

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

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HILLSBORO, MISSOURI
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HILLSBORO, MISSOURI
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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson (County), Missouri, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Jefferson, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson, Missouri, as of December 31, 2017, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining balance sheets – modified cash basis – non-major funds, combining statement of revenues, expenditures and changes in fund balances – modified cash basis – non-major governmental funds, and the combining statement of fiduciary net position – modified cash basis – agency funds on pages 46 through 52 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 58 through 59 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018, on our consideration of the County of Jefferson, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Jefferson, Missouri's internal control over financial reporting and compliance.

Daniel Jones & Associates

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

June 13, 2018

BASIC FINANCIAL STATEMENTS

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 24,065,490
Investments	17,531,401
Due from Collector of Revenue	2,856,291
Due from various taxing authorities and others	-
Restricted cash and investments	<u>14,166,610</u>
TOTAL ASSETS	<u>\$ 58,619,792</u>
LIABILITIES	
Bank overdraft	\$ 10,862
Due to various taxing authorities and others	<u>938,182</u>
Total liabilities	<u>949,044</u>
NET POSITION	
Restricted for:	
Neighborhood Improvement District bond payment and reserve funds	614,949
Certificates of Participation payment and reserve funds	13,562,006
Special revenue funds restricted by state statute	23,599,921
Unrestricted	<u>19,893,872</u>
Total net position	<u>57,670,748</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 58,619,792</u>

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Function/Program	Expenses	Program revenues			Net (expense) revenue and changes in net position	
		Charges for services	Operating grants contributions and debt proceeds	Capital grants and contributions	Total governmental activities	
Governmental activities						
General county government	\$ 13,310,040	\$ 1,553,787	\$ 86,247	\$ -	\$ (11,670,006)	
Financial administration	782,421	3,161,730	-	-	2,379,309	
Property valuation and recording	2,429,432	1,175,734	337,872	-	(915,826)	
Administration of justice and law enforcement	23,941,547	4,492,650	2,723,202	24,216	(16,701,479)	
Health and welfare	2,944,111	-	347,550	-	(2,596,561)	
Maintenance of roads	19,378,402	1,401	528,966	2,421,621	(16,426,414)	
Parks and recreation	948,018	136,931	7,142	86,618	(717,327)	
Community and economic development	1,025,684	-	1,025,684	-	-	
Other	-	-	-	-	-	
Debt Service:						
Principal payments	2,109,873	-	-	221,090	(1,888,783)	
Interest and fiscal charges	723,040	-	-	-	(723,040)	
Total governmental activities	\$ 67,592,568	\$ 10,522,233	\$ 5,056,663	\$ 2,753,545		(49,260,127)
General revenues:						
Taxes:						
Property taxes, levied for:						
General purposes					11,588,868	
Sales tax					33,145,777	
Other taxes					5,290,884	
Interest					477,763	
Proceeds from sale of capital assets					64,473	
Bond proceeds					13,101,539	
Miscellaneous					369,789	
Total general revenues					64,039,093	
Change in net position					14,778,966	
Net position, beginning of year						<u>42,891,782</u>
Net position, end of year						<u>\$ 57,670,748</u>

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2017

	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Capital Improvement	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 4,340,456	\$ 6,113,377	\$ 3,298,697	\$ 3,483,673	\$ 1,244,611	\$ 887,076	\$ 1,423,658	\$ -	\$ 3,273,942	\$ 24,065,490
Investments	5,656,888	1,000,000	-	5,143,296	-	-	5,233,760	-	497,457	17,531,401
Due from Collector of Revenue	549,861	1,219,513	-	-	281,227	188,999	-	11,048	605,643	2,856,291
Restricted cash and investments	-	-	-	-	-	-	13,562,006	604,603	1	14,166,610
Total assets	\$ 10,547,205	\$ 8,332,890	\$ 3,298,697	\$ 8,626,969	\$ 1,525,838	\$ 1,076,075	\$ 20,219,424	\$ 615,651	\$ 4,377,043	\$ 58,619,792
LIABILITIES										
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,862	\$ 10,862
Due to various taxing authorities and others	617,574	201,973	86,782	-	4,700	953	-	702	25,498	938,182
Total liabilities	617,574	201,973	86,782	-	4,700	953	-	702	36,360	949,044
FUND BALANCES										
Restricted	-	8,130,917	-	8,626,969	1,521,138	1,075,122	13,562,006	614,949	4,245,775	37,776,876
Assigned	4,534,744	-	3,211,915	-	-	-	6,657,418	-	94,908	14,498,985
Unassigned	5,394,887	-	-	-	-	-	-	-	-	5,394,887
Total fund balances	9,929,631	8,130,917	3,211,915	8,626,969	1,521,138	1,075,122	20,219,424	614,949	4,340,683	57,670,748
Total liabilities and fund balances	\$ 10,547,205	\$ 8,332,890	\$ 3,298,697	\$ 8,626,969	\$ 1,525,838	\$ 1,076,075	\$ 20,219,424	\$ 615,651	\$ 4,377,043	\$ 58,619,792

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Road and Bridge	Law Enforcement	Road Tax	Assessment	Parks and Recreation	Capital Improvement	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues										
Property taxes	\$ 193,957	\$ 6,717,074	\$ -	\$ -	\$ 1,503,519	\$ 909,195	\$ -	\$ 221,090	\$ 3,153,216	\$ 12,476,961
Special assessments	-	-	-	-	-	-	-	-	-	221,090
Sales tax	12,185,621	3,046,691	12,185,578	7,928,518	-	-	-	-	-	35,346,408
Other taxes	1,327,990	846,061	-	-	11,733	7,626	-	-	8,752	2,202,162
Grants, distributions and reimbursements	1,387,828	2,530,469	558,417	1,000	337,872	93,760	156,169	-	1,155,070	6,220,585
Fees, licenses and permits	8,747,643	440,768	1,767,351	-	10,345	136,931	-	-	770,833	11,873,871
Interest	138,027	76,018	36,395	109,193	8,026	7,240	69,964	530	32,368	477,761
Other	21,657	3,555	18,509	900	-	-	-	-	80,968	125,589
Total revenues	24,002,723	13,660,636	14,566,250	8,039,611	1,871,495	1,154,752	226,133	221,620	5,201,207	68,944,427
Expenditures										
Current										
General county government	12,257,485	-	-	-	-	-	-	-	17,846	12,275,331
Financial administration	525,832	-	-	-	-	-	-	-	251,700	777,532
Property valuation and recording	273,095	-	-	-	1,762,578	-	-	-	179,850	2,215,523
Administration of justice and law enforcement	6,873,035	-	16,211,445	-	-	-	-	-	512,309	23,596,789
Health and welfare	17,690	-	-	-	-	-	-	-	2,926,421	2,944,111
Maintenance of roads	-	9,340,842	-	-	-	-	-	-	-	9,340,842
Parks and recreation	-	-	-	-	-	929,381	-	-	-	929,381
Community development	-	-	-	-	-	-	-	-	1,025,684	1,025,684
Debt service:										
Principal payments	714,873	-	-	-	-	-	1,230,000	165,000	-	2,109,873
Interest and fiscal charges - includes cost of issuance related to 2013 NIDS	30,717	-	-	-	-	-	617,028	75,295	-	723,040
Capital outlay:										
Construction of roads and bridges	-	2,429,602	-	6,633,460	-	-	-	-	-	9,063,062
Property, equipment and buildings	974,885	718,177	195,296	256,323	170,780	18,638	-	-	257,307	2,591,406
Total expenditures	21,667,612	12,488,621	16,406,741	6,889,783	1,933,358	948,019	1,847,028	240,295	5,171,117	67,592,574
Revenues over (under) expenditures	2,335,111	1,172,015	(1,840,491)	1,149,828	(61,863)	206,733	(1,620,895)	(18,675)	30,090	1,351,853
Other financing sources (uses):										
Transfers	(3,149,269)	750,000	1,994,945	(750,000)	122,183	-	1,068,161	-	(36,020)	-
Lawsuit settlement	-	-	-	-	-	-	-	-	-	-
Good faith deposit	-	-	-	-	-	-	261,100	-	-	261,100
Proceeds from loan	-	-	-	-	-	-	13,101,539	-	-	13,101,539
Proceeds from the sale of property	1,091	55,919	1,659	-	50	5,755	-	-	-	64,474
Total other financing sources (uses)	(3,148,178)	805,919	1,996,604	(750,000)	122,233	5,755	14,430,800	-	(36,020)	13,427,113
NET CHANGE IN FUND BALANCES	(813,067)	1,977,934	156,113	399,828	60,370	212,488	12,809,905	(18,675)	(5,930)	14,778,966
Fund balances, beginning of year	10,742,698	6,152,983	3,055,802	8,227,141	1,460,768	862,634	7,409,519	633,624	4,346,613	42,891,782
Fund balances, end of year	\$ 9,929,631	\$ 8,130,917	\$ 3,211,915	\$ 8,626,969	\$ 1,521,138	\$ 1,075,122	\$ 20,219,424	\$ 614,949	\$ 4,340,683	\$ 57,670,748

