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***THE COUNTY OF JEFFERSON, MISSOURI***

***FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORTS  
AND SUPPLEMENTARY INFORMATION***

***DECEMBER 31, 2012***

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Jefferson, Missouri, as of and for the year ended December 31, 2012, 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 1; 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

#### MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • MISSOURI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
AICPA GOVERNMENTAL AUDIT QUALITY CENTER • AICPA EMPLOYEE BENEFIT PLAN AUDIT QUALITY CENTER

"SCHOWALTER & JABOURI, P.C. IS A MEMBER OF NEXIA INTERNATIONAL, A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS."

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the government activities, each major fund, and the aggregate remaining fund information of The County of Jefferson, Missouri, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 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 opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The County of Jefferson, Missouri's basic financial statements. The accompanying Additional Supplementary Information on pages 44 through 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and related information on pages 51 through 55 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The other information on pages 33 through 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2013 on our consideration of The County of Jefferson, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The County of Jefferson, Missouri's internal control over financial reporting and compliance.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
May 21, 2013

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## **Basic Financial Statements**

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**THE COUNTY OF JEFFERSON, MISSOURI**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2012**

	<b><u>Total Governmental Activities</u></b>
<b>-- ASSETS --</b>	
Cash and cash equivalents	\$ 23,631,133
Investments	12,819,071
Due from Collector of Revenue	2,164,047
Due from Prosecuting Attorney	1,703
Restricted cash and investments	<u>938,406</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 39,554,360</u></b>
<b>-- LIABILITIES AND NET POSITION --</b>	
<b>LIABILITIES:</b>	
Due to various taxing authorities and others	<u>\$ 1,060,252</u>
<b>Total Liabilities</b>	<u>1,060,252</u>
<b>NET POSITION:</b>	
Restricted for:	
Neighborhood Improvement District bond payment and reserve funds	602,103
Certificates of Participation payment and reserve funds	372,635
Special revenue funds restricted by state statute	17,148,018
Unrestricted	<u>20,371,352</u>
<b>Total Net Position</b>	<u>38,494,108</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 39,554,360</u></b>



**THE COUNTY OF JEFFERSON, MISSOURI**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAEER ENDED DECEMBER 31, 2012**

<b>Functions/Programs</b>					<b>Net (Expense)</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Program Revenues Operating Grants Contributions and Debt Proceeds</b>	<b>Capital Grants and Contributions</b>	<b>Revenue and Changes in Net Assets Total Governmental Activities</b>
<b>GOVERNMENTAL ACTIVITIES:</b>					
General county government	\$ 11,850,707	\$ 1,111,684	\$ 308,212	\$ 14,073	\$ (10,416,738)
Financial administration	992,591	2,912,889	-	-	1,920,298
Property valuation and recording	2,157,104	1,390,250	333,117	-	(433,737)
Administration of justice and law enforcement	20,901,319	5,490,228	3,441,552	41,233	(11,928,306)
Health and welfare	3,134,647	-	39,031	-	(3,095,616)
Maintenance of roads	16,321,158	9,502	473,387	2,792,311	(13,045,958)
Parks and recreation	910,820	172,038	841	-	(737,941)
Community and economic development	1,238,283	-	-	1,551,798	313,515
Debt service:					
Principal payments	1,371,437	-	-	258,735	(1,112,702)
Interest and fiscal charges	924,477	-	-	-	(924,477)
Costs of issuance	75,810	-	-	-	(75,810)
Payment to refunding escrow agent	18,247,993	-	18,366,149	-	118,156
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 78,126,346</b>	<b>\$ 11,086,591</b>	<b>\$ 22,962,289</b>	<b>\$ 4,658,150</b>	<b>(39,419,316)</b>

General revenues:

Taxes:

Property taxes, levied for:

General purposes	555,756
Road and bridge	4,662,369
Park	707,288
Assessment	1,099,742
Mental health	2,356,903

Sales tax for:

General purposes	10,058,373
Road and bridge	7,809,550
Law enforcement	10,058,247

Other taxes	5,042,141
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Interest	141,318
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Proceeds from sale of capital assets	32,834
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Miscellaneous	344,547
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<b>Total General Revenues</b>	<b>42,869,068</b>
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Change in Net Position	3,449,752
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Net Position Beginning of Year	35,044,356
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Net Position End of Year	<u>\$ 38,494,108</u>
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# THE COUNTY OF JEFFERSON, MISSOURI

## BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS DECEMBER 31, 2012

	Major Funds								Non-Major	Total
	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Capital Improvement	Debt Service	Governmental Funds	Governmental Funds
-- ASSETS --										
Cash and cash equivalents	\$ 4,804,580	\$ 6,794,632	\$ 1,742,122	\$ 4,601,597	\$ 396,317	\$ 619,149	\$ 1,769,879	\$ -	\$ 2,902,857	\$ 23,631,133
Investments	4,644,328	-	-	-	-	-	7,621,872	-	552,871	12,819,071
Due from Collector of Revenue	498,564	764,765	-	-	275,325	135,370	-	36,333	453,690	2,164,047
Due from Prosecuting Attorney	-	-	-	-	-	-	-	-	1,703	1,703
Restricted cash and investments	-	-	-	-	-	-	372,635	565,770	1	938,406
TOTAL ASSETS	\$ 9,947,472	\$ 7,559,397	\$ 1,742,122	\$ 4,601,597	\$ 671,642	\$ 754,519	\$ 9,764,386	\$ 602,103	\$ 3,911,122	\$ 39,554,360
-- LIABILITIES AND FUND BALANCES --										
LIABILITIES:										
Due to various taxing authorities and others	\$ 865,549	\$ 14,700	\$ 139,650	\$ -	\$ 6,284	\$ 2,854	\$ -	\$ -	\$ 31,215	\$ 1,060,252
Total Liabilities	865,549	14,700	139,650	-	6,284	2,854	-	-	31,215	1,060,252
FUND BALANCES:										
Restricted	-	7,544,697	-	4,601,597	665,358	751,665	372,635	602,103	3,584,701	18,122,756
Assigned	2,744,369	-	1,602,472	-	-	-	9,391,751	-	295,206	14,033,798
Unassigned	6,337,554	-	-	-	-	-	-	-	-	6,337,554
Total Fund Balances	9,081,923	7,544,697	1,602,472	4,601,597	665,358	751,665	9,764,386	602,103	3,879,907	38,494,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,947,472	\$ 7,559,397	\$ 1,742,122	\$ 4,601,597	\$ 671,642	\$ 754,519	\$ 9,764,386	\$ 602,103	\$ 3,911,122	\$ 39,554,360

# THE COUNTY OF JEFFERSON, MISSOURI

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Major Funds								Non-Major Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Capital Improvement	Debt Service		
<b>REVENUES:</b>										
Property taxes	\$ 635,355	\$ 5,118,771	\$ -	\$ -	\$ 1,189,517	\$ 773,508	\$ -	\$ -	\$ 2,577,397	\$ 10,294,548
Special assessments	-	-	-	-	-	-	-	258,736	-	258,736
Sales tax	10,058,376	608,307	10,058,249	7,201,242	-	-	-	-	-	27,926,174
Other taxes	717,845	2,994,409	-	-	9,747	8,420	-	-	2,536	3,732,957
Grants, distributions, and reimbursements	1,479,201	2,789,570	1,904,345	-	333,064	841	329,995	1,013	1,260,932	8,098,961
Fees, licenses and permits	9,710,111	415,666	447,691	-	7,824	172,038	-	-	1,094,128	11,847,458
Interest	20,040	6,547	1,488	2,950	289	544	102,385	196	6,876	141,315
Other	27,260	27,089	117,893	-	-	-	-	-	290,650	462,892
<b>Total Revenues</b>	<b>22,648,188</b>	<b>11,960,359</b>	<b>12,529,666</b>	<b>7,204,192</b>	<b>1,540,441</b>	<b>955,351</b>	<b>432,380</b>	<b>259,945</b>	<b>5,232,519</b>	<b>62,763,041</b>
<b>EXPENDITURES:</b>										
Current:										
General county government	11,657,372	-	-	-	-	-	-	-	3,769	11,661,141
Financial administration	524,677	-	-	-	-	-	-	-	4,676	529,353
Property valuation and recording	250,289	-	-	-	1,735,749	-	-	-	169,315	2,155,353
Administration of justice and law enforcement	6,073,599	-	14,148,084	-	-	-	-	-	427,557	20,649,240
Health and welfare	20,019	-	-	-	-	-	-	-	3,114,628	3,134,647
Maintenance of roads	-	9,137,942	-	-	-	-	-	-	-	9,137,942
Parks and recreation	-	-	-	-	-	910,070	-	-	-	910,070
Community Development	100,559	-	-	-	-	-	-	-	1,137,724	1,238,283
Debt service:										
Principal payments	206,437	-	-	-	-	-	1,020,000	145,000	-	1,371,437
Interest and fiscal charges	11,890	-	-	-	-	-	759,107	104,469	-	875,466
Costs of issuance	-	-	-	-	-	-	75,810	49,011	-	124,821
Capital outlay:										
Construction of roads and bridges	-	3,205,015	-	3,085,476	-	-	-	-	414,074	6,704,565
Property, equipment and buildings	196,543	468,164	205,662	10,488	1,086	750	-	-	503,342	1,386,035
<b>Total Expenditures</b>	<b>19,041,385</b>	<b>12,811,121</b>	<b>14,353,746</b>	<b>3,095,964</b>	<b>1,736,835</b>	<b>910,820</b>	<b>1,854,917</b>	<b>298,480</b>	<b>5,775,085</b>	<b>59,878,353</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,606,803</b>	<b>(850,762)</b>	<b>(1,824,080)</b>	<b>4,108,228</b>	<b>(196,394)</b>	<b>44,531</b>	<b>(1,422,537)</b>	<b>(38,535)</b>	<b>(542,566)</b>	<b>2,884,688</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	289,951	995,823	1,836,836	-	157,436	-	619,365	53,842	6,977	3,960,230
Transfers out	(2,674,456)	-	-	(995,823)	-	-	-	-	(289,951)	(3,960,230)
Premium on bonds	-	-	-	-	-	-	-	41,155	-	41,155
Payment to refunding escrow agent	-	-	-	-	-	-	(17,233,697)	(1,014,296)	-	(18,247,993)
Proceeds from sale of bonds	-	-	-	-	-	-	17,315,000	1,009,994	-	18,324,994
Proceeds from temporary municipal notes	-	-	-	-	-	-	-	-	414,074	414,074
Proceeds from the sale of property	164	32,670	-	-	-	-	-	-	-	32,834
<b>Total Other Financing Sources (Uses)</b>	<b>(2,384,341)</b>	<b>1,028,493</b>	<b>1,836,836</b>	<b>(995,823)</b>	<b>157,436</b>	<b>-</b>	<b>700,668</b>	<b>90,695</b>	<b>131,100</b>	<b>565,064</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,222,462</b>	<b>177,731</b>	<b>12,756</b>	<b>3,112,405</b>	<b>(38,958)</b>	<b>44,531</b>	<b>(721,869)</b>	<b>52,160</b>	<b>(411,466)</b>	<b>3,449,752</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>7,859,461</b>	<b>7,366,966</b>	<b>1,589,716</b>	<b>1,489,192</b>	<b>704,316</b>	<b>707,134</b>	<b>10,486,255</b>	<b>549,943</b>	<b>4,291,373</b>	<b>35,044,356</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 9,081,923</b>	<b>\$ 7,544,697</b>	<b>\$ 1,602,472</b>	<b>\$ 4,601,597</b>	<b>\$ 665,358</b>	<b>\$ 751,665</b>	<b>\$ 9,764,386</b>	<b>\$ 602,103</b>	<b>\$ 3,879,907</b>	<b>\$ 38,494,108</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**STATEMENT OF FIDUCIARY NET POSITION  
MODIFIED CASH BASIS - AGENCY FUNDS  
DECEMBER 31, 2012**

