

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

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HILLSBORO, MISSOURI
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HILLSBORO, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable County Executive and
Members of the County Council
The County of Jefferson, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson (County), Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County of Jefferson, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson, Missouri, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information on pages 36 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it. The accompanying schedule of expenditures of federal awards and related information on pages 57 through 59 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016, on our consideration of the County of Jefferson, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Jefferson, Missouri's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 20, 2016

BASIC FINANCIAL STATEMENTS

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2015

	Governmental activities
ASSETS	
Cash and cash equivalents	\$ 28,258,475
Investments	17,922,752
Due from Collector of Revenue	1,404,121
Due from various taxing authorities and others	-
Restricted cash and investments	925,346
TOTAL ASSETS	\$ 48,510,694
LIABILITIES	
Due to various taxing authorities and others	\$ 1,110,253
Total liabilities	1,110,253
NET POSITION	
Restricted for:	
Neighborhood Improvement District bond payment and reserve funds	668,806
Certificates of Participation payment and reserve funds	266,149
Special revenue funds restricted by state statute	24,140,185
Unrestricted	22,325,301
Total net position	47,400,441
TOTAL LIABILITIES AND NET POSITION	\$ 48,510,694

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Function/Program	Expenses	Program revenues			Net (expense)
		Charges for services	Operating grants contributions and debt proceeds	Capital grants and contributions	revenue and changes in net position
					Total governmental activities
Governmental activities					
General county government	\$ 12,966,974	\$ 1,150,328	\$ 140,141	\$ 53,164	\$ (11,623,341)
Financial administration	787,695	2,960,614	-	-	2,172,919
Property valuation and recording	2,232,932	1,153,793	351,769	-	(727,370)
Administration of justice and law enforcement	23,261,060	5,745,399	3,549,705	252,015	(13,713,941)
Health and welfare	2,092,086	-	88,850	23,086	(1,980,150)
Maintenance of roads	20,776,544	1,657	538,860	2,343,461	(17,892,566)
Parks and recreation	1,246,943	133,340	356	231,131	(882,116)
Community and economic development	683,626	-	-	683,626	-
Debt Service:					
Principal payments	1,578,093	-	-	238,245	(1,339,848)
Interest and fiscal charges	711,393	-	-	-	(711,393)
Total governmental activities	\$ 66,337,346	\$ 11,145,131	\$ 4,669,681	\$ 3,824,728	(46,697,806)
General revenues:					
Taxes:					
Property taxes, levied for:					
					10,160,750
					32,298,390
					5,583,636
					182,595
					66,446
					134,839
					48,426,657
					1,728,851
					45,671,590
					\$ 47,400,441

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

	<u>General</u>	<u>Road and Bridge</u>	<u>Law Enforcement</u>	<u>Road Tax</u>	<u>Assessment</u>	<u>Parks and Recreation</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS										
Cash and cash equivalents	\$ 7,806,116	\$ 4,033,811	\$ 2,740,077	\$ 7,135,867	\$ 1,061,578	\$ 645,376	\$ 852,669	\$ -	\$ 3,982,981	\$ 28,258,475
Investments	4,640,920	1,000,000	-	4,860,000	-	-	6,931,832	-	490,000	17,922,752
Due from Collector of Revenue	234,911	457,050	-	-	296,583	116,089	-	10,312	289,176	1,404,121
Due from various taxing authorities and others	-	-	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	266,149	659,196	1	925,346
Total assets	\$ 12,681,947	\$ 5,490,861	\$ 2,740,077	\$ 11,995,867	\$ 1,358,161	\$ 761,465	\$ 8,050,650	\$ 669,508	\$ 4,762,158	\$ 48,510,694
LIABILITIES										
Due to various taxing authorities and others	\$ 950,528	\$ 35,147	\$ 91,557	\$ -	\$ 5,532	\$ 927	\$ -	\$ 702	\$ 25,860	\$ 1,110,253
Total liabilities	950,528	35,147	91,557	-	5,532	927	-	702	25,860	1,110,253
FUND BALANCES										
Restricted	-	5,455,714	-	11,995,867	1,352,629	760,538	266,149	668,806	4,575,437	25,075,140
Assigned	2,099,360	-	2,648,520	-	-	-	7,784,501	-	160,861	12,693,242
Unassigned	9,632,059	-	-	-	-	-	-	-	-	9,632,059
Total fund balances	11,731,419	5,455,714	2,648,520	11,995,867	1,352,629	760,538	8,050,650	668,806	4,736,298	47,400,441
Total liabilities and fund balances	\$ 12,681,947	\$ 5,490,861	\$ 2,740,077	\$ 11,995,867	\$ 1,358,161	\$ 761,465	\$ 8,050,650	\$ 669,508	\$ 4,762,158	\$ 48,510,694

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Capital Improvement	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues										
Property taxes	\$ 1,034,010	\$ 5,696,636	\$ -	\$ -	\$ 1,379,160	\$ 861,573	\$ -	\$ -	\$ 2,130,459	\$ 11,101,838
Special assessments	-	-	-	-	-	-	-	238,245	-	238,245
Sales tax	11,603,188	3,116,869	11,603,038	8,277,150	-	-	-	-	-	34,600,245
Other taxes	867,445	815,014	-	-	9,480	5,337	-	-	2,319	1,699,595
Grants, distributions and reimbursements	1,654,156	2,422,246	2,116,698	30,877	351,385	232,294	260,531	-	787,574	7,855,761
Fees, licenses and permits	9,781,602	430,575	599,730	-	11,957	132,533	-	-	1,220,553	12,176,950
Interest	52,271	11,520	5,109	50,300	228	695	53,653	234	8,588	182,598
Other	12,154	30,267	66,672	282	-	-	-	-	34,874	144,249
Total revenues	25,004,826	12,523,127	14,391,247	8,358,609	1,752,210	1,232,432	314,184	238,479	4,184,367	67,999,481
Expenditures										
Current										
General county government	11,655,813	-	-	-	-	-	-	-	67,393	11,723,206
Financial administration	561,687	-	-	-	-	-	-	-	217,330	779,017
Property valuation and recording	262,319	-	-	-	1,744,448	-	-	-	218,760	2,225,527
Administration of justice and law enforcement	7,019,781	-	15,220,403	-	-	-	-	-	578,020	22,818,204
Health and welfare	20,424	-	-	-	-	-	-	-	2,071,661	2,092,085
Maintenance of roads	-	9,474,606	-	-	-	-	-	-	-	9,474,606
Parks and recreation	-	-	-	-	-	1,184,657	-	-	-	1,184,657
Community development	-	-	-	-	-	-	-	-	683,626	683,626
Debt service:										
Principal payments	253,093	-	-	-	-	-	1,160,000	165,000	-	1,578,093
Interest and fiscal charges - includes cost of issuance related to 2013 NIDS	8,451	-	-	-	-	-	622,078	80,864	-	711,393
Capital outlay:										
Construction of roads and bridges	-	3,257,400	-	7,378,267	-	-	-	-	-	10,635,667
Property, equipment and buildings	1,257,340	559,140	367,137	107,130	4,461	62,288	-	-	73,770	2,431,266
Total expenditures	21,038,908	13,291,146	15,587,540	7,485,397	1,748,909	1,246,945	1,782,078	245,864	3,910,560	66,337,347
Revenues over (under) expenditures	3,965,918	(768,019)	(1,196,293)	873,212	3,301	(14,513)	(1,467,894)	(7,385)	273,807	1,662,134
Other financing sources (uses):										
Transfers	(2,886,428)	750,000	1,994,945	(750,000)	122,280	-	886,774	-	(117,571)	-
Lawsuit settlement	1	-	-	-	-	-	-	-	-	1
Redemption of temporary municipal notes	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of property	30,958	25,035	10,095	-	-	628	-	-	-	66,716
Total other financing sources (uses)	(2,855,469)	775,035	2,005,040	(750,000)	122,280	628	886,774	-	(117,571)	66,717
NET CHANGE IN FUND BALANCES	1,110,449	7,016	808,747	123,212	125,581	(13,885)	(581,120)	(7,385)	156,236	1,728,851
Fund balances, beginning of year	10,620,970	5,448,698	1,839,773	11,872,655	1,227,048	774,423	8,631,770	676,191	4,580,062	45,671,590
Fund balances, end of year	<u>\$ 11,731,419</u>	<u>\$ 5,455,714</u>	<u>\$ 2,648,520</u>	<u>\$ 11,995,867</u>	<u>\$ 1,352,629</u>	<u>\$ 760,538</u>	<u>\$ 8,050,650</u>	<u>\$ 668,806</u>	<u>\$ 4,736,298</u>	<u>\$ 47,400,441</u>

The accompanying notes are an integral part of this statement.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2015**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 30,203,933
Due from Collector of Revenue	1,286,997
TOTAL ASSETS	<u>\$ 31,490,930</u>
LIABILITIES	
Due to various taxing authorities and others	\$ 27,100,968
Protested taxes	1,626,692
Funds held in trust	73,151
Due to other funds	2,690,119
TOTAL LIABILITIES	<u>\$ 31,490,930</u>

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Jefferson, Missouri (County) (Jefferson County), which is governed by a seven member county council and a county executive, was established in 1818 by an Act of the Missouri Territory.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

The decision to include a potential component unit in the County's reporting entity is based on the criteria set forth in governmental accounting standards. Criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability as the primary, but not the only, criteria for inclusion. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, the County of Jefferson, Missouri, Public Facilities Authority, Inc. (PFA) has been determined to be a component unit of the County.

The PFA is a non-profit organization originally formed to finance the construction of the Jefferson County Jail and the purchase of a Courthouse Annex. The PFA was established in 1990. If the PFA has any financial transactions during a fiscal year, the financial information would be incorporated in the County's financial statements using the blending method. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government. The PFA does not issue separate financial statements. The PFA had no activity during the year.