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 45,149,015
Due from Collector of Revenue	2,016,219
TOTAL ASSETS	<u>\$ 47,165,234</u>
LIABILITIES	
Due to various taxing authorities and others	\$ 42,334,196
Protested taxes	526,020
Funds held in trust	115,979
Due to other funds	4,189,039
TOTAL LIABILITIES	<u>\$ 47,165,234</u>

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (concluded)

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

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

B. Basis of Presentation

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fund Financial Statements: (concluded)

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

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

Governmental Fund Types

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

The following are the County’s governmental major funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – A Special Revenue Fund used to account for receipts of the County-wide \$.2415 property tax levy and related expenditures for road maintenance and improvement projects.

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

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

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types (concluded):

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

Parks and Recreation Fund – A Special Revenue Fund used to record the County-wide \$.0273 property tax levy and related expenditures for land acquisition, and for park maintenance, improvements and park programs.

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, 2012, and 2017.

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

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

Fiduciary Fund Types

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

C. Basis of Accounting

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

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

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

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

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year. From 1984 to 2008, sales tax receipts were sufficient to roll back the General Fund property tax levy to zero. From 2009 to 2013, sales tax receipts were insufficient to fully roll back the property tax levy. As a result, the county property tax was levied. In 2016, the County rolled the property tax back again.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017, for purposes of taxation, was:

Real Estate	\$ 2,606,204,263
Personal Property	678,736,948
	<u>\$ 3,284,941,211</u>

During 2017, the County Council approved a \$0.5674 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2017, for purposes of County taxation, as follows:

General revenue	\$ 0.0077
Parks and recreation	0.0273
Road and bridge	0.2415
Health	0.1079
Developmentally disabled	0.0915
Mental health	0.0915
	<u>\$ 0.5674</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note II.

F. Restricted Cash and Investments

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

G. Interfund Transactions

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

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

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

H. Governmental Fund Balances

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

Nonspendable – This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The County has no nonspendable fund balance as of December 31, 2017.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Governmental Fund Balances (concluded)

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

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, 2017.

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 XV.

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

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

I. Net Position

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

Payment of principal and interest on Certificates of Participation	\$ <u>13,562,006</u>
Payment of principal and interest on Neighborhood Improvement District bonds	\$ <u>614,949</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Net Position (concluded)

Special revenue funds restricted by state statute:	
Road and Bridge	\$ 8,130,917
Road Tax	8,626,969
Assessment	1,521,138
Parks and Recreation	1,075,122
Police Officer Training	33,760
Post Commission	37,877
Sheriff Revolving	398,493
Inmate Security	211,255
Prosecuting Attorney Training	32,275
Prosecuting Attorney Delinquent Tax	18,185
Prosecuting Attorney Administrative Handling Cost Fund	142,159
Prosecuting Attorney Victim Advocate	(11,017)
SVDV	971
Recorder's Fund	789,899
Mental Health	2,086,732
Jefferson County LEPC	25,405
Election Services	120,263
Tax Maintenance	359,502
NID Projects	1
Justice Assistance Grant	15
Total Special Revenue Funds Restricted by State Statute	<u>23,599,921</u>
Total Restricted Net Position	<u>\$ 37,776,876</u>

J. Use of Estimates in Financial Statements

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

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Council and that are either unusual in nature or infrequent in occurrence. No extraordinary items or special items occurred during the year ended December 31, 2017.

L. Adoption of New Accounting Standards

There were no new applicable accounting standards implemented during the year ended December 31, 2017.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

II. CASH AND INVESTMENTS

The County is governed by the deposit and investment limitations of state law which authorize the types of investments as described in Note I. The deposits and investments held at December 31, 2017, and reported at cost, are as follows:

Type	Cost
Deposits:	
Demand deposits	\$ 69,536,571
Cash on hand	605
Debt service escrow	13,843,606
Investments:	
Nonnegotiable certificates of deposit	17,531,401
Total deposits and investments	<u>\$ 100,912,183</u>

Reconciliation to financial statements:

Statement of Net Position	
Cash and cash equivalents	\$ 24,065,490
Investments	17,531,401
Restricted cash and investments	14,166,610
Statement of Fiduciary Net Position	
Cash and cash equivalents	45,148,682
	<u>\$ 100,912,183</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, 2017, none of the County's bank balance of \$110,754,248 was exposed to custodial credit risk.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

The County's investment policy limits investment maturities to securities with a maturity of less than twenty-four (24) months as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments earn interest based on variable interest rates. Investments (money market mutual funds) held at December 31, 2017, mature on January 1, 2018.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

II. CASH AND INVESTMENTS (concluded)

Investment Credit Risk

The County's investment policy does not address investment credit risk, the risk of loss due to the failure of the security issuer. As of December 31, 2017, the County's investments were rated as follows:

Investment	Rating	Amount
Money Market Mutual Funds	AAAm	\$ 13,843,606

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over-concentration investments. The County's investments were not exposed to concentration of investment credit risk for the year ended December 31, 2017.

III. LONG-TERM DEBT

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

For the year ended December 31, 2017, the following changes occurred in long-term debt:

	Balance January 1, 2017			Balance December 31, 2017	Amounts Due Within One Year	
	Additions	Retirements	\$	\$	\$	\$
Special Assessment Debt with Government Commitment:						
Neighborhood Improvement District Bonds	\$ 2,390,000	\$ -	\$ 165,000	\$ 2,225,000	\$ 170,000	
Certificates of Participation	16,840,000	13,150,000	1,230,000	28,760,000	2,210,000	
Capital Leases & Loans	1,281,191	315,000	714,873	881,318	436,951	
Total	\$ 20,511,191	\$ 13,465,000	\$ 2,109,873	\$ 31,866,318	\$ 2,816,951	

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

III. LONG-TERM DEBT (continued)

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

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

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

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

The following is a schedule of future minimum payments of Special Assessment Debt at December 31, 2017:

Year Ending		Principal			Interest	Total
December 31,		\$	\$	\$	\$	\$
2018		170,000	\$ 67,441	\$	237,441	
2019		180,000	63,149	\$	243,149	
2020		180,000	58,685	\$	238,685	
2021		190,000	53,799	\$	243,799	
2022		190,000	48,489	\$	238,489	
2023-2027		715,000	166,556	\$	881,556	
2028-2032		570,000	49,827	\$	619,827	
2033		30,000	577	\$	30,577	
		<u>\$ 2,225,000</u>	<u>\$ 508,523</u>	<u>\$</u>	<u>2,733,523</u>	

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

III. LONG-TERM DEBT (continued)

B. Certificates of Participation

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

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

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

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

III. LONG-TERM DEBT (continued)

B. Certificates of Participation (concluded)

On May 23, 2012, Refunding Certificates of Participation Series 2012 (“2012 COPS”) were issued evidencing interest in the right to receive rental payments to be paid by the County of Jefferson, Missouri, pursuant to an annually renewable lease (“2012 Lease”). The proceeds of the 2012 COPS in the amount of \$17,315,000 were used to refund the 2007 COPS, which were issued to finance a new law enforcement administration building and juvenile detention facility, renovate the existing county jail, and to fund a debt service fund and pay certain costs of issuance. These will be paid in full and refunded by the Refunding Certificates of Participation Series 2017.

On December 1, 2017, Refunding Certificates of Participation Series 2017 (“2017 COPS”) were issued evidencing interest in the right to receive rental payments to be paid by the County of Jefferson, Missouri, pursuant to an annually renewable lease (“2017 Lease”). The proceeds of the 2017 COPS in the amount of \$13,150,000 were used to refund the 2012 COPS.

The following is a schedule of future minimum rental payments at December 31, 2017, under the Leases, assuming the agreements are renewed each year.