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**Agency  
Funds**

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**-- ASSETS --**

Cash and cash equivalents	\$ 42,920,073
Due from Collector of Revenue	2,254,281
<b>TOTAL ASSETS</b>	<b>\$ 45,174,354</b>

**-- LIABILITIES --**

Due to various taxing authorities and others	\$ 39,965,000
Protested taxes	734,829
Funds held in trust	54,494
Due to other funds	4,420,031
<b>TOTAL LIABILITIES</b>	<b>\$ 45,174,354</b>

# THE COUNTY OF JEFFERSON, MISSOURI

## **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2012**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Jefferson, Missouri ("County") ("Jefferson County"), was established in 1818 by an Act of the Missouri Territory.

The County is governed by a seven member county council and a county executive.

As discussed further in Note 1, 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 Government 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 into the County's financial statements using the blending method. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government. The PFA does not issue separate financial statements. The PFA had no activity during the year.

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

Community 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



## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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East-West Gateway Coordinating  
Council  
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 nonexchange 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

## **THE COUNTY OF JEFFERSON, MISSOURI**

### **Notes to the Basic Financial Statements (continued)**

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

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

#### **Governmental Fund Types**

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

The following are the County's governmental major funds:

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Due to the loss of sales tax revenue, the property tax rollback was waived and a \$.0315 property tax levy was added.

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

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

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

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



## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

Parks and Recreation Fund - A Special Revenue Fund used to record the County-wide \$.0279 property tax levy and related expenditures for land acquisition, and for park maintenance, improvements and park programs.

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

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

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 nonmajor 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 for individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar 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 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 expenses for goods or services received but not yet paid) are not recorded in these financial statements.

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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 2012, sales tax receipts were insufficient to fully roll back the property tax levy. As a result, the county property tax was levied. The 2012 General Fund property tax levy is \$.0315 or slightly less than four (4) cents per \$100 of assessed valuation.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2012, for purposes of taxation was:

Real estate	\$2,332,247,628
Personal property	<u>658,652,430</u>
	<u>\$2,990,900,058</u>

During 2012 the County Council approved a \$0.5325 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2012, for purposes of County taxation, as follows:

General revenue	\$.0315
Parks and recreation	\$.0279
Road and bridge	\$.2115
Health	\$.0742
Developmentally disabled	\$.0935
Mental Health	\$.0935

#### 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,

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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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 2.

#### 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, 2012.

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 12.

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, 2012.

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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 12.

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	\$ 602,103
Payment of principal and interest on Neighborhood Improvement District bonds	372,635
Special revenue funds restricted by state statute:	
Road and Bridge	7,544,697
Road Tax	4,601,597
Assessment	665,358
Parks and Recreation	751,665
Police Officer Training	103,652
Post Commission	36,814
Sheriff Revolving	370,505
Inmate Security	225,744
Prosecuting Attorney Training	21,955
Prosecuting Attorney Delinquent Tax	71,237
Prosecuting Attorney Bad Check	72,618
Prosecuting Attorney Victim Advocate	3,740
SVDV	2,227
Recorder of Deeds	1,212,612
Mental Health	1,167,466
Jefferson County LEPC	27,171
Election Services	123,356
Tax Maintenance	144,169
Neighborhood Improvement District	1
Justice Assistance Grant	1,434
Total special revenue funds restricted by state statute	17,148,018
Total Restricted Net Position	\$ 18,122,756



## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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#### 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, 2012.

#### L. Adoption of New Accounting Standards

For the year ended December 31, 2012 the County adopted GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict with GASB pronouncements.

For the year ended December 31, 2012, the County adopted GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

## **2. 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 footnote 1. The deposits and investments held at December 31, 2012, and reported at cost, are as follows:

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

<u>Type</u>	<u>Cost</u>
Deposits:	
Demand deposits	\$ 5,966,413
Cash on hand	595
Overnight (Sweep) Repurchase Account	61,047,000
Nonnegotiable certificates of deposit	12,819,070
Investments:	
Money Market Mutual Funds	475,605
Total Deposits and Investments	<u>\$ 80,308,683</u>
Reconciliation to financial statements:	
Statement of Net Position	
Cash and cash equivalents	\$ 23,631,133
Investments	12,819,071
Restricted cash and investments	938,406
Statement of Fiduciary Net Position	
Cash and cash equivalents	42,920,073
	<u>\$ 80,308,683</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, 2012, none of the County's bank balance of \$17,744,615 was exposed to custodial credit risk. In addition, as of December 31, 2012, \$61,047,000 invested in Overnight (Sweep) Repurchase Agreements was not subject to custodial credit risk, as such funds were fully collateralized by the pledging financial institution's agent in the County's name.

#### Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The amount invested in money market mutual funds are 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, 2012 mature on January 2, 2013.

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

#### 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, 2012, the County's investments were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Amount</u>
Money Market Mutual Funds	AAAm	\$ 475,605

#### Concentration of Investment Credit Risk

Concentration of 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 of investments.

As of December 31, 2012, the County did not have any investments that were subject to concentration of investment credit risk.

### **3. 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, 2012, the following changes occurred in long-term debt:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2012</u>	<u>Amounts Due Within One Year</u>
Special Assessment Debt with Government Commitment:					
Neighborhood Improvement District Bonds	\$ 2,675,000	\$ 1,009,994	\$ 1,155,000	\$ 2,529,994	\$ 145,000
Municipal Temporary Notes	-	414,074	-	414,074	-
Certificates of Participation	22,200,000	17,315,000	18,085,000	21,430,000	1,105,000
Capital lease	425,264	-	206,437	218,827	218,827
Total	<u>\$ 25,300,264</u>	<u>\$ 18,739,068</u>	<u>\$ 19,446,437</u>	<u>\$ 24,592,895</u>	<u>\$ 1,468,827</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 lease is liquidated from the General Fund.



## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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

During 2004, Neighborhood Improvement District Bonds Series 2004 in the amount of \$1,430,000 were issued for the purpose of financing and refinancing the costs of improvements located in Buena Vista 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 at rates ranging from 2.00% to 5.00%, and are payable semiannually on March 1 and September 1 in each year.

The Bonds maturing on March 1, 2013 and thereafter were refunded in September 2012.

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 are payable semiannually on March 1 and September 1 in each.

The bonds maturing on March 1, 2020 and thereafter are subject to redemption prior to maturity on March 1, 2019 and thereafter, in whole at any time or in part on any interest payment date, at the option of the County.

On September 10, 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, 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%.

The refunding resulted in an economic gain (difference between the present value of debt service payment on the old and new debt and the effect of changes in debt reserve investments and effect of changes in credit enhancement expenses) of \$132,264.