The County Council are also responsible for appointing the members of the board of the following other organizations, but the County's accountability for these entities does not extend beyond making these appointments. These organizations do not meet the criteria for inclusion as component units, therefore, they are not included as component units with the County's financial reporting entity.

County Action Corporation (Jefferson-Franklin)
Community Mental Health Fund (COMTREA)
Developmental Disabilities Resource Board
Jefferson County Public Sewer District
Mid-East Area Agency on Aging
Northeast Public Sewer District
Port Authority of Jefferson County, Missouri
East-West Gateway Coordinating Council

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (concluded)

Economic Development Corporation of Jefferson County
Jefferson County Industrial Development Authority
Jefferson County Library Board
Rock Creek Public Sewer District
Selma Village Sewer District
Special Road District, Festus and Hillsboro
Workforce Investment Board Members – Jefferson/Franklin Counties

The Circuit Courts are not included in the financial statements of the County, as they are an office of the State of Missouri, which is administered and audited at the State level.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the County as a whole. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General, Road and Bridge, Law Enforcement, Road Tax, Assessment, Parks and Recreation, Capital Improvement and Debt Service funds are major governmental funds. All other governmental funds are reported in one column labeled

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fund Financial Statements: (concluded)

“Non-major Governmental Funds.” If applicable, the total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. 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. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County’s governmental major funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Due to the loss of sales tax revenue, the property tax rollback was waived and a \$.0009 property tax levy was added.

Road and Bridge Fund – A Special Revenue Fund used to account for receipts of the County-wide \$.2115 property tax levy and related expenditures for road maintenance and improvement projects.

Law Enforcement Fund – A Special Revenue Fund used to record the County-wide one half of one percent sales tax receipts and related expenditures to support law enforcement.

Road Tax Fund – A Special Revenue Fund used to record the County-wide one half of one percent sales tax receipts and related expenditures for general road maintenance.

Assessment Fund – A Special Revenue Fund used to record revenue received from state reimbursement and a fee of six-tenths of a percent of all property tax collections and related expenditures for the operation of the Assessor’s office. The Missouri Legislature

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types (concluded):

through Senate Bill 711 in 2009 provided an additional withholding of tax collections of 1/8 of one percent capped at a total withholding of \$125,000. The County's General Fund also contributes to the Assessment Fund and by statute, must contribute at least the average of the three previous years.

Parks and Recreation Fund – A Special Revenue Fund used to record the County-wide \$.0280 property tax levy and related expenditures for land acquisition, and for park maintenance, improvements and park programs.

Capital Improvement Fund – A Capital Projects Fund used to account for the financial resources used for the acquisition or construction of major capital facilities funded with the proceeds of a lawsuit settlement that was received in 2005, and Certificates of Participation issued in 2010 and 2012.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and associated costs related to the Neighborhood Improvement District bonds issued in 2010, 2012 and 2013.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes. In addition, the County Building Fund is a non-major capital projects fund used for the acquisition or construction of major capital facilities funded with the proceeds of the 2001 Certificates of Participation.

Fiduciary Fund Types

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and as applicable, the receipts of

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

proceeds of tax anticipation notes are recorded as liabilities. This is a basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as sales and property taxes due and revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, accrued expenses, certificates of participation and neighborhood improvement district bonds and obligations under capital leases) and certain expenses (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

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

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year. From 1984 to 2008, sales tax receipts were sufficient to roll back the General Fund property tax levy to zero. From 2009 to 2013, sales tax receipts were insufficient to fully roll back the property tax levy. As a result, the county property tax was levied. The 2015 General Fund property tax levy is \$0.0009 or slightly less than one (1) cent per \$100 of assessed valuation.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2015, for purposes of taxation, was:

Real Estate	\$ 2,430,421,676
Personal Property	<u>622,875,782</u>
	<u>\$ 3,053,297,458</u>

During 2015, the County Council approved a \$0.5033 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2015, for purposes of County taxation, as follows:

General revenue	\$ 0.0009
Parks and recreation	0.0280
Road and bridge	0.2115
Health	0.0751
Developmentally disabled	0.0939
Mental health	<u>0.0939</u>
	<u>\$ 0.5033</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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.

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, provided, however, that no such investment shall be purchased at a price in excess of 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 and investment balances are presented in Note II.

F. Restricted Cash and Investments

The Certificates of Participation used to redeem leasehold revenue bonds and to finance the County's administration building and the Neighborhood Improvement District (NID) Bonds used to finance certain neighborhood improvements require the County to establish and maintain prescribed amounts of reserves (consisting of cash and investments) that can be used only to service the Certificates and the Bonds. In addition, the proceeds derived from special assessments are restricted to pay the principal and interest on the NID bonds when due.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Modified Cash Basis – Governmental Funds.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

H. Governmental Fund Balances

In the Governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable – This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The County has no nonspendable fund balance as of December 31, 2015.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Governmental Fund Balances (concluded)

Restricted – This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The County’s restricted funds consist of various taxes approved by voters for specific purposes, special revenue funds restricted by state statute and debt obligations. Details of these balances are presented in Note XIV.

Committed – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of County Council, the County’s highest level of decision-making authority. The County has no committed fund balances as of December 31, 2015.

Assigned – This consists of the governmental fund balances that are intended to be used for specific purposes by a) County Council or b) County Executive. Details of these balances are presented in Note XIV.

Unassigned – This consists of the governmental funds that do not meet the definition of “nonspendable,” “restricted,” “committed,” or “assigned.”

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classifications of fund balance that is identified.

I. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All remaining net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The following net position was reported as restricted:

Payment of principal and interest on Certificates of Participation	\$ 266,149
Payment of principal and interest on Neighborhood Improvement District bonds	\$ 668,806

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Net Position (concluded)

Special revenue funds restricted by state statute:	
Road and Bridge	\$ 5,455,714
Road Tax	11,995,867
Assessment	1,352,629
Parks and Recreation	760,538
Police Officer Training	29,604
Post Commission	38,739
Sheriff Revolving	669,511
Inmate Security	203,461
Prosecuting Attorney Training	30,335
Prosecuting Attorney Delinquent Tax	49,226
Prosecuting Attorney Bad Check	153,761
Prosecuting Attorney Victim Advocate	-
SVDV	1,640
Recorder of Deeds	966,821
Mental Health	1,903,514
Jefferson County LEPC	10,878
Election Services	107,769
Tax Maintenance	410,162
NID Projects	1
Justice Assistance Grant	15
Total Special Revenue Funds Restricted by State Statute	<u>24,140,185</u>
Total Restricted Net Position	<u>\$ 25,075,140</u>

J. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Council and that are either unusual in nature or infrequent in occurrence. No extraordinary items or special items occurred during the year ended December 31, 2015.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

L. Adoption of New Accounting Standards

For the year ended December 31, 2015, the County adopted GASB Statement No. 68 “*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27.*” The objectives of these statements are to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits.

For the year ended December 31, 2015, the County adopted GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*” The objective of this statement is to make changes to GASB Statement No. 68 to assist governmental entities in implementing the standard.

II. CASH AND INVESTMENTS

The County is governed by the deposit and investment limitations of state law which authorize the types of investments as described in Note I. The deposits and investments held at December 31, 2015, and reported at cost, are as follows:

Type	Cost
Deposits:	
Demand deposits	\$ 57,456,182
Cash on hand	555
Overnight (Sweep) repurchase account	1,384,000
Debt service escrow	547,017
Investments:	
Nonnegotiable certificates of deposit	<u>17,922,752</u>
Total deposits and investments	<u>\$ 77,310,506</u>
Reconciliation to financial statements:	
Statement of Net Position	
Cash and cash equivalents	\$ 28,258,475
Investments	17,922,752
Restricted cash and investments	925,346
Statement of Fiduciary Net Position	
Cash and cash equivalents	<u>30,203,933</u>
	<u>\$ 77,310,506</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2015, none of the County's bank balance of \$71,207,575.45 was exposed to custodial credit risk. In addition, as of December 31, 2015, \$1,384,000 invested in Overnight (Sweep) Repurchase Agreements was not subject to custodial credit risk, as such funds were fully collateralized by the pledging financial institution's agent in the County's name.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The amount invested in money market mutual funds is not subject to custodial credit risk. The County's investment policy does not address custodial credit risk relating to investments.

Investment Interest Rate Risk

The County's investment policy limits investment maturities to securities with a maturity of less than twenty-four (24) months as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments earn interest based on variable interest rates. Investments (money market mutual funds) held at December 31, 2015, mature on January 1, 2016.

Investment Credit Risk

The County's investment policy does not address investment credit risk, the risk of loss due to the failure of the security issuer. As of December 31, 2015, the County's investments were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Amount</u>
Money Market Mutual Funds	AAAm	\$ 547,017

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over-concentration investments. The County's investments were not exposed to concentration of investment credit risk for the year ended December 31, 2015.

III. LONG-TERM DEBT

The County has long-term debt for a variety of purposes including capital projects financing and general government.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

III. LONG-TERM DEBT (continued)

For the year ended December 31, 2015, the following changes occurred in long-term debt:

	Balance January 1, 2015	Additions	Retirements	Balance December 31, 2015	Amounts Due Within One Year
Special Assessment Debt with Government Commitment: Neighborhood Improvement District Bonds	\$ 2,674,994	\$ -	\$ 165,000	\$ 2,509,994	\$ 119,994
Certificates of Participation	19,195,000	-	1,160,000	18,035,000	1,195,000
Capital Leases	-	508,000	253,093	254,907	254,907
Total	<u>\$ 21,869,994</u>	<u>\$ 508,000</u>	<u>\$ 1,578,093</u>	<u>\$ 20,799,901</u>	<u>\$ 1,569,901</u>

The Special Assessment Debt is liquidated from the Debt Service Fund. The Certificates of Participation are liquidated from the Capital Improvement Fund. The capital leases are liquidated from the General Fund.

