

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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HILLSBORO, MISSOURI
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FINANCIAL SECTION



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 modified cash-basis 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, 2020, 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. 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 modified-cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson, Missouri, as of December 31, 2020, and the respective changes in modified cash-basis 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 as a whole that collectively comprise the County's basic financial statements. The Budgetary Comparison Schedule – Modified Cash Basis – General Fund – Unaudited, Departmental Schedule of Expenditures – Modified Cash Basis- Budget and Actual – General Fund – Unaudited, Budgetary Comparison Schedules – Modified Cash Basis – Special Revenue Major Funds – Unaudited: Road and Bridge Fund, Law Enforcement Fund, Road Tax Fund, Assessment Fund, Parks and Recreation Fund, combining balance sheet – modified cash basis – non-major governmental funds, combining balance sheet – modified cash basis – non-major governmental funds (special revenue funds), combining statement of revenues, expenditures and changes in fund balances – modified cash basis – non-major governmental funds, combining statement of revenues, expenses, and changes in fund balances – modified cash basis – non-major governmental funds (special revenue funds), and the combining statement of fiduciary net position – modified cash basis – agency funds on pages 36 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet – modified cash basis – non-major governmental funds, combining balance sheet – modified cash basis – non-major governmental funds (special revenue funds), combining statement of revenues, expenditures and changes in fund balances – modified cash basis – non-major governmental funds, combining statement of revenues, expenses, and changes in fund balances – modified cash basis – non-major governmental funds (special revenue funds), and the combining statement of fiduciary net position – modified cash basis – agency funds presented on are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – modified cash basis – non-major governmental funds, combining balance sheet – modified cash basis – non-major governmental funds (special revenue funds), combining statement of revenues, expenditures and changes in fund balances – modified cash basis – non-major governmental funds, combining statement of revenues, expenses, and changes in fund balances – modified cash basis – non-major governmental funds (special revenue funds), and the combining statement of fiduciary net position – modified cash basis – agency funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

The budgetary comparison schedules and notes to the budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

A handwritten signature in black ink that reads "Daniel Jones & Associates". The signature is fluid and cursive, with "Daniel Jones" on the top line and "& Associates" on the line below it.

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

January 31, 2022

BASIC FINANCIAL STATEMENTS

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Total Governmental Activities
-- ASSETS --	
Cash and cash equivalents	\$ 43,438,698
Investments	10,745,663
Due from Collector of Revenue	5,015,571
Restricted Investments	<u>366,923</u>
 TOTAL ASSETS	 <u>\$ 59,566,855</u>
-- LIABILITIES AND NET POSITION --	
LIABILITIES:	
Due to various taxing authorities and others	<u>\$ 892,948</u>
 Total Liabilities	 <u>892,948</u>
NET POSITION:	
Restricted for:	
Neighborhood Improvement District bond payment and reserve funds	569,977
Certificates of Participation payment and reserve funds	266,456
Special revenue funds restricted by state statute	35,883,797
Unrestricted	<u>21,953,677</u>
 Total Net Position	 <u>58,673,907</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 59,566,855</u>

The accompanying notes are an integral part of this statement.

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants, Contributions and Debt Proceeds	Capital Grants and Contributions	Total Governmental Activities	
Governmental activities						
General county government	\$ 15,106,978	\$ 2,151,231	\$ 26,648,732	\$ 14,057	\$ 13,707,042	
Financial administration	863,346	3,559,378	-	-	2,696,033	
Property valuation and recording	2,593,521	803,886	237,957	-	(1,551,678)	
Administration of justice and law enforcement	29,699,210	4,255,418	3,371,458	138,277	(21,934,057)	
Health and welfare	20,455,875	-	663,137	-	(19,792,737)	
Maintenance of roads	23,627,317	100,260	563,979	1,543,654	(21,419,425)	
Park maintenance	1,013,020	84,953	7,348	-	(920,718)	
Community Development	1,288,084	-	1,288,084	-	-	
Other	-				-	
Debt Service:						
Principal payments	1,804,555	-	-	250,815	(1,553,740)	
Interest and fiscal charges	445,259	-	-	-	(445,259)	
Cost of Issuance	-				-	
Total governmental activities	\$ 96,897,165	\$ 10,955,127	\$ 32,780,695	\$ 1,946,802	(51,214,540)	

General Revenues:	
Taxes:	
Property Taxes, levied	19,148,516
Sales tax	35,823,510
Other taxes	5,804,876
Interest	598,859
Proceeds from sale of capital assets	16,233
Bond Proceeds	-
Lawsuit Settlement	-
Miscellaneous	189,525
Total general revenues	61,581,519
Change in net positions	10,366,979
Net Position Beginning of Year	48,306,928
Net Position End of Year	\$ 58,673,907

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Major Funds										Other Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Coronavirus Relief Funds	Capital Improvement Debt Service	Debt Service			
-- ASSETS --												
Cash and cash equivalents	\$ 2,655,280	\$ 2,682,944	\$ 11,528,260	\$ 7,864,518	\$ 1,236,575	\$ 1,141,501	\$ 9,905,856	\$ 3,182,914	\$ 431,116	\$ 2,809,733	\$ 43,438,698	
Investments	3,151,678	3,152,095	-	3,606,698	-	-	-	310,064	-	525,128	10,745,663	
Due from Collector of Revenue	413,579	1,675,248	1,177,276	-	594,733	285,349	-	-	39,097	830,289	5,015,571	
Restricted Investments	-	-	-	-	-	-	-	266,456	100,465	1	366,923	
TOTAL ASSETS	\$ 6,220,537	\$ 7,510,287	\$ 12,705,536	\$ 11,471,216	\$ 1,831,308	\$ 1,426,850	\$ 9,905,856	\$ 3,759,434	\$ 570,679	\$ 4,165,152	\$ 59,566,855	
-- LIABILITIES AND FUND BALANCES --												
LIABILITIES:												
Due to other funds	364,724	356,229	101,658	-	28,282	1,520	-	-	-	-	852,413	
Due to others	-	-	-	-	-	-	-	-	702	39,833	40,535	
TOTAL LIABILITIES	364,724	356,229	101,658	-	28,282	1,520	-	-	702	39,833	892,948	
FUND BALANCES:												
Restricted	-	7,154,057	-	11,471,216	1,803,026	1,425,330	9,905,856	266,456	569,977	4,124,312	36,720,230	
Assigned	4,156,795	-	12,603,878	-	-	-	-	3,492,978	-	1,007	20,254,658	
Unassigned	1,699,018	-	-	-	-	-	-	-	-	-	1,699,018	
TOTAL FUND BALANCES	5,855,814	7,154,057	12,603,878	11,471,216	1,803,026	1,425,330	9,905,856	3,759,434	569,977	4,125,319	58,673,907	
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,220,537	\$ 7,510,287	\$ 12,705,536	\$ 11,471,216	\$ 1,831,308	\$ 1,426,850	\$ 9,905,856	\$ 3,759,434	\$ 570,679	\$ 4,165,152	\$ 59,566,855	