The following is a schedule of future minimum payments of Special Assessment Debt at December 31, 2012:

**THE COUNTY OF JEFFERSON, MISSOURI**

Notes to the Basic Financial Statements (continued)

<b>Year Ending December 31,</b>	<b>Principal Portion</b>	<b>Interest Portion</b>	<b>Total</b>
2013	\$ 145,000	\$ 66,216	\$ 211,216
2014	140,000	63,894	203,894
2015	150,000	60,994	210,994
2016	104,994	98,769	203,763
2017	150,000	56,369	206,369
2018 - 2022	810,000	227,076	1,037,076
2023 - 2027	600,000	122,185	722,185
2028 - 2030	430,000	29,999	459,999
	<u>\$ 2,529,994</u>	<u>\$ 725,502</u>	<u>\$ 3,255,496</u>

**B. Special Assessment Debt With Governmental Commitment (Municipal Temporary Notes)**

In April 2012, the County approved the issuance of Municipal Temporary Notes in an amount not to exceed \$440,000 for the purpose of financing the acquisition, construction, extension and equipping sanitary sewer improvements in the Mark Drive Neighborhood Improvement District ("Mark Drive NID"). The Municipal Temporary Notes have a maturity of April 1, 2013 with principal and interest due upon maturity at a rate of 3.25%. Upon completion of construction, it is the County's intention to issue Neighborhood Improvement District bonds to pay off the Municipal Temporary Notes. As of December 31, 2012, the County had issued notes in the amount of \$414,074.

**C. Certificates of Participation**

On December 11, 2007, Certificates of Participation Series 2007 ("2007 COPS") 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 ("2007 Lease"). The proceeds of the Series 2007 Certificates in the amount of \$18,930,000, were used to pay a portion of the costs of acquiring, constructing, furnishing, and equipping a new law enforcement administration building and juvenile detention facility and renovating the existing County jail.

The 2007 Lease provides for, among other things, rental income equal to 2007 COPS proceeds and a term that ends on the earlier of (a) the date when all the Series 2007 Certificates have been paid in full or provision for payment thereof has been made or (b) March 1, 2028. 2007 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 2007 Project for the remainder of the term of the 2007 Lease, and has the right to sublease its interest in the 2007 Lease upon such terms as it deems prudent. Terms of the 2007 Lease include, among other things, rental payments equal to the principal and interest amounts of the 2007 COPS issuance, the initial rental term, which ended January 1, 2008 with renewal options for twenty (20) renewal terms of one year in duration with the last term ending March 2, 2028, unless the County in its sole discretion exercises the option provided in the 2007 Lease to extend its term for each next succeeding Renewal Term. In addition, the 2007 Lease provides that the County's obligations are year to year and such obligations do not extend beyond the amount budgeted in the County's budgeted expenditures for any respective fiscal year. The 2007 COPS were refunded in May 2012.

## **THE COUNTY OF JEFFERSON, MISSOURI**

### **Notes to the Basic Financial Statements (continued)**

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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, 2012 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, 2012 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, MISSOURI

### Notes to the Basic Financial Statements (continued)

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 current refund the 2007 COPS, to fund a debt service fund and pay certain costs of issuance.

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

The refunding resulted in an economic gain (difference between the present value of debt service payment on the old and new debt and the effect of changes in debt reserve investments and effect of changes in credit enhancement expenses) of \$1,555,816.

The following is a schedule of future minimum rental payments at December 31, 2012 under the Leases, assuming the agreements are renewed each year.

<b>Year Ending December 31,</b>	<b>Principal Portion</b>	<b>Interest Portion</b>	<b>Total</b>
2013	\$ 1,105,000	\$ 679,068	\$ 1,784,068
2014	1,130,000	646,992	1,776,992
2015	1,160,000	613,547	1,773,547
2016	1,195,000	577,967	1,772,967
2017	1,230,000	540,267	1,770,267
2018 - 2022	6,715,000	2,061,726	8,776,726
2023 - 2027	7,375,000	834,736	8,209,736
2028	1,520,000	23,864	1,543,864
	<u>\$ 21,430,000</u>	<u>\$ 5,978,167</u>	<u>\$ 27,408,167</u>

#### **D. Lease/Purchase Agreement**

In 2011, the County entered into a lease purchase agreement with a Bank in order to purchase vehicles. This lease is for a principal amount of \$628,000 at 2.75%. Principal and interest are payable in three annual payments of \$218,327.

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

#### E. 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:

2012 assessed valuation	<u>\$ 2,990,900,058</u>
Debt limit - 10% of assessed valuation	\$ 299,090,006
Bonded indebtedness applicable to debt limit	
(Neighborhood Improvement District bonds)	(2,529,994)
(Municipal temporary notes)	(414,074)
Amount available in debt service fund	<u>602,103</u>
Legal debt margin	<u>\$ 296,748,041</u>

#### 4. **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. At December 31, 2012, \$188,006,910 of these Taxable Industrial Revenue Bonds have been issued and \$81,036,590 remain outstanding.

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.

**THE COUNTY OF JEFFERSON, MISSOURI**

Notes to the Basic Financial Statements (continued)

**5. INTERFUND TRANSFERS**

Transfers between funds for the year ended December 31, 2012 are as follows:

	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
<b><u>Major Funds</u></b>		
General Fund:		
Law Enforcement Fund	\$ -	\$ 1,836,836
Capital Improvement Fund	-	619,365
Assessment Fund	-	157,436
Prosecuting Attorney Victim Advocate Fund	-	6,977
Debt Service Fund	-	53,842
Tax Maintenance Fund	289,951	-
Total General Fund	<u>289,951</u>	<u>2,674,456</u>
Law Enforcement:		
General Fund	<u>1,836,836</u>	-
Assessment Fund:		
General Fund	<u>157,436</u>	-
Road Tax Fund:		
Road and Bridge Fund	<u>-</u>	<u>995,823</u>
Road and Bridge Fund:		
Road Tax Fund	<u>995,823</u>	-
Capital Improvement Fund:		
General Fund	<u>619,365</u>	-
Debt Service Fund:		
General Fund	<u>53,842</u>	-
<b><u>Non-Major Funds (Special Revenue)</u></b>		
Tax Maintenance Fund:		
General Fund	<u>-</u>	<u>289,951</u>
Prosecuting Attorney Victim Advocate Fund:		
General Fund	<u>6,977</u>	-
Total Transfers	<u><u>\$ 3,960,230</u></u>	<u><u>\$ 3,960,230</u></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, MISSOURI

### Notes to the Basic Financial Statements (continued)

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#### 6. LAGERS RETIREMENT PLAN

##### A. Plan Description

Jefferson County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute section RSMo 70.600 through 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

##### B. Funding Policy

Jefferson County's full-time employees do not contribute to the pension plan. The June 30<sup>th</sup> statutorily required contribution rates are 12.1% (general), 13.6% (police) and 13.6% (roads) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the County. The contribution provisions of the County are established by state statute.

##### C. Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation for the plan year ended June 30, 2012 were as follows:

Annual required contribution	\$ 2,983,393
Interest on net pension obligation	33,499
Adjustment to annual required contribution	<u>(27,028)</u>
Annual pension cost	2,989,864
Actual contributions	<u>2,920,742</u>
Increase (decrease) in NPO	69,122
NPO beginning of year	<u>462,054</u>
NPO end of year	<u>\$ 531,176</u>



## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

The annual required contributed (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table for males set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 30 years for the Police division, and 30 years for the Roads division. The amortization period as of February 28, 2011 was 23 years for the General division, 30 years for the Police division, and 30 years for the Roads division.

#### **Three Year Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06/30/10	\$ 2,622,273	92.4%	\$ 199,293
06/30/11	\$ 2,908,736	91.0%	\$ 462,054
06/30/12	\$ 2,989,864	97.7%	\$ 531,176

#### Funding Status and Funding Progress

As of February 28, 2012, the most recent actuarial valuation date, the plan was 86 percent funded. The actuarial accrued liability for benefits was \$55.3 million, and the actuarial value of assets was \$47.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$7.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.4 million, and the ratio of the UAAL to the covered payroll was 33 percent.

The schedule of funding progress, presented as other information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

#### **7. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)**

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

##### **A. Plan Description**

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

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

##### **B. Pension Benefits**

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

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

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

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

<u>Year Ended December 31,</u>	<u>Employee Contributions</u>	<u>Statutory Charges</u>
2012	\$ 447,000	\$ 1,285,000
2011	410,000	1,271,000
2010	360,000	1,303,000

#### **8. PROSECUTING ATTORNEY RETIREMENT FUND**

In accordance with state statute Chapter 56.807 RSMo, the County is required to transmit \$6,977 annually 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.

#### **9. POST-EMPLOYMENT BENEFITS**

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

#### **10. 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, 2012 financial statements for any such claims and lawsuits.

##### **B. Compensated Absences**

The County provides employees with up to five weeks of paid vacation based upon the number of years of continuing service. Earned vacation may be accumulated up to one year. Upon separation from county employment, an employee shall be compensated for unused vacation. Sick leave is earned at a rate of one day per month for a maximum of 120 days. Upon termination from County employment, an employee is not reimbursed for unused sick leave except when the employee retires after the age of 55, and the employee is a vested employee. An employee is vested after five years of continuous employment with the County. Vested, retiring employees are compensated for unused sick days at the rate of 40% of accrued sick days at the date of termination of employment. This provision

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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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, 2012.

