<b>RECEIPTS OVER (UNDER)</b>	\$ (6,700)	\$ (2,119)	\$ 300	\$ 12,634	\$ 19,250	\$ (214)
<b>DISBURSEMENTS</b>						
CASH, JANUARY 1	12,415	12,415	10,296	10,296	62,869	62,869
CASH, DECEMBER 31	\$ 5,715	\$ 10,296	\$ 10,596	\$ 22,930	\$ 82,119	\$ 62,655

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SCENIC RAILWAY FUND				GLOBAL IMAGING SYSTEM FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1,842	1,000	3,120	-	317	-	300
Other	-	50,000	50,000	42	142,000	136,281	-	3,001
Transfers in	-	-	-	-	-	-	-	19,467
Total Receipts	\$ -	\$ 51,842	\$ 51,000	\$ 3,162	\$ 142,000	\$ 136,598	\$ -	\$ 22,768
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	28,833	30,000	45,277	142,000	125,802	-	30,160
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 28,833	\$ 30,000	\$ 45,277	\$ 142,000	\$ 125,802	\$ -	\$ 30,160
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ -	\$ 23,009	\$ 21,000	\$ (42,115)	\$ -	\$ 10,796	\$ -	\$ (7,392)
CASH, JANUARY 1	50,000	50,000	73,009	73,009	-	-	10,796	10,796
CASH, DECEMBER 31	\$ 50,000	\$ 73,009	\$ 94,009	\$ 30,894	\$ -	\$ 10,796	\$ 10,796	\$ 3,404

The accompanying Notes to the Financial Statements are an integral part of these statements.



CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	E911 COMMUNICATIONS				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,		2008		Year Ended December 31,		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 112,432	\$ 100,000	\$ 115,393
Sales taxes	415,705	415,705	425,495	425,495	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	11,934	11,934	5,310	5,310	-	651	600	692
Other	3,839	3,839	3,334	3,334	-	-	-	50
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 431,478	\$ 431,478	\$ 434,139	\$ 434,139	\$ 100,000	\$ 113,083	\$ 100,600	\$ 116,135
<b>DISBURSEMENTS</b>								
Salaries	\$ 221,094	\$ 221,094	\$ 216,856	\$ 216,856	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,202	3,202	5,494	5,494	-	-	-	-
Services and Other	228,493	214,140	230,995	204,831	101,731	101,731	109,000	101,603
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 452,789	\$ 438,436	\$ 453,345	\$ 427,181	\$ 101,731	\$ 101,731	\$ 109,000	\$ 101,603
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (21,311)	\$ (6,958)	\$ (19,206)	\$ 6,958	\$ (1,731)	\$ 11,352	\$ (8,400)	\$ 14,532
CASH, JANUARY 1	357,063	357,063	350,105	350,105	21,229	21,229	32,581	32,581
CASH, DECEMBER 31	\$ 335,752	\$ 350,105	\$ 330,899	\$ 357,063	\$ 19,498	\$ 32,581	\$ 24,181	\$ 47,113

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CRIMINAL COST FUND			
	Year Ended December 31,			
	2007		2008	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	125,000	181,231	150,000	179,811
Interest	-	3,283	4,000	6,629
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	\$ 125,000	\$ 184,514	\$ 154,000	\$ 186,440
<b>DISBURSEMENTS</b>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	130,000	106,062	150,000	273,731
Total Disbursements	\$ 130,000	\$ 106,062	\$ 150,000	\$ 273,731
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (5,000)	\$ 78,452	\$ 4,000	\$ (87,291)
CASH, JANUARY 1	49,831	49,831	128,283	128,283
CASH, DECEMBER 31	\$ 44,831	\$ 128,283	\$ 132,283	\$ 40,992

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As discussed further in Note 1, these financial statements are presented 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, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. 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 the primary government of Crawford County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices, and districts that are considered by the Missouri State Auditor's Office to comprise the County's legal entity. The financial statements also include the E-911 Board which is a separate legal entity within the County that is required by the Missouri State Auditor's Office to be included in the County's reporting entity for financial reporting purposes. The Senate Bill 40 Board is audited and separately reported on by other independent auditors and is not presented in the accompanying financial statements. Requests for copies of those financial statements should be directed to the Senate Bill 40 Board.

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are 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 (Agency) Funds - Certain County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature,

and are not reported on the accompanying financial statements.

C. Basis of Accounting

The financial statements are prepared on the cash 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 measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. 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.
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. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget for each fund is required by law, and the budgets adopted by the County are presented in the accompanying financial statements. Budgets were not adopted in 2007 for the Scenic Railway Fund, or in 2008 for the Global Imaging Fund and Family Access Fund.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2008</u>	<u>2007</u>
Assessment	X	X
Children's Trust	NA	X
Tax Maintenance	X	NA
Records Preservation	NA	X
Law Enforcement Training	X	NA
Prosecuting Attorney Bad Check	NA	X
Prosecuting Attorney Tax Collection	X	NA
Law Enforcement Equipment	X	NA
Sheriff's Special	X	NA
Elections Services	NA	X
County Jail Project	X	NA
Recorder's Technology	X	X
Sheriff's Revolving	X	NA
Law Enforcement Restitution	X	X
Scenic Railway	X	X
Global Imaging	X	NA
Criminal Cost	X	NA

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 182,907,120	\$ 179,220,950
Personal Property	58,547,865	58,260,780

During 2008 and 2007 the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
General Revenue Fund	\$ 0.1054	\$ 0.0912
Special Road and Bridge	0.2007	0.1995
Senior Citizens	0.0456	0.0453

#### F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

#### G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

## 2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amounts of the County's deposits were \$2,346,301 and \$2,376,821, respectively, and the bank balances were \$2,733,100 and \$2,759,281, respectively. Of the bank balances, \$536,577 and \$338,746 for December 31, 2008 and December 31, 2007, respectively, were covered by federal depository insurance and \$2,196,523 and \$2,420,535, respectively, were covered by collateral held at the Federal Reserve Bank and the

County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2008 and 2007 the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Senior Citizens and Sheltered Workshop funds. These amounts, totaled to \$7,039,508 and \$5,120,310 at December 31, 2008 and 2007, respectively. The pledged collateral as of December 31, 2008 and 2007 was \$7,565,563 and \$5,262,951 respectively for the County Collector.

### 3. COUNTY EMPLOYEES' RETIREMENT FUND - CERF

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

#### A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

#### B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two, or a reduced benefit annuity at age 55. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

### C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 6% of gross compensation is required for all participants hired on or after February 2002. A contribution of 4% of compensation is required of employees hired before February 2002. The source of funding of these contributions is determined by each county. During 2008 and 2007, the County collected and remitted to CERF employee contributions of approximately \$237,007 and \$269,871, respectively, for the years then ended, equal to the required contributions.

### 4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

### 5. CLAIMS, COMMITMENT AND CONTINGENCIES

#### A. Compensated Absences

The County provides full time employees with up to 60 days of accrued sick/personal time. Personal leave accrues at one half day per complete calendar month of employment up to 60 days. Upon termination, the employee is not compensated for accrued sick/personal time. Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year after the first year, two week per year after two years, three weeks per year after ten years and four weeks per year after fifteen years with a maximum carryover of 5 days to the next calendar year.

#### B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

### 6. 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, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public



entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

## 7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2008:

\$3,375,000 in 2001 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of \$195,000 beginning in 2009 increasing incrementally to \$340,000 at maturity on November 1, 2021. Interest is paid annually at 3.85% beginning in 2009 increasing incrementally to 5.00% until maturity on November 1, 2021.

\$575,000 in 2002 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of \$30,000 beginning in 2009 increasing incrementally to \$55,000 at maturity on November 1, 2012. Interest is paid annually at 5.25% until maturity on November 1, 2022.

## 8. BEGINNING BALANCE ADJUSTMENT

In their report on the County's financial statements for the years ended December 31, 2006 and 2005, the prior auditors reported that internal controls and accounting records were inadequate to allow them to form an opinion on the fairness of those financial statements. Specifically, at December 31, 2006, cash balances were understated on the County's financial statements due to certain cash and checks that were retained by the then County Treasurer and not deposited until 2007. Management identified \$426,504 of such un-deposited receipts, and adjusted cash and revenues to record those receipts in fiscal year 2006. Support as to the completeness of this amount is not available and the County lacks accounting records sufficient to support an assertion that all revenues have been properly recorded and deposited at December 31, 2006.

## 9. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2007, to include certain component units, specifically E911 Communications and Senior Citizens Services, in the basic financial statements. Funds pertaining to the Circuit Court are considered as part of the State Court system are not, per the State Auditor, part of the county operations, and therefore are not presented herein. The effect of this change is to increase the beginning cash balances as reported on the accompanying financial statements at January 1, 2007, for the 911 Communications and the Senior Citizens Service Funds and reduce cash at the same date by the cash balances of all funds associated with Circuit Court functions.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES

### 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

To the County Commission and Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 7, 2010. The report was qualified as to the effects on the 2007 financial statements of the inability to substantiate cash balances at January 1, 2007. We conducted our audits 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 audits, we considered Crawford County, Missouri'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 the Crawford County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Crawford County, Missouri's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Crawford County, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Crawford County, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the Crawford County, Missouri's internal control. We consider the deficiencies described in the schedule of findings and recommendations as items 08-2 through 08-6 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 08-1 to be a material weakness.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford 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 certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* that are identified as items 08-7 through 08-8.

We also noted certain matters that we reported to management of Crawford County, Missouri, in the findings and recommendations section as item 08-10 and 08-11.

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

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

*(Original signed by Auditor)*

McBride, Lock & Associates  
May 7, 2010

## McBRIDE, LOCK & ASSOCIATES

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

To the County Commission and Officeholders of Crawford County, Missouri

#### Compliance

We have audited the compliance of Crawford 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, 2008 and 2007. Crawford County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Crawford County, Missouri's management. Our responsibility is to express an opinion on Crawford 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 Crawford County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provide a reasonable basis for our opinion. Our audit does not provide a legal determination of Crawford County, Missouri's compliance with those requirements.

In our opinion, Crawford County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Item 08-9. (See Section III)

### Internal Control Over Compliance

The management of Crawford 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 Crawford County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crawford County, Missouri's internal control over compliance.

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

A control deficiency in a entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 08-9 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control. We do not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

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

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

*(Original signed by Auditor)*

McBride, Lock & Associates  
May 7, 2010

CRAWFORD COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2007	2008
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state Department of Health and Senior Services			
10.557	Special Supplemental Nutrition Program for Women, Infants and Children	ERS045	\$ 94,636	\$ 97,552
10.559	Summer Food Service Program for Children	N/A	440	140
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state Department of Public Safety			
16.575	Crime Victims Assistance	N/A	27,000	0
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Department of Public Safety			
20.205	Highway Planning and Construction	BRO-028(6)	27,505	0
			0	0
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration			
39.003	Donation of Federal Surplus Personal Property	N/A	2,075	289
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state Department of Health and Senior Services:			
93.268	Immunization Grants	N/A	38,384	39,442
93.283	Center for Disease Control and Prevention - Investigations and Technical Assistance	CCU716971-08	43,260	37,492
93.575	Child Care and Development Block Grant	N/A	3,705	4,985
93.919	Comprehensive Breast and Cervical Cancer Early Detection Program	ERS161	6,921	4,147
93.994	Maternal and Child Health Services Block Grant to the States	AOC08380131	22,570	22,970
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety			
97.036	Disaster Grants - Public Assistance Grants	FEMA 1749 DR	0	254,802
	Disaster Grants - Public Assistance Grants	FEMA 1809 DR	0	196,774
	Total Expenditures of Federal Awards		<u>\$ 266,496</u>	<u>\$ 658,593</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**CRAWFORD COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.

**NOTE C – SUBRECIPIENTS**

The County provided no federal awards to sub-recipients during the years ended December 31, 2008 and 2007.

CRAWFORD COUNTY, MISSOURI  
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2008 AND 2007

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of Auditors' Report Issued: Qualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?   X   Yes      No
- Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes      None Reported
- Noncompliance material to financial statements noted?   X   Yes      No

**Federal Awards:**

Internal Control Over Major Programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes      None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

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

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disaster)
93.919	Comprehensive Breast and Cervical Cancer Early Detection Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk:      Yes   X   No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

See Findings and Recommendations:

- Finding 08-1 – County Treasurer Controls
- Finding 08-2 – Budget Monitoring
- Finding 08-3 – Verification of Collector’s Settlements
- Finding 08-4 – Tax Maintenance Fund Controls
- Finding 08-5 – Emergency 911 Board Accounting Controls
- Finding 08-6 – Supporting Documentation
- Finding 08-7 – Competitive Bidding Procedure
- Finding 08-8 – Some Budgets Not Prepared
- Finding 08-10 – Accounting for Transfers
- Finding 08-11 – Employee Relationships

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Federal Grantor: US Department of Homeland Security

Pass through Grantor: Missouri Department of Public Safety

Federal CFDA Number: 97.036

Program Title: Disaster Grants – Public Assistance Grants

Pass through Entity Identifying Numbers: FEMA 1749DR and FEMA 1809DR

Award Years: 2008

Questioned Costs: None

See Findings and Recommendation Sections, Finding 08-9.

## **SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **SA 06/05-01**

**Condition:** The county failed to maintain adequate supporting documentation for their federal expenditures.

**Current Status:** Corrected.

### **SA 06/05-02**

**Condition:** Documentation and lead schedules were not available to auditors during the 2006 and 2005 audits. Missing documents were material with respect to their dollar amount and the limitation to audit testing. Specifically, auditors were unable to obtain support for the adjustments made to fund balances and the disclosure of the County’s accrued leave liability outstanding at December 31, 2006 and 2005.

**Current Status:** Not implemented – see finding 08-9 in the Schedule of Finding and Questioned Costs.

### **SA 06/05-03**

**Condition:** Missing money was detected during the review of the County Collector’s Office. Questioned Costs - \$333,398.