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Major Funds									Non-Major Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Coronavirus Relief Fund	Capital Improvement Debt Service	Debt Service		
REVENUES:											
Property Taxes	\$ 151,488	\$ 7,596,662	\$ 6,929,070	\$ -	\$ 1,743,593	\$ 1,002,670	\$ -	\$ 250,815	\$ 3,346,471	\$ 21,020,769	
Other Taxes	1,270,271	2,890,191	-	-	12,049	8,470	-	-	-	2,457	4,183,438
Sales Tax	13,149,566	894,069	13,149,556	8,630,319	-	-	-	-	-	-	35,823,510
Grants, distributions, and reimbursements	1,608,337	1,652,259	2,363,212	30,956	237,957	7,348	26,416,907	19,522	-	1,519,759	33,856,257
Charges for Services	8,504,573	542,389	1,360,095	11	6,731	84,953	-	-	-	1,092,702	11,591,455
Interest	219,853	111,701	63,729	99,403	5,202	6,544	27,714	37,619	494	26,599	598,859
Other	59,223	3,195	110,954	-	-	-	-	-	-	250	173,622
Total Revenues	24,963,310	13,690,467	23,976,616	8,760,689	2,005,532	1,109,986	26,444,622	57,141	251,309	5,988,238	107,247,910
EXPENDITURES:											
Current:											
General County Government	13,553,041	-	-	-	-	-	-	-	-	166,051	13,719,092
Financial Administration	589,753	-	-	-	-	-	-	-	-	269,775	859,528
Property valuation and recording	294,371	-	-	-	2,161,316	-	-	-	-	129,496	2,585,183
Administration of justice and law enforcement	6,935,621	-	21,596,711	-	-	-	-	-	-	211,812	28,744,144
Health and Welfare	24,352	-	-	-	-	16,538,765	-	-	-	3,892,757	20,455,875
Maintenance of roads	-	15,471,440	-	-	-	-	-	-	-	-	15,471,440
Park maintenance	-	-	-	-	-	897,549	-	-	-	-	897,549
Community Development	-	-	-	-	-	-	-	-	-	1,288,084	1,288,084
Other	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	274,555	-	-	-	-	-	-	1,350,000	180,000	-	1,804,555
Interest and fiscal charges	5,908	-	-	-	-	-	-	378,970	60,381	-	445,259
Costs of Issuance	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:											
Construction of roads and bridges	-	-	-	6,433,455	-	-	-	-	-	-	6,433,455
Property, equipment and buildings	1,414,037	1,287,196	828,786	435,227	8,338	115,471	-	-	-	103,947	4,193,001
Total Expenditures	23,091,637	16,758,636	22,425,497	6,868,681	2,169,654	1,013,020	16,538,765	1,728,970	240,381	6,061,922	96,897,165
Excess (Deficiency) of Revenues											
Over Expenditures	1,871,673	(3,068,169)	1,551,119	1,892,007	(164,122)	96,966	9,905,856	(1,671,830)	10,928	(73,685)	10,350,745
OTHER FINANCING SOURCES (USES)											
Good Faith Deposit	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Redemption of temporary municipal notes	-	-	-	-	-	-	-	-	-	-	-
Lawsuit Settlement	-	-	-	-	-	-	-	-	-	-	-
Transfers in	65,120	-	1,994,996	-	122,209	-	-	880,158	-	-	3,062,484
Transfers out	(2,965,302)	-	(28,861)	-	-	(3,200)	-	-	-	(65,120)	(3,062,484)
Proceeds from loan	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of property	16,163	1	-	-	-	69	-	-	-	-	16,233
Total Other Financing Sources (Uses)	(2,884,019)	1	1,966,135	-	122,209	(3,131)	-	880,158	-	(65,120)	16,233
NET CHANGE IN FUND BALANCES	(1,012,345)	(3,068,168)	3,517,254	1,892,007	(41,913)	93,835	9,905,856	(791,672)	10,928	(138,805)	10,366,979
FUND BALANCES - BEGINNING OF YEAR	6,868,159	10,222,225	9,086,624	9,579,208	1,844,939	1,331,495	-	4,551,106	559,049	4,264,124	48,306,928
FUND BALANCES - END OF YEAR	\$ 5,855,814	\$ 7,154,057	\$ 12,603,878	\$ 11,471,216	\$ 1,803,026	\$ 1,425,330	\$ 9,905,856	\$ 3,759,434	\$ 569,977	\$ 4,125,319	\$ 58,673,907

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Agency Funds</u>
-- ASSETS --	
Cash and cash equivalents	\$ 78,274,330
Due from Collector of Revenue	<u>3,199,109</u>
TOTAL ASSETS	<u>\$ 81,473,439</u>
-- LIABILITIES --	
Due to various taxing authorities and others	\$ 71,810,713
Protested Taxes	1,732,468
Funds held in trust	99,859
Due to other funds	<u>7,830,399</u>
TOTAL LIABILITIES	<u>\$ 81,473,439</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, 2020

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 Executive is responsible for appointing the members of the board of the following other organizations, while the County Council gives advice and consent, 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, 2020

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, 2020

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.

Road and Bridge Fund – A Special Revenue Fund used to account for receipts of the County-wide \$.2415 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, 2020

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 \$.0273 property tax levy and related expenditures for land acquisition, and for park maintenance, improvements and park programs.

Coronavirus Relief Fund – The Coronavirus Relief Fund is used to record stimulus revenues relating to the Coronavirus pandemic as well as related expenses and disbursements to other entities within the county.

Capital Improvement Debt Service 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, 2012, and 2017.

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, 2020

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. In 2020, the County rolled the property tax back again.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2020, for purposes of taxation, was:

Real Estate	\$ 2,794,787,606
Personal Property	748,426,111
	<hr/> <u>\$ 3,543,213,717</u>

During 2020, the County Council approved a \$0.8041 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2020, for purposes of County taxation, as follows:

General Revenue	\$ 0.0045
Road and Bridge	0.2404
Police	0.3500
Parks and Recreation	0.0272
Developmentally Disabled	0.0910
Mental Health	0.0910
	<hr/> <u>\$ 0.8041</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020.

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	\$ <u>569,977</u>
Payment of principal and interest on Neighborhood Improvement District bonds	\$ <u>266,456</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Net Position (concluded)

Special revenue funds restricted by state statute:

Ch 190 Public Safety	\$ 24,721
Road and Bridge	7,154,057
Road Tax	11,471,216
Assessment	1,803,026
Parks and Recreation	1,425,330
Coronavirus Relief Fund	9,905,856
Police Officer Training	47,921
Post Commission	25,433
Sheriff Revolving	473,857
Inmate Security	76,881
Prosecuting Attorney Training	33,919
Prosecuting Attorney Delinquent Tax	64,604
Prosecuting Attorney Administrative Handling Cost Fund	161,400
Prosecuting Attorney Victim Advocate	1,014
SVDV	1,408
Recorder's Fund	875,791
Mental Health	1,653,931
Jefferson County LEPC	16,922
Election Services	216,948
Tax Maintenance	447,769
Justice Assistance Grant	1,792
Total Special Revenue Funds Restricted by State Statute	<hr/> 35,883,796
Total Restricted Net Position	<hr/> \$ 40,213,207

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, 2020.

L. Adoption of New Accounting Standards

There were no new applicable accounting standards implemented during the year ended December 31, 2020.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, and reported at cost, are as follows:

Type	Cost
Deposits:	
Demand deposits	\$ 121,164,936
Cash on hand	605
Debt service escrow	548,297
Investments:	
Nonnegotiable certificates of deposit	10,745,663
Restricted Investments	366,923
Total deposits and investments	<u><u>\$ 132,826,424</u></u>
 Reconciliation to financial statements:	
Statement of Net Position	
Cash and cash equivalents	\$ 43,439,508
Investments	10,745,663
Restricted cash and investments	366,923
Statement of Fiduciary Net Position	
Cash and cash equivalents	<u><u>78,274,330</u></u>
	<u><u>\$ 132,826,424</u></u>

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, 2020, none of the County's bank balances were exposed to custodial credit risk.

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, 2020, mature on January 1, 2021.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

II. CASH AND INVESTMENTS (concluded)

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, 2020, the County's investments were rated as follows:

Investment	Rating	Amount
Money Market Mutual Funds	AAAm	\$ 548,297

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, 2020.

III. LONG-TERM DEBT

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

For the year ended December 31, 2020, the following changes occurred in long-term debt:

	Balance January 1, 2019			Balance December 31, 2020	Amounts Due Within One Year	
	Additions	Retirements	\$	\$	\$	\$
Special Assessment Debt with Government Commitment:						
Neighborhood Improvement						
District Bonds	\$ 1,875,000	-	\$ 180,000	\$ 1,695,000	\$ 190,000	
Certificates of Participation	12,945,000	-	1,350,000	11,595,000	1,400,000	
Capital Leases & Loans	-	830,120	285,034	545,086	270,701	
Total	<u>\$ 14,820,000</u>	<u>\$ 830,120</u>	<u>\$ 1,815,034</u>	<u>\$ 13,835,086</u>	<u>\$ 1,860,701</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.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. LONG-TERM DEBT (continued)

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 Buena 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 following is a schedule of future minimum payments of Special Assessment Debt at December 31, 2020:

Year Ending	December 31,	Principal	Interest	Total
	2021	\$ 190,000	\$ 53,800	\$ 243,800
	2022	190,000	48,489	238,489
	2023	195,000	42,981	237,981
	2024	185,000	37,408	222,408
	2025	110,000	32,689	142,689
	2026-2030	735,000	98,685	833,685
	2031-2033	90,000	5,198	95,198
		<u>\$ 1,695,000</u>	<u>\$ 319,250</u>	<u>\$ 2,014,250</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. LONG-TERM DEBT (continued)

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.

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 to 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, 2020

III. LONG-TERM DEBT (continued)

B. Certificates of Participation (concluded)

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. These will be paid in full and refunded by the Refunding Certificates of Participation Series 2017.