C. Operating Leases

The County has entered into various operating leases for real and personal property. The total annual commitment required for these agreements is approximately \$103,000.

D. Contracts

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

E. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate 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.

## **11. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error 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 OF JEFFERSON, MISSOURI**

### **Notes to the Basic Financial Statements (continued)**

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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.

#### **12. FUND BALANCE CONSTRAINTS**

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

# THE COUNTY OF JEFFERSON, MISSOURI

## Notes to the Basic Financial Statements (continued)

	Major Special Revenue Funds								Non-Major Governmental Funds	Total
	General	Road and Bridge	Law Enforcement	Road Tax	Assess- ment	Parks and Recreation	Capital Improve- ment	Debt Service		
Fund Balances:										
Restricted for:										
Roads and bridges	\$ -	\$ 7,544,697	\$ -	\$ 4,601,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,146,294
Assessment	-	-	-	-	665,358	-	-	-	-	665,358
Parks and recreation	-	-	-	-	-	751,665	-	-	-	751,665
Debt service - COPS	-	-	-	-	-	-	372,635	-	-	372,635
Debt service - NIDS	-	-	-	-	-	-	-	602,103	-	602,103
Police officer training	-	-	-	-	-	-	-	-	103,652	103,652
Post commission	-	-	-	-	-	-	-	-	36,814	36,814
Sheriff revolving fund	-	-	-	-	-	-	-	-	370,505	370,505
Inmate security	-	-	-	-	-	-	-	-	225,744	225,744
Prosecuting attorney training	-	-	-	-	-	-	-	-	21,955	21,955
Prosecuting attorney delinquent tax fund	-	-	-	-	-	-	-	-	71,237	71,237
Prosecuting attorney bad check fund	-	-	-	-	-	-	-	-	72,618	72,618
Prosecuting attorney victim advocate fund	-	-	-	-	-	-	-	-	3,740	3,740
SVDV fund	-	-	-	-	-	-	-	-	2,227	2,227
Recorder of deeds	-	-	-	-	-	-	-	-	1,212,612	1,212,612
Mental health fund	-	-	-	-	-	-	-	-	1,167,466	1,167,466
Jeff Co LEPC	-	-	-	-	-	-	-	-	27,171	27,171
Election services	-	-	-	-	-	-	-	-	123,356	123,356
Tax maintenance	-	-	-	-	-	-	-	-	144,169	144,169
NID projects	-	-	-	-	-	-	-	-	1	1
JAG grant	-	-	-	-	-	-	-	-	1,434	1,434
Assigned for:										
Prosecuting attorney forfeitures	16,470	-	-	-	-	-	-	-	-	16,470
Courthouse beautification	1,117	-	-	-	-	-	-	-	-	1,117
County discretionary fund	12,602	-	-	-	-	-	-	-	-	12,602
Animal control donations	14,180	-	-	-	-	-	-	-	-	14,180
Subsequent year's budget deficit	2,700,000	-	-	-	-	-	-	-	-	2,700,000
Drug forfeiture	-	-	85,678	-	-	-	-	-	-	85,678
Sheriff's commissary fund	-	-	74,100	-	-	-	-	-	-	74,100
Sheriff equipment donation fund	-	-	1,004	-	-	-	-	-	-	1,004
Prisoner phone fund	-	-	69,401	-	-	-	-	-	-	69,401
Police memorial fund	-	-	11,047	-	-	-	-	-	-	11,047
Sheriff's reserve fund	-	-	932	-	-	-	-	-	-	932
JCMEG asset forfeiture fund	-	-	85	-	-	-	-	-	-	85
Law enforcement	-	-	1,360,225	-	-	-	-	-	-	1,360,225
Capital improvements	-	-	-	-	-	-	9,391,751	-	295,206	9,686,957
Unassigned	6,337,554	-	-	-	-	-	-	-	-	6,337,554
	<u>\$ 9,081,923</u>	<u>\$ 7,544,697</u>	<u>\$ 1,602,472</u>	<u>\$ 4,601,597</u>	<u>\$ 665,358</u>	<u>\$ 751,665</u>	<u>\$ 9,764,386</u>	<u>\$ 602,103</u>	<u>\$ 3,879,907</u>	<u>\$ 38,494,108</u>

### 13. RECENT ACCOUNTING PRONOUNCEMENTS

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

## THE COUNTY OF JEFFERSON, MISSOURI

### Notes to the Basic Financial Statements (continued)

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In April, 2012, the GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In March, 2012, the GASB issued Statement No. 66, "Technical Correction – 2012 – an amendment of GASB Statements No. 10 and No. 62." The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 67 "Financial Reporting for Pension Plans" and Statement No. 68 "Accounting and Reporting for Pensions". The objective of these Statements is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The requirements in Statement No. 67 are effective for periods beginning after June 15, 2013, and the requirements in Statement No. 68 are effective for periods beginning after June 15, 2014.

The effects on the County's financial statements as a result of the adoption of these new pronouncements are unknown.

#### **14. SUBSEQUENT EVENT**

Subsequent to December 31, 2012, the County entered into a lease purchase agreement with a bank in order to purchase vehicles. The lease is for a principal amount of \$1,257,261 at 2.25%. Principal and interest are payable in two annual payments of \$649,925.



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**Other Information**

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**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - BUDGET AND ACTUAL -  
GENERAL FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Property taxes	\$ 1,047,862	\$ 1,047,862	\$ 635,355	\$ (412,507)
Sales tax	10,134,331	10,134,331	10,058,376	(75,955)
Other taxes	717,956	717,956	717,845	(111)
Grants, distributions and reimbursements	2,323,791	2,973,214	1,479,201	(1,494,013)
Fees, licenses and permits	8,958,588	8,958,588	9,710,111	751,523
Interest	9,349	9,349	20,040	10,691
Other	3,600	3,600	27,260	23,660
<b>Total Revenues</b>	<b>23,195,477</b>	<b>23,844,900</b>	<b>22,648,188</b>	<b>(1,196,712)</b>
<b>EXPENDITURES:</b>				
Current:				
General county government	12,652,290	13,714,246	11,657,372	2,056,874
Financial administration	578,444	578,444	524,677	53,767
Property valuation and recording	288,511	288,511	250,289	38,222
Administration of justice and law enforcement	6,215,736	6,617,864	6,073,599	544,265
Health and welfare	28,400	28,400	20,019	8,381
Community development	248,494	248,494	100,559	147,935
Debt service:				
Principal payments	85,000	85,000	206,437	(121,437)
Interest and fiscal charges	47,932	47,932	11,890	36,042
Capital outlay:				
Property, equipment and buildings	417,426	473,765	196,543	277,222
<b>Total Expenditures</b>	<b>20,562,233</b>	<b>22,082,656</b>	<b>19,041,385</b>	<b>3,041,271</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,633,244</b>	<b>1,762,244</b>	<b>3,606,803</b>	<b>1,844,559</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	298,000	298,000	289,951	(8,049)
Transfers out	(2,620,614)	(2,620,614)	(2,674,456)	(53,842)
Proceeds from the sale of property	-	-	164	164
<b>Total Other Financing Sources (Uses)</b>	<b>(2,322,614)</b>	<b>(2,322,614)</b>	<b>(2,384,341)</b>	<b>(61,727)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 310,630</b>	<b>\$ (560,370)</b>	<b>1,222,462</b>	<b>\$ 1,782,832</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>7,859,461</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 9,081,923</b>	

**THE COUNTY OF JEFFERSON, MISSOURI**

**DEPARTMENTAL SCHEDULE OF EXPENDITURES -  
MODIFIED CASH BASIS - BUDGET AND ACTUAL -  
GENERAL FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES:				
Current:				
General County Government:				
Animal Control	\$ 394,028	\$ 394,028	\$ 355,518	\$ 38,510
Auditor	194,524	194,524	190,513	4,011
Board of Equalization	3,000	3,000	1,000	2,000
Building Department	688,516	688,516	575,564	112,952
Code Enforcement	160,509	190,216	159,533	30,683
County Agencies	13,500	13,500	10,000	3,500
County Clerk	967,878	1,110,100	991,353	118,747
County Council	136,400	136,400	119,037	17,363
County Executive	238,879	238,879	187,940	50,939
Economic Development	106,000	106,000	106,000	-
Emergency Management	190,912	190,912	154,440	36,472
Facility Services	1,247,996	1,242,496	1,156,414	86,082
Fleet Services	1,456,079	1,449,279	1,262,650	186,629
General Services	801,262	801,762	772,374	29,388
Information Technology	1,326,815	1,326,815	1,270,218	56,597
Insurance - Health	1,444,904	1,444,904	1,343,589	101,315
Insurance - Other	212,500	212,500	163,683	48,817
Insurance - Workmen's Compensation	145,000	145,000	95,422	49,578
Land Use and Development	360,285	360,285	262,233	98,052
Missouri University				
Extension Services	81,000	81,000	81,000	-
Organizations	42,000	42,000	38,335	3,665
Other	311,089	1,212,916	399,198	813,718
Payroll Taxes and Retirement	1,868,470	1,868,470	1,708,278	160,192
Planning and Zoning	260,744	260,744	253,080	7,664
	12,652,290	13,714,246	11,657,372	2,056,874
Financial Administration:				
Collector	434,273	434,273	380,779	53,494
Treasurer	144,171	144,171	143,898	273
	578,444	578,444	524,677	53,767