**Current Status:** Similar conditions not noted in current audit. These funds were collected from the bonding agent in 2006.

## **FINDINGS AND RECOMMENDATIONS**

CRAWFORD COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

**08-1. County Treasurer Controls**

Condition: The current County Treasurer took control of the treasurer's office on January 1, 2007. The controls in place prior to that date by the then Treasurer were inadequate and allowed for the delay in deposits of over \$400,000. These funds were both on-site at the county courthouse and off-site. The postings of deposits to the various funds maintained by the prior County Treasurer were also found to be inconsistent and inaccurate. The semi-annual report for the period through December 31, 2006 which would define the beginning balances, was not complete. Given the issues present at that time, it would not have been an accurate presentation and is not supported by the records of the treasurer at that date. The semi-annual report is required by RSMo. 54.150.

Recommendation: The current Treasurer has alleviated the concerns existing at the beginning of the audit period.

County's Response: As stated above, we have alleviated the concerns existing at the beginning of the audit period.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

**08-2. Budget Monitoring**

Condition: The County Commission did not adequately monitor expenditures in relation to budgeted amounts. As a result, actual disbursements exceeded budgeted amounts for numerous funds. For 2008, expenditures exceeded budgeted amounts for 13 funds. For 2007, expenditures exceeded budgeted amounts for 8 funds. Details of the funds are presented in Note 1.D(10) to the Financial Statements.

It appears that the County Commission and other officials responsible for overseeing the County budget did not fully use budget to actual data that was available or simply allowed responsible County officials to overspend their budgets.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d246(1954) that strict compliance with county budget law is required by county officials. Such compliance helps ensure that county funds are effectively and appropriately managed. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved.

Recommendation: We recommend the County Commission closely monitor expenditures in relation to budgeted amounts and discontinue authorizing disbursements when budgeted amounts are exceeded. If valid reasons necessitate excess disbursements, the original budget should be formally amended.

County's Response: We will monitor the budgetary process more closely and amend budgets when justified if expenditures exceed or are expected to exceed budgeted amounts.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-3. Verification of Collector's Settlements**

Condition: The County Clerk does not maintain an account book with the County Collector and no evidence was available to indicate that procedures were performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Maintenance of such an account book would help the County ensure that taxes charged and credited to the County Collector are complete and accurate and that the County Collector's annual settlement is accurate. Such procedures would create some checks and balances related to the collection of property taxes. Checks and balances are needed to help detect any errors or irregularities in the property tax collection system. Errors and irregularities have been identified and reported in prior audits of the property tax collection system.

In addition, Section 51.150(2), RSMo 2000, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. This would include monies due from the County Collector. Procedures used by the County Clerk are not in compliance with this statute.

Recommendation: We recommend that the County Clerk maintain an account book with the County Collector for use in verifying the annual settlements of the County Collector.

County's Response: The County Clerk is in the process of setting up an account book with the County Collector. We will review the County Collector's annual settlements and verify amounts presented to the County Clerk's account book.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-4. Tax Maintenance Fund Controls**

Condition: Duties related to the Tax Maintenance Fund are not adequately separated. The County Collector performs duties related to preparing and signing checks, accounting, performing bank reconciliations, approving invoices or vouchers for payment and preparing and approving purchase orders. An adequate separation of duties in the disbursement process is essential for an effective system of internal control. Internal controls are essential to prevent and detect errors or irregularities.

Recommendation: We recommend the County Collector establish an effective system of controls over disbursements from the Tax Maintenance Fund. If it is not practicable to provide for an adequate separation of duties, the County Collector should consider transferring the fund to the County Treasurer.

County's Response: Duties were already reassigned in 2008 by Crawford County Collector, Linda Bronson (within the County Collector's office) to improve internal controls over Tax Maintenance Fund disbursements.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-5. Emergency 911 Board Accounting Controls**

Condition: Accounting records and budget documents maintained by the E-911 Board contained several apparent errors and inconsistencies as follows:

1. Sales tax revenue as shown on the Board's financial statements for the year ending December 31, 2009 did not agree with sales tax remitted to the Board per the County Treasurer's records. A check received by the Board from the County Treasurer for \$17,155 was not recorded as revenue by the Board. Board records indicate the check was deposited in May 2007 and properly debited to the cash account. The Board indicated that the receipt was erroneously credited to Retained Earnings rather than revenue. This error resulted in a significant understatement of revenue for the year.
2. Budgeted amounts for revenues, expenditures and cash balances contained numerous errors and inconsistencies as follows:
  - Ending balances each year were not carried forward to the next year's beginning balance. For example, the budget balance at December 31, 2007 per the 2008 budget was \$329,568 but the beginning balance at December 31, 2007 in the 2009 budget was \$350,105. The Board was unable to explain this \$20,537 inconsistency.
  - Amounts shown in the budgets for actual revenue, expenditures and cash balances did not agree with amounts shown in the financial statements. For example, expenditures per the budget for 2008 were \$4,336 which are \$7,185 less than expenditures per financial statements. The Board was unable to explain these differences and was unable to provide documentation to support amounts presented in the budget.

Because amounts presented in the budget were not always supported by accounting records, the causes of the discrepancies and inconsistencies are unclear. However, it appears that some of these inconsistencies may have been partially due to alternating the use of the cash basis and accrual basis of accounting for budget preparation. Also, the erroneous recording of sales tax revenue likely affected the accuracy of budget amounts presented for cash.

3. A loan of \$100,008 negotiated in 2006 was not presented on the Balance Sheet because the loan proceeds were recorded as revenue in the first year of the loan.
4. The bank reconciliations for 2007 and 2008 included an 'un-cleared' item for \$1,926 identified as a journal entry dated January 22, 1999.

Recommendation: We recommend the E-911 Board ensure that amounts presented in the budget are supported by accounting records and that revenues and expenditures be consistently recorded in accordance with generally accepted accounting principles. Also, un-cleared items on bank reconciliations over one year old should be investigated and properly removed as appropriate.

County's Response: We are in the process of implementing a new bookkeeping system which should improve the accuracy of accounting records and revenue and expenditure amounts presented in the budget. We will also review any un-cleared items on bank reconciliations on a more current basis.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-6. Supporting Documentation**

Condition: Adequate supporting documentation was not always obtained and reviewed by the County Commission. For example, supporting documentation for the purchase of a passenger van costing \$25,971 consisted of only an internally generated payment request. No vendor invoice was available. In another instance, flooring renovations costing \$5,200 were likewise supported with only an internally generated document with no vendor invoice. Adequate supporting documentation for expenditures is needed for the Commission to determine the validity and propriety of expenditures prior to approval for payment.

Recommendation: We recommend that the County Commission ensure that adequate supporting documentation is available for review before approving expenditures for payment.

County's Response: We will exercise more care during the disbursements process to ensure that disbursements are supported by proper documentation.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

### **ITEMS OF NONCOMPLIANCE**

#### **08-7. Competitive Bidding Procedures**

Competitive bids were not always solicited for goods and services procured by the County. Our review included 23 purchases which required competitive bids. County Clerk files contained no bid documentation for twelve of these items. One award was made to a vendor without documentation subsequent to the rejection of the initial selection. Examples of items purchased without competitive bids include a Caterpillar motor grader for \$218,006 and a passenger van for \$25,971.

Section 50.660, RSMo, requires the advertisement for bids for any purchase of \$6,000 or more, from any one person, firm, or corporation during any period of 90 days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in county business.



Recommendation: We recommend the County Commission solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained and justification for awards.

County's Response: We plan to develop a written policy regarding bidding procedures and give this to all officeholders. However, we have always tried to obtain bids for all purchases and will continue to do so. We will try to ensure that proper documentation is maintained for all bids.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-8. Some Budgets Not Prepared**

Formal budgets were not prepared for the Scenic Railway Fund in 2007 and the Global Imaging Fund and Family Access Fund in 2008. The County Clerk indicated that requests were made for these budgets from responsible officials but no budget was provided.

Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.

Recommendation: We recommend the County Commission ensure budgets are prepared or obtained for all county funds.

County's Response: We will continue to request budgets from other county officials and include those budgets in the County's budget if received.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

#### **08-9. Schedule of Expenditures of Federal Awards**

Condition: The County does not have adequate procedures in place to track federal awards for preparation of the SEFA. Total expenditures were understated by \$196,774 for 2008 because receipts data was used to report expenditures on the SEFA for the FEMA Disaster Grants. County records showed that all expenditures related to the FEMA disaster grant for Emergency Protective Measures occurred before the end of October 2008. However, FEMA payments were not received until April 2009. Because expenditure records were not used to report this grant on the SEFA, \$196,774 was not reported for 2008 and the County had incorrectly assumed that no Single Audit was required for this audit period.

An accurate SEFA is needed to ensure that federal financial activity is audited and reported in accordance with federal audit requirements. Failure to follow federal audit requirements could result in future reductions of federal awards. A similar finding was also reported in the prior audit.

Recommendation: We recommend the County Commission ensure that the schedule of expenditures of federal awards is prepared accurately and is complete.

County's Response: We will coordinate with other County officials to ensure that the schedule of expenditures of federal awards is accurate and complete.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

### **OTHER MATTERS**

In planning and performing our audit of the financial statements of Crawford County, Missouri (the County) as of and for the years ended December 31, 2008 and 2007, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding these matters are summarized below. We previously reported on the County's internal control in our report dated May 7, 2010. (A separate report, contained herein, dated May 7, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 7, 2010.

#### **08-10. Accounting For Transfers**

Condition: Transfers-in and transfers-out amounts as presented in the budgets were significantly out of balance. Transfers-out exceeded transfers-in by \$186,580 and \$488,017 for 2007 and 2008 respectively. Transfers were out of balance because some transfers-in were recorded as revenue and some transfers-out were recorded as expenditures or some expenditures were recorded as transfers-out. Incorrectly coding transfer-related transactions can significantly misstate financial results in the budget. Transfers-in should equal transfers-out.

Recommendation: We recommend the County Commission ensure that transactions related to transfers are properly recorded by comparing total transfers-in to total transfers-out and making corrections whenever these accounts are out of balance.

County Response: Transfer transactions will be reviewed to ensure that such transactions are properly recorded.

Auditor's Evaluation: The stated corrective is responsive to the recommendation.

**08-11. Employee Relationships**

Condition: The daughter of one officeholder is also that officeholder's Deputy. This close relationship can create a conflict of interest situation. Because the Deputy was in her position prior to the election of the officeholder, the County determined that she could retain her Deputy position. Nevertheless, opportunities should be pursued to transfer the Deputy to a position where a potential conflict of interest would be less likely.

Recommendation: We recommend the County Commission seek opportunities to transfer the Deputy to another position within the County.

County's Response: We will watch for opportunities to transfer this person to another equivalent position in the County. However, we believe any such transfer must be voluntary.

Auditor's Evaluation: The stated corrective is responsive to the recommendation.

CRAWFORD COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Crawford County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2006 and 2005.

FS 06/05-01 – Documentation and lead schedules were not available to auditors during the scope of the 2006, 2005 audits.

Status: *No similar conditions were noted during the current audit.*

FS 06/05-02 – The County exceeded their budgets in the following funds and expenditures:

	2006	2005
General Revenue Fund	\$ 14,863.68	N/A
County Jail Project Fund	9,563.39	72,463.76
Law Enforcement Training Fund	1,809.92	5,676.15
Children's Trust Fund	N/A	1,000.00
Treasurer's Investment (Fines) Fund	234,594.94	315,876.65
Prosecuting Attorney Training Fund	N/A	819.07
Prosecuting Attorney Tax Fund	N/A	2,097.09
National Forest Fund Fund	N/A	15,430.67
Law Enforcement Equipment Fund	38,400.66	7,444.32
Records Preservation Fund	5,549.57	18,207.62
Recorder's Fund for Technology	9,612.10	N/A
Surplus Land Fund	9,087.61	1,614.00

Status: *Condition Not Corrected – See Finding and Recommendation 08-2.*

FS 06/05-03 – Auditors of the county assisted with the preparation of the financial statements and notes to financial statements. Under (SAS) No. 112, conditions necessitating the entity's auditor to provide assistance are at least indicative of a significant deficiency.

Status: *Condition Not Corrected – No current finding cited.*

FS 06/05-04 – Documentation of the County's internal controls has not been prepared. The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: *Condition Not Specifically Corrected – Statutory controls are considered adequate.*

FS 06/05-05 – No formal fraud risk assessments was in place. Such controls are part of the overall system of internal control.

Status: *Condition Not Corrected – No current finding cited.*

FS 06/05-06 – Lack of sufficient segregation of duties.

Status: *A similar condition was noted during the current audit. See Findings and Recommendation number 08-4.*

FS 06/05-07 – Adequate supporting documentation was not maintained for Federal Expenditures by grant.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-6.*

FS 06/05-08 – During 2005, the County collector's bank accounts were under collateralized by \$122,738.

Status: *Resolved.*

FS 06/05-09 – Excess property taxes were collected during 2006 and 2005. This did not completely represent the state required reduction in property taxes billed due to sales taxes collected.

Status: *A finding similar to this was included in the State Auditor's report for at least their last two audits. The County has not followed the State Auditor's recommendations on this issue. Amounts were not material and this area was otherwise outside of current scope. For these reasons, this area was not reviewed during out audit.*

FS 06/05-10 – Adequate supporting documentation was not maintained for competitive bidding procedures.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-7.*

FS 06/05-11 – The County does not maintain an account book or other records summarizing property tax transactions and changes, and no procedures are performed by the County Commission to review or verify the County Collector's monthly or annual settlements.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-3.*

FS 06/05-12 – Vacation balances have accumulated in excess of maximum amounts allowed by the County's personnel policy for some county employees.

Status: *Outside scope of current audit.*

FS 06/05-13 – An excessive number of old outstanding checks were noted in the bank reconciliation.