A. Special Assessment Debt with Government Commitment – Neighborhood Improvement District Bonds

During 2010, Neighborhood Improvement District Bonds in the amount of \$1,605,000 were issued for the purpose of refinancing the County’s Municipal Temporary Notes, Series 2008, which were issued to finance the costs of sewer improvements located in the Berthold Estates, Claraned Heights, Fenton Forest, Primrose Lane, and San Marino Neighborhood Improvement District. The bonds are payable as to principal and interest from special assessments upon real property benefited by the applicable Project, and if not so, from current income and revenues and surplus funds of the County. The Bonds bear interest rates ranging from 2.00% to 3.75% and mature March 1, 2030.

During 2012, the County issued \$1,009,994 in Neighborhood Improvement District refunding bonds to current refund \$1,010,000 of the Neighborhood Improvement District bonds. Series 2004, which were issued to finance the costs of improvements located in Buene Vista Neighborhood, fund a debt service reserve, and pay the costs of issuance. The Bonds are payable as to principal and interest from special assessments upon real property benefited by the applicable Project, and, if not so, from current income and revenues and surplus funds of the County. The bonds bear interest at rates ranging from 2.00% through 2.625% and mature March 1, 2024.

On August 26, 2013, the County issued \$445,000 of General Obligation Neighborhood Improvement District refunding bonds to refinance \$414,074 of the Mark Drive Neighborhood Improvement District Municipal Temporary Notes, Series 2012, which were issued to finance sanitary sewer improvement in the Mark Drive Neighborhood District (Mark Drive NID), fund a debt service reserve, pay the costs of issuance, and pay a portion of the cost of the Mark Drive NID project. The Bonds are payable as to principal and interest from special assessments upon real property benefited by the applicable Project, and, if not so, from current income and revenues and surplus funds of the County. The bonds have a maturity of March 1, 2033, and bear an interest rate of 3.85%.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

III. LONG-TERM DEBT (continued)

A. Special Assessment Debt with Government Commitment – Neighborhood Improvement District Bonds (concluded)

The following is a schedule of future minimum payments of Special Assessment Debt at December 31, 2015:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 119,994	\$ 114,458	\$ 234,452
2017	165,000	71,480	236,480
2018	170,000	67,441	237,441
2019	180,000	63,149	243,149
2020	180,000	58,685	238,685
2021-2025	870,000	215,366	1,085,366
2026-2030	735,000	98,685	833,685
2031-2033	90,000	5,198	95,198
	\$ 2,509,994	\$ 694,462	\$ 3,204,456

B. Certificates of Participation

On March 25, 2010, Recovery Zone Economic Development Lease Certificates of Participation (Series 2010) in the amount of \$1,945,000 were issued evidencing interests in the right to receive rental payments to be paid by the County of Jefferson, Missouri, pursuant to an annually renewable lease (the “2010 Lease”). The proceeds of the Series 2010 Certificates were used to pay the costs of providing lighting and control improvements throughout the County, including highway departments, security card access improvements at the Courthouse and Administration buildings, replacement of windows at the Courthouse and heating, ventilation and air conditioning upgrades at the Courthouse, Juvenile Detention Center, Administration Annex, and Jail.

The 2010 Lease provides for, among other things, rental income equal to the 2010 COPS proceeds and a term that ends on the earlier of (a) the date when all the Series 2010 Certificates have been paid in full or provision for payment thereof has been made or (b) December 31, 2025. 2010 COPS are secured by a pledge and assignment of all right, title and interest of the County in and to a right of possession of the Project for the remainder of the term of the Lease, and has the right to sublease its interest in the Lease upon such terms as it deems prudent. Terms of the Lease include, among other things, rental payments equal to the principal and interest amounts of the 2010 COPS issuance, the initial rental term, which ended December 31, 2013, with renewal options for twenty (20) renewal terms of one year in duration with the last term ending December 31, 2025, unless the County in its sole discretion exercises 2010 Lease to extend its term for each next succeeding Renewal Term. In addition, the 2010 Lease provides that the County’s obligations are year to year and such obligations do not extend beyond the amount budgeted in the County’s budgeted expenditures for any respective fiscal year.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

III. LONG-TERM DEBT (continued)

B. Certificates of Participation (continued)

On June 15, 2010, Refunding Certificates of Participation Series 2010B (“2010B COPS”) were issued evidencing interest in the right to receive rental payments to be paid by the County of Jefferson, Missouri, pursuant to an annually renewable lease (“2010B Lease”). The proceeds of the 2010B COPS in the amount of \$2,650,000 were used to advance refund the 2001 COPS, to fund a debt service fund and pay certain costs of issuance.

The 2010B Lease provides for, among other things, rental income equal to 2010B COPS proceeds and a term that ends on the earlier of (a) the date when all the 2010B COPS have been paid in full or provision of payment thereof has been made or (b) September 22, 2022. Terms of the 2010B Lease include, among other things, rental payments equal to principal and interest amounts of the 2010B COPS issuance, the initial rental term, which ended December 31, 2013, with renewal options for twelve (12) renewal terms of one year in duration with the last term ending September 15, 2022, unless the County in its sole discretion exercises the option provided in the 2010B Lease to extend its term of each next succeeding Renewal Term. In addition, the 2010B Lease provides that the County’s obligations are year to year and such obligations do not extend beyond the amount budgeted in the County’s budgeted expenditures for any respective fiscal year.

On May 23, 2012, Refunding Certificates of Participation Series 2012 (“2012 COPS”) were issued evidencing interest in the right to receive rental payments to be paid by the County of Jefferson, Missouri, pursuant to an annually renewable lease (“2012 Lease”). The proceeds of the 2012 COPS in the amount of \$17,315,000 were used to refund the 2007 COPS, which were issued to finance a new law enforcement administration building and juvenile detention facility, renovate the existing county jail, and to fund a debt service fund and pay certain costs of issuance.

The 2012 Lease provides for, among other things, rental income equal to 2012 COPS proceeds and a term that ends on the earlier of (a) the date when all the 2012 COPS have been paid in full or provision of payment thereof has been made or (b) April 15, 2028. Terms of the 2012 Lease include, among other things, rental payments equal to principal and interest amounts of the 2012 COPS issuance, the initial rental term, which ended December 31, 2013, with renewal options for terms of one year in duration with the last term ending April 15, 2028, unless the County in its sole discretion exercises the option provided in the 2012 Lease to extend its term of each next succeeding Renewal Term. In addition, the 2012 Lease provides that the County’s obligations are year to year and such obligations do not extend beyond the amount budgeted in the County’s budgeted expenditures for any respective fiscal year.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

III. LONG-TERM DEBT (concluded)

B. Certificates of Participation (concluded)

The following is a schedule of future minimum rental payments at December 31, 2015, under the Leases, assuming the agreements are renewed each year.

Year Ending December 31,	Principal	Interest	Total
2016	\$ 1,195,000	\$ 577,968	\$ 1,772,968
2017	1,230,000	540,267	1,770,267
2018	1,265,000	500,567	1,765,567
2019	1,310,000	458,821	1,768,821
2020	1,355,000	414,810	1,769,810
2021-2025	7,265,000	1,335,203	8,600,203
2026-2028	4,415,000	210,930	4,625,930
	<u>\$ 18,035,000</u>	<u>\$ 4,038,566</u>	<u>\$ 22,073,566</u>

C. Lease/Purchase Agreement

In 2015, the County entered into a lease purchase agreement with a bank in order to purchase vehicles. This lease is for a principal amount of \$508,000 at 2.25%. Principal and interest are payable in two annual payments of \$261,544.

The following is a schedule of future minimum rental payments at December 31, 2015, under the Leases, assuming the agreements are renewed each year.

Year Ending December 31,	Principal	Interest	Total
2016	\$ 254,907	\$ 6,637	\$ 261,544
	<u>\$ 254,907</u>	<u>\$ 6,637</u>	<u>\$ 261,544</u>

D. Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. The computation is as follows:

2015 assessed valuation	\$ <u>3,053,297,458</u>
Debt limit - 10% of assessed valuation	\$ 305,329,746
Bonded indebtedness applicable to debt limit (Neighborhood Improvement District bonds)	(2,509,994)
Amount available in debt service fund	<u>668,806</u>
Legal debt margin	<u>\$ 303,488,558</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
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IV. CONDUIT DEBT

On December 27, 2006, the County approved the issuance of up to \$325,000,000 in Taxable Industrial Revenue Bonds (River Cement Company Project) to finance the cost of purchasing and constructing a facility for an industrial development project within the County deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from revenues received from the project. Upon repayment of the bonds, ownership of the acquired facilities transfers (upon payment of a nominal amount) to the private-sector entity served by the bond issuance. Neither the County, the State of Missouri, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As part of the agreement, the River Cement Company (Company) has agreed to maintain a certain headcount for specified periods or be subject to a penalty amount, and agreed to exclude certain property from the Project so that property taxes generated prior to the Project will be maintained. In addition, the Company has agreed to make certain economic development contributions to the County. These contributions are to be placed in a fund to be used by the County for projects that foster job creation and community development exclusively for the benefit of the public. The Company has also agreed to make certain grant payments or Payments in Lieu of Taxes (PILOTS) for a period of fifteen years. The County allocates the PILOTS pro-rata to the taxing districts based on their annual ad valorem tax rates.

V. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2015, are as follows:

<u>Major Funds</u>	<u>Transfers In</u>	<u>Transfers Outs</u>
General Fund:		
Law Enforcement Fund	\$ -	\$ 1,994,945
Capital Improvement Fund	-	886,774
Assessment Fund	-	122,280
Tax Maintenance Fund	124,548	-
Prosecuting Attorney Victim Advocate Fund	-	6,977
Total General Fund	<u>124,548</u>	<u>3,010,976</u>
Law Enforcement:		
General Fund	1,994,945	-
Assessment Fund:		
General Fund	122,280	-
Road Tax Fund:		
Road and Bridge Fund	-	750,000
Road and Bridge Fund:		
Road Tax Fund	750,000	-
Capital Improvement Fund:		
General Fund	886,774	-

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

V. INTERFUND TRANSFERS (concluded)

	Transfers In	Transfers Out
<u>Non-Major Funds (Special Revenue)</u>		
Prosecuting Attorney Delinquent Tax Fund:		
Prosecuting Attorney Victim Advocate Fund	\$ -	\$ 14,327
Prosecuting Attorney Victim Advocate Fund:		
General Fund	6,977	-
Prosecuting Attorney Delinquent Tax Fund	14,327	-
Tax Maintenance Fund:		
General Fund	-	124,548
Total Transfers	\$ 3,899,851	\$ 3,899,851

Interfund transfers were used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

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

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision’s governing body adopts all benefits of the plan.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Benefits Provided (concluded)

	<u>2015 Valuation</u>
Benefit Multiplier:	1.75%
Final Average Salary:	3 Years
Member Contributions:	4%

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

Employees Covered By Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Road</u>
Inactive employees or beneficiaries currently receiving benefits	196	98	90
Inactive employees entitled to but not yet receiving benefits	132	74	26
Active employees	342	137	105
	670	309	221

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 9.0% (General), 10.1% (Police), and 14.5% (Roads) of annual covered payroll.

Net Pension Liability

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Actuarial Assumptions

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

Inflation	3.0%
Salary Increase	3.5% to 6.8% including inflation
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

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

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

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

Discount Rate

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

THE COUNTY OF JEFFERSON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division	Road Division
A. Total Pension Liability			
1 Service Cost	\$ 1,305,223	\$ 738,041	\$ 528,505
2 Interest on Total Pension Liability	3,205,683	2,131,241	1,520,591
3 Changes of Benefit Terms	-	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(1,316,593)	(271,000)	(342,210)
5 Changes of Assumptions	-	-	-
6 Benefit payments, including refunds of employee contributions	(1,793,408)	(1,037,099)	(1,282,794)
7 Net change in total pension liability	1,400,905	1,561,183	424,092
8 Total pension liability - beginning	44,456,140	29,543,336	21,344,215
9 Total pension liability - ending	<u>\$ 45,857,045</u>	<u>\$ 31,104,519</u>	<u>\$ 21,768,307</u>
B. Plan Fiduciary Net Position			
1 Contributions - employer	\$ 1,377,140	\$ 859,533	\$ 687,328
2 Contributions - employee	-	-	-
3 Net investment income	1,025,592	651,019	428,639
4 Benefit payments, including refunds of employee contributions	(1,793,408)	(1,037,099)	(1,282,794)
5 Pension plan administrative expense	(58,812)	(25,911)	(21,250)
6 Other (net transfer)	105,192	331,717	(598,285)
7 Net change in plan fiduciary net position	655,704	779,259	(786,362)
8 Plan fiduciary net position - beginning	51,399,287	33,199,541	22,322,058
9 Plan fiduciary net position - ending	<u>\$ 52,054,991</u>	<u>\$ 33,978,800</u>	<u>\$ 21,535,696</u>
C. Net Pension Liability / (Asset)	<u>\$ (6,197,946)</u>	<u>\$ (2,874,281)</u>	<u>\$ 232,611</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.52%	109.24%	98.93%
E. Covered-Employee Payroll	\$ 12,834,138	\$ 7,063,437	\$ 4,775,863
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-48.29%	-40.69%	4.87%

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
	<u> </u>	<u> </u>	<u> </u>
General Division:			
Total Pension Liability (TPL)	\$ 52,651,466	\$ 45,857,045	\$ 40,256,731
Plan Fiduciary Net Position	52,054,991	52,054,991	52,054,991
Net Pension Liability / (Asset) (NPL)	<u>\$ 596,475</u>	<u>\$ (6,197,946)</u>	<u>\$ (11,798,260)</u>
Police Division:			
Total Pension Liability (TPL)	\$ 35,942,929	\$ 31,104,519	\$ 27,125,093
Plan Fiduciary Net Position	33,978,800	33,978,800	33,978,800
Net Pension Liability / (Asset) (NPL)	<u>\$ 1,964,129</u>	<u>\$ (2,874,281)</u>	<u>\$ (6,853,707)</u>
Roads Division:			
Total Pension Liability (TPL)	\$ 24,587,947	\$ 21,768,307	\$ 19,399,059
Plan Fiduciary Net Position	21,535,696	21,535,696	21,535,696
Net Pension Liability / (Asset) (NPL)	<u>\$ 3,052,251</u>	<u>\$ 232,611</u>	<u>\$ (2,136,637)</u>

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

For the year ended June 30, 2015, the employer would have recognized pension expense of \$2,757,707 under the GAAP financial reporting standards. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

	General		Police		Roads	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,076,663)	\$ -	\$ (218,424)	\$ -	\$ (276,748)
Changes in assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,150,146	-	1,408,412	-	917,150	-
Employer contributions subsequent to the measurement date	-	-	-	-	-	-
Total	<u>\$ 2,150,146</u>	<u>\$ (1,076,663)</u>	<u>\$ 1,408,412</u>	<u>\$ (218,424)</u>	<u>\$ 917,150</u>	<u>\$ (276,748)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2015.

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

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police	Net Deferred Outflows of Resources - Roads
2016	\$ 297,606	\$ 299,527	\$ 163,825
2017	297,606	299,527	163,825
2018	297,606	299,527	163,825
2019	297,606	299,527	163,827
2020	(116,943)	(8,120)	(14,900)
Thereafter	-	-	-
Total	<u>\$ 1,073,481</u>	<u>\$ 1,189,988</u>	<u>\$ 640,402</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VII. 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 (1,000) one thousand 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. Early retirement at age fifty-five with reduced benefit is allowed. 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, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees are required to contribute 4% of their annual salary in order to participate in the CERF. The County collected and remitted to CERF, employee contributions and statutory charges for the current year and two preceding years as follows:

Year Ended December 31,	Employee Contributions	Statutory Charges
2015	\$ 620,170	\$ 1,223,000
2014	\$ 559,000	\$ 1,074,000
2013	\$ 510,000	\$ 1,331,000

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 for the year ended December 31, 2015.

IX. 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. Premiums paid during the year were \$8,950 at December 31, 2015.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is a defendant in various claims and lawsuits that seek monetary damages. The cases are being fully defended and there are no specific plans to settle any cases at this time. The outcome of these claims and lawsuits are not presently determinable or are not expected to have a material adverse effect on the financial statements; therefore, no amount has been provided in the December 31, 2015, financial statements for any such claims and lawsuits.

B. Compensated Absences

The County provides employees with up to five weeks of paid vacation based upon the number of years of continuing service. Earned vacation may be accumulated up to one year. Upon separation from county employment, an employee shall be compensated for unused vacation. Sick leave is earned at a rate of one day per month for a maximum of 120 days. Upon termination from county employment, an employee is not reimbursed for unused sick leave except when the employee retires after the age of 55, and the employee is a vested employee. An employee is vested after five years of continuous employment with the County. Vested, retiring employees are compensated for unused sick days at the rate of 40% of accrued sick days at the date of termination of employment. This provision applies only to employees hired before the effective date of the personnel policy dated June 6, 2006. Employees hired after the effective date of this policy will not be reimbursed for unused sick leave upon termination for any reason. In addition, compensatory time is earned by various County employees. Since the County utilizes the modified cash basis of accounting, they have not determined the amount earned but unpaid for compensated absences at December 31, 2015.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

X. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Operating Leases

The County has entered into various operating leases for real and personal property. The total annual commitment required for these agreements is approximately \$120,500.

D. Contracts

In the normal course of operations, the County has contracted for various services such as an outsourcing arrangement for information technology, law enforcement system data, computer hardware and software maintenance, road construction, maintenance and repair, etc. Each agreement contains clauses for continuation or termination.

E. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. 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. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. 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 created pursuant to state statute (Chapter 537.70 RSMo. 1986). 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 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 \$250,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

XI. RISK MANAGEMENT (concluded)

The County has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool or self-insurance fund. These policies include reasonable deductible amounts. The only exception is in regard to the County's vehicle fleet, which is covered for liability only. In a cost-benefit analysis, the County determined it is cost effective to forego the premiums and pay for repairs and replacement as needed. The portion of uninsured loss is not expected to be material with respect to the financial position of the County.

XII. SUBSEQUENT EVENTS

The County did not have any subsequent events to report as of the audit report date.

XIII. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In February 2015, the GASB issued Statement No. 72 "*Fair Value Measurement and Application*". The objective of this Statement is to revise existing accounting and financial reporting requirements when reporting the fair market value of assets. The requirements in Statement No. 72 are effective for periods beginning after June 15, 2015.

In June 2015, the GASB issued Statements No. 74 "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" and No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The objective of these Statements is to revise existing accounting and financial reporting requirements for postemployment benefit plans other than pension plans. The requirements in Statement No. 74 are effective for periods beginning after June 15, 2016 and the requirements in Statement No. 75 are effective for the periods beginning after June 15, 2017.

In August 2015, the GASB issued Statement No. 77 "*Tax Abatement Disclosures*". The objective of this Statement is to provide guidance and requirements for reporting tax abatement programs within the notes to the financial statements. The requirements in Statement No. 77 are effective for periods beginning after December 15, 2015.

In December 2015, the GASB issued Statement No. 78 "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". The objective of these Statements is to revise existing accounting and financial reporting requirements for pension plans provided through multiple-employer defined benefit plans. The requirements in Statement No. 74 are effective for periods beginning after December 15, 2015.