Year Ending December 31,	Principal	Interest	Total
2018	\$ 2,210,000	\$ 808,159	\$ 3,018,159
2019	2,220,000	799,653	3,019,653
2020	2,300,000	718,541	3,018,541
2021	2,380,000	633,330	3,013,330
2022	2,420,000	544,165	2,964,165
2023-2027	14,225,000	1,487,428	15,712,428
2028-2032	3,005,000	42,426	3,047,426
	<u>\$ 28,760,000</u>	<u>\$ 5,033,702</u>	<u>\$ 33,793,702</u>

C. Lease/Purchase Agreement

In 2016, the County entered into a lease purchase agreement with a bank in order to purchase vehicles. This lease is for a principal amount of \$426,000 at 3.00%. Principal and interest are payable in three annual payments of \$147,714. The lease was paid off early in December 2017.

In 2016, the County entered into a lease purchase loan agreement with a bank in order to purchase and renovate a building for the Animal Resource Center. This loan is for a principal amount of \$1,000,000 at 2.245%. Principal and interest are payable in three annual principal payments of \$333,333.33 plus the interest.

In 2017, the County entered into a lease purchase agreement with a bank in order to purchase vehicles. This lease is for a principal amount of \$315,000 at 2.245%. Principal and interest are payable in three annual payments of \$108,597.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

III. LONG-TERM DEBT (concluded)

C. Lease/Purchase Agreement (concluded)

The following is a schedule of future minimum rental payments at December 31, 2017, under the Leases, assuming the agreements are renewed each year.

Year Ending				
December 31,	Principal	Interest	Total	
2018	\$ 436,951	\$ 19,622	\$ 456,573	
2019	444,367	10,044	454,411	
	<u><u>\$ 881,318</u></u>	<u><u>\$ 29,666</u></u>	<u><u>\$ 910,984</u></u>	

D. Legal Debt Margin

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

2017 assessed valuation	<u><u>\$ 3,284,941,211</u></u>
Debt limit - 10% of assessed valuation	\$ 328,494,121
Bonded indebtedness applicable to debt limit	
(Neighborhood Improvement District bonds)	(2,225,000)
Amount available in debt service fund	614,949
Legal debt margin	<u><u>\$ 326,884,070</u></u>

E. Operating Leases

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

Year Ending		Rental
December 31,	Payments	
2018	\$ 6,373	
2019	\$ 2,973	
	<u><u>\$ 9,346</u></u>	

The County has also entered into various real estate rental agreements with periods equal to or less than 12 months. The total payments made under these agreements for the year ended December 31, 2017 totaled approximately \$136,100.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

IV. CONDUIT DEBT

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

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

V. TAX ABATEMENTS

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

For the year ended December 31, 2017, the District abated property taxes totaling approximately \$4,374,000 under this program.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2017, are as follows:

<u>Major Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Law Enforcement Fund	\$ -	\$ 1,994,945
Capital Improvement Fund	-	1,068,161
Assessment Fund	-	122,183
Tax Maintenance Fund	43,000	-
Prosecuting Attorney Victim Advocate Fund	-	6,980
Total General Fund	<u>43,000</u>	<u>3,192,269</u>
Road and Bridge Fund:		
Road Tax Fund	750,000	-
Law Enforcement:		
General Fund	1,994,945	-
Road Tax Fund:		
Road and Bridge Fund	-	750,000
Assessment Fund:		
General Fund	122,183	-
Capital Improvement Fund:		
General Fund	1,068,161	-
<u>Non-Major Funds (Special Revenue)</u>		
Prosecuting Attorney Delinquent Tax Fund:		
Prosecuting Attorney Victim Advocate Fund	-	9,500
Prosecuting Attorney Victim Advocate Fund:		
Prosecuting Attorney Delinquent Tax Fund	9,500	-
General Fund	6,980	-
Tax Maintenance Fund:		
General Fund	-	43,000
Total Transfers	<u>\$ 3,994,769</u>	<u>\$ 3,994,769</u>

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

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

Benefits Provided

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

2017 Valuation

Benefit Multiplier:	1.75%
Final Average Salary:	3 Years
Member Contributions:	4%

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	General	Police	Road
Inactive employees or beneficiaries currently receiving benefits	227	109	96
Inactive employees entitled to but not yet receiving benefits	149	81	28
Active employees	336	139	107
	<u>712</u>	<u>329</u>	<u>231</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 9.5% (General), 10.0% (Police), and 15.7% (Roads) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. The actuarial assumptions used in the February 28, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount Rate

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

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HILLSBORO, MISSOURI**
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VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division	Road Division
A. Total Pension Liability			
1 Service Cost	\$ 1,344,047	\$ 743,169	\$ 565,426
2 Interest on Total Pension Liability	3,657,562	2,367,642	1,676,415
3 Changes of Benefit Terms	-	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(776,952)	(219,747)	(234,898)
5 Changes of Assumptions	-	-	-
6 Benefit payments, including refunds of employee contributions	(1,870,725)	(1,345,584)	(1,240,677)
7 Net change in total pension liability	2,353,932	1,545,480	766,266
8 Total pension liability - beginning	50,707,857	32,953,062	23,454,680
9 Total pension liability - ending	<u>\$ 53,061,789</u>	<u>\$ 34,498,542</u>	<u>\$ 24,220,946</u>
B. Plan Fiduciary Net Position			
1 Contributions - employer	\$ 1,254,572	\$ 725,923	\$ 766,631
2 Contributions - employee	-	-	-
3 Net investment income	6,056,278	4,224,205	2,519,028
4 Benefit payments, including refunds of employee contributions	(1,870,725)	(1,345,584)	(1,240,677)
5 Pension plan administrative expense	(56,304)	(25,032)	(19,889)
6 Other (net transfer)	<u>78,395</u>	<u>(160,775)</u>	<u>(27,568)</u>
7 Net change in plan fiduciary net position	5,462,216	3,418,737	1,997,525
8 Plan fiduciary net position - beginning	51,055,284	33,362,187	20,960,064
9 Plan fiduciary net position - ending	<u>\$ 56,517,500</u>	<u>\$ 36,780,924</u>	<u>\$ 22,957,589</u>
C. Net Pension Liability / (Asset)	<u><u>\$ (3,455,711)</u></u>	<u><u>\$ (2,282,382)</u></u>	<u><u>\$ 1,263,357</u></u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.51%	106.62%	94.78%
E. Covered-Employee Payroll	\$ 12,940,215	\$ 7,104,407	\$ 5,070,699
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-26.71%	-32.13%	24.91%

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

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

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

Sensitivity of Net Pension Liability to the Single Discount Rate

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 61,251,573	\$ 53,061,789	\$ 46,399,879
Plan Fiduciary Net Position	<u>56,517,500</u>	<u>56,517,500</u>	<u>56,517,500</u>
Net Pension Liability / (Asset) (NPL)	\$ 4,734,073	\$ (3,455,711)	\$ (10,117,621)
Police Division:			
Total Pension Liability (TPL)	\$ 40,160,888	\$ 34,498,542	\$ 29,910,267
Plan Fiduciary Net Position	<u>36,780,924</u>	<u>36,780,924</u>	<u>36,780,924</u>
Net Pension Liability / (Asset) (NPL)	\$ 3,379,964	\$ (2,282,382)	\$ (6,870,657)
Roads Division:			
Total Pension Liability (TPL)	\$ 27,545,099	\$ 24,220,946	\$ 21,465,495
Plan Fiduciary Net Position	<u>22,957,589</u>	<u>22,957,589</u>	<u>22,957,589</u>
Net Pension Liability / (Asset) (NPL)	\$ 4,587,510	\$ 1,263,357	\$ (1,492,094)

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

For the year ended June 30, 2017, the employer would have recognized pension expense of \$4,565,704 under the GAAP financial reporting standards. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

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

	General		Police		Roads	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 71,226	\$ (1,221,190)	\$ -	\$ (945,286)	\$ -	\$ (491,378)
Changes in assumptions	1,270,234	-	629,075	-	548,225	-
Net difference between projected and actual earnings on pension plan investments	1,467,132	-	727,953	-	593,694	-
Employer contributions subsequent to the measurement date	-	-	-	-	-	-
Total	\$ 2,808,592	\$ (1,221,190)	\$ 1,357,028	\$ (945,286)	\$ 1,141,919	\$ (491,378)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

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

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police	Net Deferred Outflows of Resources - Roads
	\$ 839,839	\$ 374,966	\$ 356,917
2018	\$ 839,839	\$ 374,966	\$ 356,917
2019	839,841	374,966	356,919
2020	425,289	67,447	178,193
2021	(503,440)	(405,637)	(237,855)
2022	(14,127)	-	(3,633)
Thereafter	-	-	-
Total	\$ 1,587,402	\$ 411,742	\$ 650,541

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

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

A. Plan Description

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

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

B. Pension Benefits

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

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

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

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

Year Ended December 31,	Employee Contributions	Statutory Charges
2017	\$ 694,900	\$ 1,319,000
2016	\$ 621,600	\$ 1,274,000
2015	\$ 620,170	\$ 1,223,000

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 for the year ended December 31, 2017.

X. POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note VII, the County allows employees who retire from the County to participate in the County's health and dental insurance plans. Upon meeting the retirement requirements per County guidelines, the employees can elect to participate in the County's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single-blended rate used for both active employees and retirees. The County has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you go basis. A standalone financial report is not available for the plan. During the year, 15 retirees participated in the County's health insurance plan, 51 retirees participated in the County's dental insurance plan, and paid premiums totaling \$116,764 and \$24,246, respectively.

The requirements established by Consolidated Omnibus Budget Reconciliation Act (COBRA) are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were four COBRA participants for the year ended December 31, 2017, paying a total in \$9,769 in premiums.

XI. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is a defendant in various claims and lawsuits that seek monetary damages. The cases are being fully defended and there are no specific plans to settle any cases at this time. The outcome of these claims and lawsuits are not presently determinable or are not expected to have a material adverse effect on the financial statements; therefore, no amount has been provided in the December 31, 2017, financial statements for any such claims and lawsuits.

B. Compensated Absences

The County provides employees with up to five weeks of paid vacation based upon the number of years of continuing service. Earned vacation may be accumulated up to one year. Upon separation from county employment, an employee shall be compensated for unused vacation. Sick leave is earned at a rate of one day per month for a maximum of 120 days. Upon termination from county employment, an employee is not reimbursed for unused sick leave except when the employee retires after the age of 55, and the employee is a vested employee. An employee is vested after five years of continuous employment with the County. Vested, retiring employees are compensated for unused sick days at the rate of 40% of accrued sick days at the date of termination of employment. This provision applies only to employees hired before the effective date of the personnel policy dated June 6, 2006. Employees hired after the effective date of this policy will not be reimbursed for unused sick leave upon termination for any reason. In addition, compensatory time is earned by various County employees. Since the County utilizes the modified cash basis of accounting, they have not determined the amount earned but unpaid for compensated absences at December 31, 2017.

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

C. Contracts

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

D. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$250,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

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

THE COUNTY OF JEFFERSON
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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XIII. SUBSEQUENT EVENTS

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

XIV. RECENT ACCOUNTING PRONOUNCEMENTS

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

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for periods beginning after December 15, 2017.

GASB Statement No. 82 – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for periods beginning after June 15, 2017.

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement is effective for periods beginning after June 15, 2018.

GASB Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for periods beginning after December 15, 2018.

GASB Statement No. 85 – *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement is effective for periods beginning after June 15, 2017.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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XIV. RECENT ACCOUNTING PRONOUNCEMENTS (concluded)

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for periods beginning after June 15, 2017.

GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for periods beginning after December 15, 2019.

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

XV. FUND BALANCE CONSTRAINTS

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

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
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XV. FUND BALANCE CONSTRAINTS (concluded)

	Major Special Revenue Funds								Non-Major Governmental Funds	Total
	General	Road and Bridge	Law Enforcement	Road Tax	Assess- ment	Parks and Recreation	Capital Improve- ment	Debt Service		
Fund Balances:										
Restricted for:										
Roads and bridges	\$ -	\$ 8,130,917	\$ -	\$ 8,626,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,757,886
Assessment	-	-	-	-	1,521,138	-	-	-	-	1,521,138
Parks and recreation	-	-	-	-	-	1,075,122	-	-	-	1,075,122
Debt service - COPS	-	-	-	-	-	-	13,562,006	-	-	13,562,006
Debt service - NIDS	-	-	-	-	-	-	-	614,949	-	614,949
Police officer training	-	-	-	-	-	-	-	-	33,760	33,760
Post commission	-	-	-	-	-	-	-	-	37,877	37,877
Sheriff revolving fund	-	-	-	-	-	-	-	-	398,493	398,493
Inmate security	-	-	-	-	-	-	-	-	211,255	211,255
Prosecuting attorney training	-	-	-	-	-	-	-	-	32,275	32,275
Prosecuting attorney delinquent tax fund	-	-	-	-	-	-	-	-	18,185	18,185
Prosecuting attorney admin handling cost	-	-	-	-	-	-	-	-	142,159	142,159
Prosecuting attorney victim advocate fund	-	-	-	-	-	-	-	-	(11,017)	(11,017)
SVDV fund	-	-	-	-	-	-	-	-	971	971
Recorder of deeds	-	-	-	-	-	-	-	-	789,899	789,899
Mental health fund	-	-	-	-	-	-	-	-	2,086,732	2,086,732
Jeff Co LEPC	-	-	-	-	-	-	-	-	25,405	25,405
Election services	-	-	-	-	-	-	-	-	120,263	120,263
Tax maintenance	-	-	-	-	-	-	-	-	359,502	359,502
NID projects	-	-	-	-	-	-	-	-	1	1
JAG grant	-	-	-	-	-	-	-	-	15	15
Total Restricted	-	8,130,917	-	8,626,969	1,521,138	1,075,122	13,562,006	614,949	4,245,775	37,776,876
Assigned for:										
Prosecuting attorney forfeitures	16,470	-	-	-	-	-	-	-	-	16,470
Courthouse beautification	449	-	-	-	-	-	-	-	-	449
County discretionary fund	23,184	-	-	-	-	-	-	-	-	23,184
Animal control donations	26,331	-	-	-	-	-	-	-	-	26,331
Subsequent year's budget deficit	4,468,310	-	-	-	-	-	-	-	-	4,468,310
Drug forfeiture	-	-	146,278	-	-	-	-	-	-	146,278
Sheriff's commissary fund	-	-	227,517	-	-	-	-	-	-	227,517
Sheriff equipment donation fund	-	-	23,553	-	-	-	-	-	-	23,553
Prisoner phone fund	-	-	345,004	-	-	-	-	-	-	345,004
Police memorial fund	-	-	11,881	-	-	-	-	-	-	11,881
Sheriff's reserve fund	-	-	959	-	-	-	-	-	-	959
JCMEG asset forfeiture fund	-	-	19,660	-	-	-	-	-	-	19,660
Law enforcement	-	-	2,437,063	-	-	-	-	-	-	2,437,063
Capital improvements	-	-	-	-	-	6,657,418	-	-	94,908	6,752,326
Total Assigned	4,534,744	-	3,211,915	-	-	6,657,418	-	-	94,908	14,498,985
Unassigned	5,394,887	-	-	-	-	-	-	-	-	5,394,887
	\$ 9,929,631	\$ 8,130,917	\$ 3,211,915	\$ 8,626,969	\$ 1,521,138	\$ 1,075,122	\$ 20,219,424	\$ 614,949	\$ 4,340,683	\$ 57,670,748

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HILLSBORO, MISSOURI
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XVI. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended December 31, 2017, the County adopted the GASB Statement No. 80 "*Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*". The objective of this Statement is to revise existing accounting and financial reporting requirements when analyzing component unit inclusion in the financial statements. The requirements in Statement No. 80 are effective for periods beginning after June 15, 2016.

For the year ended December 31, 2017, the County adopted the GASB No. 81 "*Irrevocable Split-Interest Payments*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements in Statement No. 81 are effective for periods beginning after December 15, 2016.

For the year ended December 31, 2017, the County adopted the GASB Statement No. 82 "*Pension Issues – an amendment of GASB Statement No. 67, 68, and 73*". The objective of this Statement is to improve accounting and financial reporting for pensions previously discussed in prior statements. The requirements in Statement No. 82 are effective for periods beginning after June 15, 2016.