Status: *No similar conditions were noted during the current audit.*

FS 06/05-14 – Adequate capital asset records were not maintained.

Status: *Outside scope of current audit.*

FS 06/05-15 – Missing money was detected during the review of the County Collectors office – questioned costs of \$333,398.

Status: *No similar conditions were noted during the current audit. The State Auditor noted this finding in their 2003/2004 report and also issued a report on a special audit performed of the Collector's office in July 2005. The prior audit has repeated the finding. These funds have been collected from the bonding agent in 2006.*

# CRAWFORD COUNTY, MISSOURI

## STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL FUNDS YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010	
General Revenue	\$ 278,127.18	\$ 2,614,739.39	\$ 2,845,266.61	\$ 47,599.96	\$ 2,832,860.33	\$ 2,698,478.57	\$ 181,981.72	
Road & Bridge #1	}			\$ 101,254.54	\$ 709,094.52	\$ 715,191.08	\$ 95,157.98	
Road & Bridge #1 CI				\$ 502,289.88	\$ 506,725.67	\$ 582,820.44	\$ 426,195.11	
Road & Bridge #2		\$ 752,592.33	\$ 2,465,390.31	\$ 2,241,818.53	\$ 61,734.75	\$ 547,369.01	\$ 495,278.14	\$ 113,825.62
Road & Bridge #2 CI					\$ 310,884.93	\$ 274,229.30	\$ 509,290.36	\$ 75,823.87
Assessment	\$ 84,653.33	\$ 277,135.47	\$ 247,431.88	\$ 114,356.92	\$ 280,937.95	\$ 226,640.78	\$ 168,654.09	
Children's Trust	\$ -	\$ 1,414.81	\$ 1,414.81	\$ -	\$ 1,213.69	\$ 600.66	\$ 613.03	
Tax Maintenance	\$ -	\$ -	\$ -	\$ 56,091.96	\$ 42,736.67	\$ 58,101.97	\$ 40,726.66	
Records Preservation	\$ 28,019.85	\$ 11,036.85	\$ -	\$ 39,056.70	\$ 10,303.93	\$ 21,483.34	\$ 27,877.29	
Law Enforcement Training	\$ 11,658.12	\$ 8,366.65	\$ 8,220.35	\$ 11,804.42	\$ 10,722.72	\$ 8,215.02	\$ 14,312.12	
Prosecuting Attorney Bad Check	\$ 8,947.43	\$ 13,838.30	\$ 16,673.98	\$ 6,111.75	\$ 11,288.81	\$ 17,054.50	\$ 346.06	
Prosecuting Attorney Training	\$ 777.22	\$ 1,413.35	\$ 1,212.42	\$ 978.15	\$ 2,048.91	\$ 100.00	\$ 2,927.06	
Prosecuting Attorney Tax Collection	\$ 17,027.40	\$ 10,262.87	\$ 2,852.00	\$ 24,438.27	\$ 2,244.74	\$ 7,092.05	\$ 19,590.96	
Courthouse & Jail CI	\$ 198,091.42	\$ 130,459.35	\$ 111,166.50	\$ 217,384.27	\$ 134,717.18	\$ 74,094.85	\$ 278,006.60	
Law Enforcement Equipment	\$ 104,502.57	\$ 65,424.14	\$ 82,696.91	\$ 87,229.80	\$ 69,852.48	\$ 90,088.72	\$ 66,993.56	
American Disability Act	\$ 57,337.97	\$ 1,861.67	\$ 4,368.62	\$ 54,831.02	\$ 1,989.69	\$ 2,554.38	\$ 54,266.33	
Inmate Security	\$ 18,493.31	\$ 6,174.00	\$ 4,276.01	\$ 20,391.30	\$ 7,841.46	\$ 19,846.00	\$ 8,386.76	
Sheriff Special	\$ 40,310.93	\$ 55,380.83	\$ 71,743.96	\$ 23,947.80	\$ 63,538.11	\$ 49,627.49	\$ 37,858.42	
Family Access	\$ 1,219.43	\$ 40.52	\$ -	\$ 1,259.95	\$ 46.58	\$ -	\$ 1,306.53	
Election Services	\$ 5,101.41	\$ 2,473.03	\$ 3,663.99	\$ 3,910.45	\$ 1,741.84	\$ 2,492.55	\$ 3,159.74	
Recorder's Technology	\$ 6,487.46	\$ 6,121.56	\$ 1,334.05	\$ 11,274.97	\$ 5,644.08	\$ 3,726.40	\$ 13,192.65	
County Jail Project	\$ 115,482.88	\$ 1,848,638.49	\$ 1,911,421.98	\$ 52,699.39	\$ 1,986,083.99	\$ 1,856,969.49	\$ 21,342.88	
Sheriff's Revolving	\$ 22,929.41	\$ 18,769.34	\$ 14,530.40	\$ 27,168.35	\$ 15,097.35	\$ 7,253.61	\$ 35,012.09	
Law Enforcement Restitution	\$ 62,655.66	\$ 59,252.30	\$ 44,436.09	\$ 77,471.87	\$ 57,114.93	\$ 55,432.03	\$ 79,154.77	
Scenic Railway	\$ 30,893.25	\$ 898.68	\$ 5,492.40	\$ 26,299.53	\$ 965.41	\$ 728.18	\$ 26,536.76	
Global Imaging System	\$ 3,404.12	\$ 15,824.57	\$ 15,335.61	\$ 3,893.08	\$ 9,172.44	\$ 7,429.85	\$ 5,635.67	
E911 Communications				\$ -	\$ -	\$ -	\$ -	
Senior Citizen Services				\$ -	\$ -	\$ -	\$ -	
Criminal Cost	\$ 40,992.50	\$ 308,544.83	\$ 286,666.94	\$ 62,870.39	\$ 428,935.67	\$ 491,806.06	\$ -	
Total	\$ 1,889,705.18	\$ 7,923,461.31	\$ 7,922,024.04	\$ 1,947,234.40	\$ 8,014,517.46	\$ 8,002,396.52	\$ 1,798,884.33	

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

### GENERAL FUND

Year Ended December 31,

	2009		2010	
RECEIPTS	Budget	Actual	Budget	Actual
Property taxes	\$ 290,000.00	\$ 315,671.66	\$ 329,000.00	\$ 314,252.54
Sales taxes	\$ 930,000.00	\$ 924,200.41	\$ 910,000.00	\$ 932,410.69
Intergovernmental	\$ 665,406.82	\$ 658,029.28	\$ 756,890.00	\$ 675,212.22
Charges for services	\$ 502,000.00	\$ 486,243.83	\$ 492,600.00	\$ 550,555.51
Interest	\$ 15,000.00	\$ 18,115.79	\$ 19,000.00	\$ 5,732.03
Other	\$ 95,300.00	\$ 127,025.19	\$ 171,786.00	\$ 122,835.31
Transfers in	\$ 60,000.00	\$ 85,453.23	\$ 175,000.00	\$ 231,862.03
Total Receipts	\$ 2,557,706.82	\$ 2,614,739.39	\$ 2,854,276.00	\$ 2,832,860.33
DISBURSEMENTS				
County Commission	\$ 106,985.00	\$ 105,310.11	\$ 105,915.00	\$ 104,099.96
County Clerk	\$ 106,965.00	\$ 93,330.99	\$ 92,539.00	\$ 91,789.29
Elections	\$ 82,080.00	\$ 87,314.92	\$ 158,570.00	\$ 133,535.49
Buildings & Grounds	\$ 98,647.00	\$ 109,361.82	\$ 101,051.00	\$ 84,588.16
Employee fringe benefits	\$ 10,500.00	\$ 48,413.54	\$ 42,000.00	\$ -
Treasurer	\$ 49,257.00	\$ 47,892.93	\$ 48,802.00	\$ 47,953.44
Collector	\$ 131,263.00	\$ 132,067.77	\$ 129,156.00	\$ 135,376.83
Recorder of Deeds	\$ 93,329.00	\$ 92,800.25	\$ 93,782.00	\$ 91,427.37
Circuit Clerk	\$ 20,483.00	\$ 21,656.17	\$ 31,542.48	\$ 32,334.10
Associate Circuit Clerk	\$ 13,015.00	\$ 6,940.02	\$ -	\$ (135.62)
Court Administration	\$ 11,850.00	\$ 9,770.30	\$ 11,550.00	\$ 9,367.33
Public Administrator	\$ 49,378.00	\$ 48,834.31	\$ 49,481.20	\$ 48,586.05
Sheriff	\$ 642,522.00	\$ 615,437.53	\$ 592,272.00	\$ 598,773.80
Administration Transfer	\$ -	\$ 206,586.46	\$ -	\$ 164,000.00
Prosecuting Attorney	\$ 290,521.00	\$ 287,667.71	\$ 285,066.00	\$ 278,611.22
Juvenile Officer	\$ 73,959.00	\$ 74,243.34	\$ 75,732.00	\$ 75,984.41
Coroner	\$ 34,154.00	\$ 43,263.53	\$ 38,249.00	\$ 48,928.07
Other GR (includes Admin in 2010)	\$ 394,257.00	\$ 408,572.87	\$ 314,861.72	\$ 373,710.40
Health and welfare	\$ 426,653.00	\$ 382,026.04	\$ 383,808.00	\$ 356,772.55
Debt services	\$ 23,910.00	\$ 23,776.00	\$ 22,786.00	\$ 22,775.72
Emergency fund	\$ 76,731.00	\$ -	\$ 85,628.00	\$ -
Total Disbursements	\$ 2,736,459.00	\$ 2,845,266.61	\$ 2,662,791.40	\$ 2,698,478.57
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (178,752.18)	\$ (230,527.22)	\$ 191,484.60	\$ 134,381.76
CASH, JANUARY 1	\$ 278,127.18	\$ 278,127.18	\$ 47,599.96	\$ 47,599.96
CASH, DECEMBER 31	\$ 99,375.00	\$ 47,599.96	\$ 239,084.56	\$ 181,981.72



# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	ROAD & BRIDGE #1				ROAD & BRIDGE #2			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
RECEIPTS								
Property taxes		Actual		Actual		Budget		Actual
Sales taxes	\$ 251,600.00	\$ 247,254.57	\$ 231,200.00	\$ 240,615.64	\$ 251,600.00	\$ 307,500.00	\$ 299,329.84	
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Charges for services	\$ 228,500.00	\$ 415,828.15	\$ 385,000.00	\$ 407,027.00	\$ 228,500.00	\$ 275,000.00	\$ 239,047.50	
Interest	\$ 250.00	\$ 7,405.79	\$ 500.00	\$ 3,627.88	\$ 250.00	\$ 1,445.29	\$ 570.58	
Other	\$ 7,000.00	\$ 5,428.94	\$ 6,000.00	\$ 6,798.44	\$ 7,000.00	\$ 4,987.16	\$ 6,703.39	
Transfers in	\$ 7,000.00	\$ 4,773.06	\$ 300.00	\$ 2,348.02	\$ 7,000.00	\$ 6,072.54	\$ 1,717.69	
Total Receipts	\$ -	\$ -	\$ 623,000.00	\$ 48,677.54	\$ -	\$ -	\$ -	
	\$ 494,350.00	\$ 680,690.51	\$ 623,000.00	\$ 709,094.52	\$ 494,350.00	\$ 585,484.93	\$ 547,369.00	
DISBURSEMENTS								
Salaries	313000	\$ 316,746.58	\$ 323,000.00	\$ 381,148.84	\$ 312,000.00	\$ 308,442.83	\$ 233,538.23	
Employee fringe benefits	\$ 69,500.00	\$ 68,818.77	\$ 69,500.00	\$ 80,163.51	\$ 74,000.00	\$ 66,825.21	\$ 47,706.38	
Materials and supplies		\$ 53,207.62	\$ 5,000.00	\$ 68,021.29	\$ -	\$ -	\$ 48,177.65	
Vehicle Insurance	\$ 10,000.00	\$ 826.00	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	
Operating Transfers	\$ 18,000.00	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 48,100.00	
Other Expenditures	\$ 202,600.00	\$ 191,266.69	\$ 244,600.00	\$ 185,857.44	\$ 168,000.00	\$ 170,451.92	\$ 117,755.88	
Total Disbursements	\$ 613,100.00	\$ 655,865.66	\$ 652,100.00	\$ 715,191.08	\$ 589,000.00	\$ 570,719.96	\$ 495,278.14	
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (118,750.00)	\$ 24,824.85	\$ (29,100.00)	\$ (6,096.56)	\$ (94,650.00)	\$ 14,764.97	\$ 52,090.86	
CASH, JANUARY 1	\$ 76,249.69	\$ 76,249.69	\$ 101,254.54	\$ 101,254.54	\$ 46,969.79	\$ 46,969.79	\$ 61,734.76	
CASH, DECEMBER 31	\$ 101,254.54	\$ 101,254.54	\$ 95,157.98	\$ 95,157.98	\$ 61,734.76	\$ 61,734.76	\$ 113,825.62	