XIV. FUND BALANCE CONSTRAINTS

The constraints on fund balance are listed in aggregate in the Statement of Revenue, Expenditures, and Changes in Fund Balance. The following table provides detail on fund balance constraints according to balance classification and fund.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

XIV. FUND BALANCE CONSTRAINTS (concluded)

	Major Special Revenue Funds								Non-Major Governmental Funds	Total
	General	Road and Bridge	Law Enforcement	Road Tax	Assess- ment	Parks and Recreation	Capital Improve- ment	Debt Service		
Fund Balances:										
Restricted for:										
Roads and bridges	\$ -	\$ 5,455,714	\$ -	\$ 11,995,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,451,581
Assessment	-	-	-	-	1,352,629	-	-	-	-	1,352,629
Parks and recreation	-	-	-	-	-	760,538	-	-	-	760,538
Debt service - COPS	-	-	-	-	-	-	266,149	-	-	266,149
Debt service - NIDS	-	-	-	-	-	-	-	668,806	-	668,806
Police officer training	-	-	-	-	-	-	-	-	29,604	29,604
Post commission	-	-	-	-	-	-	-	-	38,739	38,739
Sheriff revolving fund	-	-	-	-	-	-	-	-	669,511	669,511
Inmate security	-	-	-	-	-	-	-	-	203,461	203,461
Prosecuting attorney training	-	-	-	-	-	-	-	-	30,335	30,335
Prosecuting attorney delinquent tax fund	-	-	-	-	-	-	-	-	49,226	49,226
Prosecuting attorney admin handling cost	-	-	-	-	-	-	-	-	153,761	153,761
SVDV fund	-	-	-	-	-	-	-	-	1,640	1,640
Recorder of deeds	-	-	-	-	-	-	-	-	966,821	966,821
Mental health fund	-	-	-	-	-	-	-	-	1,903,514	1,903,514
Jeff Co LEPC	-	-	-	-	-	-	-	-	10,878	10,878
Election services	-	-	-	-	-	-	-	-	107,769	107,769
Tax maintenance	-	-	-	-	-	-	-	-	410,162	410,162
NID projects	-	-	-	-	-	-	-	-	1	1
JAG grant	-	-	-	-	-	-	-	-	15	15
Total Restricted	-	5,455,714	-	11,995,867	1,352,629	760,538	266,149	668,806	4,575,437	25,075,140
Assigned for:										
Prosecuting attorney forfeitures	16,470	-	-	-	-	-	-	-	-	16,470
Courthouse beautification	439	-	-	-	-	-	-	-	-	439
County discretionary fund	18,307	-	-	-	-	-	-	-	-	18,307
Animal control donations	25,174	-	-	-	-	-	-	-	-	25,174
Subsequent year's budget deficit	2,038,970	-	-	-	-	-	-	-	-	2,038,970
Drug forfeiture	-	-	148,578	-	-	-	-	-	-	148,578
Sheriff's commissary fund	-	-	105,510	-	-	-	-	-	-	105,510
Sheriff equipment donation fund	-	-	3,012	-	-	-	-	-	-	3,012
Prisoner phone fund	-	-	188,934	-	-	-	-	-	-	188,934
Police memorial fund	-	-	16,527	-	-	-	-	-	-	16,527
Sheriff's reserve fund	-	-	936	-	-	-	-	-	-	936
JCMEG asset forfeiture fund	-	-	29,786	-	-	-	-	-	-	29,786
Law enforcement	-	-	2,155,237	-	-	-	-	-	-	2,155,237
Capital improvements	-	-	-	-	-	-	7,784,501	-	160,861	7,945,362
Total Assigned	2,099,360	-	2,648,520	-	-	-	7,784,501	-	160,861	12,693,242
Unassigned	9,632,059	-	-	-	-	-	-	-	-	9,632,059
	<u>\$ 11,731,419</u>	<u>\$ 5,455,714</u>	<u>\$ 2,648,520</u>	<u>\$ 11,995,867</u>	<u>\$ 1,352,629</u>	<u>\$ 760,538</u>	<u>\$ 8,050,650</u>	<u>\$ 668,806</u>	<u>\$ 4,736,298</u>	<u>\$ 47,400,441</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

XV. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended December 31, 2015, the County adopted the GASB issued Statement No. 68 “*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*”. The objective of this Statement is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits.

For the year ended December 31, 2015, the County adopted the GASB issued Statement No. 71 “*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*”. The objective of this Statement is to revise existing accounting and financial reporting requirements for most pension plans with contributions to the plan made after the measurement date.

SUPPLEMENTARY INFORMATION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 826,059	\$ 826,059	\$ 1,034,010	\$ 207,951
Sales tax	10,670,000	10,670,000	11,603,188	933,188
Other taxes	802,006	802,006	867,445	65,439
Grants, distributions and reimbursements	1,863,961	1,993,775	1,654,156	(339,619)
Fees, licenses and permits	9,720,214	9,720,214	9,781,602	61,388
Interest	28,111	28,111	52,271	24,160
Other	4,380	4,380	12,154	7,774
Total revenues	23,914,731	24,044,545	25,004,826	960,281
Expenditures:				
Current:				
General county government	12,907,464	13,310,491	11,655,813	1,654,678
Financial administration	604,421	604,421	561,687	42,734
Property valuation and recording	267,950	267,950	262,319	5,631
Administration of justice and law enforcement	7,669,257	7,726,962	7,019,781	707,181
Health and welfare	28,875	28,875	20,424	8,451
Debt service:				
Principal payments	-	-	253,093	(253,093)
Interest and fiscal charges	-	-	8,451	(8,451)
Capital outlay:				
Property, equipment and buildings	1,297,172	1,775,725	1,257,340	518,385
Total expenditures	22,775,139	23,714,424	21,038,908	2,675,516
Excess of revenues over (under) expenditures	1,139,592	330,121	3,965,918	3,635,797
Other financing sources (uses)				
Transfers	(3,674,977)	(3,674,977)	(2,886,428)	788,549
Lawsuit settlement	-	-	1	1
Proceeds from the sale of property	-	27,800	30,958	3,158
Total other financing sources (uses)	<u>(3,674,977)</u>	<u>(3,647,177)</u>	<u>(2,855,469)</u>	<u>791,708</u>
NET CHANGE IN FUND BALANCE	(2,535,385)	(3,317,056)	1,110,449	4,427,505
FUND BALANCE - BEGINNING OF YEAR	10,620,970	10,620,970	10,620,970	-
FUND BALANCE - END OF YEAR	<u>\$ 8,085,585</u>	<u>\$ 7,303,914</u>	<u>\$ 11,731,419</u>	<u>\$ 4,427,505</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
General County Government:				
Animal Control	\$ 528,922	\$ 528,922	\$ 444,482	\$ 84,440
Auditor	225,315	225,166	223,971	1,195
Board of Equalization	3,000	3,000	1,650	1,350
Building Department	709,952	709,952	628,707	81,245
Code Enforcement	200,739	200,739	184,274	16,465
County Agencies	10,000	10,000	10,000	-
County Clerk	448,012	462,788	429,161	33,627
County Council	123,976	123,976	123,659	317
County Executive	119,427	119,427	115,706	3,721
Economic Development	81,000	81,000	81,000	-
Emergency Management	201,473	214,559	175,229	39,330
Facility Services	1,475,797	1,475,797	1,369,320	106,477
Fleet Services	1,237,486	1,219,786	1,022,793	196,993
General Services	924,697	924,697	799,373	125,324
Information Technology	1,794,271	1,796,771	1,579,205	217,566
Insurance - Health	1,604,000	1,604,000	1,546,627	57,373
Insurance - Other	197,500	194,514	182,667	11,847
Insurance - Workmen's Compensation	100,000	96,175	58,222	37,953
Land Use and Development	397,273	397,273	226,199	171,074
Missouri University Extension Services	81,000	81,000	81,000	-
Organizations	43,000	43,000	38,345	4,655
Other	253,338	650,663	362,486	288,177
Payroll Taxes and Retirement	1,857,487	1,857,487	1,690,765	166,722
Planning and Zoning	289,799	289,799	280,972	8,827
	<u>12,907,464</u>	<u>13,310,491</u>	<u>11,655,813</u>	<u>1,654,678</u>
Financial Administration:				
Collector	443,762	443,762	401,460	42,302
Treasurer	160,659	160,659	160,227	432
	<u>604,421</u>	<u>604,421</u>	<u>561,687</u>	<u>42,734</u>
Property Valuation and Recording:				
Recorder of Deeds	267,950	267,950	262,319	5,631