**THE COUNTY OF JEFFERSON, MISSOURI**

**DEPARTMENTAL SCHEDULE OF EXPENDITURES -  
MODIFIED CASH BASIS - BUDGET AND ACTUAL -  
GENERAL FUND - UNAUDITED (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Property Valuation and Recording: Recorder of Deeds	288,511	288,511	250,289	38,222
Administration of Justice and Law Enforcement:				
Circuit Clerk	22,580	22,580	14,606	7,974
Circuit Courts	106,225	106,225	103,270	2,955
Family Court	520	375,461	37,661	337,800
Jury Script	336,000	336,000	297,218	38,782
Juvenile Office	2,967,360	2,994,547	2,892,040	102,507
Medical Examiner	320,287	320,287	320,287	-
Municipal Court	307,268	307,268	312,496	(5,228)
Prosecuting Attorney	1,952,138	1,952,138	1,897,889	54,249
Public Administrator	203,358	203,358	198,132	5,226
	6,215,736	6,617,864	6,073,599	544,265
Health and welfare	28,400	28,400	20,019	8,381
Community Development	248,494	248,494	100,559	147,935
Debt Service:				
Principal payments	85,000	85,000	206,437	(121,437)
Interest and fiscal charges	47,932	47,932	11,890	36,042
	132,932	132,932	218,327	(85,395)
Capital Outlay:				
Property, equipment & buildings	417,426	473,765	196,543	277,222
	417,426	473,765	196,543	277,222
<b>Total Expenditures</b>	<b>\$ 20,562,233</b>	<b>\$ 22,082,656</b>	<b>\$ 19,041,385</b>	<b>\$ 3,041,271</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Property taxes	\$ 5,127,740	\$ 5,127,740	\$ 5,118,771	\$ (8,969)
Sales tax	498,034	498,034	608,307	110,273
Other taxes	3,013,036	3,013,036	2,994,409	(18,627)
Grants, distributions and reimbursements	10,839,274	10,839,274	2,789,570	(8,049,704)
Fees, licenses and permits	394,717	394,717	415,666	20,949
Interest	2,781	2,781	6,547	3,766
Other	57,074	57,074	27,089	(29,985)
<b>Total Revenues</b>	<b>19,932,656</b>	<b>19,932,656</b>	<b>11,960,359</b>	<b>(7,972,297)</b>
<b>EXPENDITURES:</b>				
Current:				
Maintenance of Roads:				
Salaries	5,547,720	5,547,720	4,972,301	575,419
Office expense	7,600	7,600	11,753	(4,153)
Miscellaneous	15,600	15,600	10,459	5,141
Uniforms	33,000	33,000	28,164	4,836
Medical expense	12,000	12,000	3,540	8,460
Safety equipment & supplies	35,000	35,000	26,677	8,323
Parts and repairs	825,000	825,000	485,133	339,867
Building maintenance and repairs	196,634	196,634	146,545	50,089
Utilities	103,400	103,400	66,791	36,609
Insurance	1,225,499	1,225,499	1,194,186	31,313
Payroll taxes	444,401	444,401	380,145	64,256
Pension	716,080	716,080	628,796	87,284
Training	19,500	19,500	7,290	12,210
Property and buildings	265,000	265,000	264,965	35
C.A.R.T	175,000	175,000	149,484	25,516
Vehicle expenses	850,250	850,250	761,713	88,537
Capital outlay:				
Property, equipment and buildings:				
Equipment	512,200	512,200	405,280	106,920
Right-of-way	1,269,720	1,269,720	62,884	1,206,836
Construction of roads and bridges:				
Contractual service	8,257,554	8,257,554	2,576,625	5,680,929
Road materials	2,500,000	2,500,000	380,648	2,119,352
Equipment rental	15,000	15,000	4,050	10,950
Sign material	66,000	66,000	47,759	18,241
Engineering fees	1,610,000	1,610,000	195,933	1,414,067
<b>Total Expenditures</b>	<b>24,702,158</b>	<b>24,702,158</b>	<b>12,811,121</b>	<b>11,891,037</b>



**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND - UNAUDITED (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(4,769,502)	(4,769,502)	(850,762)	3,918,740
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	801,153	801,153	995,823	194,670
Proceeds from the sale of property	-	-	32,670	32,670
<b>Total Other Financing Sources</b>	801,153	801,153	1,028,493	227,340
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (3,968,349)</b>	<b>\$ (3,968,349)</b>	177,731	<b>\$ 4,146,080</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			7,366,966	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 7,544,697</b>	

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - LAW ENFORCEMENT FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Sales tax	\$ 10,134,307	\$ 10,134,307	\$ 10,058,249	\$ (76,058)
Grants, distributions and reimbursements	1,654,532	1,813,826	1,904,345	90,519
Fees, licenses and permits	463,590	463,590	447,691	(15,899)
Interest	718	718	1,488	770
Other	156,084	156,084	117,893	(38,191)
<b>Total Revenues</b>	<b>12,409,231</b>	<b>12,568,525</b>	<b>12,529,666</b>	<b>(38,859)</b>
<b>EXPENDITURES:</b>				
Current:				
Administration of Justice and Law Enforcement:				
Salaries	8,898,265	9,030,563	9,007,425	23,138
Payroll taxes	675,839	682,219	674,200	8,019
Leased vehicles	72,000	72,000	73,676	(1,676)
Office expense	52,500	52,500	49,078	3,422
Contractual services	518,675	518,675	449,148	69,527
Professional services	34,000	34,000	30,000	4,000
Uniforms	47,804	47,804	30,141	17,663
Utilities	107,706	107,706	70,985	36,721
Insurance	1,854,008	1,856,343	1,781,867	74,476
Pension	1,169,337	1,180,680	1,110,263	70,417
Training	73,930	73,930	32,100	41,830
Other	560,304	567,242	342,525	224,717
Institutional placement	155,352	155,352	12,026	143,326
Prisoner medical expense	27,000	27,000	6,366	20,634
Prisoner transport	22,000	22,000	20,702	1,298
Prisoner food	530,000	530,000	387,372	142,628
Jail expense	77,000	77,000	67,652	9,348
Vehicle expense	2,650	2,650	2,558	92
Capital outlay:				
Property, equipment and buildings	200,976	200,976	205,662	(4,686)
<b>Total Expenditures</b>	<b>15,079,346</b>	<b>15,238,640</b>	<b>14,353,746</b>	<b>884,894</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(2,670,115)</b>	<b>(2,670,115)</b>	<b>(1,824,080)</b>	<b>846,035</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,836,836	1,836,836	1,836,836	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,836,836</b>	<b>1,836,836</b>	<b>1,836,836</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (833,279)</b>	<b>\$ (833,279)</b>	<b>12,756</b>	<b>\$ 846,035</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>1,589,716</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,602,472</b>	

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - ROAD TAX FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Sales tax	\$ 7,259,136	\$ 7,259,136	\$ 7,201,242	\$ (57,894)
Interest	2,315	2,315	2,950	635
<b>Total Revenues</b>	<u>7,261,451</u>	<u>7,261,451</u>	<u>7,204,192</u>	<u>(57,259)</u>
<b>EXPENDITURES:</b>				
Capital outlay:				
Property, equipment and buildings:				
Right of way	385,180	385,180	10,488	374,692
Construction of roads and bridges:				
Contractual services	3,559,889	3,559,889	510,113	3,049,776
Motor vehicle equipment	-	-	238,863	(238,863)
Road materials	2,200,000	2,200,000	2,199,344	656
Equipment rental	68,234	68,234	8,335	59,899
Sign material	74,000	74,000	73,584	416
Engineering fees	680,000	680,000	55,237	624,763
<b>Total Expenditures</b>	<u>7,209,303</u>	<u>7,209,303</u>	<u>3,095,964</u>	<u>4,113,339</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>52,148</u>	<u>52,148</u>	<u>4,108,228</u>	<u>4,056,080</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(801,444)	(801,444)	(995,823)	(194,379)
<b>Total Other Financing Uses</b>	<u>(801,444)</u>	<u>(801,444)</u>	<u>(995,823)</u>	<u>(194,379)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (749,296)</u>	<u>\$ (749,296)</u>	<u>3,112,405</u>	<u>\$ 3,861,701</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>1,489,192</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,601,597</u>	

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - ASSESSMENT FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Property taxes	\$ 1,329,929	\$ 1,329,929	\$ 1,189,517	\$ (140,412)
Other taxes	8,850	8,850	9,747	897
Grants, distributions and reimbursements	378,524	378,524	333,064	(45,460)
Fees, licenses and permits	8,500	8,500	7,824	(676)
Interest	230	230	289	59
<b>Total Revenues</b>	<b>1,726,033</b>	<b>1,726,033</b>	<b>1,540,441</b>	<b>(185,592)</b>
<b>EXPENDITURES:</b>				
Current:				
Property Valuation and Recording:				
Salaries	1,271,031	1,260,431	1,187,175	73,256
Office	12,000	12,000	8,449	3,551
Contractual services	25,000	25,000	21,071	3,929
Miscellaneous	5,600	13,200	10,503	2,697
Mileage	1,000	1,000	67	933
Utilities	1,100	1,100	634	466
Insurance	208,858	211,858	185,671	26,187
Postage	60,000	60,000	49,088	10,912
Payroll taxes	109,781	109,781	104,773	5,008
Pension	153,323	153,323	143,357	9,966
Professional services	30,000	30,000	23,870	6,130
Training	2,000	2,000	1,091	909
Capital outlay:				
Property, equipment and buildings	4,000	4,000	1,086	2,914
<b>Total Expenditures</b>	<b>1,883,693</b>	<b>1,883,693</b>	<b>1,736,835</b>	<b>146,858</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(157,660)</b>	<b>(157,660)</b>	<b>(196,394)</b>	<b>(38,734)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	157,660	157,660	157,436	(224)
<b>Total Other Financing Sources</b>	<b>157,660</b>	<b>157,660</b>	<b>157,436</b>	<b>(224)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(38,958)</b>	<b>\$ (38,958)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>704,316</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 665,358</b>	