SUPPLEMENTARY INFORMATION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ -	\$ -	\$ 193,957	\$ 193,957
Sales tax	11,500,000	11,500,000	12,185,621	685,621
Other taxes	925,774	925,774	1,327,990	402,216
Grants, distributions and reimbursements	1,186,491	1,250,807	1,387,828	137,021
Fees, licenses and permits	9,495,082	9,495,082	8,747,643	(747,439)
Interest	85,100	85,100	138,027	52,927
Other	5,009	5,009	21,657	16,648
Total revenues	23,197,456	23,261,772	24,002,723	740,951
Expenditures:				
Current:				
General county government	12,673,432	13,045,320	12,257,485	787,835
Financial administration	593,301	593,301	525,832	67,469
Property valuation and recording	271,607	271,607	273,095	(1,488)
Administration of justice and law enforcement	7,326,002	7,355,452	6,873,035	482,417
Health and welfare	32,970	32,970	17,690	15,280
Debt service:				
Principal payments	-	460,478	714,873	(254,395)
Interest and fiscal charges	-	28,802	30,717	(1,915)
Capital outlay:				
Property, equipment and buildings	2,299,806	2,123,106	974,885	1,148,221
Total expenditures	23,197,118	23,911,036	21,667,612	2,243,424
Excess of revenues over (under) expenditures	338	(649,264)	2,335,111	2,984,375
Other financing sources (uses)				
Transfers	(3,811,269)	(3,811,269)	(3,149,269)	662,000
Lawsuit settlement	-	-	-	-
Loan Proceeds	-	-	-	-
Proceeds from the sale of property	-	-	1,091	1,091
Total other financing sources (uses)	(3,811,269)	(3,811,269)	(3,148,178)	663,091
NET CHANGE IN FUND BALANCE	(3,810,931)	(4,460,533)	(813,067)	3,647,466
FUND BALANCE - BEGINNING OF YEAR	10,742,698	10,742,698	10,742,698	-
FUND BALANCE - END OF YEAR	\$ 6,931,767	\$ 6,282,165	\$ 9,929,631	\$ 3,647,466

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)	
	Original	Final	Actual		
EXPENDITURES:					
Current:					
General County Government:					
Animal Control	\$ 533,645	\$ 533,316	\$ 444,182	\$ 89,134	
Auditor	228,097	228,097	191,932	36,165	
Board of Equalization	3,000	3,000	1,600	1,400	
Code Enforcement	646,060	646,060	610,402	35,658	
Solid Waste	182,553	196,644	171,157	25,487	
County Agencies	10,000	10,000	10,000	-	
County Clerk	443,723	445,423	425,663	19,760	
County Council	135,300	337,300	127,356	209,944	
County Executive	121,075	120,529	111,836	8,693	
Economic Development	81,000	81,000	81,000	-	
Emergency Management	219,581	246,718	251,328	(4,610)	
Facility Services	1,526,343	1,526,343	1,374,472	151,871	
Fleet Services	914,405	914,405	861,917	52,488	
General Services	656,966	655,966	612,595	43,371	
Human Resources	259,772	259,445	221,306	38,139	
Information Technology	1,945,221	1,978,133	1,893,273	84,860	
Insurance - Health	1,633,000	1,779,189	1,869,625	(90,436)	
Insurance - Other	205,200	205,200	200,481	4,719	
Insurance - Workmen's Compensation	153,000	144,490	132,457	12,033	
County Services and Code Enforcement	200,290	200,290	189,620	10,670	
Missouri University Extension Services	81,000	81,000	81,000	-	
Organizations	40,000	40,000	38,529	1,471	
Other	396,250	501,010	468,667	32,343	
Payroll Taxes and Retirement	1,785,000	1,638,811	1,638,810	1	
Planning and Zoning	272,951	272,951	248,277	24,674	
	12,673,432	13,045,320	12,257,485	787,835	
Financial Administration:					
Collector	436,862	436,862	384,952	51,910	
Treasurer	156,439	156,439	140,880	15,559	
	593,301	593,301	525,832	67,469	
Property Valuation and Recording:					
Recorder of Deeds	271,607	271,607	273,095	(1,488)	

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
EXPENDITURES:				
Administration of Justice and Law Enforcement:				
Circuit Clerk	37,531	37,531	28,233	9,298
Circuit Courts	312,292	320,492	138,572	181,920
Jury Script	391,000	415,000	401,518	13,482
Juvenile Office	2,882,401	2,882,401	2,761,896	120,505
Juvenile Treatment Center	455,684	455,684	388,090	67,594
Municipal Court	382,436	382,181	361,691	20,490
Medical Examiner	389,678	389,678	389,678	-
Prosecuting Attorney	2,194,084	2,192,716	2,139,015	53,701
Public Administrator	280,896	279,769	264,342	15,427
	7,326,002	7,355,452	6,873,035	482,417
Health and Welfare	32,970	32,970	17,690	15,280
Debt Service:				
Principal Payments	-	460,478	714,873	(254,395)
Interest and Fiscal Charges	-	28,802	30,717	(1,915)
	-	489,280	745,590	(256,310)
Capital Outlay:				
Property, Equipment and Buildings	2,299,806	2,123,106	974,885	1,148,221
Total Expenditures	<u>\$ 23,197,118</u>	<u>\$ 23,911,036</u>	<u>\$ 21,667,612</u>	<u>\$ 2,243,424</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 5,622,585	\$ 5,622,585	\$ 6,717,074	\$ 1,094,489
Sales tax	3,105,824	3,105,824	3,046,691	(59,133)
Other taxes	579,870	579,870	846,061	266,191
Grants, distributions and reimbursements	2,370,498	2,370,498	2,530,469	159,971
Fees, licenses and permits	5,163,456	5,163,456	440,768	(4,722,688)
Interest	30,000	30,000	76,018	46,018
Other	8,000	8,000	3,555	(4,445)
Total revenues	16,880,233	16,880,233	13,660,636	(3,219,597)
Expenditures:				
Current:				
Maintenance of roads:				
Salaries	5,898,254	5,898,254	5,390,412	507,842
Office expense	17,600	17,600	14,937	2,663
Miscellaneous	33,350	28,850	20,660	8,190
Uniforms	26,390	26,390	24,062	2,328
Medical expense	5,000	5,000	560	4,440
Safety equipment & supplies	29,225	29,225	25,477	3,748
Parts and repairs	475,000	466,500	368,762	97,738
Utilities	90,000	90,000	67,860	22,140
Insurance	1,526,800	1,608,874	1,567,513	41,361
Payroll taxes	461,214	461,214	406,221	54,993
Pension	902,584	827,837	771,602	56,235
Training	25,000	25,000	18,470	6,530
City Tax Distribution	275,000	275,000	252,650	22,350
C.A.R.T.	-	-	-	-
Vehicle expenses	500,250	500,250	411,656	88,594
Capital outlay:				
Property, equipment and buildings:				
Equipment	945,800	834,300	513,221	321,079
Right-of-way	276,280	276,280	204,956	71,324
Construction of roads and bridges:				
Contractual service	2,026,426	2,041,426	1,258,062	783,364
Road materials	1,000,000	952,173	715,624	236,549
Equipment rental	25,000	45,000	44,092	908
Sign material	-	-	-	-
Engineering fees	309,608	434,608	411,824	22,784
Total expenditures	14,848,781	14,843,781	12,488,621	2,355,160
Excess of revenues over (under) expenditures	2,031,452	2,036,452	1,172,015	(864,437)
Other financing sources (uses)				
Transfers	750,000	750,000	750,000	-
Proceeds from the sale of property	-	-	55,919	55,919
Total other financing sources (uses)	750,000	750,000	805,919	55,919
NET CHANGE IN FUND BALANCE	2,781,452	2,786,452	1,977,934	(808,518)
FUND BALANCE - BEGINNING OF YEAR	6,152,983	6,152,983	6,152,983	-
FUND BALANCE - END OF YEAR	\$ 8,934,435	\$ 8,939,435	\$ 8,130,917	\$ (808,518)