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Administration of Justice and Law Enforcement:				
Circuit Clerk	27,014	27,014	26,778	236
Circuit Courts	716,141	778,061	327,530	450,531
Family Court	429,725	429,725	355,184	74,541
Jury Script	3,288,077	3,060,444	2,988,077	72,367
Juvenile Office	-	227,183	167,434	59,749
Medical Examiner	377,847	375,886	361,974	13,912
Municipal Court	360,279	360,279	360,279	-
Prosecuting Attorney	2,180,467	2,180,467	2,165,151	15,316
Public Administrator	289,707	287,903	267,374	20,529
	<u>7,669,257</u>	<u>7,726,962</u>	<u>7,019,781</u>	<u>707,181</u>
 Health and Welfare	 <u>28,875</u>	 <u>28,875</u>	 <u>20,424</u>	 <u>8,451</u>
 Debt Service:				
Principal Payments	-	-	253,093	(253,093)
Interest and Fiscal Charges	-	-	8,451	(8,451)
	<u>-</u>	<u>-</u>	<u>261,544</u>	<u>(261,544)</u>
 Capital Outlay:				
Property, Equipment and Buildings	<u>1,297,172</u>	<u>1,775,725</u>	<u>1,257,340</u>	<u>518,385</u>
 Total Expenditures	 <u>\$ 22,775,139</u>	 <u>\$ 23,714,424</u>	 <u>\$ 21,038,908</u>	 <u>\$ 2,675,516</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 5,482,004	\$ 5,482,004	\$ 5,696,636	\$ 214,632
Sales tax	748,683	748,683	3,116,869	2,368,186
Other taxes	2,955,848	2,955,848	815,014	(2,140,834)
Grants, distributions and reimbursements	5,926,444	5,926,444	2,422,246	(3,504,198)
Fees, licenses and permits	426,210	426,210	430,575	4,365
Interest	2,165	2,165	11,520	9,355
Other	23,000	23,000	30,267	7,267
Total revenues	15,564,354	15,564,354	12,523,127	(3,041,227)
Expenditures:				
Current:				
Maintenance of roads:				
Salaries	5,585,301	5,585,301	5,538,290	47,011
Office expense	20,100	20,100	14,286	5,814
Miscellaneous	34,850	34,850	30,096	4,754
Uniforms	25,870	25,870	24,353	1,517
Medical expense	8,000	8,000	5,106	2,894
Safety equipment & supplies	28,925	28,925	20,213	8,712
Parts and repairs	600,000	536,000	522,875	13,125
Utilities	108,446	108,446	77,579	30,867
Insurance	1,368,131	1,368,131	1,206,673	161,458
Payroll taxes	447,275	447,275	421,355	25,920
Pension	684,596	684,596	732,731	(48,135)
Training	25,000	25,000	21,028	3,972
Property and buildings	286,762	286,762	272,788	13,974
C.A.R.T.	189,371	189,371	64,595	124,776
Vehicle expenses	820,250	715,250	522,638	192,612
Capital outlay:				
Property, equipment and buildings:				
Equipment	277,900	327,900	232,490	95,410
Right-of-way	365,266	365,266	326,650	38,616
Construction of roads and bridges:				
Contractual service	5,268,696	5,268,696	2,162,530	3,106,166
Road materials	1,350,000	1,290,000	827,927	462,073
Equipment rental	20,000	24,000	22,645	1,355
Sign material	-	-	-	-
Engineering fees	408,000	408,000	244,298	163,702
Total expenditures	17,922,739	17,747,739	13,291,146	4,456,593
Excess of revenues over (under) expenditures	(2,358,385)	(2,183,385)	(768,019)	1,415,366
Other financing sources (uses)				
Transfers	500,000	500,000	750,000	250,000
Proceeds from the sale of property	-	-	25,035	25,035
Total other financing sources (uses)	500,000	500,000	775,035	275,035
NET CHANGE IN FUND BALANCE	(1,858,385)	(1,683,385)	7,016	1,690,401
FUND BALANCE - BEGINNING OF YEAR	5,448,698	5,448,698	5,448,698	-
FUND BALANCE - END OF YEAR	\$ 3,590,313	\$ 3,765,313	\$ 5,455,714	\$ 1,690,401

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
LAW ENFORCEMENT FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales tax	\$ 10,670,000	\$ 10,670,000	\$ 11,603,038	\$ 933,038
Grants, distributions and reimbursements	1,999,323	2,236,723	2,116,698	(120,025)
Fees, licenses and permits	708,266	708,266	599,730	(108,536)
Interest	964	964	5,109	4,145
Other	67,614	67,614	66,672	(942)
Total revenues	13,446,167	13,683,567	14,391,247	707,680
Expenditures:				
Current:				
Administration of Justice and Law Enforcement:				
Salaries	10,259,556	10,263,931	9,872,177	391,754
Payroll taxes	778,603	779,368	739,223	40,145
Leased vehicles	50,400	50,400	47,988	2,412
Office expense	51,800	51,800	38,036	13,764
Contractual services	431,415	431,415	381,123	50,292
Professional services	-	24,000	21,560	2,440
Uniforms	91,850	91,850	57,943	33,907
Utilities	78,500	78,500	74,854	3,646
Insurance	2,052,437	2,052,437	1,986,140	66,297
Pension	1,118,644	1,119,784	1,034,329	85,455
Training	87,670	87,670	43,121	44,549
Other	607,756	613,876	311,016	302,860
Institutional placement	12,500	12,500	2,365	10,135
Prisoner medical expense	12,000	12,000	4,949	7,051
Prisoner transport	67,000	67,000	35,561	31,439
Prisoner food	430,000	430,000	533,341	(103,341)
Jail expense	1,200	1,200	872	328
Vehicle expense	138,974	138,974	35,805	103,169
Capital outlay:				
Property, equipment and buildings	251,145	476,145	367,137	109,008
Total expenditures	16,521,450	16,782,850	15,587,540	1,195,310
Excess of revenues over (under) expenditures	(3,075,283)	(3,099,283)	(1,196,293)	1,902,990
Other financing sources (uses)				
Transfers	1,994,945	1,994,945	1,994,945	-
Proceeds from the sale of property	-	-	10,095	10,095
Total other financing sources (uses)	1,994,945	1,994,945	2,005,040	10,095
NET CHANGE IN FUND BALANCE	(1,080,338)	(1,104,338)	808,747	1,913,085
FUND BALANCE - BEGINNING OF YEAR	1,839,773	1,839,773	1,839,773	-
FUND BALANCE - END OF YEAR	\$ 759,435	\$ 735,435	\$ 2,648,520	\$ 1,913,085

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD TAX FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales tax	\$ 7,600,000	\$ 7,600,000	\$ 8,277,150	\$ 677,150
Grants, distributions and reimbursements	-	-	30,877	30,877
Interest	5,064	5,070	50,300	45,230
Other	-	-	282	282
Total revenues	7,605,064	7,605,070	8,358,609	753,539
Expenditures:				
Capital outlay:				
Property, equipment and buildings:				
Right of way	135,066	135,066	107,130	27,936
Construction of roads and bridges:				
Contractual services	6,267,460	6,017,460	3,951,750	2,065,710
Motor vehicle equipment	847,500	864,500	860,292	4,208
Road materials	2,500,000	2,500,000	1,877,911	622,089
Equipment rental	10,000	10,000	8,073	1,927
Sign material	500,000	483,000	94,834	388,166
Engineering fees	752,000	752,000	585,407	166,593
Total expenditures	11,012,026	10,762,026	7,485,397	3,276,629
Excess of revenues over (under) expenditures	(3,406,962)	(3,156,956)	873,212	4,030,168
Other financing sources (uses)				
Transfers	(500,000)	(750,000)	(750,000)	-
Total other financing sources (uses)	(500,000)	(750,000)	(750,000)	-
NET CHANGE IN FUND BALANCE	(3,906,962)	(3,906,956)	123,212	4,030,168
FUND BALANCE - BEGINNING OF YEAR	11,872,655	11,872,655	11,872,655	-
FUND BALANCE - END OF YEAR	\$ 7,965,693	\$ 7,965,699	\$ 11,995,867	\$ 4,030,168

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ASSESSMENT FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,358,225	\$ 1,358,225	\$ 1,379,160	\$ 20,935
Other taxes	8,060	8,060	9,480	1,420
Grants, distributions and reimbursements	334,869	334,869	351,385	16,516
Fees, licenses and permits	8,689	8,689	11,957	3,268
Interest	138	138	228	90
Total revenues	1,709,981	1,709,981	1,752,210	42,229
Expenditures:				
Current:				
Property valuation and recording:				
Salaries	1,179,768	1,179,768	1,144,555	35,213
Office	15,000	15,000	14,700	300
Contractual services	36,900	114,480	92,472	22,008
Miscellaneous	12,350	12,350	6,377	5,973
Mileage	500	500	437	63
Utilities	1,000	1,000	620	380
Insurance	223,444	223,444	192,962	30,482
Postage	65,000	96,200	70,567	25,633
Payroll taxes	92,929	92,929	86,491	6,438
Pension	117,239	117,239	107,868	9,371
Professional services	32,500	32,500	12,503	19,997
Training	20,000	20,000	12,589	7,411
Vehicle Gas & Oil	3,000	3,000	2,307	693
Capital outlay:				
Property, equipment and buildings	8,500	8,500	4,461	4,039
Total expenditures	1,808,130	1,916,910	1,748,909	168,001
Excess of revenues over (under) expenditures	(98,149)	(206,929)	3,301	210,230
Other financing sources (uses)				
Transfers	122,280	122,280	122,280	-
Total other financing sources (uses)	122,280	122,280	122,280	-
NET CHANGE IN FUND BALANCE	24,131	(84,649)	125,581	210,230
FUND BALANCE - BEGINNING OF YEAR	1,227,048	1,227,048	1,227,048	-
FUND BALANCE - END OF YEAR	\$ 1,251,179	\$ 1,142,399	\$ 1,352,629	\$ 210,230

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PARKS AND RECREATION FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 844,644	\$ 844,644	\$ 861,573	\$ 16,929
Other taxes	5,761	5,761	5,337	(424)
Grants, distributions and reimbursements	162,517	225,517	232,294	6,777
Fees, licenses and permits	165,090	165,090	132,533	(32,557)
Interest	285	285	695	410
Other	1,645	1,645	-	(1,645)
Total revenues	1,179,942	1,242,942	1,232,432	(10,510)
Expenditures:				
Current:				
Park Maintenance:				
Salaries	617,411	617,411	593,180	24,231
Office	2,200	2,200	2,029	171
Contractual services	52,000	52,000	41,784	10,216
Miscellaneous	23,170	23,170	17,431	5,739
Uniforms	26,200	26,200	18,618	7,582
Medical expense	1,800	1,800	1,355	445
Parts and repairs	800	710	342	368
Rent	7,800	10,550	10,383	167
Utilities	800	800	-	800
Insurance	127,720	129,090	95,663	33,427
Payroll taxes	49,079	49,079	45,116	3,963
Pension	60,732	60,732	50,954	9,778
Supplies	3,800	3,800	2,927	873
Professional services	6,000	6,000	-	6,000
Training	2,400	2,490	2,535	(45)
Park programs	44,000	44,000	28,809	15,191
Park development	285,000	285,000	253,289	31,711
Vehicle expense	32,000	31,880	20,242	11,638
Capital outlay:				
Property, equipment and buildings	64,980	123,980	62,288	61,692
Total expenditures	1,407,892	1,470,892	1,246,945	223,947
Excess of revenues over (under) expenditures	(227,950)	(227,950)	(14,513)	213,437
Other financing sources (uses)				
Transfers				
Proceeds from the sale of property	-	-	628	628
Total other financing sources (uses)	-	-	628	628
NET CHANGE IN FUND BALANCE	(227,950)	(227,950)	(13,885)	214,065
FUND BALANCE - BEGINNING OF YEAR	774,423	774,423	774,423	-
FUND BALANCE - END OF YEAR	\$ 546,473	\$ 546,473	\$ 760,538	\$ 214,065