On December 1, 2017, Refunding Certificates of Participation Series 2017 (“2017 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 (“2017 Lease”). The proceeds of the 2017 COPS in the amount of \$13,150,000 will be used to refund the 2012 COPS during the fiscal year ended December 31, 2018. The proceeds of the 2017 COPS are maintained in an off balance sheet escrow account that will be used to pay the remaining \$13,200,000 of the 2012 COPS. The schedule below shows the total debt payments as of December 31, 2018, and therefore contains both debt obligations to be paid.

The following is a schedule of future minimum rental payments at December 31, 2020, under the Leases, assuming the agreements are renewed each year.

Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,400,000	\$ 321,056	\$ 1,721,056
2022	1,405,000	263,213	1,668,213
2023	1,460,000	212,981	1,672,981
2024	1,485,000	177,906	1,662,906
2025	1,520,000	141,284	1,661,284
2026-2028	4,325,000	178,613	4,503,613
	<u>\$ 11,595,000</u>	<u>\$ 1,295,053</u>	<u>\$ 12,890,053</u>

C. Lease/Purchase Agreement

In 2020, the County entered into a lease purchase loan agreement with First State Community Bank for vehicles. This loan is for a principal amount of \$395,120 at 2.950% interest. Principal and interest are payable in three annual principal payments of \$136,751.27.

In 2020, the County entered into a lease purchase agreement with Midwest Regional Bank for vehicles. This lease is for a principal amount of \$435,000 at 3.950% interest. Principal and interest are payable in three annual payments of \$145,000 plus interest.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. LONG-TERM DEBT (concluded)

C. Lease/Purchase Agreement (concluded)

The following is a schedule of future minimum lease purchase payments at December 31, 2020:

Year Ending				
December 31,		Principal	Interest	Total
2021	\$ 270,701	\$ 19,085	\$ 289,786	
2022	274,385	9,674	284,059	
	<u><u>\$ 545,086</u></u>	<u><u>\$ 28,759</u></u>	<u><u>\$ 573,845</u></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:

2020 assessed valuation	<u><u>\$ 3,531,206,626</u></u>
Debt limit - 10% of assessed valuation	\$ 353,120,663
Bonded indebtedness applicable to debt limit	
(Neighborhood Improvement District bonds)	(1,695,000)
Amount available in debt service fund	569,977
Legal debt margin	<u><u>\$ 351,995,640</u></u>

E. Operating Leases

The County has entered into various operating lease agreements related to copy machines. The future payments for these rental agreements are as follows:

Year Ending	Rental
December 31,	Payments
2021	\$ 7,067
2022	6,258
2023	998
	<u><u>\$ 14,323</u></u>

The County has also entered into various real estate rental agreements with periods equal to or less than 12 months. The total payments made under these agreements for the year ended December 31, 2020 totaled approximately \$136,117.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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. TAX ABATEMENTS

The County is involved in a tax abatement agreement with local businesses under a Tax Increment Finance District or (TIF). Missouri Revised Statute 99.845 gives municipalities the right to create TIFs for a defined area of land that is deemed blighted by the municipality. In short, after a TIF is established by ordinance, bonds are issued to cover the costs of demolition/environmental cleanup/utilities/roadways, and the assessed values of the parcels within the TIF are statutorily frozen by the Assessor's office, using the certified values for the year the ordinance was passed to form a base value for the TIF.

For the year ended December 31, 2020, the District abated property taxes totaling approximately \$16,851,900 under this program.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2020, are as follows:

<u>Major Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Law Enforcement Fund	\$ -	\$ 1,994,945
Capital Improvement Fund	-	848,148
Assessment Fund	-	122,209
Tax Maintenance Fund	65,120	-
Parks Fund	-	3,200
Total General Fund	<u>65,120</u>	<u>2,968,502</u>
Road and Bridge Fund:		
Road Tax Fund	-	-
Law Enforcement:		
General Fund	1,994,945	28,810
Parks Fund:		
General Fund	3,200	-
Assessment Fund:		
General Fund	122,209	-
Capital Improvement Fund:		
General Fund	876,958	-
<u>Non-Major Funds (Special Revenue)</u>		
Drug Forfeiture Fund		
JCMEG Asset Forfeiture Fund	-	51
JCMEG Asset Forfeiture Fund:		
Drug Forfeiture Fund	51	-
Tax Maintenance Fund:		
General Fund	-	65,120
Total	<u>\$ 3,062,483</u>	<u>\$ 3,062,483</u>

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.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

VII. 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.

2020 Valuation

Benefit Multiplier:	1.75%
Final Average Salary:	3 Years
Member Contributions:	0%

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

Employees Covered By Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

	General	Police	Road
Inactive employees or beneficiaries currently receiving benefits	257	133	114
Inactive employees entitled to but not yet receiving benefits	174	81	27
Active employees	333	155	112
	<u>764</u>	<u>369</u>	<u>253</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0% of their gross pay to the pension plan. Employer contribution rates are 10.7% (General), 11.4% (Police), and 15.7% (Roads) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

Actuarial Assumptions

The total pension liability in the February 29, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above-described tables.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

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
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

VII. 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	\$ 1,409,158	\$ 909,971	\$ 582,918
2 Interest on Total Pension Liability	4,248,317	2,768,351	1,910,511
3 Changes of Benefit Terms	-	-	-
4 Difference between expected and actual experience of the Total Pension Liability	625,620	4,575,496	(423,232)
5 Changes of Assumptions	-	-	-
6 Benefit payments, including refunds of employee contributions	(2,437,989)	(1,496,009)	(1,397,318)
7 Net change in total pension liability	3,845,106	6,757,809	672,879
8 Total pension liability - beginning	59,102,897	38,472,044	26,751,957
9 Total pension liability - ending	<u>\$ 62,948,003</u>	<u>\$ 45,229,853</u>	<u>\$ 27,424,836</u>
B. Plan Fiduciary Net Position			
1 Contributions - employer	\$ 1,383,565	\$ 1,011,390	\$ 862,442
2 Contributions - employee	-	-	-
3 Net investment income	838,018	548,281	347,906
4 Benefit payments, including refunds of employee contributions	(2,437,989)	(1,496,009)	(1,397,318)
5 Pension plan administrative expense	(96,006)	(44,636)	(34,547)
6 Other (net transfer)	(43,548)	(67,497)	(290,095)
7 Net change in plan fiduciary net position	(355,960)	(48,471)	(511,612)
8 Plan fiduciary net position - beginning	65,268,575	42,099,084	26,565,810
9 Plan fiduciary net position - ending	<u>\$ 64,912,615</u>	<u>\$ 42,050,613</u>	<u>\$ 26,054,198</u>
C. Net Pension Liability / (Asset)	<u><u>\$ (1,964,612)</u></u>	<u><u>\$ 3,179,240</u></u>	<u><u>\$ 1,370,638</u></u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.12%	92.97%	95.00%
E. Covered-Employee Payroll	\$ 14,217,509	\$ 10,400,225	\$ 5,708,042
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-13.82%	30.57%	24.01%

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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VII. 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.

	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 72,407,898	\$ 62,948,003	\$ 55,235,468
Plan Fiduciary Net Position	<u>64,912,615</u>	<u>64,912,615</u>	<u>64,912,615</u>
Net Pension Liability / (Asset) (NPL)	<u>\$ 7,495,283</u>	<u>\$ (1,964,612)</u>	<u>\$ (9,677,147)</u>
Police Division:			
Total Pension Liability (TPL)	\$ 52,689,923	\$ 45,229,853	\$ 39,192,950
Plan Fiduciary Net Position	<u>42,050,613</u>	<u>42,050,613</u>	<u>42,050,613</u>
Net Pension Liability / (Asset) (NPL)	<u>\$ 10,639,310</u>	<u>\$ 3,179,240</u>	<u>\$ (2,857,663)</u>
Roads Division:			
Total Pension Liability (TPL)	\$ 31,065,348	\$ 27,424,836	\$ 24,400,530
Plan Fiduciary Net Position	<u>26,054,198</u>	<u>26,054,198</u>	<u>26,054,198</u>
Net Pension Liability / (Asset) (NPL)	<u>\$ 5,011,150</u>	<u>\$ 1,370,638</u>	<u>\$ (1,653,668)</u>

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

For the year ended June 30, 2020, the employer would have recognized pension expense of \$5,330,181 under the GAAP financial reporting standards. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

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HILLSBORO, MISSOURI**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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VII. 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	\$ 1,163,681	\$ (567,835)	\$ 4,240,859	\$ (128,201)	\$ 346,720	\$ (398,294)
Changes in assumptions	117,709	-	-	-	16,811	-
Net difference between projected and actual earnings on pension plan investments	1,637,282	-	1,044,574	-	687,540	-
Employer contributions subsequent to the measurement date	-	-	-	-	-	-
Total	\$ 2,918,672	\$ (567,835)	\$ 5,285,433	\$ (128,201)	\$ 1,051,071	\$ (398,294)

*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, 2020.