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -  
BUDGET AND ACTUAL - PARKS AND RECREATION FUND - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Property taxes	\$ 831,821	\$ 831,821	\$ 773,508	\$ (58,313)
Other taxes	5,934	5,934	8,420	2,486
Grants, distributions and reimbursements	5,174	5,174	841	(4,333)
Fees, licenses and permits	152,806	152,806	172,038	19,232
Interest	381	381	544	163
<b>Total Revenues</b>	<b>996,116</b>	<b>996,116</b>	<b>955,351</b>	<b>(40,765)</b>
<b>EXPENDITURES:</b>				
Current:				
Park Maintenance:				
Salaries	541,992	541,992	540,179	1,813
Office	1,500	1,500	2,685	(1,185)
Contractual services	43,500	43,500	45,662	(2,162)
Miscellaneous	28,400	28,400	17,708	10,692
Uniforms	1,300	1,300	1,296	4
Medical expense	1,500	1,500	649	851
Parts and repairs	10,500	10,500	9,815	685
Rent	500	500	-	500
Utilities	27,600	27,600	17,051	10,549
Insurance	108,210	108,210	96,445	11,765
Payroll taxes	46,500	46,500	40,505	5,995
Pension	60,378	60,378	61,696	(1,318)
Supplies	3,000	3,000	2,995	5
Professional services	12,000	12,000	9,700	2,300
Training	1,600	1,600	1,040	560
Park programs	35,000	35,000	33,423	1,577
Park development	30,000	30,000	-	30,000
Vehicle expense	32,000	32,000	29,221	2,779
Capital outlay:				
Property, equipment and buildings	14,200	14,200	750	13,450
<b>Total Expenditures</b>	<b>999,680</b>	<b>999,680</b>	<b>910,820</b>	<b>88,860</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (3,564)</b>	<b>\$ (3,564)</b>	<b>44,531</b>	<b>\$ 48,095</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>707,134</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 751,665</b>	



**THE COUNTY OF JEFFERSON, MISSOURI**

**NOTES TO BUDGETARY SCHEDULES  
DECEMBER 31, 2012**

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**Budgets 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.

Actual expenditures exceeded those budgeted in the Neighborhood Improvement District Special Revenue Fund due to the proceeds and expenditures related to the Mark Drive project.

8. Budgets are prepared and adopted on the modified cash basis of accounting.

**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF FUNDING PROGRESS - LAGERS RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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The following required supplementary information relates to The County of Jefferson, Missouri's participation in Missouri LAGERS, an agent multiple-employer public retirement system.

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Entry Age Actuarial Accrued Liability</b>	<b>(b-a) Unfunded Accrued Liability (UAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>[(b-a)/c] UAL as a Percentage of Covered Payroll</b>
02/28/10	\$41,318,694	\$49,583,967	\$8,265,273	83%	\$23,081,526	36%
02/28/11	\$44,847,275	\$53,670,493	\$8,823,218	84%	\$22,422,201	39%
02/28/12	\$47,512,174	\$55,266,857	\$7,754,683	86%	\$23,426,761	33%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

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**Additional Supplementary Information**

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**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS -  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<b>Combined Nonmajor Special Revenue Funds</b>	<b>Nonmajor County Building Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>-- ASSETS --</b>			
Cash and cash equivalents	\$ 2,607,651	\$ 295,206	\$ 2,902,857
Investments	552,871	-	552,871
Due from Collector of Revenue	453,690	-	453,690
Due from Prosecuting Attorney	1,703	-	1,703
Restricted investments	1	-	1
<b>TOTAL ASSETS</b>	<b>\$ 3,615,916</b>	<b>\$ 295,206</b>	<b>\$ 3,911,122</b>
<b>-- LIABILITIES AND FUND BALANCES --</b>			
Due to other taxing authorities and others	\$ 31,215	\$ -	\$ 31,215
<b>TOTAL LIABILITIES</b>	<b>31,215</b>	<b>-</b>	<b>31,215</b>
Fund Balances:			
Restricted	3,584,701	-	3,584,701
Assigned	-	295,206	295,206
<b>Total Fund Balances</b>	<b>3,584,701</b>	<b>295,206</b>	<b>3,879,907</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,615,916</b>	<b>\$ 295,206</b>	<b>\$ 3,911,122</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS -  
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)  
DECEMBER 31, 2012**

	Police Officer Training Fund	Post Commission Fund	Sheriff Revolving Fund	Inmate Security Fund	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Bad Check Fund	Pros Atty Victim Advocate Fund	SVDV Fund
<b>-- ASSETS --</b>									
Cash and cash equivalents	\$ 103,652	\$ 36,814	\$ 370,713	\$ 225,744	\$ 21,955	\$ 71,237	\$ 70,915	\$ 3,834	\$ 2,227
Investments	-	-	-	-	-	-	-	-	-
Due from Collector of Revenue	-	-	-	-	-	-	-	-	-
Due from Prosecuting Attorney	-	-	-	-	-	-	1,703	-	-
<b>TOTAL ASSETS</b>	<b>\$ 103,652</b>	<b>\$ 36,814</b>	<b>\$ 370,713</b>	<b>\$ 225,744</b>	<b>\$ 21,955</b>	<b>\$ 71,237</b>	<b>\$ 72,618</b>	<b>\$ 3,834</b>	<b>\$ 2,227</b>
<b>-- LIABILITIES AND FUND BALANCES --</b>									
Due to other tax authorities and others	\$ -	\$ -	208	\$ -	\$ -	\$ -	\$ -	94	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>-</b>
<b>FUND BALANCES</b>									
Restricted	103,652	36,814	370,505	225,744	21,955	71,237	72,618	3,740	2,227
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 103,652</b>	<b>\$ 36,814</b>	<b>\$ 370,713</b>	<b>\$ 225,744</b>	<b>\$ 21,955</b>	<b>\$ 71,237</b>	<b>\$ 72,618</b>	<b>\$ 3,834</b>	<b>\$ 2,227</b>



**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS -  
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS) (CONTINUED)  
DECEMBER 31, 2012**