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

		ROAD & BRIDGE #1 Capital Improvement Year Ended December 31,				ROAD & BRIDGE #2 CAPITAL IMPROVEMENT Year Ended December 31,			
		2009		2010		2009		2010	
RECEIPTS		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Property taxes									
Sales taxes		\$ 350,000.00	\$ 402,064.81	\$ 350,000.00	\$ 448,138.85	\$ 350,000.00	\$ 302,279.20	\$ -	\$ 263,192.68
Intergovernmental		\$ 114,000.00	\$ 197,013.51	\$ -	\$ 39,393.39	\$ 114,000.00	\$ 234,472.42	\$ -	\$ 2,705.43
Charges for services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest		\$ 15,000.00	\$ 13,641.68	\$ 15,000.00	\$ 18,386.53	\$ 15,000.00	\$ 9,927.35	\$ 3,000.00	\$ 8,331.19
Other		\$ 71,900.00	\$ 38,993.00	\$ 30,000.00	\$ 806.90	\$ 71,900.00	\$ 822.90	\$ -	\$ -
Transfers in		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Receipts		\$ 550,900.00	\$ 651,713.00	\$ 395,000.00	\$ 506,725.67	\$ 550,900.00	\$ 547,501.87	\$ 303,000.00	\$ 274,229.30
DISBURSEMENTS									
Materials		\$ 280,000.00	\$ 254,889.57	\$ 304,000.00	\$ 431,161.51	\$ 250,000.00	\$ 360,481.79	\$ 350,000.00	\$ 464,746.28
Equipment Purchases/Repair		\$ 250,000.00	\$ 257,824.65	\$ 155,000.00	\$ 65,428.64	\$ 292,200.00	\$ 101,232.63	\$ 120,000.00	\$ 44,544.08
Rentals		\$ 20,000.00	\$ 9,786.18	\$ 20,000.00	\$ 559.55	\$ 5,000.00	\$ 4,387.05	\$ 5,000.00	\$ -
Real Estate Purchase		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Improvement		\$ 2,000.00	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Construction/Bridge		\$ 95,000.00	\$ 17,711.47	\$ 95,000.00	\$ 3,770.74	\$ 50,000.00	\$ 62,127.20	\$ 25,000.00	\$ -
Transfers out		\$ -	\$ -	\$ 87,100.00	\$ 81,900.00	\$ -	\$ -	\$ -	\$ -
Total Disbursements		\$ 647,000.00	\$ 540,211.87	\$ 666,100.00	\$ 582,820.44	\$ 597,200.00	\$ 528,228.67	\$ 500,000.00	\$ 509,290.36
RECEIPTS OVER (UNDER)									
DISBURSEMENTS		\$ (96,100.00)	\$ 111,501.13	\$ (271,100.00)	\$ (76,094.77)	\$ (46,300.00)	\$ 19,273.20	\$ (197,000.00)	\$ (235,061.06)
CASH, JANUARY 1		\$ 278,127.18	\$ 278,127.18	\$ 502,289.88	\$ 502,289.88	\$ 291,611.73	\$ 291,611.73	\$ 310,884.93	\$ 310,884.93
CASH, DECEMBER 31		\$ 502,289.88	\$ 502,289.88	\$ 426,195.11	\$ 426,195.11	\$ 310,884.93	\$ 310,884.93	\$ 75,823.87	\$ 75,823.87

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	ASSESSMENT				CHILDREN'S TRUST			
	Year Ended December 31,		2010		Year Ended December 31,		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental	\$ 263,000.00	\$ 272,287.47	\$ 264,000.00	\$ 273,525.25	\$ 1,200.00	\$ 1,404.00	\$ 1,200.00	\$ 1,203.00
Charges for services	\$ 2,500.00							
Interest	\$ 5,000.00	\$ 4,848.00	\$ 4,000.00	\$ 7,027.68	\$ 10.00	\$ 10.81	\$ 10.00	\$ 10.69
Other								
Transfers in								
Total Receipts	<u>\$ 270,500.00</u>	<u>\$ 277,135.47</u>	<u>\$ 268,000.00</u>	<u>\$ 280,552.93</u>	<u>\$ 1,210.00</u>	<u>\$ 1,414.81</u>	<u>\$ 1,210.00</u>	<u>\$ 1,213.69</u>
DISBURSEMENTS								
Salaries	\$ 179,000.00	\$ 176,138.29	\$ 179,000.00	\$ 171,965.54				
Employee fringe benefits	\$ 26,000.00	\$ 25,987.40	\$ 26,000.00	\$ 25,041.09				
Materials and supplies	\$ 12,500.00	\$ 13,389.76	\$ 6,000.00	\$ 3,750.60				
Services and other	\$ 29,750.00	\$ 22,916.43	\$ 27,050.00	\$ 25,883.55	\$ 1,210.00	\$ 1,414.81	\$ 1,210.00	\$ 600.66
Capital Outlay								
Construction								
Transfers out	\$ 7,500.00	\$ 9,000.00	\$ -	\$ -				
Total Disbursements	<u>\$ 254,750.00</u>	<u>\$ 247,431.88</u>	<u>\$ 238,050.00</u>	<u>\$ 226,640.78</u>	<u>\$ 1,210.00</u>	<u>\$ 1,414.81</u>	<u>\$ 1,210.00</u>	<u>\$ 600.66</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 15,750.00	\$ 29,703.59	\$ 29,950.00	\$ 53,912.15	\$ -	\$ -	\$ -	\$ 613.03
CASH, JANUARY 1	\$ 84,653.33	\$ 84,653.33	\$ 114,356.92	\$ 114,356.92	\$ -	\$ -	\$ -	\$ -
CASH, DECEMBER 31	<u>\$ 114,356.92</u>	<u>\$ 114,356.92</u>	<u>\$ 168,654.09</u>	<u>\$ 168,654.09</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613.03</u>	<u>\$ 613.03</u>

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	TAX MAINTENANCE			RECORDS PRESERVATION		
	Year Ended December 31,			Year Ended December 31,		
	2009	2010		2009	2010	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes						
Sales taxes						
Intergovernmental						
Charges for services						
Interest			\$ 1,634.67	\$ 9,957.00	\$ 10,875.00	\$ 9,157.00
Other			\$ 41,102.00	\$ 1,079.85	\$ -	\$ 1,146.93
Transfers in						
Total Receipts	\$ -	\$ -	\$ 42,736.67	\$ 11,036.85	\$ 10,875.00	\$ 10,303.93
DISBURSEMENTS						
Salaries	\$ 9,000.00	\$ -	\$ 16,160.00			\$ 2,092.72
Employee fringe benefits						
Materials and supplies	\$ 17,000.00	\$ -	\$ 35,786.00			
Services and other	\$ 14,000.00	\$ -				
Capital Outlay	\$ 5,000.00	\$ -	\$ 16,555.00	\$ 10,200.00	\$ 12,000.00	\$ 19,390.62
Construction						
Transfers out						
Total Disbursements	\$ 45,000.00	\$ -	\$ 68,501.00	\$ 10,200.00	\$ 12,000.00	\$ 21,483.34
RECEIPTS OVER (UNDER)	\$ (45,000.00)	\$ -	\$ (68,501.00)	\$ 2,675.00	\$ 11,036.85	\$ (1,125.00)
DISBURSEMENTS						
CASH, JANUARY 1	\$ -	\$ -	\$ 56,091.96	\$ 28,019.85	\$ 39,056.70	\$ 39,056.70
CASH, DECEMBER 31	\$ -	\$ 56,091.96	\$ 40,726.66	\$ 39,056.70	\$ 27,877.29	\$ 27,877.29

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	LAW ENFORCEMENT TRAINING Year Ended December 31,				PROSECUTING ATTORNEY BAD CHECK Year Ended December 31,			
	2009		2010		2009		2010	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental								
Charges for services	\$ -	\$ 2,375.50	\$ 7,000.00	\$ 4,409.50	\$ 15,000.00	\$ 13,543.03	\$ 13,800.00	\$ 11,162.44
Interest	\$ -	\$ 408.54		\$ 472.83	\$ 500.00	\$ 295.27	\$ 300.00	\$ 126.37
Other	\$ 7,000.00	\$ 5,582.61		\$ 5,840.39				
Transfers in								
Total Receipts	<u>\$ 7,000.00</u>	<u>\$ 8,366.65</u>	<u>\$ 7,000.00</u>	<u>\$ 10,722.72</u>	<u>\$ 15,500.00</u>	<u>\$ 13,838.30</u>	<u>\$ 14,100.00</u>	<u>\$ 11,288.81</u>
DISBURSEMENTS								
Salaries								
Employee fringe benefits								
Materials and supplies								
Services and other	\$ 7,000.00	\$ 8,220.35	\$ 7,000.00	\$ 8,215.02	\$ 21,700.00	\$ 16,673.98	\$ 18,600.00	\$ 17,054.50
Capital Outlay								
Construction								
Transfers out								
Total Disbursements	<u>\$ 7,000.00</u>	<u>\$ 8,220.35</u>	<u>\$ 7,000.00</u>	<u>\$ 8,215.02</u>	<u>\$ 21,700.00</u>	<u>\$ 16,673.98</u>	<u>\$ 18,600.00</u>	<u>\$ 17,054.50</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 146.30	\$ -	\$ 2,507.70	\$ (6,200.00)	\$ (2,835.68)	\$ (4,500.00)	\$ (5,765.69)
CASH, JANUARY 1	\$ 11,658.12	\$ 11,658.12	\$ 11,804.42	\$ 11,804.42			\$ 6,111.75	\$ 6,111.75
CASH, DECEMBER 31	<u>\$ 11,804.42</u>	<u>\$ 11,804.42</u>	<u>\$ 14,312.12</u>	<u>\$ 14,312.12</u>	<u>\$ 6,111.75</u>	<u>\$ 6,111.75</u>	<u>\$ 346.06</u>	<u>\$ 346.06</u>

**CRAWFORD COUNTY, MISSOURI**  
**COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL**

	PROSECUTING ATTORNEY TRAINING				PROSECUTING ATTORNEY TAX COLLECTION			
	Year Ended December 31,		2010		Year Ended December 31,		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes								
Sales taxes								
Intergovernmental								
Charges for services	\$ 1,280.00	\$ 1,393.87	\$ 2,000.00	\$ 1,982.89	\$ 1,000.00	\$ 9,662.92	\$ -	\$ 1,399.39
Interest	\$ 30.00	\$ 19.48	\$ -	\$ 66.02	\$ 40.00	\$ 599.95	\$ -	\$ 845.35
Other								
Transfers in								
Total Receipts	<u>\$ 1,310.00</u>	<u>\$ 1,413.35</u>	<u>\$ 2,000.00</u>	<u>\$ 2,048.91</u>	<u>\$ 1,040.00</u>	<u>\$ 10,262.87</u>	<u>\$ -</u>	<u>\$ 2,244.74</u>
<b>DISBURSEMENTS</b>								
Salaries								
Employee fringe benefits					\$ 2,000.00	\$ 2,852.00	\$ -	\$ 3,052.11
Materials and supplies								
Services and other								
Office Expense	\$ 1,900.00	\$ 1,212.42	\$ 1,500.00	\$ 100.00			\$ 3,000.00	\$ 4,039.94
Total Disbursements	<u>\$ 1,900.00</u>	<u>\$ 1,212.42</u>	<u>\$ 1,500.00</u>	<u>\$ 100.00</u>	<u>\$ 2,000.00</u>	<u>\$ 2,852.00</u>	<u>\$ 3,000.00</u>	<u>\$ 7,092.05</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (590.00)	\$ 200.93	\$ 500.00	\$ 1,948.91	\$ (960.00)	\$ 7,410.87	\$ (3,000.00)	\$ (4,847.31)
<b>CASH, JANUARY 1</b>	<u>\$ 777.22</u>	<u>\$ 777.22</u>	<u>\$ 978.15</u>	<u>\$ 978.15</u>	<u>\$ 17,027.40</u>	<u>\$ 17,027.40</u>	<u>\$ 24,438.27</u>	<u>\$ 24,438.27</u>
<b>CASH, DECEMBER 31</b>	<u>\$ 978.15</u>	<u>\$ 978.15</u>	<u>\$ 2,927.06</u>	<u>\$ 2,927.06</u>	<u>\$ 24,438.27</u>	<u>\$ 24,438.27</u>	<u>\$ 19,590.96</u>	<u>\$ 19,590.96</u>

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

### COURTHOUSE & JAIL CAPITAL IMPROVEMENT Year Ended December 31,

	2009		2010	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes				
Sales taxes	\$ 122,000.00	\$ 124,296.03	\$ 120,000.00	\$ 125,529.15
Intergovernmental				
Charges for services				
Interest	\$ 12,000.00	\$ 6,163.32	\$ 6,000.00	\$ 9,188.03
Other				
Transfers in				
Total Receipts	<u>\$ 134,000.00</u>	<u>\$ 130,459.35</u>	<u>\$ 126,000.00</u>	<u>\$ 134,717.18</u>
DISBURSEMENTS				
Salaries				
Employee fringe benefits				
Materials and supplies				
Services and other	\$ 255,000.00	\$ 111,166.50	\$ 146,000.00	\$ 74,094.85
Office Expense				
Construction				
Transfers out				
Total Disbursements	<u>\$ 255,000.00</u>	<u>\$ 111,166.50</u>	<u>\$ 146,000.00</u>	<u>\$ 74,094.85</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (121,000.00)	\$ 19,292.85	\$ (20,000.00)	\$ 60,622.33
CASH, JANUARY 1	<u>\$ 198,091.42</u>	<u>\$ 198,091.42</u>	<u>\$ 217,384.27</u>	<u>\$ 217,384.27</u>
CASH, DECEMBER 31	<u>\$ 217,384.27</u>	<u>\$ 217,384.27</u>	<u>\$ 278,006.60</u>	<u>\$ 278,006.60</u>

### LAW ENFORCEMENT EQUIPMENT Year Ended December 31,

	2009		2010	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
	\$ 62,000.00	\$ 3,538.57	\$ 2,040.00	\$ 2,851.76
	\$ 62,000.00	\$ 61,885.57	\$ 62,000.00	\$ 67,000.72
	<u>\$ 62,000.00</u>	<u>\$ 65,424.14</u>	<u>\$ 64,040.00</u>	<u>\$ 69,852.48</u>
	\$ 99,500.00	\$ 78,050.90	\$ 94,122.00	\$ 90,088.72
	\$ -	\$ 4,646.01	\$ -	\$ -
	<u>\$ 99,500.00</u>	<u>\$ 82,696.91</u>	<u>\$ 94,122.00</u>	<u>\$ 90,088.72</u>
	\$ (37,500.00)	\$ (17,272.77)	\$ (30,082.00)	\$ (20,236.24)
	<u>\$ 104,205.57</u>	<u>\$ 104,205.57</u>	<u>\$ 87,229.80</u>	<u>\$ 87,229.80</u>
	<u>\$ 87,229.80</u>	<u>\$ 87,229.80</u>	<u>\$ 66,993.56</u>	<u>\$ 66,993.56</u>