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	
2021	\$ (74,657)	\$ 887,789	\$ (90,581)			
2022	451,301	1,295,659	143,741			
2023	1,151,120	1,699,203	357,558			
2024	823,073	1,274,581	242,059			
2025	-	-	-			
Thereafter	-	-	-			
Total	\$ 2,350,837	\$ 5,157,232	\$ 652,777			

VIII. 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.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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VIII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(concluded)

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
2020	\$ 947,075	\$ 3,031,097
2019	\$ 887,709	\$ 2,942,771
2018	\$ 730,348	\$ 1,729,887
2017	\$ 694,900	\$ 1,319,000

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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IX. 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 \$17,360 for the year ended December 31, 2020.

X. POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note VII, the County allows employees who retire from the County to participate in the County's health and dental insurance plans. Upon meeting the retirement requirements per County guidelines, the employees can elect to participate in the County's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single-blended rate used for both active employees and retirees. The County has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you go basis. A standalone financial report is not available for the plan. During the year, 76 retirees participated in the County's insurance plan paid premiums totaling \$175,071.56.

The requirements established by Consolidated Omnibus Budget Reconciliation Act (COBRA) are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There was one COBRA participant, paying \$211.50 in premiums, for the year ended December 31, 2020.

XI. 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, 2020, 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 50% 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, 2020.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
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XI. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. 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.

D. 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.

XII. 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 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.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

XIII. SUBSEQUENT EVENTS

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

XIV. FUND BALANCE CONSTRAINTS

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

	Major Special Revenue Funds												
	General	Road and Bridge	Law Enforcement	Road Tax	Assess-ment	Parks and Recreation	Coronavirus Relief Funds	Capital Improve-ment	Debt Service	Non-Major Governmental Funds	Total		
Fund Balances:													
Restricted for:													
Ch 190 Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,721	\$ 24,721		
Roads and bridges	-	7,154,057	-	11,471,216	-	-	-	-	-	-	18,625,273		
Assessment	-	-	-	-	1,803,026	-	-	-	-	-	1,803,026		
Parks and recreation	-	-	-	-	-	1,425,330	-	-	-	-	1,425,330		
Coronavirus Relief Funds	-	-	-	-	-	-	9,905,856	-	-	-	9,905,856		
Debt service - COPS	-	-	-	-	-	-	-	3,759,434	-	-	3,759,434		
Debt service - NIDS	-	-	-	-	-	-	-	-	569,977	-	569,977		
Police officer training	-	-	-	-	-	-	-	-	-	47,921	47,921		
Post commission	-	-	-	-	-	-	-	-	-	25,433	25,433		
Sheriff revolving fund	-	-	-	-	-	-	-	-	-	473,857	473,857		
Inmate security	-	-	-	-	-	-	-	-	-	76,881	76,881		
Prosecuting attorney training	-	-	-	-	-	-	-	-	-	-	33,919	33,919	
Prosecuting attorney delinquent tax fund	-	-	-	-	-	-	-	-	-	-	64,604	64,604	
Prosecuting attorney admin handling cost	-	-	-	-	-	-	-	-	-	-	161,400	161,400	
Prosecuting attorney victim advocate fund	-	-	-	-	-	-	-	-	-	-	-	1,014	1,014
SVDV fund	-	-	-	-	-	-	-	-	-	-	-	1,408	1,408
Recorder of deeds	-	-	-	-	-	-	-	-	-	-	-	875,791	875,791
Mental health fund	-	-	-	-	-	-	-	-	-	-	-	1,653,931	1,653,931
Jeff Co LEPC	-	-	-	-	-	-	-	-	-	-	-	16,922	16,922
Election services	-	-	-	-	-	-	-	-	-	-	-	216,948	216,948
Tax maintenance	-	-	-	-	-	-	-	-	-	-	-	447,769	447,769
JAG grant	-	-	-	-	-	-	-	-	-	-	-	1,792	1,792
Total Restricted	-	7,154,057	-	11,471,216	1,803,026	1,425,330	9,905,856	3,759,434	569,977	\$ 4,124,311	\$ 40,213,207		
Assigned for:													
Prosecuting attorney forfeitures	4,653	-	-	-	-	-	-	-	-	-	-	4,653	
Courthouse beautification	480	-	-	-	-	-	-	-	-	-	-	480	
County discretionary fund	33,502	-	-	-	-	-	-	-	-	-	-	33,502	
Animal control donations	57,510	-	-	-	-	-	-	-	-	-	-	57,510	
Subsequent year's budget deficit	4,060,650	-	-	-	-	-	-	-	-	-	-	4,060,650	
Drug forfeiture	-	-	709,920	-	-	-	-	-	-	-	-	709,920	
Sheriff's commissary fund	-	-	222,958	-	-	-	-	-	-	-	-	222,958	
Sheriff equipment donation fund	-	-	10,963	-	-	-	-	-	-	-	-	10,963	
Prisoner phone fund	-	-	261,716	-	-	-	-	-	-	-	-	261,716	
Police memorial fund	-	-	11,621	-	-	-	-	-	-	-	-	11,621	
Sheriff's reserve fund	-	-	1,024	-	-	-	-	-	-	-	-	1,024	
JCMEG asset forfeiture fund	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury Forfeiture Fund	-	-	36,191	-	-	-	-	-	-	-	-	36,191	
Law enforcement	-	-	11,349,485	-	-	-	-	-	-	-	-	11,349,485	
Capital improvements	-	-	-	-	-	-	-	-	-	-	-	1,008	
Total Assigned	4,156,795	-	12,603,878	-	-	-	-	-	-	-	-	1,008	
Unassigned	1,699,018	-	-	-	-	-	-	-	-	-	-	1,699,018	
	\$ 5,855,813	\$ 7,154,057	\$ 12,603,878	\$ 11,471,216	\$ 1,803,026	\$ 1,425,330	\$ 9,905,856	\$ 3,759,434	\$ 569,977	\$ 4,125,319	\$ 58,673,906		

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

XV. ADOPTION OF NEW AND FUTURE ACCOUNTING STANDARDS

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for periods beginning after December 15, 2019.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement is effective for periods beginning after June 15, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for periods beginning after June 15, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning after December 15, 2020.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for periods beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). The removal of the London Interbank Offered Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

XV. ADOPTION OF NEW AND FUTURE ACCOUNTING STANDARDS (concluded)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018, and later. This Statement is effective immediately.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for reporting periods beginning after June 15, 2022.