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO BUDGETARY SCHEDULES
DECEMBER 31, 2015

Budget and Budgetary Accounting

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

1. The fiscal year of the County is to begin on the first day of January and end on the last day of December unless a different fiscal year is established by ordinance.
2. An annual budget for the County must be prepared and adopted as required by the Charter and, to the extent not inconsistent with the Charter, in accordance with Missouri Law. The County Executive is designated as the Budget Officer. Budgets are prepared for all funds except the Debt Service Fund.
3. On or before the first day of the eleventh month of each fiscal year, the County Executive must submit to the County Council a proposed budget for the ensuing fiscal year, and an accompanying message. The County Auditor is to assist the County Executive in preparing the proposed budget. In preparing the proposed budget, the County Executive must review the proposed budgets for the departments submitted to the County Executive and the County Auditor by County Officers, who are heads of departments as required by the Charter.
4. The County Council must schedule a public hearing on the proposed budget. At least 10 days before the date of the hearing, the County Executive must publish a notice of the public hearing and a summary of the proposed budget in a newspaper of general circulation in the County, and post the summary at a public place in each of the Council Districts and on a County sponsored web page on the internet in electronic form.
5. No later than the last day of the fiscal year, the County Council by ordinance must adopt the proposed budget as the County budget for the ensuing fiscal year. If the Council fails to adopt a budget by this date, the budget proposed by the County Executive is to be deemed approved.
6. To implement the adopted budget, the County Council must adopt in accordance with Missouri Law.
7. Budgeted amounts are as originally adopted, or as amended by the County Council throughout the year.
8. Budgets are prepared and adopted on the modified cash basis of accounting.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

	Combined Nonmajor Special Revenue Funds	Nonmajor County Building Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 3,822,120	\$ 160,861	\$ 3,982,981
Investments	490,000	-	490,000
Due from Collector of Revenue	289,176	-	289,176
Restricted investments	1	-	1
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,601,297</u>	<u>\$ 160,861</u>	<u>\$ 4,762,158</u>
 LIABILITIES			
Due to various taxing authorities and others	\$ 25,860	\$ -	\$ 25,860
Total liabilities	<u>25,860</u>	<u>-</u>	<u>25,860</u>
 FUND BALANCES			
Restricted	4,575,437	-	4,575,437
Assigned	-	160,861	160,861
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>4,575,437</u>	<u>160,861</u>	<u>4,736,298</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 4,601,297</u>	<u>\$ 160,861</u>	<u>\$ 4,762,158</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2015

	<u>Police Officer Training Fund</u>	<u>Post Commission Fund</u>	<u>Sheriff Revolving Fund</u>	<u>Inmate Security Fund</u>	<u>Pros Atty Training Fund</u>	<u>Pros Atty Delinquent Tax Fund</u>	<u>Pros Atty Admin Handling Cost Fund</u>	<u>Pros Atty Victim Advocate Fund</u>	<u>SVDV Fund</u>
ASSETS									
Cash and cash equivalents	\$ 29,604	\$ 38,739	\$ 669,835	\$ 203,461	\$ 30,335	\$ 49,226	\$ 154,732	\$ 108	\$ 1,640
Investments	-	-	-	-	-	-	-	-	-
Due from Collector of Revenue	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 29,604</u>	<u>\$ 38,739</u>	<u>\$ 669,835</u>	<u>\$ 203,461</u>	<u>\$ 30,335</u>	<u>\$ 49,226</u>	<u>\$ 154,732</u>	<u>\$ 108</u>	<u>\$ 1,640</u>
LIABILITIES									
Due to various taxing authorities and others	-	-	324	-	-	-	971	108	-
Total liabilities	<u>-</u>	<u>-</u>	<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>971</u>	<u>108</u>	<u>-</u>
FUND BALANCES									
Restricted	29,604	38,739	669,511	203,461	30,335	49,226	153,761	-	1,640
Total fund balances	<u>29,604</u>	<u>38,739</u>	<u>669,511</u>	<u>203,461</u>	<u>30,335</u>	<u>49,226</u>	<u>153,761</u>	<u>-</u>	<u>1,640</u>
Total liabilities and fund balances	<u>\$ 29,604</u>	<u>\$ 38,739</u>	<u>\$ 669,835</u>	<u>\$ 203,461</u>	<u>\$ 30,335</u>	<u>\$ 49,226</u>	<u>\$ 154,732</u>	<u>\$ 108</u>	<u>\$ 1,640</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2015

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
ASSETS									
Cash and cash equivalents	\$ 501,278	\$ 1,649,081	\$ 10,878	\$ 107,769	\$ 375,419	\$ -	\$ 15	\$ -	\$ 3,822,120
Investments	490,000	-	-	-	-	-	-	-	490,000
Due from Collector of Revenue	-	254,433	-	-	34,743	-	-	-	289,176
Restricted investments	-	-	-	-	-	1	-	-	1
Total assets	\$ 991,278	\$ 1,903,514	\$ 10,878	\$ 107,769	\$ 410,162	\$ 1	\$ 15	\$ -	\$ 4,601,297
LIABILITIES									
Due to various taxing authorities and others	\$ 24,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,860
Total liabilities	24,457	-	-	-	-	-	-	-	25,860
FUND BALANCES									
Restricted	966,821	1,903,514	10,878	107,769	410,162	1	15	-	4,575,437
Total fund balances	966,821	1,903,514	10,878	107,769	410,162	1	15	-	4,575,437
Total liabilities and fund balances	\$ 991,278	\$ 1,903,514	\$ 10,878	\$ 107,769	\$ 410,162	\$ 1	\$ 15	\$ -	\$ 4,601,297

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCES - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Combined Nonmajor Special Revenue Funds	Nonmajor County Building Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property taxes	\$ 2,130,459	\$ -	\$ 2,130,459
Other taxes	2,319	-	2,319
Grants, distributions and reimbursements	787,574	-	787,574
Fees, licenses and permits	1,220,553	-	1,220,553
Interest	8,345	243	8,588
Other	250	34,624	34,874
Total revenues	4,149,500	34,867	4,184,367
EXPENDITURES:			
Current:			
General county government	67,393	-	67,393
Financial administration	217,330	-	217,330
Property valuation and recording	218,760	-	218,760
Administration of justice and law enforcement	578,020	-	578,020
Health and welfare	2,071,661	-	2,071,661
Community development	683,626	-	683,626
Capital outlay:			
Property, equipment and buildings	64,805	8,965	73,770
Total expenditures	3,901,595	8,965	3,910,560
Excess of revenues over (under) expenditures	247,905	25,902	273,807
Other financing sources (uses)			
Transfers	(117,571)	-	(117,571)
Proceeds from the sale of property	-	-	-
Total other financing sources (uses)	(117,571)	-	(117,571)
NET CHANGE IN FUND BALANCE	130,334	25,902	156,236
FUND BALANCE - BEGINNING OF YEAR	4,445,103	134,959	4,580,062
FUND BALANCE - END OF YEAR	\$ 4,575,437	\$ 160,861	\$ 4,736,298

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Police Officer Training Fund	Post Commission Fund	Sheriff Revolving Fund	Inmate Security Fund	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Admin Handling Cost Fund	Pros Atty Victim Advocate Fund	SVDV Fund
REVENUES:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Grants, distributions and reimbursements	150	17,403	-	-	-	-	-	24,685	-
Fees, licenses and permits	34,374	-	397,071	41,842	8,666	82,016	50,898	-	68,558
Interest	33	47	1,323	384	39	73	17	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	\$ 34,557	\$ 17,450	\$ 398,394	\$ 42,226	\$ 8,705	\$ 82,089	\$ 50,915	\$ 24,685	\$ 68,558
EXPENDITURES:									
Current:									
General county government	-	-	-	-	-	-	-	-	-
Financial administration	-	-	-	-	-	-	-	-	-
Property valuation and recording	-	-	-	-	-	-	-	-	-
Administration of justice and law enforcement	66,123	17,161	210,584	45,612	11,877	65,809	47,053	44,981	68,820
Health and welfare	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Capital outlay:									
Property, equipment and buildings	-	1,400	460	-	-	24,308	-	-	-
Total expenditures	66,123	18,561	211,044	45,612	11,877	90,117	47,053	44,981	68,820
Excess of revenues over (under) expenditures	(31,566)	(1,111)	187,350	(3,386)	(3,172)	(8,028)	3,862	(20,296)	(262)
Other financing sources (uses)									
Transfers	-	-	-	-	-	(14,327)	-	21,304	-
Proceeds from the sale of property	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(14,327)	-	21,304	-
NET CHANGE IN FUND BALANCE	(31,566)	(1,111)	187,350	(3,386)	(3,172)	(22,355)	3,862	1,008	(262)
FUND BALANCE - BEGINNING OF YEAR	61,170	39,850	482,161	206,847	33,507	71,581	149,899	(1,008)	1,902
FUND BALANCE - END OF YEAR	\$ 29,604	\$ 38,739	\$ 669,511	\$ 203,461	\$ 30,335	\$ 49,226	\$ 153,761	\$ -	\$ 1,640