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	AMERICAN DISABILITY ACT Year Ended December 31,			INMATE SECURITY Year Ended December 31,		
	2009		2010	2009		2010
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
RECEIPTS						
Property taxes						
Sales taxes						
Intergovernmental						
Charges for services						
Interest	\$ 3,000.00	\$ 1,861.67	\$ 1,800.00	\$ 1,800.00	\$ 1,989.69	\$ 7,153.50
Other						
Transfers in						
Total Receipts	<u>\$ 3,000.00</u>	<u>\$ 1,861.67</u>	<u>\$ 1,800.00</u>	<u>\$ 1,800.00</u>	<u>\$ 1,989.69</u>	<u>\$ 7,153.50</u>
DISBURSEMENTS						
Salaries						
Employee fringe benefits						
Materials and supplies						
Services and other						
Office Expense						
Construction/Bldg. Maint.	\$ 5,000.00	\$ 4,368.62	\$ 5,000.00	\$ 5,000.00	\$ 4,276.01	\$ 19,846.00
Transfers out						
Total Disbursements	<u>\$ 5,000.00</u>	<u>\$ 4,368.62</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 4,276.01</u>	<u>\$ 19,846.00</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (2,000.00)	\$ (2,506.95)	\$ (3,200.00)	\$ (540.00)	\$ 1,897.99	\$ (12,004.54)
CASH, JANUARY 1	<u>\$ 57,337.97</u>	<u>\$ 57,337.97</u>	<u>\$ 54,831.02</u>	<u>\$ 18,493.31</u>	<u>\$ 18,493.31</u>	<u>\$ 20,391.30</u>
CASH, DECEMBER 31	<u>\$ 54,831.02</u>	<u>\$ 54,831.02</u>	<u>\$ 54,266.33</u>	<u>\$ 20,391.30</u>	<u>\$ 20,391.30</u>	<u>\$ 8,386.76</u>



# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	SHERIFF SPECIAL				FAMILY ACCESS			
	Year Ended December 31,		2010		Year Ended December 31,		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental	\$ 52,000.00	\$ 47,341.72	\$ 50,000.00	\$ 48,686.20				
Charges for services								
Interest	\$ 2,000.00	\$ 984.39	\$ -	\$ 1,078.91				
Other		\$ 7,054.72	\$ -	\$ 13,773.00	\$ 30.00	\$ 40.52	\$ 40.00	\$ 46.58
Transfers in								
Total Receipts	\$ 54,000.00	\$ 55,380.83	\$ 50,000.00	\$ 63,538.11	\$ 30.00	\$ 40.52	\$ 40.00	\$ 46.58
DISBURSEMENTS								
Salaries	\$ -	\$ 15,140.00	\$ 15,140.00	\$ 15,140.00				
Employee fringe benefits								
Materials and supplies								
Services and other								
Office Expense	\$ -	\$ -	\$ -	\$ 929.39				
Vehicle Purchase/Payments	\$ 75,000.00	\$ 56,603.96	\$ 55,000.00	\$ 33,558.10				
Transfers out								
Total Disbursements	\$ 75,000.00	\$ 71,743.96	\$ 70,140.00	\$ 49,627.49	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (21,000.00)	\$ (16,363.13)	\$ (20,140.00)	\$ 13,910.62	\$ 30.00	\$ 40.52	\$ 40.00	\$ 46.58
CASH, JANUARY 1	\$ 40,310.93	\$ 40,310.93	\$ 23,947.80	\$ 23,947.80	\$ 1,219.43	\$ 1,219.43	\$ 1,259.95	\$ 1,259.95
CASH, DECEMBER 31	\$ 23,947.80	\$ 23,947.80	\$ 37,858.42	\$ 37,858.42	\$ 1,259.95	\$ 1,259.95	\$ 1,306.53	\$ 1,306.53

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	ELECTION SERVICES Year Ended December 31,				RECORDER'S TECHNOLOGY Year Ended December 31,			
	2009		2010		2009		2010	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental	\$ 1,000.00	\$ 2,277.00	\$ 2,000.00	\$ 1,581.40	\$ 13,250.00	\$ 5,520.00	\$ 5,375.00	\$ 5,171.25
Charges for services					\$ 800.00	\$ 301.56	\$ 450.00	\$ 472.83
Interest	\$ 100.00	\$ 196.03	\$ -	\$ 160.44		\$ 300.00		
Other								
Transfers in								
Total Receipts	<u>\$ 1,100.00</u>	<u>\$ 2,473.03</u>	<u>\$ 2,000.00</u>	<u>\$ 1,741.84</u>	<u>\$ 14,050.00</u>	<u>\$ 6,121.56</u>	<u>\$ 5,825.00</u>	<u>\$ 5,644.08</u>
DISBURSEMENTS								
Salaries								
Employee fringe benefits					\$ 1,600.00			
Materials and supplies					\$ 2,000.00			
Services and other								
Office Expense	\$ 2,000.00	\$ 3,663.99	\$ 3,000.00	\$ 2,492.55		\$ 1,334.05	\$ 1,700.00	\$ 3,726.40
Construction								
Transfers out								
Total Disbursements	<u>\$ 2,000.00</u>	<u>\$ 3,663.99</u>	<u>\$ 3,000.00</u>	<u>\$ 2,492.55</u>	<u>\$ 3,600.00</u>	<u>\$ 1,334.05</u>	<u>\$ 1,700.00</u>	<u>\$ 3,726.40</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (900.00)	\$ (1,190.96)	\$ (1,000.00)	\$ (750.71)	\$ 10,450.00	\$ 4,787.51	\$ 4,125.00	\$ 1,917.68
CASH, JANUARY 1	<u>\$ 5,101.41</u>	<u>\$ 5,101.41</u>	<u>\$ 3,910.45</u>	<u>\$ 3,910.45</u>	<u>\$ 6,487.46</u>	<u>\$ 6,487.46</u>	<u>\$ 11,274.97</u>	<u>\$ 11,274.97</u>
CASH, DECEMBER 31	<u>\$ 3,910.45</u>	<u>\$ 3,910.45</u>	<u>\$ 3,159.74</u>	<u>\$ 3,159.74</u>	<u>\$ 11,274.97</u>	<u>\$ 11,274.97</u>	<u>\$ 13,192.65</u>	<u>\$ 13,192.65</u>

**CRAWFORD COUNTY, MISSOURI**

**COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL**

	COUNTY JAIL PROJECT			SHERIFF'S REVOLVING		
	Year Ended December 31,			Year Ended December 31,		
	2009	2010		2009	2010	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes						
Sales taxes	\$ 845,000.00	\$ 828,532.66	\$ 818,000.00	\$ 836,764.69		
Intergovernmental	\$ 255,000.00	\$ 571,258.30	\$ -	\$ 555,000.08		
Charges for services	\$ 839,000.00		\$ 725,000.00			
Interest	\$ 3,500.00	\$ 1,130.23	\$ 4,000.00	\$ 658.14	\$ 14,000.00	\$ 13,933.25
Other	\$ 800.00	\$ -	\$ 22,000.00	\$ 180,141.02	\$ 1,000.00	\$ 1,164.10
Transfers in		\$ 423,413.94	\$ 340,000.00	\$ 413,520.06		
Total Receipts	\$ 1,943,300.00	\$ 1,824,335.13	\$ 1,909,000.00	\$ 1,986,083.99	\$ 15,000.00	\$ 15,097.35

<b>DISBURSEMENTS</b>						
Salaries	\$ 768,000.00	\$ 777,022.92	\$ 773,039.00	\$ 757,226.95		
Employee fringe benefits	\$ 154,859.00	\$ 143,306.48	\$ 147,347.00	\$ 134,742.18		
Insurance MAC.../Bldg	\$ 85,000.00	\$ 61,709.56	\$ 68,000.00	\$ 61,219.29		
Services and other	\$ 12,441.00	\$ 17,620.75	\$ 12,800.00	\$ 7,833.30		
Office Expense/Equipment	\$ 375,400.00	\$ 399,616.50	\$ 354,050.00	\$ 379,062.20	\$ 18,500.00	\$ 14,530.40
Medical	\$ 95,010.00	\$ 94,013.97	\$ 94,500.00	\$ 94,328.91		
Debt Service	\$ 406,418.00	\$ 418,131.80	\$ 416,000.00	\$ 422,556.66		
Total Disbursements	\$ 1,897,128.00	\$ 1,911,421.98	\$ 1,865,736.00	\$ 1,856,969.49	\$ 18,500.00	\$ 14,530.40

<b>RECEIPTS OVER (UNDER)</b>						
DISBURSEMENTS	\$ 46,172.00	\$ (87,086.85)	\$ 43,264.00	\$ 129,114.50	\$ 6,000.00	\$ 7,843.74
(outstanding warrants)				\$ (160,471.01)		
CASH, JANUARY 1	\$ 115,482.88	\$ 115,482.88	\$ 52,699.39	\$ 52,699.39	\$ 22,929.41	\$ 27,168.35
CASH, DECEMBER 31	\$ 52,699.39	\$ 52,699.39	\$ 21,342.88	\$ 21,342.88	\$ 27,168.35	\$ 35,012.09

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	LAW ENFORCEMENT RESTITUTION				SCENIC RAILWAY			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental								
Charges for services								
Interest	\$ 3,000.00	\$ 2,450.14	\$ 2,500.00	\$ 3,035.82	\$ 1,000.00	\$ 898.68	\$ 900.00	\$ 965.41
Other	\$ 50,000.00	\$ 56,802.16	\$ 50,000.00	\$ 54,079.11				
Transfers in								
Total Receipts	<u>\$ 53,000.00</u>	<u>\$ 59,252.30</u>	<u>\$ 52,500.00</u>	<u>\$ 57,114.93</u>	<u>\$ 1,000.00</u>	<u>\$ 898.68</u>	<u>\$ 900.00</u>	<u>\$ 965.41</u>
DISBURSEMENTS								
Salaries								
Employee fringe benefits								
Materials and supplies								
Services and other	\$ 32,750.00	\$ 32,436.09	\$ 83,750.00	\$ 51,932.03	\$ 5,492.40	\$ -	\$ -	\$ 728.18
Capital Outlay								
Construction								
Transfers out	\$ -	\$ 12,000.00	\$ -	\$ 3,500.00				
Total Disbursements	<u>\$ 32,750.00</u>	<u>\$ 44,436.09</u>	<u>\$ 83,750.00</u>	<u>\$ 55,432.03</u>	<u>\$ -</u>	<u>\$ 5,492.40</u>	<u>\$ -</u>	<u>\$ 728.18</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20,250.00	\$ 14,816.21	\$ (31,250.00)	\$ 1,682.90	\$ 1,000.00	\$ (4,593.72)	\$ 900.00	\$ 237.23
CASH, JANUARY 1	\$ 62,655.66	\$ 62,655.66	\$ 77,471.87	\$ 77,471.87	\$ 30,893.25	\$ 30,893.25	\$ 26,299.53	\$ 26,299.53
CASH, DECEMBER 31	<u>\$ 77,471.87</u>	<u>\$ 77,471.87</u>	<u>\$ 79,154.77</u>	<u>\$ 79,154.77</u>	<u>\$ 26,299.53</u>	<u>\$ 26,299.53</u>	<u>\$ 26,536.76</u>	<u>\$ 26,536.76</u>

# CRAWFORD COUNTY, MISSOURI

## COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

	GLOBAL IMAGING SYSTEM				CRIMINAL COST			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes								
Sales taxes								
Intergovernmental								
Charges for services			\$ -	\$ 9,005.84	\$ 180,000.00	\$ 194,325.55	\$ -	\$ 258,012.23
Interest	\$ 300.00	\$ 112.07			\$ 4,000.00	\$ 4,219.28	-	\$ 6,923.44
Other								
Transfers in	\$ 9,000.00	\$ 15,712.50	\$ -	\$ 166.60	\$ -	\$ 110,000.00	-	\$ 164,000.00
Total Receipts	\$ 9,300.00	\$ 15,824.57	\$ -	\$ 9,172.44	\$ 184,000.00	\$ 308,544.83	-	\$ 428,935.67
DISBURSEMENTS								
Salaries								
Employee fringe benefits								
Materials and supplies								
Services and other	\$ 10,000.00	\$ 15,335.61	\$ 10,000.00	\$ 7,429.85			\$ -	\$ 6,856.50
Capital Outlay								
Construction								
Transfers out								
Total Disbursements	\$ 10,000.00	\$ 15,335.61	\$ 10,000.00	\$ 7,429.85	\$ 200,000.00	\$ 284,461.94	\$ 340,000.00	\$ 484,949.56
					\$ 200,000.00	\$ 284,461.94	\$ 340,000.00	\$ 491,806.06
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (700.00)	\$ 488.96	\$ (10,000.00)	\$ 1,742.59	\$ (16,000.00)	\$ 24,082.89	\$ (340,000.00)	\$ (62,870.39)
CASH, JANUARY 1	\$ 3,404.12	\$ 3,404.12	\$ 3,893.08	\$ 3,893.08	\$ 40,992.50	\$ 40,992.50	\$ 62,870.39	\$ 62,870.39
CASH, DECEMBER 31	\$ 3,893.08	\$ 3,893.08	\$ 5,635.67	\$ 5,635.67	\$ 62,870.39	\$ 62,870.39	\$ -	\$ -

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## **APPENDIX C**

### **DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF LEGAL DOCUMENTS**

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*The summaries of the Declaration of Trust, the Lease, the Base Lease and the Continuing Disclosure Agreement contained in this **Appendix C** do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents, copies of which may be viewed at the designated corporate office of the Trustee, or will be provided by the Trustee to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.*

## **DEFINITIONS OF WORDS AND TERMS**

**“Additional Certificates”** means any Certificates executed and delivered pursuant to the Declaration of Trust.

**“Authorized Representative”** means the Presiding Commissioner or any other person designated as an Authorized Representative by the County Commission to act on behalf of the County, such designation being approved by the governing body of the County by a resolution, ordinance or order that is filed with the Trustee.