SUPPLEMENTARY INFORMATION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
				Positive (Negative)
REVENUES:				
Sales tax	\$ 11,900,000	\$ 11,900,000	\$ 13,149,566	\$ 1,249,566
Property taxes	155,000	155,000	151,488	(3,512)
Other taxes	1,268,485	1,268,485	1,270,271	1,786
Grants, distributions and reimbursements	1,281,534	1,609,819	1,608,337	(1,482)
Fees, licenses and permits	9,019,300	9,019,300	8,504,573	(514,727)
Interest	198,300	198,300	219,853	21,553
Other	7,500	7,500	59,223	51,723
Total Revenues	<u>23,830,119</u>	<u>24,158,404</u>	<u>24,963,310</u>	<u>804,906</u>
EXPENDITURES:				
Current:				
General county government	14,110,212	14,332,694	13,553,041	779,653
Financial Administration	616,577	616,442	589,753	26,689
Property valuation and recording	295,462	295,462	294,371	1,091
Administration of Justice and law enforcement	7,400,038	7,383,913	6,935,621	448,292
Health & Welfare	21,200	37,200	24,352	12,848
Community Development	-	-	-	-
Debt Service:				
Principal payments	292,613	292,613	274,555	18,058
Interest and fiscal charges	19,132	19,132	5,908	13,224
Capital Outlay:				
Property, equipment & buildings	<u>1,407,423</u>	<u>1,547,503</u>	<u>1,414,037</u>	<u>133,466</u>
Total Expenditures	<u>24,162,657</u>	<u>24,524,959</u>	<u>23,091,637</u>	<u>1,433,322</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(332,538)	(366,555)	1,871,673	2,238,228
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	65,120	(34,880)
Transfers out	(3,813,802)	(3,588,802)	(2,965,302)	623,500
Lawsuit Settlement	-	-	-	-
Loan Proceeds	-	-	-	-
Proceeds from the sale of property	-	-	16,163	16,163
Total Other Financing Sources (Uses)	<u>(3,713,802)</u>	<u>(3,488,802)</u>	<u>(2,884,019)</u>	<u>604,783</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,046,340)</u>	<u>\$ (3,855,357)</u>	<u>(1,012,345)</u>	<u>\$ 2,843,012</u>
FUND BALANCE-BEGINNING OF YEAR			<u>6,868,159</u>	
FUND BALANCE-END OF YEAR			<u>\$ 5,855,814</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual		
EXPENDITURES:					
Current:					
General County Government:					
Animal Control	\$ 599,627	\$ 599,627	\$ 529,821	\$ 69,806	
Auditor	222,328	221,328	215,057	6,271	
Board of Equalization	1,500	1,500	600	900	
Code Enforcement	666,424	679,924	618,138	61,786	
Solid Waste	257,525	358,041	210,787	147,254	
County Agencies	10,000	10,000	5,000	5,000	
County Clerk	994,548	994,548	1,036,181	(41,633)	
County Council	169,959	169,959	137,900	32,059	
County Executive	128,083	128,083	121,709	6,374	
Economic Development	81,000	81,000	81,000	-	
Emergency Management	316,540	402,911	357,871	45,040	
Facility Services	1,577,954	1,570,254	1,337,991	232,263	
Fleet Services	938,036	938,036	904,340	33,696	
General Services	742,500	742,500	541,885	200,615	
Human Resources	276,203	276,203	233,075	43,128	
Information Technology	2,218,915	2,256,915	2,100,625	156,290	
Insurance Health	1,660,700	1,660,700	1,616,230	44,470	
Insurance-Other	265,000	265,000	247,598	17,402	
Insurance-Workmen's Compensation.	105,000	105,000	106,153	(1,153)	
County Services & Code Enforcement	212,473	208,623	207,615	1,008	
MO University Extension Services	84,700	84,700	84,700	-	
Organizations	40,000	40,000	39,077	923	
Other	394,250	603,250	766,009	(162,759)	
Payroll Taxes & Retirement	1,809,270	1,809,270	1,730,800	78,470	
Planning Division	337,677	333,100	322,879	10,221	
	<u>14,110,212</u>	<u>14,540,472</u>	<u>13,553,041</u>	<u>987,431</u>	
Financial Administration:					
Collector	454,255	454,255	439,857	14,398	
Treasurer	162,322	162,187	149,896	12,291	
	<u>616,577</u>	<u>616,442</u>	<u>589,753</u>	<u>26,689</u>	
Property Valuation and Recording:					
Recorder of Deeds	295,462	295,462	294,371	1,091	

**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, 2020

Admin. of Justice & Law Enforcement:

Circuit Clerk	29,645	29,375	22,800	6,575
Circuit Courts	167,085	167,030	102,471	64,559
Jury Script	415,000	415,000	370,483	44,517
Juvenile Office	3,162,368	3,158,968	2,949,158	209,810
Juvenile Treatment Center	-	-	-	-
Municipal Court	396,076	380,076	375,581	4,495
Medical Examiner	516,401	516,401	577,668	(61,267)
Prosecuting Attorney	2,392,558	2,396,158	2,251,758	144,400
Public Administrator	320,905	320,905	285,700	35,205
	<hr/> <u>7,400,038</u>	<hr/> <u>7,383,913</u>	<hr/> <u>6,935,621</u>	<hr/> <u>448,292</u>
Health & Welfare	<hr/> <u>21,200</u>	<hr/> <u>37,200</u>	<hr/> <u>24,352</u>	<hr/> <u>12,848</u>
Community Development	<hr/> <u>-</u>	<hr/> <u>-</u>	<hr/> <u>-</u>	<hr/> <u>-</u>
Debt Service:				
Principal Payments	292,613	292,613	274,555	18,058
Interest & fiscal charges	19,132	19,132	5,908	13,224
	<hr/> <u>311,745</u>	<hr/> <u>311,745</u>	<hr/> <u>280,463</u>	<hr/> <u>31,282</u>
Capital Outlay:				
Property, Equipment & Buildings	1,407,423	1,547,503	1,414,037	133,466
	<hr/> <u>1,407,423</u>	<hr/> <u>1,547,503</u>	<hr/> <u>1,414,037</u>	<hr/> <u>133,466</u>
Total Expenditures	<hr/> <u>\$ 24,162,657</u>	<hr/> <u>\$ 24,732,737</u>	<hr/> <u>\$ 23,091,637</u>	<hr/> <u>\$ 1,641,100</u>

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SPECIAL REVENUE MAJOR FUND - UNAUDITED: ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 7,699,673	\$ 7,699,673	\$ 7,596,662	\$ (103,011)
Other taxes	3,187,495	3,187,495	2,890,191	(297,304)
Sales tax	870,000	870,000	894,069	24,069
Grants, distributions and reimbursements	4,973,402	4,973,402	1,652,259	(3,321,143)
Fees, licenses and permits	458,613	458,613	542,389	83,776
Interest	219,095	219,092	111,701	(107,391)
Other	-	-	3,195	3,195
Total Revenues	17,408,278	17,408,275	13,690,467	(3,717,808)
EXPENDITURES:				
Current:				
Maintenance of Roads:				
Salaries	6,086,322	6,086,322	5,859,206	227,116
Office Expense	14,250	14,250	16,054	(1,804)
Miscellaneous	61,924	107,924	94,009	13,915
Uniforms	28,500	43,500	40,757	2,743
Medical Expense	12,500	12,500	9,224	3,276
Safety Equipment & Supplies	3,200	3,200	32,041	(28,841)
Parts & Repairs	450,000	561,500	560,723	777
Utilities	94,500	98,000	75,021	22,979
Insurance	1,543,367	1,543,367	1,369,197	174,170
Payroll taxes	473,743	473,743	433,543	40,200
Pension	851,923	851,923	887,390	(35,467)
Training	30,000	24,000	6,862	17,138
City Tax Distribution	350,000	356,000	355,928	72
C.A.R.T	-	-	-	-
Vehicle Expenses	525,250	533,250	534,964	(1,714)
Capital Outlay:				
Property, equipment and buildings:				
Equipment	192,500	176,000	936,419	(760,419)
Right-of-Way	350,006	475,006	350,776	124,230
Construction of roads and bridges:				
Contractual Service	4,664,303	4,311,803	3,200,765	1,111,038
Road materials	1,350,000	1,314,000	1,404,195	(90,195)
Equipment rental	50,000	80,000	70,921	9,079
Sign material	-	-	(3,297)	3,297
Engineering fees	869,461	919,461	523,936	395,525
Total Expenditures	18,001,749	17,985,749	16,758,636	1,227,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(593,471)	(577,474)	(3,068,169)	(2,490,695)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from the sale of property	-	-	1	1
Total Other Financing Sources (Uses)	-	-	1	1
NET CHANGE IN FUND BALANCE	\$ (593,471)	\$ (577,474)	(3,068,168)	\$ (2,490,694)
FUND BALANCE-BEGINNING OF YEAR			10,222,225	
FUND BALANCE-END OF YEAR			\$ 7,154,057	

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SPECIAL REVENUE MAJOR FUND - UNAUDITED: LAW ENFRCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 6,561,780.00	\$ 6,561,780.00	\$ 6,929,070.28	\$ 367,290
Sales tax	11,900,000	11,900,000	13,149,556	1,249,556
Fees, licenses and permits	636,500	648,153	1,360,095	711,942
Grants, distributions and reimbursements	1,357,047	1,397,047	2,363,212	966,165
Interest	207,390	207,390	63,729	(143,661)
Other	45,000	45,000	110,954	65,954
Total Revenues	20,707,717	20,759,370	23,976,616	3,217,246
EXPENDITURES:				
Current:				
Administration of Justice and law enforcement:				
Salaries	14,656,574	14,656,574	14,047,809	608,765
Payroll Taxes	1,138,576	1,138,576	1,049,084	89,492
Leased vehicles	62,900	62,900	57,669	5,231
Office Expense	56,200	56,200	36,699	19,501
Contractual Services	885,780	885,780	859,002	26,778
Professional Services	51,800	51,800	47,615	4,185
Uniforms	175,635	175,635	151,117	24,518
Utilities	182,160	182,160	148,199	33,961
Insurance	3,536,208	3,434,208	2,531,827	902,381
Pension	1,449,033	1,449,033	1,346,322	102,711
Training	220,950	240,950	65,904	175,046
Other	871,200	737,400	708,495	28,905
Institutional Placement	5,000	5,000	3,143	1,857
Medical Expense	11,500	11,500	4,449	7,051
Prisoner Transport	78,500	78,500	19,200	59,300
Prisoner Food	585,000	585,000	463,290	121,710
Vehicle Gas & Oil	26,200	26,200	25,636	564
Jail Expense	61,041	61,041	31,252	29,789
Capital outlay:				
Property, equipment and buildings	716,000	1,151,800	828,786	323,014
Total Expenditures	24,770,257	24,990,257	22,425,497	2,564,760
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(4,062,540)	(4,230,887)	1,551,119	5,782,006
OTHER FINANCING SOURCES (USES):				
Transfers in	1,994,945	1,994,945	1,994,996	51
Transfers out	28,810	(28,810)	(28,861)	(51)
Proceeds from the sale of property	-	-	-	-
Total Other Financing Sources (Uses)	2,023,755	1,966,135	1,966,135	-
NET CHANGE IN FUND BALANCE	\$ (2,038,785)	\$ (2,264,752)	3,517,254	\$ 5,782,006
FUND BALANCE-BEGINNING OF YEAR				9,086,624
FUND BALANCE-END OF YEAR				\$ 12,603,878