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
LAW ENFORCEMENT FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Sales tax	\$ 11,500,000	\$ 11,500,000	\$ 12,185,578	\$ 685,578
Grants, distributions and reimbursements	549,041	549,041	558,417	9,376
Fees, licenses and permits	2,012,322	2,052,822	1,767,351	(285,471)
Interest	14,461	14,461	36,395	21,934
Other	62,860	62,860	18,509	(44,351)
Total revenues	14,138,684	14,179,184	14,566,250	387,066
Expenditures:				
Current:				
Administration of Justice and Law Enforcement:				
Salaries	10,846,822	10,832,314	9,948,119	884,195
Payroll taxes	806,221	762,056	745,052	17,004
Leased vehicles	50,400	50,400	44,040	6,360
Office expense	51,800	51,800	48,408	3,392
Contractual services	584,530	590,730	510,942	79,788
Professional services	25,000	46,100	44,733	1,368
Uniforms	117,441	147,339	108,496	38,843
Utilities	83,796	92,296	89,833	2,463
Insurance	2,299,710	2,474,375	2,527,402	(53,027)
Pension	1,055,907	935,907	926,048	9,859
Training	143,378	132,878	88,808	44,070
Other	608,450	602,760	425,228	177,532
Institutional placement	35,000	25,000	2,669	22,332
Prisoner medical expense	11,500	11,500	5,135	6,365
Prisoner transport	75,000	85,000	56,169	28,831
Prisoner food	484,691	628,691	576,156	52,535
Vehicle expense	1,200	2,400	1,200	1,200
Jail Expense	144,125	144,125	63,007	81,118
Capital outlay:				
Property, equipment and buildings	280,000	305,351	195,296	110,055
Total expenditures	17,704,971	17,921,022	16,406,741	1,514,281
Excess of revenues over (under) expenditures	(3,566,287)	(3,741,838)	(1,840,491)	1,901,347
Other financing sources (uses)				
Transfers	1,994,945	1,994,945	1,994,945	-
Proceeds from the sale of property	-	-	1,659	1,659
Total other financing sources (uses)	1,994,945	1,994,945	1,996,604	1,659
NET CHANGE IN FUND BALANCE	(1,571,342)	(1,746,893)	156,113	1,903,006
FUND BALANCE - BEGINNING OF YEAR	3,055,802	3,055,802	3,055,802	-
FUND BALANCE - END OF YEAR	<u>\$ 1,484,460</u>	<u>\$ 1,308,909</u>	<u>\$ 3,211,915</u>	<u>\$ 1,903,006</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD TAX FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Sales tax	\$ 8,000,000	\$ 8,000,000	\$ 7,928,518	\$ (71,482)
Grants, distributions and reimbursements	-	-	1,000	1,000
Interest	76,836	76,836	109,193	32,357
Other	-	-	900	900
Total revenues	8,076,836	8,076,836	8,039,611	(37,225)
Expenditures:				
Capital outlay:				
Property, equipment and buildings:				
Right of way	129,200	189,200	131,402	57,798
Motor vehicle equipment	90,000	215,000	124,921	90,079
Other Equipment	-	-	-	-
Construction of roads and bridges:				
Contractual services	4,625,752	5,100,752	4,811,235	289,517
Road materials	2,525,000	1,865,000	1,296,756	568,244
Equipment rental	30,000	30,000	29,938	62
Sign material	75,000	75,000	56,022	18,978
Engineering fees	576,681	576,681	439,509	137,172
Total expenditures	8,051,633	8,051,633	6,889,783	1,161,850
Excess of revenues over (under) expenditures	25,203	25,203	1,149,828	1,124,625
Other financing sources (uses)				
Transfers	(500,000)	(750,000)	(750,000)	-
Lawsuit Settlement	-	-	-	-
Total other financing sources (uses)	(500,000)	(750,000)	(750,000)	-
NET CHANGE IN FUND BALANCE	(474,797)	(724,797)	399,828	1,124,625
FUND BALANCE - BEGINNING OF YEAR	8,227,141	8,227,141	8,227,141	-
FUND BALANCE - END OF YEAR	<u>\$ 7,752,344</u>	<u>\$ 7,502,344</u>	<u>\$ 8,626,969</u>	<u>\$ 1,124,625</u>

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ASSESSMENT FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 1,397,998	\$ 1,397,998	\$ 1,503,519	\$ 105,521
Other taxes	8,127	8,127	11,733	3,606
Grants, distributions and reimbursements	361,160	361,160	337,872	(23,288)
Fees, licenses and permits	7,850	7,850	10,345	2,495
Interest	4,388	4,388	8,026	3,638
Total revenues	1,779,523	1,779,523	1,871,495	91,972
Expenditures:				
Current:				
Property valuation and recording:				
Salaries	1,202,295	1,202,295	1,111,204	91,091
Office	25,000	25,000	20,130	4,870
Contractual services	140,000	140,547	94,739	45,808
Miscellaneous	16,950	16,950	7,836	9,114
Mileage	500	500	224	276
Utilities	635	635	623	12
Insurance	213,195	227,363	263,839	(36,476)
Postage	84,000	84,000	33,993	50,007
Payroll taxes	94,476	87,392	83,734	3,658
Pension	112,423	105,339	103,596	1,743
Professional services	33,750	27,572	5,225	22,347
Training	30,000	35,631	35,566	65
Vehicle Gas & Oil	3,000	3,000	1,869	1,131
Capital outlay:				
Property, equipment and buildings	178,752	178,752	170,780	7,972
Total expenditures	2,134,976	2,134,976	1,933,358	201,618
Excess of revenues over (under) expenditures	(355,453)	(355,453)	(61,863)	293,590
Other financing sources (uses)				
Transfers	122,183	122,183	122,183	-
Proceeds from the sale of property	-	-	50	50
Total other financing sources (uses)	122,183	122,183	122,233	50
NET CHANGE IN FUND BALANCE	(233,270)	(233,270)	60,370	293,640
FUND BALANCE - BEGINNING OF YEAR	1,460,768	1,460,768	1,460,768	-
FUND BALANCE - END OF YEAR	\$ 1,227,498	\$ 1,227,498	\$ 1,521,138	\$ 293,640

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PARKS AND RECREATION FUND - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 861,076	\$ 861,076	\$ 909,195	\$ 48,119
Other taxes	2,090	2,090	7,626	5,536
Grants, distributions and reimbursements	350	7,278	93,760	86,482
Fees, licenses and permits	121,986	121,986	136,931	14,945
Interest	3,486	3,486	7,240	3,754
Other	-	-	-	-
Total revenues	988,988	995,916	1,154,752	158,836
Expenditures:				
Current:				
Park Maintenance:				
Salaries	623,148	623,148	544,710	78,438
Office	2,000	2,000	1,605	395
Contractual services	52,108	52,108	42,412	9,696
Miscellaneous	48,014	69,942	56,336	13,606
Utilities	21,350	27,850	24,658	3,192
Uniforms	1,500	1,500	1,146	354
Medical Expenses	250	250	-	250
Parts and Repairs	8,000	8,000	3,191	4,809
Rent	400	400	-	400
Insurance	112,030	118,232	119,333	(1,101)
Payroll taxes	49,671	43,469	41,167	2,302
Pension	54,597	54,597	48,699	5,898
Supplies	3,000	3,000	2,147	853
Professional services	3,000	4,800	4,775	25
Training	2,450	2,450	676	1,774
Park programs	30,500	30,500	25,226	5,274
Park development	30,000	6,700	-	6,700
Vehicle expense	20,000	20,000	13,300	6,700
Capital outlay:				
Property, equipment and buildings	24,100	24,100	18,638	5,462
Total expenditures	1,086,118	1,093,046	948,019	145,027
Excess of revenues over (under) expenditures	(97,130)	(97,130)	206,733	303,863
Other financing sources (uses)				
Transfers	-	-	-	-
Proceeds from the sale of property	-	-	5,755	5,755
Total other financing sources (uses)	-	-	5,755	5,755
NET CHANGE IN FUND BALANCE	(97,130)	(97,130)	212,488	309,618
FUND BALANCE - BEGINNING OF YEAR	862,634	862,634	862,634	-
FUND BALANCE - END OF YEAR	\$ 765,504	\$ 765,504	\$ 1,075,122	\$ 309,618

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO BUDGETARY SCHEDULES
DECEMBER 31, 2017

Budget and Budgetary Accounting

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

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

THE COUNTY OF JEFFERSON

HILLSBORO, MISSOURI

COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2017

	Combined Nonmajor Special Revenue Funds	Nonmajor County Building Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,179,034	\$ 94,908	\$ 3,273,942
Investments	497,457	-	497,457
Due from Collector of Revenue	605,643	-	605,643
Restricted investments	1	-	1
Total assets	\$ 4,282,135	\$ 94,908	\$ 4,377,043
LIABILITIES			
Bank Overdraft	\$ 10,862	\$ -	\$ 10,862
Due to various taxing authorities and others	25,498	-	25,498
Total liabilities	36,360	<b">-</b">	<b">36,360</b">
FUND BALANCES			
Restricted	4,245,775	-	4,245,775
Assigned	-	94,908	94,908
Total fund balances	4,245,775	94,908	4,340,683
Total liabilities and fund balances	\$ 4,282,135	\$ 94,908	\$ 4,377,043