THE COUNTY OF JEFFERSON

HILLSBORO, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
REVENUES:									
Property taxes	\$ -	\$ 2,130,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,130,459
Other taxes	-	2,319	-	-	-	-	-	-	2,319
Grants, distributions and reimbursements	384	-	11,248	23,063	-	-	27,015	683,626	787,574
Fees, licenses and permits	142,144	-	-	9,466	385,518	-	-	-	1,220,553
Interest	4,117	994	32	265	1,021	-	-	-	8,345
Other	-	-	250	-	-	-	-	-	250
Total revenues	\$ 146,645	\$ 2,133,772	\$ 11,530	\$ 32,794	\$ 386,539	\$ -	\$ 27,015	\$ 683,626	\$ 4,149,500
EXPENDITURES:									
Current:									
General county government	-	-	-	67,393	-	-	-	-	67,393
Financial administration	-	-	-	-	217,330	-	-	-	217,330
Property valuation and recording	218,760	-	-	-	-	-	-	-	218,760
Administration of justice and law enforcement	-	-	-	-	-	-	-	-	578,020
Health and welfare	-	2,065,560	6,101	-	-	-	-	-	2,071,661
Community development	-	-	-	-	-	-	-	683,626	683,626
Capital outlay:									
Property, equipment and buildings	2,944	-	-	-	8,678	-	27,015	-	64,805
Total expenditures	221,704	2,065,560	6,101	67,393	226,008	-	27,015	683,626	3,901,595
Excess of revenues over (under) expenditures	(75,059)	68,212	5,429	(34,599)	160,531	-	-	-	247,905
Other financing sources (uses)									
Transfers	-	-	-	-	(124,548)	-	-	-	(117,571)
Proceeds from the sale of property	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(124,548)	-	-	-	(117,571)
NET CHANGE IN FUND BALANCE	(75,059)	68,212	5,429	(34,599)	35,983	-	-	-	130,334
FUND BALANCE - BEGINNING OF YEAR	1,041,880	1,835,302	5,449	142,368	374,179	1	15	-	4,445,103
FUND BALANCE - END OF YEAR	\$ 966,821	\$ 1,903,514	\$ 10,878	\$ 107,769	\$ 410,162	\$ 1	\$ 15	\$ -	\$ 4,575,437

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
AGENCY FUNDS
AS OF DECEMBER 31, 2015

	<u>County Treasurer Agency Funds</u>	<u>County Officials and Other Agency Funds</u>	<u>County Collector Revenue Agency Funds</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,421,352	\$ 73,152	\$ 24,709,429	\$ 30,203,933
Due from Collector of Revenue	1,286,997	-	-	1,286,997
Total assets	<u>\$ 6,708,349</u>	<u>\$ 73,152</u>	<u>\$ 24,709,429</u>	<u>\$ 31,490,930</u>
LIABILITIES				
Due to various taxing authorities and others	\$ 6,708,350	\$ -	\$ 20,392,618	\$ 27,100,968
Protested taxes	-	-	1,626,692	1,626,692
Funds held in trust	-	73,151	-	73,151
Due to other funds	-	-	2,690,119	2,690,119
Total liabilities	<u>\$ 6,708,350</u>	<u>\$ 73,151</u>	<u>\$ 24,709,429</u>	<u>\$ 31,490,930</u>

STATE COMPLIANCE SECTION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF STATE FINDINGS

There are no state audit findings for the year ended December 31, 2015.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

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*

Independent Auditor's Report

To the Honorable County Executive
And Members of the County Council
The County of Jefferson, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson (County), Missouri as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 21, 2016. As described in Note I, the County prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 20, 2016



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Honorable County Executive
And Members of the County Council
The County of Jefferson, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Jefferson, Missouri's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 20, 2016

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Program Title	Federal CFDA Number	Pass- Through Identification Number	Passed-through to Subrecipients	Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Direct:				
Community Development Block Grant.....	14.218	B14-UC-29-0002	\$ -	\$ 429,556
		B13-UC-29-0002	-	254,070
Subtotal CFDA# 14.218.....			-	683,626
Total U.S. Dept. of Housing and Urban Dev.....			-	683,626
<u>U.S. Department of Justice</u>				
Direct:				
Safe Havens: Supervised Visitation and Safe Exchange Program.....	16.527	2010-CW-AX-K010	110,891	110,891
Equitable Sharing Program.....	16.922	N/A	-	76,628
JAG Program Cluster:				
Justice Assistance Grant - Local Solicitation.....	16.738	2014-DJ-BX-0478	-	24,699
		2012-DJ-BX-0729	-	2,316
Passed Through Missouri Department of Public Safety:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant.....	16.738	2013-JAG-015	-	108,747
		2014-JAG-015	-	86,123
Subtotal CFDA# 16.738.....			-	221,885
Total JAG Program Cluster.....			-	221,885
Title II - Juvenile Justice Formula Grants.....	16.540	2013-TITLE2-05	-	18,357
Victims of Crime.....	16.575	2011-VOCA-065-SE	-	24,655
Total U.S. Department of Justice.....			110,891	452,416
<u>U.S. Department of Transportation</u>				
Passed Through Missouri Department of Transportation				
Highway Planning and Construction Cluster:				
Romaine Creek Road Bridge.....	20.205	BRM-5403(654)	-	31,167
Road and Bridge Project.....	20.205	TEAP-5403 (666)	-	7,989
Elm Drive Overlay.....	20.205	STP-9900 (648)	-	150,604
Brennan Road Overlay.....	20.205	STP-9900 (647)	-	118,630
Sandy Church Road Bridge.....	20.205	STP-5602 (614)	-	8,776
Klondike Road Bridge.....	20.205	BRO-B050 (19)	-	17,752
Maness Road Bridge.....	20.205	BRO-B050 (20)	-	48,321
Castle Ranch Bridge.....	20.205	STP-5403 (621)	-	14,281
Whitehead Road Bridge.....	20.205	STP-5403 (623)	-	359,206
Fountain City Road Bridge.....	20.205	STP-5403 (629)	-	19,816
Old Antonia Road Bridge.....	20.205	STP-5403 (630)	-	394,115
Old Lemay Ferry Road Bridge at Klabe.....	20.205	STP-5403 (631)	-	158,005
Butcher Branch Road Bridge.....	20.205	STP-5403 (635)	-	602,116
Gravois Road at Main.....	20.205	STP-5403 (637)	-	1,000
Old Lemay Ferry Road at Vogel Roundabout.....	20.205	STP-5403 (641)	-	44,000
Saline Road - Phase I.....	20.205	STP-5403 (642)	-	67,082
Vogel Road Improvements Phase II.....	20.205	STP-5403 (643)	-	304,540
Vogel Road Phase I.....	20.205	STP-5403 (644)	-	76,256
Wilson Hollow Road Bridge.....	20.205	STP-5403 (646)	-	71,577
Kramme Road Bridge.....	20.205	STP-5403 (652)	-	53,607
Stroup Road Bridge.....	20.205	STP-5403 (656)	-	63,768
Total Highway Planning and Construction Cluster.....			-	2,612,608
Passed Through Missouri Division of Highway Safety:				
Highway Safety Cluster:				
Hazardous Moving Violation.....	20.600	16-PT-02-040	-	38,712
		15-PT-02-040	-	145,408
Subtotal CFDA# 20.600.....			-	184,120

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Program Title	Federal CFDA Number	Pass- Through Identification Number	Passed-through to Subrecipients	Expenditures
Passed Through University of Central Missouri:				
National Priority Safety Programs.....	20.616	15-M5HVE-03-023	-	107,834
		15-M5HVE-03-035	-	1,772
		15-M5HVE-03-025	-	156,198
		15-M2HVE-05-027	-	449
		16-M5HVE-03-027	-	26,877
		15-M5HVE-03-024	-	62,809
		16-M2HVE-05-015	-	2,073
		15-M5HVE-03-035	-	1,947
		15-M2HVE-05-020	-	9,978
		15-M5HVE-03-026	-	90,403
		15-M5HVE-03-085	-	225,000
		15-M5HVE-03-035	-	1,981
		15-M5HVE-03-035	-	2,468
Subtotal CFDA# 20.616.....			-	689,789
Total Highway Safety Cluster.....			-	873,909
Passed Through Missouri Department of Transportation				
Alcohol Open Container Requirements.....	20.607	15-154-AL-136	-	2,269
		16-154-AL-037	-	41,983
		16-154-AL-141	-	2,342
		16-154-AL-038	-	42,753
		16-154-AL-039	-	13,685
Subtotal CFDA# 20.607.....			-	103,032
Total U.S. Department of Transportation.....			-	3,589,549
<u>U.S. Department of Health and Senior Services</u>				
Direct:				
Substance Abuse and Mental Health Services Projects.....	93.243	5H79TI024224-03	-	44,520
Passed Through Missouri Department of Social Services:				
Child Support Enforcement Cooperative.....	93.563	COUNTY FIPS #99	-	279,731
Passed Through Missouri Office of State Courts Administrator:				
State Court Improvement Program.....	93.586	OSCA 08-075-76	-	145
Total U.S. Department of Health and Senior Services..			-	324,396
<u>U.S. Executive Office of the President</u>				
Passed Through Missouri State Highway Patrol:				
High Intensity Drug Trafficking Area Program.....	95.001	G15MW0001A	-	1,971
		G14MW0001A	-	2,790
Passed Through the Office of the National Drug Control Policy:				
High Intensity Drug Trafficking Area Program.....	95.001	G15MW0001A-JJ	-	44,014
		G14MW0001A-JJ	-	86,800
Subtotal CFDA# 95.001.....			-	135,575
Total U.S. Executive Office of the President.....			-	135,575
<u>U.S. U.S. Department of Homeland Security</u>				
Passed Through Missouri State Emergency Management Agency:				
Emergency Management Performance Grants.....	97.042	2015-EP-00043-054	-	78,493
Total U.S. U.S. Department of Homeland Security.....			-	78,493
Total Expenditures of Federal Awards.....			\$ 110,891	\$ 5,264,055

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal expenditures of federal awards (the “Schedule”) includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? ___ Yes X No
 - b. Significant deficiency(ies) identified? ___ Yes X None Reported
3. Noncompliance material to financial statements noted? ___ Yes X No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? ___ Yes X No
 - b. Significant deficiency(ies) identified? ___ Yes X None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ Yes X No

4. Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.600, 20.616	Highway Safety Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant Program
20.205	Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee? ___ Yes X No

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the fiscal year ended December 31, 2015.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

There were no federal award findings or questioned costs for the fiscal year ended December 31, 2015.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the fiscal year ended December 31, 2014.

II. PRIOR YEAR SINGLE AUDIT FINDINGS

There were no federal award findings or questioned costs for the fiscal year ended December 31, 2014.