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SPECIAL REVENUE MAJOR FUND - UNAUDITED: ROAD TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Sales tax	\$ 7,900,000	\$ 7,900,000	\$ 8,630,319	\$ 730,319
Grants, distributions and reimbursements	-	-	30,956	30,956
Fees, Licenses and Permits	-	-	11	11
Interest	220,000	220,000	99,403	(120,597)
Other	-	-	-	-
Total Revenues	8,120,000	8,120,000	8,760,689	640,689
EXPENDITURES:				
Capital outlay:				
Property, equipment and buildings:				
Right of Way	293,664	418,664	435,227	(16,563)
Motor Vehicle Equipment	-	-	-	-
Other Equipment	-	-	-	-
Construction of Roads & Bridges:				
Contractual Services	7,293,098	7,293,098	4,854,399	2,438,699
Building Maintenance & Repairs	-	-	-	-
Road Materials	750,000	720,000	717,302	2,698
Equipment Rental	50,000	80,000	69,225	10,775
Sign Material	100,000	100,000	82,712	17,289
Engineering fees	862,661	862,661	709,818	152,843
Total Expenditures	9,349,423	9,474,423	6,868,681	2,605,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,229,423)	(1,354,423)	1,892,007	3,246,430
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(488,169)	(363,169)	-	363,169
Lawsuit Settlement	-	-	-	-
Total Other Financing Sources (Uses)	(488,169)	(363,169)	-	363,169
NET CHANGE IN FUND BALANCE	\$ (1,717,592)	\$ (1,717,592)	1,892,007	\$ 3,609,599
FUND BALANCE-BEGINNING OF YEAR				9,579,208
FUND BALANCE-END OF YEAR				\$ 11,471,216

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SPECIAL REVENUE MAJOR FUND - UNAUDITED: ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 1,548,805	\$ 1,548,805	\$ 1,743,593	\$ 194,788
Other taxes	9,800	9,800	12,049	2,249
Grants, distributions and reimbursements	331,275	331,275	237,957	(93,318)
Fees, licenses and permits	7,168	7,168	6,731	(437)
Interest	18,500	18,500	5,202	(13,298)
Other				
Total Revenues	<u>1,915,548</u>	<u>1,915,548</u>	<u>2,005,532</u>	<u>89,984</u>
EXPENDITURES:				
Current:				
Property valuation and recording:				
Salaries	1,329,134	1,329,134	1,268,859	60,275
Office	10,000	10,000	9,672	328
Contractual Services	60,074	60,074	56,687	3,387
Miscellaneous	12,280	12,310	18,465	(6,155)
Mileage	1,500	1,500	683	818
Utilities	3,900	3,900	2,594	1,306
Insurance	324,000	235,000	225,114	9,886
Postage	70,000	67,800	12,441	55,359
Payroll taxes	103,265	97,265	92,205	5,060
Pension	129,085	119,085	117,900	1,185
Professional services	231,680	336,680	332,728	3,952
Training	30,000	30,000	20,442	9,558
Vehicle Gas & Oil	3,000	4,000	3,528	472
Capital Outlay:				
Property, equipment & buildings	12,500	11,470	8,338	3,132
Total Expenditures	<u>2,320,418</u>	<u>2,318,218</u>	<u>2,169,654</u>	<u>148,564</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(404,870)	(402,670)	(164,122)	238,548
OTHER FINANCING SOURCES (USES):				
Transfers in	122,209	122,209	122,209	-
Transfers out	-	-	-	-
Proceeds from the sale of property	-	-	-	-
Total Other Financing Sources (Uses)	<u>122,209</u>	<u>122,209</u>	<u>122,209</u>	<u>-</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (282,661)</u>	<u>\$ (280,461)</u>	<u>(41,913)</u>	<u>\$ 238,548</u>
FUND BALANCE-BEGINNING OF YEAR				
			<u>1,844,939</u>	
FUND BALANCE-END OF YEAR				
			<u>\$ 1,803,026</u>	

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
SPECIAL REVENUE MAJOR FUND - UNAUDITED: PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 878,659	\$ 878,659	\$ 1,002,670	\$ 124,011
Other taxes	6,701	6,701	8,470	1,769
Grants, distributions and reimbursements	-	-	7,348	7,348
Fees, licenses and permits	135,400	135,400	84,953	(50,447)
Interest	23,200	23,200	6,544	(16,656)
Other	-	-	-	-
Total Revenues	1,043,960	1,043,960	1,109,986	66,026
EXPENDITURES:				
Current:				
Park Maintenance:				
Salaries	597,168	597,168	521,195	75,973
Office	1,210	1,210	877	333
Contractual Services	51,252	51,252	41,377	9,875
Miscellaneous	31,100	41,928	40,271	1,657
Utilities	24,850	24,850	22,704	2,146
Uniforms	1,500	2,300	2,082	218
Medical Expenses	300	300	558	(258)
Parts & Repairs	6,500	8,000	7,888	112
Rent	400	1,000	983	17
Insurance	119,250	119,250	110,759	8,491
Payroll taxes	51,780	51,780	41,924	9,856
Pension	54,448	54,448	48,187	6,261
Supplies	2,400	2,400	1,609	791
Professional services	8,190	52,675	25,248	27,427
Training	3,150	2,550	1,145	1,405
Park Programs	30,250	30,250	20,847	9,403
Park Development	10,000	10,000	1,006	8,994
Vehicle Expense	15,000	13,500	12,090	1,410
Capital Outlay:				
Property, equipment & buildings	31,450	126,689	115,471	11,218
Total Expenditures	1,040,198	1,191,550	1,016,220	175,330
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	3,762	(147,590)	93,766	241,356
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from the sale of property	-	-	69	69
Total Other Financing Sources (Uses)	-	-	69	69
NET CHANGE IN FUND BALANCE	\$ 3,762	\$ (147,590)	93,835	\$ 241,425
FUND BALANCE-BEGINNING OF YEAR			1,331,495	
FUND BALANCE-END OF YEAR			\$ 1,425,330	

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO BUDGETARY SCHEDULES
DECEMBER 31, 2020

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.

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
FOR THE YEAR ENDED DECEMBER 31, 2020

	Combined Non-Major Special Revenue Funds	Non-Major County Building Capital Projects Fund	Total Non-Major Governmental Funds
-- ASSETS --			
Cash and cash equivalents	\$ 2,808,726	\$ 1,007	\$ 2,809,733
Investments	525,128	-	525,128
Due from Collector of Revenue	830,289	-	830,289
Restricted Investments	1	-	1
TOTAL ASSETS	\$ 4,164,145	\$ 1,007	\$ 4,165,152
-- LIABILITIES AND FUND BALANCES --			
TOTAL LIABILITIES	39,833	-	39,833
Fund Balances:			
Restricted	4,124,312	-	4,124,312
Assigned	-	1,007	1,007
Total Fund Balances	4,124,312	1,007	4,125,319
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,164,145	\$ 1,007	\$ 4,165,152

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Chapter 190											
	Public Safety	Police Officer	Post	Sheriff	Inmate	Pros Atty	Pros Atty	Pros Atty	Pros Atty	Pros Atty	Pros Atty	
	Capital	Training	Commission	Revolving	Security	Training	Delinquent	Tax Fund	Administrative	Handling Cost	Victim Advocate	
	Improvement	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
-- ASSETS --												
Cash and cash equivalents	\$ 24,721	\$ 47,921	\$ 25,433	\$ 473,947	\$ 76,881	\$ 33,919	\$ 64,604	\$ 163,483	\$ 1,144			
Investments	-	-	-	-	-	-	-	-	-	-	-	
Due from Collector of Revenue	-	-	-	-	-	-	-	-	-	-	-	
Due from Recorder of Deeds	-	-	-	-	-	-	-	-	-	-	-	
Due from Prosecuting Attorney	-	-	-	-	-	-	-	-	-	-	-	
Restricted Investments	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	\$ 24,721	\$ 47,921	\$ 25,433	\$ 473,947	\$ 76,881	\$ 33,919	\$ 64,604	\$ 163,483	\$ 1,144			
-- LIABILITIES AND FUND BALANCES --												
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to other tax authorities and others	-	-	-	-	89	-	-	-	-	2,083	130	
TOTAL LIABILITIES	-	-	-	-	89	-	-	-	-	2,083	130	
FUND BALANCES												
Restricted	24,721	47,921	25,433	473,857	76,881	33,919	64,604	161,400	1,014			
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,721	\$ 47,921	\$ 25,433	\$ 473,947	\$ 76,881	\$ 33,919	\$ 64,604	\$ 163,483	\$ 1,144			