**“Available Revenues”** means, for any Fiscal Year, any balances of the County from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the County for such Fiscal Year plus any unencumbered balances of the County from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust.

**“Base Lease”** means the Base Lease dated as of August 1, 2011, between the County, as lessor, and the Trustee, as lessee, as amended and supplemented from time to time in accordance with its terms.

**“Basic Rent”** means the Basic Rent Payments comprised of a Principal Portion and an Interest Portion as set forth in the Lease.

**“Basic Rent Payment”** means a payment of Basic Rent.

**“Basic Rent Payment Date”** means each May 1 and November 1 during the Lease Term, commencing on November 1, 2011.

**“Beneficial Owner”** means any registered owner of any Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

**“Business Day”** means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

**“Cede & Co.”** means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

**“Certificates”** means the Series 2011 Certificates and any Additional Certificates.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

**“Continuing Disclosure Undertaking”** means the continuing disclosure agreement or certificate entered into by the County and a dissemination agent, if any, in connection with the execution and delivery of a series of Certificates, as from time to time amended.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the County and related to the authorization, execution, sale and delivery of the Certificates, including bond insurance or other credit enhancement fees and expenses, advertising and printing costs, costs of preparation and reproduction of documents, title insurance fees, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction and all other initial fees and disbursements contemplated by the Lease and the Declaration of Trust.

**“Costs of Issuance Fund”** means the fund by that name established in the Declaration of Trust.

**“County”** means Crawford County, Missouri, a political subdivision duly created, organized and existing under and by virtue of the laws of the State of Missouri, and its successors.

**“Declaration of Trust”** means the Declaration of Trust dated as of August 1, 2011, made by the Trustee, as the same may from time to time be amended or supplemented in accordance with its terms.

**“Directive”** means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the records of the Registrar kept pursuant to the Declaration of Trust, or their lawful attorneys-in-fact, representing not less than a majority of the aggregate unpaid Principal Portion represented by the then-Outstanding Certificates.

**“Escrow Agent”** means Commerce Bank, and its successors and assigns.

**“Escrow Trust Agreement”** means the Escrow Trust Agreement dated as of August 1, 2011, between the County and the Escrow Agent, as the same may from time to time be amended or supplemented in accordance with its terms.

**“Escrow Fund”** means the fund by that name created under the Escrow Agreement and referred to in the Declaration of Trust.

**“Event of Default”** with respect to the Lease has the meaning specified under the caption **“SUMMARY OF THE LEASE - Events of Default”** and with respect to the Declaration of Trust has the meaning specified under the caption **“SUMMARY OF THE DECLARATION OF TRUST - Defaults.”**

**“Event of Lease Default”** means an Event of Default under the Lease.

**“Event of Nonappropriation”** means an Event of Nonappropriation as described under the caption **“SUMMARY OF THE LEASE - Nonappropriation.”**

**“Fiscal Year”** means the Fiscal Year of the County, currently the twelve-month period beginning January 1 and ending on December 31.

**“Funds”** means, collectively, the funds created and held under the Declaration of Trust.

**“Government Obligations”** means (a) direct noncallable obligations of the United States of America and obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America, and (b) trust receipts or certificates evidencing participation or other direct ownership interests in principal or interest payments to be made upon obligations described in clause (a) above that are held in a custody or trust account free and clear of all claims of persons other than the holders of such trust receipts or certificates, and (c) obligations that are noncallable or for which the call date has been irrevocably determined having an investment rating in the highest rating category of either Moody’s or S&P as a result of the advance refunding of such obligations by the deposit of direct noncallable obligations of the United States of America in a trust or escrow account segregated and exclusively set aside for the payment of

such obligations and that mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to timely pay such principal and interest.

**“Interest Portion”** means the portion of each Basic Rent Payment that represents the payment of interest.

**“Investment Securities”** means and includes any of the following securities, if and to the extent the same are permitted by law:

- (a) Government Obligations;
- (b) other obligations issued by or on behalf of agencies or instrumentalities of the United States of America except for the Federal Farm Credit Bank;
- (c) negotiable certificates of deposit, demand deposits and other deposit arrangements, repurchase agreements, and investment agreements issued by banks or trust companies, including without limitation, the Trustee and its affiliates, continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Trustee by lodging with a bank or trust company (which may or may not be the bank or trust company issuing such negotiable certificates of deposit, repurchase agreement or investment agreement), as collateral security, Government Obligations having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit, demand deposits and other deposit arrangements; and
- (d) money market mutual funds rated in the highest rating category by a nationally recognized rating service consisting of Government Obligations or repurchase agreements for Government Obligations;
- (e) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody’s or which are fully FDIC-insured; and
- (f) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State.

**“Lease”** means the Lease Purchase Agreement dated as of August 1, 2011, between the Trustee, as lessor, and the County, as lessee, as amended and supplemented from time to time in accordance with its terms.

**“Lease Revenue Fund”** means the fund by that name established pursuant to the Declaration of Trust.

**“Lease Revenues”** means the Basic Rent Payments, Supplemental Rent Payments and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, insurance proceeds, condemnation proceeds, and any and all interest, profits or other income derived from the investment thereof in any fund or account established pursuant to the Declaration of Trust.

**“Leased Property”** means the real property described in the Lease, including any improvements now or hereafter located thereon. The Leased Property includes only real property and does not include any interest in any personal property located thereon.

**“Moody’s”** means Moody’s Investors Service, Inc. and its successors and assigns, and, if that firm will be dissolved or liquidated or no longer performs the functions of a securities rating service, “Moody’s” will be deemed to refer to any other nationally recognized securities rating service designated by the County with notice to the Trustee.

**“Net Proceeds”** means the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all reasonable expenses, including attorneys’ fees, incurred in the collection thereof.

**“Notice by Mail”** or **“Notice”** of any action or condition **“by Mail”** means a written notice meeting the requirements of the Declaration of Trust mailed by first-class mail to the Owners of specified Certificates at the addresses shown on the registration books maintained by the Registrar.

**“Original Term”** means the period from the date of delivery of the Lease until the end of the Fiscal Year then in effect.

**“Outstanding”** means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to the Declaration of Trust except (a) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (b) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Declaration of Trust, (c) Certificates whose payment or prepayment has been provided for, and (d) Certificates paid or deemed to be paid pursuant to the Declaration of Trust.

**“Owner”** of a Certificate means the registered owner of such Certificate as shown on the register kept by the Registrar.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Permitted Encumbrances”** means, as of any particular time, (a) liens for taxes and assessments not then delinquent; (b) the Base Lease, the Lease, the Declaration of Trust and any financing statements naming the County as debtor and naming the Trustee as secured party now or hereafter filed to perfect the security interests granted by the Declaration of Trust, the Base Lease or the Lease; (c) utility, access and other easements and rights-of-way, restrictions, exceptions and encumbrances that will not materially interfere with or materially impair the Leased Property; (d) such minor defects, irregularities, encumbrances, easements, mechanics’ liens, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Leased Property and (1) as do not, in the opinion of the County certified in writing to the Trustee, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the County, or (2) are adequately insured against by a title insurance policy reasonably satisfactory to the Trustee and the County; or (e) the exceptions shown in the Commitment for Title Insurance No. J064-11 dated May 20, 2011, prepared by Lay Bonded Title Insurance Agency, Inc., as agent for Old Republic National Title Insurance Company.

**“Prepayment Date”** means any date set for prepayment of the Principal Portion of Basic Rent represented by Certificates.

**“Prepayment Price”** means with respect to any Certificate (or portion thereof), the amount specified in the Declaration of Trust.

**“Principal Portion”** means the principal portion of the Basic Rent Payments.

**“Proceeds”** means the aggregate moneys initially paid to the Trustee for each series of the Certificates.

**“Purchase Price”** means the amount designated as such in the Lease that the County may pay to the Trustee to purchase the Trustee’s interest in the Leased Property.

**“Record Date”** means the fifteenth day of the month (whether or not a Business Day) before the applicable Basic Rent Payment Date.

**“Registrar”** means the Trustee when acting in that capacity, or its successor as Registrar.

**“Renewal Term”** means each renewal term of the Lease, each having a duration of one year and a term coextensive with the then-current Fiscal Year as provided in the Lease, except that the last possible Renewal Term will end on November 1, 2021.

**“Rent”** means, collectively, Basic Rent and Supplemental Rent.

**“Rent Payment”** means a payment of Rent.

**“Representation Letter”** means the Representation Letter from the County to the Securities Depository.

**“Securities Depository”** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

**“Series 2011 Certificates”** means the \$3,305,000 aggregate principal amount Refunding Certificates of Participation (Crawford County, Missouri, Lessee), Series 2011, evidencing a proportionate interest in Basic Rent Payments to be made by the County pursuant to the Lease, executed and delivered pursuant to the Declaration of Trust.

**“S&P”** means Standard & Poor’s, a division of The McGraw–Hill Companies and its successors and their assigns, and if that entity will no longer perform the functions of a municipal securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the County with notice to the Trustee.

**“Special Tax Counsel”** means Gilmore & Bell, P.C., or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds or other obligations issued by states and political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America.

**“State”** means the State of Missouri.

**“Supplemental Declaration of Trust”** means any amendment or supplement to the Declaration of Trust entered into pursuant to the Declaration of Trust.

**“Supplemental Lease”** means any amendment or supplement to the Lease entered into pursuant to the Lease.

**“Supplemental Rent”** means all amounts due under the Lease other than Basic Rent.

**“Supplemental Rent Payment”** means a payment of Supplemental Rent.

**“Tax Compliance Agreement”** means the Tax Compliance Agreement entered into by the County and the Trustee in connection with the execution and delivery of each series of Certificates.

**“Trust Estate”** means the assets, property and interests held by the Trustee pursuant to the Declaration of Trust and the Lease.

**“Trustee”** means Commerce Bank, and its successor or successors and their respective assigns.

## **SUMMARY OF THE DECLARATION OF TRUST**

*In addition to the information under the caption “**THE SERIES 2011 CERTIFICATES**,” the following is a brief summary of certain provisions of the Declaration of Trust. This summary is not to be considered as a full statement of the provisions of the Declaration of Trust and is qualified by reference to and subject to the complete Declaration of Trust.*

### **General Provisions**

The Declaration of Trust is made by the Trustee. The Declaration of Trust authorizes the Trustee to execute and deliver the Series 2011 Certificates, provides the terms of the Series 2011 Certificates and provides for various Funds related to the Lease.

### **Trust Estate**

The Trustee has executed and delivered the Declaration of Trust in order to secure the payment of the Principal Portions of Basic Rent Payments, premium, if any, and the Interest Portions of Basic Rent Payments. It further declares that it will hold all of the assets, property and interests received by it under the terms of the Declaration of Trust, the Base Lease and the Lease and all agreements and instruments contemplated thereby (except any compensation, indemnification or other amounts that are due directly to the Trustee under the Declaration of Trust).

### **Additional Certificates**

Upon the execution and delivery of a Supplemental Lease that provides for an increase in the amount of Basic Rent payable under the Lease and so long as no Event of Default or Event of Nonappropriation exists, Additional Certificates evidencing the right of the Owners thereof to receive the Principal Portion and the Interest Portion of such additional Basic Rent may be executed and delivered under and equally and ratably secured by the Declaration of Trust on a parity with the Series 2011 Certificates and any other Additional Certificates, at any time and from time to time, upon compliance with the conditions provided in the Declaration of Trust, for the purposes described under the heading **“SUMMARY OF THE LEASE - Increased Basic Rent.”**

### **Establishment of Funds**

There are established with the Trustee the following Funds:

- (1) Costs of Issuance Fund.
- (2) Lease Revenue Fund.

All Funds established pursuant to the Declaration of Trust will be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the Funds will be deposited or applied as provided in the Declaration of Trust.

In addition to the funds described above, the Escrow Trust Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

### **Application of Lease Revenues**

Lease Revenues will be deposited, as received, pursuant to the Lease, as follows:

- (1) Basic Rent will be deposited to the Lease Revenue Fund.
- (2) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) will be deposited to the Lease Revenue Fund.
- (3) Payments of Supplemental Rent pursuant to the Lease will be applied as provided in the Lease.

Undesignated payments of Rent that are insufficient to discharge the full amount then due will be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

### **Disbursements from the Costs of Issuance Fund**

Moneys in the Cost of Issuance Fund will be used to pay for Costs of Issuance. Payment will be made from moneys in the Costs of Issuance Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative. In the event of the acceleration of all the Certificates pursuant to the Lease, any moneys then remaining in the Costs of Issuance Fund will be transferred to the credit of the Lease Revenue Fund to pay Basic Rent.

### **Application of Moneys in the Lease Revenue Fund**

Except as otherwise provided in the Declaration of Trust, all amounts in the Lease Revenue Fund will be used and withdrawn by the Trustee solely to pay Basic Rent represented by the Certificates when due and payable or on a Prepayment Date.

### **Investment of Moneys**

Moneys held in the Funds will, subject to the requirements of the Tax Compliance Agreement and as provided in the Declaration of Trust, be invested and reinvested by the Trustee, pursuant to written direction of the County, signed by an Authorized Representative of the County, in Investment Securities that mature or are subject to redemption by the owner prior to the date such funds will be needed.

The Trustee will sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee in any Fund held under the Declaration of Trust whenever the cash balance in such Fund is insufficient for the purpose of such Fund. Any such Investment Securities will be held by or under the control of the Trustee and will be deemed at all times a part of the Fund in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities will be credited to such Fund, and any loss resulting from such Investment Securities will be charged to such Fund.