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
<b>-- ASSETS --</b>									
Cash and cash equivalents	\$ 690,654	\$ 721,581	\$ 27,171	\$ 123,356	\$ 136,364	\$ -	\$ 1,434	\$ -	\$ 2,607,651
Investments	552,871	-	-	-	-	-	-	-	552,871
Due from Collector of Revenue	-	445,885	-	-	7,805	-	-	-	453,690
Due from Prosecuting Attorney	-	-	-	-	-	-	-	-	1,703
Restricted investments	-	-	-	-	-	1	-	-	1
<b>TOTAL ASSETS</b>	<b>\$ 1,243,525</b>	<b>\$ 1,167,466</b>	<b>\$ 27,171</b>	<b>\$ 123,356</b>	<b>\$ 144,169</b>	<b>\$ 1</b>	<b>\$ 1,434</b>	<b>\$ -</b>	<b>\$ 3,615,916</b>
<b>-- LIABILITIES AND FUND BALANCES --</b>									
Due to other tax authorities and others	\$ 30,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,215
<b>TOTAL LIABILITIES</b>	<b>30,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,215</b>
<b>FUND BALANCES</b>									
Restricted	1,212,612	1,167,466	27,171	123,356	144,169	1	1,434	-	3,584,701
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,243,525</b>	<b>\$ 1,167,466</b>	<b>\$ 27,171</b>	<b>\$ 123,356</b>	<b>\$ 144,169</b>	<b>\$ 1</b>	<b>\$ 1,434</b>	<b>\$ -</b>	<b>\$ 3,615,916</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCES - MODIFIED CASH BASIS -  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Combined Nonmajor Special Revenue Funds</b>	<b>Nonmajor County Building Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES:</b>			
Property taxes	\$ 2,577,397	\$ -	\$ 2,577,397
Other taxes	2,536	-	2,536
Grants, distributions and reimbursements	1,260,932	-	1,260,932
Fees, licenses and permits	1,094,128	-	1,094,128
Interest	6,765	111	6,876
Other	251	290,399	290,650
<b>Total Revenues</b>	<b>4,942,009</b>	<b>290,510</b>	<b>5,232,519</b>
<b>EXPENDITURES:</b>			
Current:			
General county government	3,769	-	3,769
Financial administration	4,676	-	4,676
Property valuation and recording	169,315	-	169,315
Administration of justice and law enforcement	427,557	-	427,557
Health and welfare	3,114,628	-	3,114,628
Community development	1,137,724	-	1,137,724
Capital outlay:			
Property, equipment and buildings	503,342	-	503,342
<b>Total Expenditures</b>	<b>5,775,085</b>	<b>-</b>	<b>5,775,085</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(833,076)</b>	<b>290,510</b>	<b>(542,566)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	6,977	-	6,977
Transfers out	(289,951)	-	(289,951)
Proceeds from loan	414,074	-	414,074
<b>Total Other Financing Sources (Uses)</b>	<b>131,100</b>	<b>-</b>	<b>131,100</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(701,976)</b>	<b>290,510</b>	<b>(411,466)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>4,286,677</b>	<b>4,696</b>	<b>4,291,373</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 3,584,701</b>	<b>\$ 295,206</b>	<b>\$ 3,879,907</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -  
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Police Officer Training Fund	Post Commission Fund	Sheriff Revolving Fund	Inmate Security Fund	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Bad Check Fund	Pros Atty Victim Advocate Fund	SVDV Fund
<b>REVENUES:</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-
Grants, distributions and reimbursements	1,076	19,900	-	-	-	699	28	25,876	-
Fees, licenses and permits	45,706	-	195,344	39,672	10,062	68,761	74,619	-	83,775
Interest	106	43	377	217	20	92	51	5	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>46,888</b>	<b>19,943</b>	<b>195,721</b>	<b>39,889</b>	<b>10,082</b>	<b>69,552</b>	<b>74,698</b>	<b>25,881</b>	<b>83,775</b>
<b>EXPENDITURES:</b>									
Current:									
General county government	-	-	-	-	-	-	-	-	-
Financial administration	-	-	-	-	-	-	-	-	-
Property valuation and recording	-	-	-	-	-	-	-	-	-
Administration of justice and law enforcement	45,653	24,805	124,280	750	6,808	62,620	7,393	37,043	83,810
Health and welfare	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Capital outlay:									
Property, equipment and buildings	-	-	2,541	1,159	-	35,739	-	-	-
<b>Total Expenditures</b>	<b>45,653</b>	<b>24,805</b>	<b>126,821</b>	<b>1,909</b>	<b>6,808</b>	<b>98,359</b>	<b>7,393</b>	<b>37,043</b>	<b>83,810</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,235</b>	<b>(4,862)</b>	<b>68,900</b>	<b>37,980</b>	<b>3,274</b>	<b>(28,807)</b>	<b>67,305</b>	<b>(11,162)</b>	<b>(35)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	-	-	6,977	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,977</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,235</b>	<b>(4,862)</b>	<b>68,900</b>	<b>37,980</b>	<b>3,274</b>	<b>(28,807)</b>	<b>67,305</b>	<b>(4,185)</b>	<b>(35)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>102,417</b>	<b>41,676</b>	<b>301,605</b>	<b>187,764</b>	<b>18,681</b>	<b>100,044</b>	<b>5,313</b>	<b>7,925</b>	<b>2,262</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 103,652</b>	<b>\$ 36,814</b>	<b>\$ 370,505</b>	<b>\$ 225,744</b>	<b>\$ 21,955</b>	<b>\$ 71,237</b>	<b>\$ 72,618</b>	<b>\$ 3,740</b>	<b>\$ 2,227</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -  
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS) (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
<b>REVENUES:</b>									
Property taxes	\$ -	\$ 2,577,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,577,397
Other taxes	-	2,536	-	-	-	-	-	-	2,536
Grants, distributions and reimbursements	53	-	8,406	32,499	-	-	34,671	1,137,724	1,260,932
Fees, licenses and permits	170,047	-	-	22,649	383,493	-	-	-	1,094,128
Interest	4,621	893	22	98	218	1	1	-	6,765
Other	-	-	251	-	-	-	-	-	251
<b>Total Revenues</b>	<b>174,721</b>	<b>2,580,826</b>	<b>8,679</b>	<b>55,246</b>	<b>383,711</b>	<b>1</b>	<b>34,672</b>	<b>1,137,724</b>	<b>4,942,009</b>
<b>EXPENDITURES:</b>									
Current:									
General county government	-	-	-	3,769	-	-	-	-	3,769
Financial administration	-	-	-	-	4,676	-	-	-	4,676
Property valuation and recording	169,315	-	-	-	-	-	-	-	169,315
Administration of justice and law enforcement	-	-	-	-	-	-	34,395	-	427,557
Health and welfare	-	3,112,249	2,379	-	-	-	-	-	3,114,628
Community development	-	-	-	-	-	-	-	1,137,724	1,137,724
Capital outlay:									
Construction of roads and bridges	-	-	-	-	-	414,074	-	-	414,074
Property, equipment and buildings	665	-	-	-	463,238	-	-	-	503,342
<b>Total Expenditures</b>	<b>169,980</b>	<b>3,112,249</b>	<b>2,379</b>	<b>3,769</b>	<b>467,914</b>	<b>414,074</b>	<b>34,395</b>	<b>1,137,724</b>	<b>5,775,085</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,741</b>	<b>(531,423)</b>	<b>6,300</b>	<b>51,477</b>	<b>(84,203)</b>	<b>(414,073)</b>	<b>277</b>	<b>-</b>	<b>(833,076)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	-	-	-	6,977
Transfers out	-	-	-	-	(289,951)	-	-	-	(289,951)
Proceeds from loan	-	-	-	-	-	414,074	-	-	414,074
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(289,951)</b>	<b>414,074</b>	<b>-</b>	<b>-</b>	<b>131,100</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,741</b>	<b>(531,423)</b>	<b>6,300</b>	<b>51,477</b>	<b>(374,154)</b>	<b>1</b>	<b>277</b>	<b>-</b>	<b>(701,976)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>1,207,871</b>	<b>1,698,889</b>	<b>20,871</b>	<b>71,879</b>	<b>518,323</b>	<b>-</b>	<b>1,157</b>	<b>-</b>	<b>4,286,677</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,212,612</b>	<b>\$ 1,167,466</b>	<b>\$ 27,171</b>	<b>\$ 123,356</b>	<b>\$ 144,169</b>	<b>\$ 1</b>	<b>\$ 1,434</b>	<b>\$ -</b>	<b>\$ 3,584,701</b>

**THE COUNTY OF JEFFERSON, MISSOURI**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
MODIFIED CASH BASIS - AGENCY FUNDS  
DECEMBER 31, 2012**

	<b>County Treasurer Agency Funds</b>	<b>County Officials and Other Agency Funds</b>	<b>County Collector of Revenue Agency Fund</b>	<b>Total Agency Funds</b>
<b>-- ASSETS --</b>				
Cash and cash equivalents	\$ 8,880,241	\$ 62,901	\$ 33,976,931	\$ 42,920,073
Due from Collector of Revenue	2,254,281	-	-	2,254,281
<b>TOTAL ASSETS</b>	<b>\$ 11,134,522</b>	<b>\$ 62,901</b>	<b>\$ 33,976,931</b>	<b>\$ 45,174,354</b>
<b>-- LIABILITIES --</b>				
Due to various taxing authorities and others	\$ 11,134,522	\$ 6,704	\$ 28,823,774	\$ 39,965,000
Protested taxes	-	-	734,829	734,829
Funds held in trust	-	54,494	-	54,494
Due to other funds	-	1,703	4,418,328	4,420,031
<b>TOTAL LIABILITIES</b>	<b>\$ 11,134,522</b>	<b>\$ 62,901</b>	<b>\$ 33,976,931</b>	<b>\$ 45,174,354</b>



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**Federal Compliance Section**

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**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Identification Number</b>	<b>Expenditures</b>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grant.....	14.218	B-11-UC-29-0002 B-10-UC-29-0002	\$ 666,817 470,907
Total CDBG - Entitlement Grants Cluster.....			<u>1,137,724</u>
Passed through Missouri Department of Economic Development:			
Training for Tomorrow.....	14.228	2008-DJ-24	<u>104,283</u>
Total U.S. Department of Housing and Urban Development.....			<u>1,242,007</u>
<u>U.S. Department of Justice:</u>			
Direct:			
Community Defined Solutions to Violence Against Women.....	16.590	2008-WE-AX-0025	175,883
Safe Havens: Supervised Visitation and Safe Exchange Grant Program.....	16.527	2010-CW-AX-K010	22,413
Equitable Sharing Program.....	16.992	N/A	81,087
Bullet Proof Vest Program.....	16.607	N/A	13,125
JAG Program Cluster:			
Justice Assistance Grant - Local Solicitation.....	16.738	2011-DJ-BX-2421	34,671
Passed through Missouri Department of Public Safety:			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	2011-JAG-012 2008-JAG1-029	69,439 169,192
Subtotal CFDA #16.738.....			<u>273,302</u>
ARRA Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories.....	16.803	2009-JAG-RA-109 2009-JAG-RA-081	37,074 33,422
Subtotal CFDA #16.803.....			<u>70,496</u>
Total JAG Program Cluster.....			<u>343,798</u>