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	SVDV Fund	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Justice Assistance Grant Fund	Economic Development Fund	Neighborhood Improvement District	Total
-- ASSETS --										
Cash and cash equivalents	\$ 1,408	\$ 388,119	\$ 858,879	\$ 16,922	\$ 216,948	\$ 412,606	\$ 1,792	\$ -	\$ -	\$ 2,808,726
Investments	-	\$ 525,128	-	-	-	-	-	-	-	\$ 525,128
Due from Collector of Revenue	-	-	795,052	-	-	35,237	-	-	-	830,289
Due from Recorder of Deeds	-	-	-	-	-	-	-	-	-	-
Due from Prosecuting Attorney	-	-	-	-	-	-	-	-	-	-
Restricted Investments	-	-	-	-	-	-	-	-	1	1
TOTAL ASSETS	\$ 1,408	\$ 913,248	\$ 1,653,931	\$ 16,922	\$ 216,948	\$ 447,843	\$ 1,792	\$ -	\$ 1	\$ 4,164,145
-- LIABILITIES AND FUND BALANCES --										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other tax authorities and others	-	37,457	-	-	-	74	-	-	-	39,833
TOTAL LIABILITIES	-	37,457	-	-	-	74	-	-	-	39,833
FUND BALANCES										
Restricted	1,408	875,791	1,653,931	16,922	216,948	447,769	1,792	-	1	4,124,312
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,408	\$ 913,248	\$ 1,653,931	\$ 16,922	\$ 216,948	\$ 447,843	\$ 1,792	\$ -	\$ 1	\$ 4,164,145

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS**
FOR THE YEAR ENDED DECEMBER 31, 2020

	Non-Major County Combined Non- Major Special Revenue Funds	Building Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property Taxes	\$ 3,346,472	\$ -	\$ 3,346,472
Other Taxes	2,457	-	2,457
Sales Tax	-	-	-
Grants, distributions, and reimbursements	1,519,759	-	1,519,759
Charges for Services	1,092,702	-	1,092,702
Interest	26,598	1	26,599
Other	250	-	250
Total Revenues	5,988,238	1	5,988,239
EXPENDITURES:			
Current:			
General County Government	166,051	-	166,051
Financial Administration	269,775	-	269,775
Property valuation and recording	129,496	-	129,496
Administration of justice and law enforcement	211,812	-	211,812
Health and Welfare	3,892,757	-	3,892,757
Maintenance of roads	-	-	-
Park maintenance	-	-	-
Community Development	1,288,084	-	1,288,084
Other	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital Outlay:			
Construction of roads and bridges	-	-	-
Property, equipment and buildings	103,947	-	103,947
Total Expenditures	6,061,922	-	6,061,922
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(73,684)	1	(73,684)
OTHER FINANCING SOURCES (USES):			
Bond proceeds	-	-	-
Loan proceeds	-	-	-
Transfers in	-	-	-
Transfers out	(65,120)	-	(65,120)
Proceeds from loan			
Total Other Financing Sources (Uses)	(65,120)	-	(65,120)
NET CHANGE IN FUND BALANCES	(138,805)	1	(138,804)
FUND BALANCES - BEGINNING OF YEAR	4,263,117	1,007	4,264,124
FUND BALANCES - END OF YEAR	\$ 4,124,312	\$ 1,008	\$ 4,125,320

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, 2020

	Chapter 190 Public Safety Capital Improvement	Police Officer Training Fund	Post Commissio n Fund	Sheriff Revolving Fund	Inmate Security Fund	Justice Assistance Grant	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Admin Handling Cost Fund
REVENUES:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
Grants, distributions, and reimbursements	-	650	9,497	-	-	26,807	-	-	-
Fees, licenses, and permits	24,671	11,720	-	195,656	14,307	-	14,122	42,759	18,130
Interest	50	104	58	1,629	94	4	52	147	252
Other	-	-	-	-	-	-	-	-	-
Total Revenues	24,721	12,474	9,555	197,285	14,402	26,811	14,174	42,906	18,381
EXPENDITURES:									
Current:									
General County Government	-	-	-	-	-	-	-	-	-
Financial Administration	-	-	-	-	-	-	-	-	-
Property valuation and recording	-	-	-	-	-	-	-	-	-
Administration of justice and law enforcement	-	19,333	1,503	61,842	42,136	-	4,875	1,835	3,198
Health and Welfare	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction of roads and bridges	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	-	-	17,524	-	25,909	-	8,100	6,853
Total Expenditures	-	19,333	1,503	79,366	42,136	25,909	4,875	9,935	10,051
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,721	(6,859)	8,052	117,919	(27,734)	902	9,299	32,971	8,330
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	24,721	(6,859)	8,052	117,919	(27,734)	902	9,299	32,971	8,330
FUND BALANCES - BEGINNING OF YEAR	-	54,780	17,381	355,938	104,615	890	24,620	31,632	153,070
FUND BALANCES - END OF YEAR	\$ 24,721	\$ 47,921	\$ 25,433	\$ 473,857	\$ 76,881	\$ 1,792	\$ 33,919	\$ 64,604	\$ 161,400

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, 2020

	Pros Atty Victim Advocate Fund	SVDV Fund	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Economic Development Fund	Total
REVENUES:									
Property Taxes	\$ -	\$ -	\$ -	\$ 3,346,472	\$ -	\$ -	\$ -	\$ -	\$ 3,346,472
Other Taxes	-	-	-	2,457	-	-	-	-	2,457
Sales Tax	-	-	-	-	-	-	-	-	-
Grants, distributions, and reimbursements	43,555	-	-	-	8,655	142,512	-	1,288,084	1,519,759
Fees, licenses, and permits	-	33,104	176,428	-	-	100,197	461,608	-	1,092,702
Interest	8	-	11,272	10,307	84	567	1,969	-	26,598
Other	-	-	-	-	250	-	-	-	250
Total Revenues	43,563	33,104	187,701	3,359,236	8,989	243,276	463,577	1,288,084	5,988,238
EXPENDITURES:									
Current:									
General County Government	-	-	-	-	-	166,051	-	-	166,051
Financial Administration	-	-	-	-	-	-	269,775	-	269,775
Property valuation and recording	-	-	129,496	-	-	-	-	-	129,496
Administration of justice and law enforcement	43,049	34,041	-	-	-	-	-	-	211,812
Health and Welfare	-	-	-	3,888,089	4,668	-	-	-	3,892,757
Community Development	-	-	-	-	-	-	-	1,288,084	1,288,084
Other	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction of roads and bridges	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	-	-	-	793	40,950	3,818	-	103,947
Total Expenditures	43,049	34,041	129,496	3,888,089	5,462	207,001	273,593	1,288,084	6,061,922
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	514	(938)	58,204	(528,853)	3,528	36,276	189,984	-	(73,684)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(65,120)	-	(65,120)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(65,120)	-	(65,120)
NET CHANGE IN FUND BALANCES	514	(938)	58,204	(528,853)	3,528	36,276	124,864	-	(138,805)
FUND BALANCES - BEGINNING OF YEAR	501	2,346	817,587	2,182,785	13,394	180,672	322,905	-	4,263,117
FUND BALANCES - END OF YEAR	\$ 1,014	\$ 1,408	\$ 875,791	\$ 1,653,932	\$ 16,922	\$ 216,948	\$ 447,769	\$ -	\$ 4,124,312

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	County Officials and				
	County Treasurer	Other Agency Funds	County Collector of Revenue	Agency Fund	Total Agency Funds
-- ASSETS --					
Cash and cash equivalents	\$ 15,385,551	\$ 99,959	\$ 62,788,820	\$ 78,274,330	
Due from Collector of Revenue	3,199,109	-	-	-	3,199,109
Due from Recorder of Deeds	-	-	-	-	-
TOTAL ASSETS	\$ 18,584,660	\$ 99,959	\$ 62,788,820	\$ 81,473,439	
-- LIABILITIES --					
Due to various taxing authorities and others	\$ 18,584,660	\$ 100	\$ 53,225,953	\$ 71,810,713	
Protested Taxes	-	-	1,732,468	1,732,468	
Funds held in trust	-	99,859	-	99,859	
Due to other funds	-	-	7,830,399	7,830,399	
TOTAL LIABILITIES	\$ 18,584,660	\$ 99,959	\$ 62,788,820	\$ 81,473,439	

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
FEDERAL FINANCIAL COMPLIANCE REPORT
DECEMBER 31, 2020

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

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

We have audited, 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, 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 31, 2022. Our report on the basic financial statements disclosed that, as described in Note I to the financial statements, the County prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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) as a basis for designing 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 control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 weakness 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 financial statements. 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.