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2017

	Police Officer Training Fund	Post Commission Fund	Sheriff Revolving Fund	Inmate Security Fund	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Admin Handling Cost Fund	Pros Atty Victim Advocate Fund	SVDV Fund
ASSETS									
Cash and cash equivalents	\$ 33,760	\$ 37,877	\$ 398,948	\$ 211,255	\$ 32,275	\$ 18,185	\$ 143,230	\$ -	\$ 971
Investments	-	-	-	-	-	-	-	-	-
Due from Collector of Revenue	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Total assets	\$ 33,760	\$ 37,877	\$ 398,948	\$ 211,255	\$ 32,275	\$ 18,185	\$ 143,230	\$ -	\$ 971
LIABILITIES									
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,862	\$ -
Due to various taxing authorities and others	-	-	455	-	-	-	1,071	155	-
Total liabilities	-	-	455	-	-	-	1,071	11,017	-
FUND BALANCES									
Restricted	33,760	37,877	398,493	211,255	32,275	18,185	142,159	(11,017)	971
Total fund balances	33,760	37,877	398,493	211,255	32,275	18,185	142,159	(11,017)	971
Total liabilities and fund balances	\$ 33,760	\$ 37,877	\$ 398,948	\$ 211,255	\$ 32,275	\$ 18,185	\$ 143,230	\$ -	\$ 971

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2017

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
ASSETS									
Cash and cash equivalents	\$ 316,185	\$ 1,496,587	\$ 25,405	\$ 120,263	\$ 344,078	\$ -	\$ 15	\$ -	\$ 3,179,034
Investments	497,457	-	-	-	-	-	-	-	497,457
Due from Collector of Revenue	-	590,145	-	-	15,498	-	-	-	605,643
Restricted investments	-	-	-	-	-	1	-	-	1
Total assets	\$ 813,642	\$ 2,086,732	\$ 25,405	\$ 120,263	\$ 359,576	\$ 1	\$ 15	\$ -	\$ 4,282,135
LIABILITIES									
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,862
Due to various taxing authorities and others	23,743	-	-	-	74	-	-	-	25,498
Total liabilities	23,743	-	-	-	74	-	-	-	36,360
FUND BALANCES									
Restricted	789,899	2,086,732	25,405	120,263	359,502	1	15	-	4,245,775
Total fund balances	789,899	2,086,732	25,405	120,263	359,502	1	15	-	4,245,775
Total liabilities and fund balances	\$ 813,642	\$ 2,086,732	\$ 25,405	\$ 120,263	\$ 359,576	\$ 1	\$ 15	\$ -	\$ 4,282,135

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Combined Nonmajor Special Revenue Funds	Nonmajor County Building Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property taxes	\$ 3,153,216	\$ -	\$ 3,153,216
Other taxes	8,752	-	8,752
Grants, distributions and reimbursements	1,155,070	-	1,155,070
Fees, licenses and permits	770,833	-	770,833
Interest	30,904	1,464	32,368
Other	250	80,718	80,968
Total revenues	5,119,025	82,182	5,201,207
EXPENDITURES:			
Current:			
General county government	17,846	-	17,846
Financial administration	251,700	-	251,700
Property valuation and recording	179,850	-	179,850
Administration of justice and law enforcement	512,309	-	512,309
Health and welfare	2,926,421	-	2,926,421
Community development	1,025,684	-	1,025,684
Capital outlay:			
Property, equipment and buildings	173,837	83,470	257,307
Total expenditures	5,087,647	83,470	5,171,117
Excess of revenues over (under) expenditures	31,378	(1,288)	30,090
Other financing sources (uses)			
Transfers	(36,020)	-	(36,020)
Proceeds from the sale of property	-	-	-
Total other financing sources (uses)	(36,020)	-	(36,020)
NET CHANGE IN FUND BALANCE	(4,642)	(1,288)	(5,930)
FUND BALANCE - BEGINNING OF YEAR	4,250,417	96,196	4,346,613
FUND BALANCE - END OF YEAR	\$ 4,245,775	\$ 94,908	\$ 4,340,683

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Police Officer Training Fund	Post Commission Fund	Sheriff Revolving Fund	Inmate Security Fund	Pros Atty Training Fund	Pros Atty Delinquent Tax Fund	Pros Atty Admin Handling Cost Fund	Pros Atty Victim Advocate Fund	SVDV Fund
REVENUES:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Grants, distributions and reimbursements	-	15,106	-	-	-	-	-	21,036	-
Fees, licenses and permits	25,846	-	42,828	32,880	6,276	53,831	36,102	-	57,632
Interest	204	218	4,011	2,006	205	121	34	13	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	\$ 26,050	\$ 15,324	\$ 46,839	\$ 34,886	\$ 6,481	\$ 53,952	\$ 36,136	\$ 21,049	\$ 57,632
EXPENDITURES:									
Current:									
General county government	-	-	-	-	-	-	-	-	-
Financial administration	-	-	-	-	-	-	-	-	-
Property valuation and recording	-	-	-	-	-	-	-	-	-
Administration of justice and law enforcement	28,397	16,940	230,880	35,265	6,884	46,843	42,841	45,845	58,414
Health and welfare	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Capital outlay:									
Property, equipment and buildings	-	-	-	-	-	-	-	-	-
Total expenditures	28,397	16,940	305,005	35,265	6,884	72,270	42,841	45,845	58,414
Excess of revenues over (under) expenditures	(2,347)	(1,616)	(258,166)	(379)	(403)	(18,318)	(6,705)	(24,796)	(782)
Other financing sources (uses)									
Transfers	-	-	-	-	-	(9,500)	-	16,480	-
Proceeds from the sale of property	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(9,500)	-	16,480	-
NET CHANGE IN FUND BALANCE	(2,347)	(1,616)	(258,166)	(379)	(403)	(27,818)	(6,705)	(8,316)	(782)
FUND BALANCE - BEGINNING OF YEAR	36,107	39,493	656,659	211,634	32,678	46,003	148,864	(2,701)	1,753
FUND BALANCE - END OF YEAR	\$ 33,760	\$ 37,877	\$ 398,493	\$ 211,255	\$ 32,275	\$ 18,185	\$ 142,159	\$ (11,017)	\$ 971

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Recorder's Fund	Mental Health Fund	Jeff Co LEPC Fund	Election Services Fund	Tax Maintenance Fund	Neighborhood Improvement District Fund	Justice Assistance Grant Fund	Economic Development Fund	Total
REVENUES:									
Property taxes	\$ -	\$ 3,153,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,153,216
Other taxes	-	8,752	-	-	-	-	-	-	8,752
Grants, distributions and reimbursements	-	-	31,046	36,805	-	-	25,393	1,025,684	1,155,070
Fees, licenses and permits	139,628	-	-	19,335	356,475	-	-	-	770,833
Interest	8,585	7,891	429	1,512	5,675	-	-	-	30,904
Other	-	-	250	-	-	-	-	-	250
Total revenues	\$ 148,213	\$ 3,169,859	\$ 31,725	\$ 57,652	\$ 362,150	\$ -	\$ 25,393	\$ 1,025,684	\$ 5,119,025
EXPENDITURES:									
Current:									
General county government	-	-	-	17,846	-	-	-	-	17,846
Financial administration	-	-	-	-	251,700	-	-	-	251,700
Property valuation and recording	179,850	-	-	-	-	-	-	-	179,850
Administration of justice and law enforcement	-	-	-	-	-	-	-	-	512,309
Health and welfare	-	2,903,543	22,878	-	-	-	-	-	2,926,421
Community development	-	-	-	-	-	-	-	1,025,684	1,025,684
Capital outlay:									
Property, equipment and buildings	43,129	-	875	-	4,888	-	25,393	-	173,837
Total expenditures	\$ 222,979	\$ 2,903,543	\$ 23,753	\$ 17,846	\$ 256,588	\$ -	\$ 25,393	\$ 1,025,684	\$ 5,087,647
Excess of revenues over (under) expenditures	(74,766)	266,316	7,972	39,806	105,562	-	-	-	31,378
Other financing sources (uses)									
Transfers	-	-	-	-	(43,000)	-	-	-	(36,020)
Proceeds from the sale of property	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(43,000)	-	-	-	(36,020)
NET CHANGE IN FUND BALANCE	(74,766)	266,316	7,972	39,806	62,562	-	-	-	(4,642)
FUND BALANCE - BEGINNING OF YEAR	864,665	1,820,416	17,433	80,457	296,940	1	15	-	4,250,417
FUND BALANCE - END OF YEAR	\$ 789,899	\$ 2,086,732	\$ 25,405	\$ 120,263	\$ 359,502	\$ 1	\$ 15	\$ -	\$ 4,245,775