**THE COUNTY OF JEFFERSON, MISSOURI**

**Schedule of Expenditures of Federal Awards (continued)**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Identification Number</b>	<b>Expenditures</b>
Title II - Juvenile Justice Formula Grants.....	16.540	2010-TITLE2-0012	13,198
		2010-11-TITLE2-07	1,707
Total CFDA #16.540.....			14,905
Victims of Crime.....	16.575	2010-VOCA-0030-SE	25,216
Total U.S. Department of Justice.....			676,427
<b>U.S. Department of Transportation:</b>			
Passed through Missouri Department of Transportation:			
Highway Planning and Construction Cluster:			
Butcher Branch Road Bridge.....	20.205	STP-5403 (635)	41,969
Carol Park Road Overlay.....	20.205	STP-5403 (636)	195,403
Castle Ranch Bridge.....	20.205	STP-5403 (621)	26,190
Castle Ranch Road Bridge.....	20.205	STP-5403 (646)	10,491
Charter Church East Flucom.....	20.205	BRO-B050 (17)	7,634
Fountain City Road Bridge.....	20.205	STP-5403 (629)	28,328
Hillsboro House Springs Road at EMS.....	20.205	STP-5403 (620)	40,965
Konnert Road Overlay.....	20.205	STP-5403 (618)	3,082
Lions Den Road Phase 4.....	20.205	STP-5403 (602)	5,000
Londell Road Bridge.....	20.205	BRM-5403 (604)	412,579
Londell Road Overlay.....	20.205	STP-5403 (624)	403,487
Mammoth Road Bridge.....	20.205	STP-5403 (605)	23,749
Mapaville-Hematite Bridge.....	20.205	STP-5403 (622)	26,091
Miller Road Overlay.....	20.205	STP-5403 (638)	383,989
Montbello Road Overlay.....	20.205	STP-5403 (639)	174,416
Old Antonia Road Bridge.....	20.205	STP-5403 (630)	19,018
Old Lemay Ferry Road Bridge at Glaize.....	20.205	BRM-5461 (607)	53,520
Old Lemay Ferry Road Bridge at Klabe.....	20.205	STP-5403 (631)	43,504
Old Lemay Ferry Road at Vogel Roundabout.....	20.205	STP-5403 (641)	8,085
Russell Road Bridge.....	20.205	STP-5403 (612)	71,629
Saline Road - Phase 1.....	20.205	STP-5403 (642)	81,887
Sandy Church Bridge.....	20.205	STP-5602 (614)	9,690
Schneider Drive Bridge.....	20.205	STP-5403 (625)	47,328
Turley Road Bridge.....	20.205	BRO-5050 (14)	16,883
Wedde East Road Bridge.....	20.205	STP-5403 (610)	254,794
Whitehead Road Bridge.....	20.205	STP-5403 (623)	26,206
Wilson Hollow Road Bridge.....	20.205	STP-5403 (646)	25,201
ARRA Lions Den Road Phase 3.....	20.205	ARRA-STP-7203 (601)	11,908
Total Highway Planning and Construction Cluster.....			2,453,026

**THE COUNTY OF JEFFERSON, MISSOURI**

**Schedule of Expenditures of Federal Awards (continued)**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Identification Number</b>	<b>Expenditures</b>
Passed through Missouri Division of Highway Safety:			
Highway Safety Cluster:			
Hazardous Moving Violation Project.....	20.600	13-PT-02-086	37,663
		12-PT-02-055	55,113
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants:			
Sobriety Checkpoint.....	20.601	13-K8-03-044	9,188
		12-K8-03-045	46,379
DWI Enforcement.....	20.601	13-K8-03-042	42,773
		12-154-AL-047	105,131
DWI Enforcement Unit.....	20.601	13-K8-03-020	19,111
		12-K8-03-044	63,961
Youth Alcohol Task Force.....	20.601	13-K8-03-043	27,630
		12-K8-03-046	83,352
Passed through University of Central Missouri, Missouri Safety Center:			
Highway Safety Cluster:			
Alcohol Open Container Requirements Grants:			
Youth Seat Belt Enforcement.....	20.601	12-OP-05-002	267
Click It or Ticket Enforcement.....	20.600	12-OP-05-005	6,245
Subtotal CFDA #20.600.....			99,021
Subtotal CFDA #20.601.....			397,792
Total Highway Safety Cluster.....			496,813
Total U.S. Department of Transportation.....			2,949,839
<u>U.S. Environmental Protection Agency:</u>			
Direct:			
Big River Watershed Master Plan.....	66.802	V97722001	7,246
Passed through Missouri Department of Natural Resources:			
Nonpoint Source Implementation Grants.....	66.460	G11-NPS-08	34,767
Total U.S. Environmental Protection Agency.....			42,013

**THE COUNTY OF JEFFERSON, MISSOURI**

**Schedule of Expenditures of Federal Awards (continued)**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Identification Number</b>	<b>Expenditures</b>
<u>Executive Office of the President:</u>			
Direct:			
High Intensity Drug Trafficking Areas Program.....	95.001	G12MW0001A-JJ	72,110
		G11MW0001A-JJ	47,090
		G10MW0001A-JJ	2,775
		G12MW0001A-V	2,467
		G11MW0001A-V	2,229
		G10MW0001A-V	2,154
Total CFDA #95.001.....			128,825
Total Executive Office of the President.....			128,825
<u>U.S. Department of Homeland Security:</u>			
Passed through Missouri State Emergency Management Agency:			
Emergency Management Performance Grants.....	97.042	EMW-2012-EP-0018-S01	19,368
		EMW-2011-EP-0004-S01	11,007
Total CFDA #97.042.....			30,375
Homeland Security Regional Response System.....	97.073	2009-SS-TP-0062	15,000
Total U.S. Department of Homeland Security.....			45,375
			<u>\$ 5,084,486</u>



**THE COUNTY OF JEFFERSON, MISSOURI**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of Federal awards is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2 - Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During 2012, the County did not receive nonmonetary assistance.

**Note 3 - Insurance**

The County did not have any federal insurance in effect during the fiscal year ended December 31, 2012.

**Note 4 - Loans/Loan Guarantees**

The County did not have any loans or loan guarantees outstanding as of December 31, 2012.

**Note 5 - Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Subrecipient</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipient</b>
Training for Tomorrow	Jefferson College	14.228	\$ 104,283
Safe Havens: Supervised Visitation and Safe Exchange Grant Program	Community Treatment, Inc.	16.527	22,413
Total Provided for Subrecipients			<u>\$ 126,696</u>



## SCHOWALTER & JABOURI, P.C.

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

#### **INDEPENDENT AUDITOR'S REPORT**

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, Missouri (the "County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 21, 2013. As described in Note 1, the County prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

#### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal 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 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.

#### MEMBERS

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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 and therefore, material weaknesses or significant deficiencies may exist what were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs (2012-01) that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to the management of the County, in a separate letter dated May 21, 2013.

### **County's Response to Findings**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing in internal control and compliance and the result 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
May 21, 2013



## SCHOWALTER & JABOURI, P.C.

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### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

#### **INDEPENDENT AUDITORS' REPORT**

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

#### **Report on Compliance for Each Major Federal Program**

We have audited The County of Jefferson, Missouri's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

#### MEMBERS

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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, 2012.

### **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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
May 21, 2013



**THE COUNTY OF JEFFERSON, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**1. SUMMARY OF AUDITORS' RESULTS**

**A. Financial Statements**

1. Type of auditor's report issued: Unqualified on the modified cash basis of accounting.
2. Internal control over financial reporting:
  - a. Material Weakness(es) identified? ☐ Yes ☒ No
  - b. Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? ☐ Yes ☒ No

**B. Federal Awards**

1. Internal Control Over Major Programs:
  - a. Material weakness(es) identified ☐ Yes ☒ No
  - b. Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No
2. Type of auditor's report issued on compliance for major programs: Unqualified
3. Any audit findings disclosed that are required to be reportable in accordance with section 510 (a) of Circular A-133? ☐ Yes ☒ No

**4. Identification of major programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster (including ARRA)
20.600; 20.601	Highway Safety Cluster
16.738; 16.803	JAG Program Cluster (including ARRA)

5. Dollar threshold used to distinguish between type A and type B programs: \$300,000
6. Auditee qualified as low-risk auditee? ☒ Yes ☐ No

## THE COUNTY OF JEFFERSON, MISSOURI

### Schedule of Findings and Questioned Costs (continued)

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#### 2. FINANCIAL STATEMENT FINDINGS

2012-01      Budget Procedures

Condition: The approved budget documents of County funds do not reflect the true anticipated financial condition.

Criteria: Missouri revised statute 50.550 indicates the annual budget should present a complete financial plan for the ensuing budget year, including the actual or estimated operating deficits or surpluses from prior years.

Effect: Generally, the budgets projected ending cash balances of zero while the actual ending balances are normally much higher.

Recommendation: To be of maximum assistance to the County and to adequately inform the public, budgets should accurately reflect the actual beginning cash balance, anticipated revenues, anticipated expenditures and ending cash balances for all budgeted funds.

Management's Response: Missouri revised statute 50.610 states "..... Any cash surplus at the end of any fiscal year shall be carried forward and merged with the revenues of the succeeding year...." Jefferson County understands even though it is permissible under the revised statute 50.610 to budget the cash surplus, it is not a generally accepted accounting principle. Our goal is to reach a point where the surplus is no longer used in next year's revenue projections. It must be carried out incrementally to prevent any unnecessary financial hardships.

The County will prepare a new statement showing a complete financial plan detailing the beginning cash balances, anticipated revenues, anticipated expenditures and anticipated ending balances. This statement will be incorporated into the 2014 budget documents.

#### 3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings and questioned costs.

#### 4. FOLLOW-UP ON PRIOR YEAR FEDERAL FINDINGS

There were no prior year federal award findings and questioned costs.