For purposes of determining the amount in any Fund, the value of any investments will be computed at the market value thereof (excluding accrued interest), the purchase price thereof (excluding accrued interest) or principal amount, whichever is lower.

The Trustee may, in making or disposing of any investment permitted by the Declaration of Trust, deal with itself (in its individual capacity), or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as a principal for its own account.

### **Amendments to the Declaration of Trust, the Lease or the Base Lease**

The Declaration of Trust, the Lease and the Base Lease and the rights and obligations of the County and of the Owners of the Certificates and of the Trustee may be modified or amended from time to time and at anytime by an amendment or supplement thereto that the parties thereto may enter into when the written consent of the Trustee and the County, if not a party thereto, and the Owners of a majority in aggregate Principal Portion of Basic Rent Payments represented by the Certificates then Outstanding has been filed with the Trustee. No such modification or amendment will (a) extend the stated maturity of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Prepayment Price provided in the Declaration of Trust for the payment of any Certificate, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto or alter the optional prepayment date of any Certificate, without the consent of the Owner of each Certificate so affected, (b) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or, except in connection with the delivery of any Additional Certificates, permit the creation of any lien on the moneys in the Costs of Issuance Fund or the Lease Revenue Fund or deprive the Owners of the trust created by the Declaration of Trust with respect to the moneys in the Costs of Issuance Fund or the Lease Revenue Fund, or (c) create a preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the Owners of all of the Certificates then Outstanding.

Notwithstanding the preceding paragraph, the Declaration of Trust, the Lease or the Base Lease and the rights and obligations of the County, of the Trustee and of the Owners of the Certificates may also be modified or amended from time to time by an agreement that the parties thereto may enter into without the consent of any Certificate Owners, only to the extent permitted by law and only for any one or more of the following purposes: (a) to add to the covenants and agreements of the Trustee in the Declaration of Trust, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof), or to surrender any right or power in the Declaration of Trust reserved to or conferred upon the County; provided, however, that no such covenant, agreement, pledge, assignment or surrender will materially adversely affect the interests of the Owners of the Certificates; (b) to add to the covenants and agreements of the County in the Base Lease or the Lease, other covenants and agreements thereafter to be observed or to surrender any right or power therein reserved to or conferred upon the Trustee or the County; provided, however, that no such covenant, agreement or surrender will materially adversely affect the interests of the Owners of the Certificates; (c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Declaration of Trust, the Base Lease or the Lease, or in regard to matters or questions arising under the Declaration of Trust, the Base Lease or the Lease as the Trustee and the County may deem necessary or desirable and not inconsistent with said agreements, or as may be requested by the County, or the Trustee and that will not, in any such case adversely affect the interests of the Owners of the Certificates; (d) to modify, amend or supplement the Declaration of Trust in such manner as to permit the qualification of the Declaration of Trust under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and that will not materially adversely affect the interests of the Owners of the Certificates; (e) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Portion of Basic Rent from gross income for purposes of federal income taxation; (f) to provide for the execution and delivery of Additional Certificates; or (g) to make any other change that does not have a materially adverse effect on the rights of the Certificate Owners.

### **Opinion of Special Tax Counsel**

Before the Trustee or the County consents to any modification or amendment of the Declaration of Trust, the Base Lease or the Lease, an opinion of Special Tax Counsel will be delivered to the Trustee stating that such amendment (a) is permitted by the Declaration of Trust and the instrument modified or amended (if other than the Declaration of Trust), (b) complies with its terms, (c) will, upon execution and delivery thereof, be valid



and binding upon the County in accordance with the terms of the instrument modified or amended, and (d) will not adversely affect the exclusion from gross income for purposes of federal income taxation of the Interest Portion of Basic Rent Payments represented by the Certificates. In any instance in which the Trustee may be required to determine that a modification or amendment will not materially adversely affect the interest of the Owners of the Certificates, prior to consenting to such modification or amendment, the Trustee will be entitled to require that there be delivered to it an Opinion of Counsel to the effect that no such materially adverse affect would result from such modification or amendment. The Trustee will be fully protected and will incur no liability in relying upon such Opinion of Counsel in making such determination.

### **Defaults**

The occurrence of any of the following events, subject to the provisions permitting waivers of defaults, is defined as an “Event of Default” under the Declaration of Trust:

- (a) Default in the due and punctual payment of any Interest Portion of Basic Rent represented by a Certificate; or
- (b) Default in the due and punctual payment of the Principal Portion of Basic Rent represented by a Certificate, whether at the stated payment date thereof or the Prepayment Date set therefor in accordance with the terms of the Declaration of Trust; or
- (c) Any Event of Lease Default.

### **Acceleration**

Upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee may, and upon receipt of a Directive will, by notice in writing delivered to the County, declare the Principal Portion and Interest Portion of Basic Rent represented by all Certificates Outstanding to the end of the then-current Fiscal Year immediately due and payable.

### **Other Remedies**

Upon the occurrence of an Event of Lease Default or Event of Nonappropriation, the Trustee may exercise any remedies available under the Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Leased Property or Trustee’s interest in the Leased Property, subject to Permitted Encumbrances, and apply the net proceeds thereof and, whether or not it has done so, may pursue any other remedy available to it under the Lease or at law or in equity.

No remedy by the terms of the Declaration of Trust conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, but each and every such remedy will be cumulative and will be in addition to any other remedy given to the Trustee or to the Certificate Owners under the Declaration of Trust or now or hereafter existing at law or in equity or by statute.

### **Rights of Certificate Owners**

If an Event of Default or an Event of Nonappropriation has occurred and is continuing and if instructed to do so by a Directive and if indemnified as provided in the Declaration of Trust, the Trustee will be obligated to exercise such one or more of the rights and the remedies conferred by the Declaration of Trust as the Trustee, upon the advice of counsel, deems to be in the interests of the Certificate Owners.

Any other provision in the Declaration of Trust to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding will have the right, at any time, by a Directive, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the Declaration of Trust, or for the appointment of a receiver or any other proceedings

under the Declaration of Trust; provided that (a) such Directive will not be otherwise than in accordance with the provisions of law and of the Declaration of Trust, and (b) the Trustee has been indemnified as provided in the Declaration of Trust and will have the right to decline to follow any such direction if the Trustee in good faith determines that the proceeding so directed would involve it in personal liability.

No Owner of any Certificate will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Base Lease, the Lease or the Declaration of Trust, for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder, unless (a) an Event of Default or Event of Nonappropriation has occurred; (b) the Owners have given a Directive to the Trustee and have offered reasonable opportunity either to proceed to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee thereafter fails or refuses to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceedings. Such notification, request and indemnity are at the option of the Trustee to be conditions precedent to the execution of the powers and the trusts of the Declaration of Trust and to any action or cause of action for the enforcement of the Declaration of Trust or for the appointment of a receiver or for any other right or remedy thereunder.

### **Defeasance**

When (a) the obligations of the County under the Lease have been satisfied in connection with the exercise by the County of its option to purchase the Leased Property in accordance with the Lease by the irrevocable deposit in escrow of moneys or Government Obligations (maturing as to principal and interest in such amounts and at such times as are necessary to make any required payments without reinvestment of any earnings thereon) or both moneys and Government Obligations, and (b) the County has delivered to the Trustee (i) an Opinion of Counsel to the effect that the conditions for such discharge contained in the Declaration of Trust and the Lease have been satisfied or irrevocably provided for, and (ii) if the deposit of cash and Government Obligations is more than 90 days before the scheduled payment in full of the Certificates, an accountant's certificate verifying the sufficiency of moneys or Government Obligations or both so deposited for the payment of the Principal Portion and Interest Portion of the Certificates and any applicable Prepayment Price to be paid with respect to the Certificates and (c) the County has deposited sufficient moneys to pay the fees, charges and expenses of the Trustee (or has made provision satisfactory to the Trustee for their payment), thereupon the obligations created by the Declaration of Trust will cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply such moneys and Government Obligations to the payment of the Certificates as set forth in the Declaration of Trust; provided, however, that all provisions relating to the compensation or indemnification of the Trustee will survive the satisfaction and discharge of the Declaration of Trust.

### **Duties, Immunities and Liabilities of the Trustee**

The Trustee will, prior to an Event of Default or Event of Nonappropriation and after the curing of all Events of Default or Events of Nonappropriation that may have occurred, perform only such duties as are specifically set forth in the Declaration of Trust. The Trustee will, during the existence of any Event of Default or Event of Nonappropriation, exercise such of the rights and powers vested in it by the Declaration of Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The County may remove the Trustee at any time unless an Event of Default, or a condition that with the giving of notice or the passage of time, or both, would constitute an Event of Default, or an Event of Nonappropriation has occurred and is continuing. The County shall give the Owners written notice of any such removal and may appoint by an instrument in writing a temporary Trustee to fill such vacancy until a successor Trustee has been appointed by a Directive. The Trustee may be removed at any time by a Directive or will resign at any time the Trustee ceases to be eligible in accordance with the Declaration of Trust or becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the property or affairs of the Trustee for

the purpose of rehabilitation, conservation or liquidation and thereupon a successor Trustee will be appointed by a Directive. Written notice of any removal or resignation pursuant to this paragraph will be given by the Trustee to the County.

The Trustee may at any time resign by giving written notice of such resignation to the County and by giving the Certificate Owners Notice by Mail of such resignation at the addresses listed on the registration books kept by the Registrar. Upon receiving such notice of resignation, a successor Trustee will be appointed by a Directive.

## **SUMMARY OF THE LEASE**

*The following is a brief summary of certain provisions of the Lease. This summary is not to be considered as a full statement of the provisions of the Lease and is qualified by reference to and subject to the complete Lease.*

### **General**

The Lease has been entered into between the Trustee and the County and contains the terms and conditions under which the Leased Property will be leased to and used by the County.

### **Lease Term**

The Original Term of the Lease will terminate the last day of the current Fiscal Year. The Lease Term may be continued, solely at the option of the County, at the end of the Original Term or any Renewal Term for an additional one year, provided that the final Renewal Term shall not extend beyond November 1, 2021. At the end of the Original Term and at the end of each Renewal Term, unless the County has terminated the Lease and for no other reason, the County will be deemed to have exercised its option to continue the Lease for the next Renewal Term. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except for any difference in the Rent as provided in the Lease.

### **Continuation of Lease Term by the County**

The County reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during the Original Term and each of the Renewal Terms can be obtained. The County covenants in the Lease that its responsible financial officer will do all things lawfully within his power to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend the Lease for any Renewal Term is to be made in accordance with the County's normal procedures for such decisions by the then-current governing body of the County.

### **Nonappropriation**

The County is obligated only to pay periodic payments under the Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, the Lease will be deemed terminated at the end of the then-current Original Term or Renewal Term. An Event of Nonappropriation will be deemed to have occurred if the County fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent and any reasonably anticipated Supplemental Rent to come due during the immediately following Renewal Term. The County agrees to deliver notice to the Trustee of such termination at least 90 days prior to the end of the then-current Original Term or Renewal Term, but failure to give such notice will not extend the term beyond such Original Term or Renewal Term. If the Lease is terminated in accordance with such provision, the County agrees peaceably to transfer and surrender possession of the Leased Property to the Trustee.

## **Enjoyment of Leased Property**

The Trustee will provide the County during the Lease Term with quiet use and enjoyment of the Leased Property (subject to Permitted Encumbrances). The County will, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property, without suit, trouble or hindrance from the Trustee, except as expressly set forth in the Lease. The County may use the Leased Property for any governmental or proprietary purpose of the County, subject to the limitations contained in the Lease. Notwithstanding any other provision in the Lease, the Trustee will have no responsibility to maintain, repair or insure the Leased Property.

The County will comply with all statutes, laws, orders, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property, as to the manner and use or the condition of the Leased Property. The County will also comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of the Lease. The County will pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the County to comply with the foregoing provisions. Notwithstanding any provision contained in this paragraph, however, the County may, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer and during such contest or review, the County may refrain from complying therewith, if the County furnishes, on request, to the Trustee, at the County's expense, indemnity satisfactory to the Trustee.

## **Basic Rent**

The County will promptly pay all Basic Rent, subject to its right to terminate the Lease as described under the heading **"Nonappropriation"** on each Basic Rent Payment Date. A portion of each Basic Rent Payment is paid as, and represents payment of, interest. To provide for the timely payment of Basic Rent, the County will pay to the Trustee for deposit in the Lease Revenue Fund not less than five (5) Business Days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date.

The County will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Rent Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term and such funds will not be expended for other purposes.

## **Supplemental Rent**

The County will pay, subject to its right to terminate the Lease as described under the heading **"Nonappropriation,"** as Supplemental Rent (a) all Impositions (as defined under the heading **"Impositions"**); (b) all amounts required and all other payments that the County has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease or the Base Lease by the Trustee; (d) all fees and charges of the Trustee as provided in the Lease; and (e) any payments required to be made pursuant to the Tax Compliance Agreement.

## **Rent Payments to Constitute a Current Expense and Limited Obligation of the County**

The obligation of the County to pay Rent under the Lease is limited to payment from Available Revenues and will constitute a current expense of the County. Such obligation will not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained therein constitute a pledge of the general tax revenues, funds or moneys of the County.

### **Net Lease; Rent Payments to be Unconditional**

The Lease is intended to be net, net to the Trustee. Subject to the right of the County to terminate the Lease described under the heading “**Nonappropriation**,” the obligations of the County to pay the Basic Rent Payments and to perform and observe the other covenants and agreements contained therein will be absolute and unconditional in all events without abatement, diminution, deduction, setoff or defense, for any reason.

Nothing in the Lease will be construed as a waiver by the County of any rights or claims the County may have against the Trustee, but any recovery upon such rights and claims will be from the Trustee separately.