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
AGENCY FUNDS
AS OF DECEMBER 31, 2017

	County Treasurer Agency Funds	County Officials and Other Agency Funds	County Collector Revenue Agency Funds	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ 7,736,387	\$ 115,979	\$ 37,296,649	\$ 45,149,015
Due from Collector of Revenue	2,016,219	-	-	2,016,219
Total assets	<u>\$ 9,752,606</u>	<u>\$ 115,979</u>	<u>\$ 37,296,649</u>	<u>\$ 47,165,234</u>
LIABILITIES				
Due to various taxing authorities and others	\$ 9,752,606	\$ -	\$ 32,581,590	\$ 42,334,196
Protested taxes	-	-	526,020	526,020
Funds held in trust	-	115,979	-	115,979
Due to other funds	-	-	4,189,039	4,189,039
Total liabilities	<u>\$ 9,752,606</u>	<u>\$ 115,979</u>	<u>\$ 37,296,649</u>	<u>\$ 47,165,234</u>
NET POSITION				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE COMPLIANCE SECTION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2017

SCHEDULE OF STATE FINDINGS

There are no state audit findings for the year ended December 31, 2017.

FEDERAL COMPLIANCE SECTION



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson (County), Missouri as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 13, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Daniel Jones & Associates

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

June 13, 2018



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited County of Jefferson's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Daniel Jones & Associates

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

June 13, 2018

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Program Title	Federal CFDA Number	Pass- Through Identification Number	Passed-through to Subrecipients	Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Direct:				
Community Development Block Grant.....	14.218	B14-UC-29-0002 B15-UC-29-0002 B16-UC-29-0002	\$ - - -	\$ 38,722 377,414 609,548 1,025,684
Subtotal CFDA# 14.218.....				1,025,684
Total U.S. Dept. of Housing and Urban Dev.....			-	1,025,684
<u>U.S. Department of Justice</u>				
Direct:				
Domestic Cannabis Eradication and Suppression Program.....	16.UNKNOWN	2016-83	-	9,861
Equitable Sharing Program.....	16.922	N/A	-	84,039
JAG Program Cluster:				
Justice Assistance Grant - Local Solicitation.....	16.738	2016-DJ-BX-0850	-	25,393
Passed Through Missouri Department of Public Safety:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant.....	16.738	2015-JAG-014 2016-JAG-013	- - -	85,819 107,232 218,444
Subtotal CFDA# 16.738.....				218,444
Total JAG Program Cluster.....			-	218,444
Title II - Juvenile Justice Formula Grants.....	16.540	2013-TITLE II-23	-	23,329
Victims of Crime.....	16.575	2016-VOCA-027-SE	-	18,966
Total U.S. Department of Justice.....			-	354,639
<u>U.S. Department of Transportation</u>				
Passed Through Missouri Department of Transportation:				
Highway Planning and Construction Cluster:				
Maness Road Bridge.....	20.205	BRO-B050 (20)	-	30,923
Stroup Road Bridge.....	20.205	STP-5403 (656)	-	546,114
Klondike Road Bridge.....	20.205	BRO-B050 (19)	-	113,900
Kramme Road Bridge.....	20.205	STP-5403 (652)	-	21,278
Charter Church Road Bridge at Huskey.....	20.205	STP-5403 (661)	-	42,060
Konert Road Bridge.....	20.205	BRM-5403 (663)	-	43,077
Romaine Creek Road PSP.....	20.205	STP-5468 (602)	-	298,683
Eime Road Bridge.....	20.205	BRO-B050 (22)	-	12,363
Old State Route 21 at Lions Den Inter.....	20.205	STP-5462 (607)	-	17,961
Old Stt Route 21 at East/West Four Ridge Inter.....	20.205	STP-5462 (608)	-	35,608
Big Hollow Road Bridge.....	20.205	STP-9900 (646)	-	28,958
Old Lemay Ferry and Vogel Intersection.....	20.205	STP-5403 (641)	-	199,558
Saline Road Phase I.....	20.205	STP-5403 (642)	-	402,041
Vogel Road Phase 2.....	20.205	STP-5403 (643)	-	42,370
Vogel Road Phase 1.....	20.205	STP-5403 (644)	-	89,928
Imperial Main Street.....	20.205	STP-5403 (662)	-	216,797
Romaine Creek Road Bridge.....	20.205	BRM-5403 (654)	-	78,369
Upper Plattin Rd Overlay.....	20.205	STP-9900 (649)	-	203,776
Passed Through Missouri Division of Highway Safety:				
Highway Safety Cluster:				
Work Zone Enforcement	20.205	FWZEC01Z FWZEE04Z	- - -	34,140 13,762 2,471,666
Total Highway Planning and Construction Cluster.....				2,471,666
Passed Through Missouri Department of Transportation:				
Hazardous Moving Violation.....	20.600	17-PT-02-026 18-PT-02-049	- - -	122,513 41,716
Passed Through Missouri Safety Center:				
State and Community Highway Safety.....	20.600	17-OP-05-002 17-OP-05-003 17-OP-05-012	- - - -	3,353 18,070 446 186,098
Subtotal CFDA# 20.600.....				186,098
Passed Through Missouri Department of Transportation:				
National Priority Safety Programs.....	20.616	18-M2HVE-05-016	-	7,285
Total Highway Safety Cluster.....			-	193,383

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Program Title	Federal CFDA Number	Pass- Through Identification Number	Passed-through to Subrecipients	Expenditures
Passed Through Missouri Department of Transportation				
Alcohol Open Container Requirements.....	20.607	17-154-AL-068 18-154-AL-063 17-154-AL-066 18-154-AL-064 17-154-AL-069 18-154-AL-066 17-154-AL-067	- - - - - - -	39,110 28,183 93,068 27,803 141,115 28,099 93,521
Subtotal CFDA# 20.607.....			-	450,899
Total U.S. Department of Transportation.....			-	3,115,948
<u>U.S. Department of Health and Senior Services</u>				
Passed Through Missouri Department of Social Services:				
Child Support Enforcement Cooperative.....	93.563	COUNTY FIPS #99 COUNTY FIPS #29-099-01	- - -	256,456 1,640 258,096
Total U.S. Department of Health and Senior Services....			-	258,096
<u>U.S. Executive Office of the President</u>				
Passed Through Missouri State Highway Patrol:				
High Intensity Drug Trafficking Area Program.....	95.001	G17MW0001A-V G16MW0001A-V	- -	1,973 6,080
Passed Through the Office of the National Drug Control Policy:				
High Intensity Drug Trafficking Area Program.....	95.001	G17MW0001A-JJ G16MW0001A-JJ G15MW0001A-JJ	- - -	90,810 51,897 3,424
Subtotal CFDA# 95.001.....			-	154,184
Total U.S. Executive Office of the President.....			-	154,184
<u>U.S. Department of Homeland Security</u>				
Passed Through Missouri State Emergency Management Agency:				
Disaster Grants - Public Assistance.....	97.036	FEMA-4238-DR-MO FEMA-4250-DR-MO FEMA-4317-DR-MO	- - -	43,963 6,927 84,795
Emergency Management Performance Grants.....	97.042	2017-APP-00006-054	-	106,145
Total U.S. U.S. Department of Homeland Security.....			-	241,830
Total Expenditures of Federal Awards.....			<u>\$</u> -	<u>\$</u> 5,150,381

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUBRECIPIENTS

The County did not have any subrecipients for the year ended December 31, 2017.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified? Yes No

b. Significant deficiency(ies) identified? Yes None Reported

3. Noncompliance material to financial statements noted? Yes No

B. Federal Awards

1. Internal control over major federal programs:

a. Material weakness(es) identified? Yes No

b. Significant deficiency(ies) identified? Yes None Reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

4. Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? Yes No

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the fiscal year ended December 31, 2017.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

There were no federal award findings or questioned costs for the fiscal year ended December 31, 2017.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the fiscal year ended December 31, 2016.

II. PRIOR YEAR SINGLE AUDIT FINDINGS

There were no federal award findings or questioned costs for the fiscal year ended December 31, 2016.