A handwritten signature in black ink that reads "Daniel Jones & Associates". The signature is fluid and cursive, with "Daniel Jones" on the top line and "& Associates" on the line below it.

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

January 31, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

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 County of Jefferson'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, 2020. 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 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, 2020.

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 County'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 a 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 31, 2022, which contained unmodified opinions on those financial statements in accordance with the modified cash basis of accounting. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Daniel Jones & Associates". The signature is fluid and cursive, with "Daniel Jones" on the top line and "& Associates" on the bottom line.

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

March 17, 2022

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development:				
Direct:				
Community Development Block Grants	14.218	B14-UC-29-0002 B15-UC-29-0002 B16-UC-29-0002 B17-UC-29-0002 B18-UC-29-0002 B19-UC-29-0002	\$ - - - - - -	\$ 17,795 5,351 1,696 54,929 641,711 566,602
Total U.S. Dept. of Housing and Urban Development				1,288,084
U.S. Department of Justice				
Direct:				
COVID-19: Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1559	-	69,326
Equitable Sharing Program	16.922	N/A	-	289,050
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program (Justice Assistance Grant - Local Solicitation)	16.738	2019-DJ-BX-0598	-	26,807
Passed Through Missouri Department of Public Safety:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JAG-010 2019-MU-BX-0110	- - -	110,075 108,208 245,090
Subtotal CFDA# 16.738				
Total JAG Program Cluster			-	245,090
Juvenile Justice and Delinquency Prevention	16.540	2019-TITLE II-010	-	3,874
Total Passed Through Missouri Department of Public Safety			-	248,964
Passed Through Missouri Association of Prosecuting Attorneys:				
Crime Victim Assistance	16.575	ER130200072	-	48,066
Total Passed Through Missouri Association of Prosecuting Attorneys			-	48,066
Total U.S. Department of Justice			-	655,406
U.S. Department of Transportation				
Passed Through Missouri Department of Transportation				
Highway Planning and Construction Cluster:				
Antire at Williams Creek	20.205	STP-5460 (604)	-	283,863
Charter Church Road Bridge at Huskey	20.205	STP-5403 (661)	-	15,332
Charter Church Road Bridge at Mitch Sweet	20.205	STP-5403 (673)	-	540,863
Cedar Hill Road @ Local Hillsboro	20.205	STP-5403 (689)	-	(29,865)
Doc Sargent Road Bridge	20.205	STP-5403 (674)	-	356,169
East Four Ridge Pavement Preservation	20.205	STP-5476 (611)	-	107,003
East Rock Creek Safety Improvement	20.205	STP-5403 (677)	-	4,230
Hillsboro House Springs Bridge	20.205	STP-5403 (693)	-	57,846
Hillsboro Valley Park PSP	20.205	STP-5476 (612)	-	316,800
Imperial Main Street	20.205	STP-5403 (662)	-	(27,855)
Jefferson County Bridge Program	20.205	STP-5403 (691)	-	74,616
Main Street - House Springs	20.205	STP-5403 (679)	-	30,401
Miller Road Intersection - Phase 1	20.205	STP-5403 (680)	-	32,525
Old Antonia Road PSP	20.205	STP-5479 (603)	-	177,940

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
Old Lemay Ferry Phase 1 & 2	20.205	STP-5461 (609)	-	171,055
Old Lemay Ferry Safety Improvements	20.205	STP-5461 (611)	-	38,444
Old State Route 21 @ East/West Four Ridge	20.205	STP-5462 (608)	-	655,694
Old State Route 21 @ Lions Den	20.205	STP-5462 (607)	-	179,784
Roughly Kiepe Road Bridge	20.205	STP-5403 (685)	-	46,336
Seckman Road @ Mastodon Park Entrance	20.205	STP-7202 (604)	-	46,429
Seckman Road @ Mastodon Park Phase 2	20.205	STP-5461 (612)	-	15,303
Seckman Road Roundabout Phase 1	20.205	STP-7202 (602)	-	52,000
Seckman Road Roundabout Phase 2	20.205	STP-5403 (686)	-	32,145
Whitehead Road Bridge	20.205	STP-5403 (675)	-	217,380
Total Passed Through Missouri Department of Transportation				<u>3,394,438</u>
Passed Through Missouri Division of Highway Safety:				
Highway Planning and Construction (Work Zone Enforcement)	20.205	FWZEI02Z	-	8,826
Total Passed through Missouri Division of Highway Safety				<u>8,826</u>
Total Highway Planning and Construction Cluster				<u>3,403,264</u>
Passed Through Missouri Department of Transportation				
State and Community Highway Safety (Hazardous Moving Violation)	20.600	20-PT-02-063 21-PT-02-104	- - -	116,708 60,306 <u>177,014</u>
Total State and Community Highway Safety				
National Priority Safety Programs	20.616	20-M2HVE-05-016 20-M5HVE-03-011 21-154-AL-108 21-M2HVE-05-021	- - - -	17,853 85,577 28,708 6,524
Total National Priority Safety Programs				<u>138,662</u>
Passed Through Missouri Department of Transportation				
Alcohol Open Container Requirements	20.607	20-154-AL-072 20-154-AL-071 21-154-AL-110 21-154-AL-109	- - - -	130,140 141,659 38,678 41,738
Total Alcohol Open Container Requirements				<u>352,214</u>
Total U.S. Department of Transportation				<u>4,071,155</u>
U.S. Department of the Treasury				
Passed Through Missouri State Treasurer's Office:				
COVID-19: Coronavirus Relief Fund	21.019	268	-	16,524,143
Total Passed through Missouri State Treasurer's Office				<u>16,524,143</u>
Total U.S. Department of the Treasury				<u>16,524,143</u>
U.S. Election Assistance Commission				
Passed Through Missouri Secretary of State's Office				
2018 HAVA Election Security Grants	90.404	N/A	-	89,326
Total Passed through Missouri Secretary of State's Office				<u>89,326</u>
Total U.S. Election Assistance Commission				<u>89,326</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through Missouri Department of Social Services:				
Child Support Enforcement	93.563	COUNTY FIPS #099-06 COUNTY FIPS #29-099-01	- - -	299,042 1,924 300,966
Total Child Support Enforcement				
Total U.S. Department of Health and Human Services			-	300,966
<u>U.S. Executive Office of the President</u>				
Passed Through Missouri State Highway Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	G18MW0001A-V G19MW0001A-V G20MW0001A-V	- - -	594 4,042 1,188
Passed Through Missouri State Highway Patrol:				
High Intensity Drug Trafficking Areas Program	95.001	G18MW0001A-JJ G19MW0001A-JJ G20MW0001A-JJ	- - -	620 48,365 96,394
Total High Intensity Drug Trafficking Areas Program			-	151,203
Total U.S. Executive Office of the President			-	151,203
<u>U.S. Department of Homeland Security</u>				
Direct:				
Port Security Grant Program	97.056	EMK-2019-PU-00184	-	24,000
Passed Through Missouri State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-054	-	113,316
Total Passed Through Missouri State Emergency Management Agency			-	113,316
Total U.S. Department of Homeland Security			-	137,316
Total Expenditures of Federal Awards			\$ -	\$ 23,217,599

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of 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, 2020. 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 the cost principles contained in the Uniform Guidance, 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.

NOTE 3 – INDIRECT COST RATE

The County has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

The County did not have any subrecipients for the year ended December 31, 2020.

NOTE 5 – DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The County received approximately \$57,000 of personal protective equipment during the year ended December 31, 2020.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

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 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:

Federal Assistance Listing Number	Name of Federal Program or Cluster
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21.019	COVID-19: Coronavirus Relief Fund
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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, 2020

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended December 31, 2020.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings for the year ended December 31, 2020.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR
FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended December 31, 2019.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no single audit findings for the year ended December 31, 2019.