### **Increased Basic Rent**

Notwithstanding any other provision of the Lease, the Trustee and the County may enter into a Supplemental Lease or Supplemental Leases that increase the amount of Basic Rent payable by the County on any Basic Rent Payment Date to provide funds to pay the costs of (a) repairing, replacing or restoring the Leased Property, (b) improving, upgrading or modifying the Leased Property, (c) acquiring additional real property to be included in the Leased Property or the acquisition, purchase, construction or equipping of additions to or expansions or remodeling or modification of the Leased Property and (d) refunding any or all of the Certificates. Each such Supplemental Lease will include an amended schedule of Rental Payments reflecting separately the Principal Portion and the Interest Portion of Basic Rent allocable to the original Lease and to each Supplemental Lease due on each Basic Rent Payment Date as well as the total Basic Rent on each Basic Rent Payment Date.

### **Impositions**

The County will bear, pay and discharge, before the delinquency thereof, as Supplemental Rent, all taxes and assessments, general and special, if any, that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Leased Property, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, that if not paid when due would impair the security of the Trustee or encumber the Leased Property (all of the foregoing being herein referred to as “Impositions”).

### **Contest of Impositions**

The County may, in its own name or in the Trustee’s name, contest the validity or amount of any Imposition that the County is required to bear, pay and discharge pursuant to the terms of the Lease by appropriate legal proceedings instituted at least 10 days before the contested Imposition becomes delinquent. The County may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee notifies the County that, in the Opinion of Counsel, by nonpayment of any such items the interest of the Trustee in the Leased Property will be endangered or the Leased Property or any part thereof will be subject to loss or forfeiture. In that event, the County shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment in form satisfactory to the Trustee.

### **Insurance**

The County will, during the Lease Term, cause the Leased Property to be kept continuously insured against such risks customarily insured against for facilities such as the Leased Property and will pay (except as

otherwise provided in the Lease) as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Leased Property against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the Principal Portion of the Certificates then Outstanding and issued by such insurance company or companies authorized to do business in the State as may be selected by the County. The policy or policies of such insurance will name the County and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance will be applied as provided in the Lease.

(b) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the Trustee and the County are named as insureds, in an amount not less than \$500,000 combined single limit for bodily injuries and property damage.

(c) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

(d) Owner's policy of title insurance, issued on ALTA forms by a title insurance underwriter acceptable to the Underwriter, insuring the Trustee's leasehold estate created by the Base Lease, in the amount of \$3,305,000 subject only to exceptions acceptable to the Underwriter, with endorsements and affirmative coverages reasonably required by the Underwriter, including comprehensive, nonmerger, validity of sublease, survey or in the absence of a survey, location, access, and contiguity endorsements, and otherwise in form and substance satisfactory to the Underwriter.

The County may elect to be self-insured (for liability only) for all or any part of the foregoing requirements of the Lease if (1) the maintenance of a separate segregated self-insurance trust fund funded in an amount determined (initially and on at least an annual basis) by an independent actuary employing accepted actuarial techniques and (2) the establishment and maintenance of a claims processing and risk management program. No later than 120 days after the end of each Fiscal Year, the County shall cause an independent actuary to submit a written report to the Trustee setting forth a determination, employing accepted actuarial techniques, of an adequate amount of reserves to be maintained in the County's self insurance trust fund. The County shall immediately deposit any amount necessary to cause the self insurance trust fund to be funded in the amount determined by the actuary. The County may not self-insure against casualty losses to any real or personal property owned, leased or used by it, including plant, property and equipment.

The County's purchase of the insurance pursuant to the Lease is not intended to act as a waiver of any immunity available to the County.

### **Maintenance and Modification of Leased Property by the County**

The County will at its own expense (a) keep the Leased Property in a safe condition, (b) with respect to the Leased Property, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Leased Property in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the County will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Leased Property the maintenance, repair, replacement or renewal of which becomes uneconomical to the County because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The County will not permit or suffer others to commit a nuisance in or about the Leased Property

or itself commit a nuisance in connection with its use or occupancy of the Leased Property. The County will pay all costs and expenses of operation of the Leased Property.

The County may, also at its own expense, make from time to time any additions, modifications or improvements to the Leased Property that it deems desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Leased Property. All such additions, modifications or improvements made by the County will (a) be made in a workmanlike manner and in strict compliance with all laws and orders applicable thereto, (b) when commenced, be pursued to completion with due diligence and (c) when completed, be deemed a part of the Leased Property.

### **Damage, Destruction and Condemnation**

The County will bear the risk of loss with respect to the Leased Property during the Lease Term. If (a) the Leased Property or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Leased Property or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the County will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property, unless the County has exercised its option to purchase the Trustee's interest in the Leased Property by making payment of the Purchase Price as provided in the Lease. Any balance of the Net Proceeds remaining after such work has been completed will be paid to the County and will be held and appropriated by the County for the exclusive purpose of paying Rent under the Lease.

If the County determines that the repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interest of the County, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the County will promptly purchase the Trustee's interest in the Leased Property pursuant to the Lease by paying the Purchase Price. The Net Proceeds will be applied by the County to payment of the Purchase Price. Any balance of the Net Proceeds remaining after paying the Purchase Price will belong to the County.

In the Lease, the County acknowledges the provisions pertaining to eminent domain in the Base Lease. The Trustee and County agree that the terms of the Base Lease are incorporated in and made a part of the Lease to the same extent as if set forth in full in the Lease. This Section will survive the termination of the Lease for any reason.

If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to above, and the County has not elected to purchase the Trustee's interest in the Leased Property, the County will complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds. If the County makes any payments as provided in this paragraph, the County will not be entitled to any reimbursement therefor from the Trustee nor will the County be entitled to any diminution of Rent.

## **Purchase Option**

The County may purchase the Trustee's interest in the Leased Property, upon giving written notice to the Trustee at least 45 days before the purchase date (unless a shorter notice is satisfactory to the Trustee), at the following times and on the following terms:

(a) On or after November 1, 2016, upon payment in full of Rent Payments then due hereunder plus a Purchase Price equal to 100% of the remaining Principal Portions of Basic Rent for the maximum Lease Term plus Interest Portions of Basic Rent accrued to the prepayment date.

(b) Upon deposit of moneys or Government Obligations or both with the Trustee in accordance with the Declaration of Trust in the amount necessary to provide for the Basic Rent Payments until and on, and the Purchase Price calculated as described in (a) above on the Certificates, to the prepayment date, which will be on or after November 1, 2016.

(c) In the event of substantial damage to or destruction or condemnation (other than condemnation by the County or any entity controlled by or otherwise affiliated with the County) of, or loss of title to, substantially all of the Leased Property, or if, as a result of changes in the Constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, on the date the County specifies as the purchase date in the County's notice by the Trustee of its exercise of the purchase option, upon payment in full of the Rent Payments then due plus the then remaining Principal Portions of Basic Rent for the maximum Lease Term, plus the Interest Portion of Basic Rent accrued to the Prepayment Date.

## **Partial Prepayment**

The County may prepay the Basic Rent Payments in part, upon giving written notice to the Trustee at least 45 days before the prepayment date (unless a shorter notice is satisfactory to the Trustee), on any date occurring on or after November 1, 2016, at the prepayment price equal to 100% of the Principal Portion of Basic Rent being so prepaid plus the Interest Portion of Basic Rent accrued thereon to such prepayment date.

The Principal Portion of Basic Rent prepaid pursuant to the provisions of the Lease will be in integral multiples of \$5,000 and will be credited in such order of stated payment dates as is determined by the County. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter will be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion.

## **Assignment and Subleasing by the County**

Except as provided in the Lease, none of the County's right, title and interest in, to and under the Base Lease, the Lease and in the Leased Property may be assigned or encumbered by the County for any reason; except that the County may sublease any one or more parts of the Leased Property if the County obtains an opinion of Special Tax Counsel that such subleasing will not adversely affect the exclusion of the Interest Portion of the Basic Rent Payments from gross income for purposes of federal income taxation. Any such sublease of all or part of the Leased Property shall be subject to the Base Lease, the Lease and the rights of the Trustee in, to and under the Base Lease, the Lease and the Leased Property.



## **Events of Default**

Any of the following will constitute an “Event of Default” under the Lease:

- (a) Failure by the County to pay Basic Rent pursuant to the Lease;
- (b) Failure by the County to make any Supplemental Rent Payment when due and the continuance of such failure for 10 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Trustee;
- (c) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in subparagraph (a) or (b) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Trustee unless the Trustee will agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected;
- (d) Any statement, representation or warranty made by the County in or pursuant to the Base Lease or the Lease or the execution, delivery or performance of either of them proves to have been false, incorrect or misleading or breached in any material respect on the date when made;
- (e) Any provision of the Lease or the Base Lease at any time for any reason ceases to be valid and binding on the County, or is declared to be null and void, or the validity or enforceability thereof is contested by the County or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Trustee; or
- (f) The County becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the County or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian for the County or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the State and, if instituted against the County, is consented to or acquiesced in by the County or is not dismissed within 60 days.

Failure of the County to comply with the Continuing Disclosure Undertaking will not be an Event of Default under the Lease.

## **Remedies on Default**

Whenever any Event of Default under the Lease exists, the Trustee will have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) By written notice to the County, the Trustee may declare all Rent payable by the County under the Lease to the end of the then-current Original Term or Renewal Term to be due;
- (b) With or without terminating the Lease, the Trustee may take possession of the Leased Property (in which event the County will take all actions necessary to authorize, execute and deliver to the Trustee for the remainder of the Trustee’s leasehold term under the Base Lease all documents necessary to vest in the Trustee for the remainder of the Trustee’s leasehold term under the Base Lease all of the County’s interest in the Leased Property, subject to Permitted Encumbrances), and, subject to Permitted Encumbrances, sell the Trustee’s interest in the Leased

Property or lease the Leased Property or, for the account of the County, sublease the Leased Property and continue to hold the County liable for the difference between (1) the Rent payable by the County under the Lease for the then-current Original Term or Renewal Term, as the case may be, and (2) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under the Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Leased Property and all brokerage, auctioneers and attorney's fees);

(c) The Trustee may terminate any rights the County may have in any moneys held by the Trustee under the Declaration of Trust; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Leased Property and under the Lease.

### **SUMMARY OF THE BASE LEASE**

*The following is a brief summary of certain provisions of the Base Lease. This summary is not to be considered as a full statement of the provisions of the Base Lease and is qualified by reference to and subject to the complete Base Lease.*

#### **Generally**

The County and the Trustee have entered into the Base Lease under which the County leases the Leased Property, subject to Permitted Encumbrances, to the Trustee for the rentals and upon the terms and conditions set forth therein.

#### **Term**

The term of the Base Lease commences from the date of delivery, and ends on November 1, 2041, unless extended or terminated as provided therein.

#### **Rental**

As and for rental under the Base Lease and in consideration for the leasing of the Leased Property to the Trustee, the Trustee will take the following actions: (a) simultaneously with the delivery of the Base Lease, enter into the Lease; (b) simultaneously with the delivery of the Base Lease, pay to the County the sum of \$10.00 and provide such other consideration as the Trustee and County may agree; and (c) deposit funds in the amount and in the Funds established and as set forth in the Declaration of Trust.

#### **Assignments and Subleases**

The Trustee will hold the Base Lease and its rights thereunder for the benefit of Owners of the Certificates. The Trustee and its assigns may assign the Base Lease and its rights thereunder or lease or sublease the Leased Property without the written consent of the County (a) in connection with any assignment of its rights under the Lease, (b) if the Lease is terminated for any reason, or (c) if any Event of Default under the Lease has occurred.

#### **Termination**

The Base Lease will terminate at the end of its stated term; provided, however, that if the County pays the Purchase Price or all of the Rent Payments pursuant to the Lease and exercises its option to purchase the Trustee's interest in the Leased Property, then the Base Lease will be considered assigned to the County and

terminated through merger of the leasehold interest under the Base Lease with the fee interest of the County if the County is the owner of the fee interest.

## SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT

*The following is a brief summary of certain provisions of the Continuing Disclosure Agreement. This summary is not to be considered as a full statement of the provisions of the Continuing Disclosure Agreement and is qualified by reference to and subject to the complete Continuing Disclosure Agreement.*

### Definitions

For purposes of this section, the following terms have the following meanings, in addition to capitalized terms defined elsewhere:

**“Annual Report”** means any Annual Report filed by the County pursuant to, and as described in the caption **“Provision of Annual Reports”** below.

**“EMMA”** means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

**“Material Events”** means any of the events listed under the caption **“Reporting of Material Events”** below.

**“MSRB”** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

**“Rule”** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Provision of Annual Reports.

The County shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the County’s Fiscal Year, commencing with the fiscal year ending December 31, 2011, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

- (1) The audited financial statements of the County for the prior fiscal year. If audited financial statements of the County are not available by the time the Annual Report is required to be filed pursuant to the Continuing Disclosure Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Certificates, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
- (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement under the caption **“FINANCIAL INFORMATION CONCERNING THE COUNTY – Property Valuations – Current Assessed Valuation,”** **“– Property Valuations – History of Property Valuation,”** **“– Property Tax Levies and Collections,”** **“– Major Property Taxpayers,”** and **“– Sales Tax Collection”** in substantially the same format contained in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as

defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

### **Reporting of Material Events**

No later than 10 Business Days after the occurrence of any of the following events, the County shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) modifications to rights of certificate holders, if material;
- (8) certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

### **Termination of Reporting Obligation**

The County’s obligations under the Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If the County’s obligations under the Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing Disclosure Agreement in the same manner as if it were the County, and the County shall have no further responsibility under the Continuing Disclosure Agreement.

### **Amendment; Waiver**

Notwithstanding any other provision of the Continuing Disclosure Agreement, the County and the Dissemination Agent may amend the Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the County shall not be unreasonably withheld) and any provision of the Continuing Disclosure Agreement may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the County and the Dissemination Agent with its written opinion that the undertaking of the County contained herein, as so amended or after giving effect to such

waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreement.

### **Additional Information**

Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by the Continuing Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by the Continuing Disclosure Agreement, the County will have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

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