

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

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HILLSBORO, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson (County), Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County of Jefferson, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified-cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County of Jefferson, Missouri, as of December 31, 2019, and the respective changes in modified cash-basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

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

Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining balance sheets – modified cash basis – non-major funds, combining statements 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 45 through 51 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 57 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* 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 February 3, 2021, 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, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 3, 2021

BASIC FINANCIAL STATEMENTS

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2019**

| | <u>Total Governmental Activities</u> |
|--|--|
| -- ASSETS -- | |
| Cash and cash equivalents | \$ 30,416,562 |
| Investments | 14,379,299 |
| Due from Collector of Revenue | 4,452,821 |
| Restricted Investments | <u>372,222</u> |
| TOTAL ASSETS | <u><u>\$ 49,620,904</u></u> |
| -- LIABILITIES AND NET POSITION -- | |
| LIABILITIES: | |
| Due to various taxing authorities and others | <u>\$ 1,313,165</u> |
| Total Liabilities | <u>1,313,165</u> |
| NET POSITION: | |
| Restricted for: | |
| Neighborhood Improvement District bond payment and reserve funds | 559,049 |
| Certificates of Participation payment and reserve funds | 270,415 |
| Special revenue funds restricted by state statute | 27,190,900 |
| Unrestricted | <u>20,287,374</u> |
| Total Net Position | <u>48,307,738</u> |
| TOTAL LIABILITIES AND NET POSITION | <u><u>\$ 49,620,904</u></u> |

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
DECEMBER 31, 2019

| Functions/Programs | 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 | \$ 13,894,421 | \$ 1,890,379 | \$ 188,133 | \$ - | \$ (11,815,909) |
| Financial administration | 985,846 | 3,301,373 | - | - | 2,315,527 |
| Property valuation and recording | 2,382,291 | 1,233,942 | 335,196 | - | (813,154) |
| Administration of justice and law enforcement | 30,056,680 | 4,095,471 | 2,847,568 | 124,223 | (22,989,417) |
| Health and welfare | 3,100,431 | - | 124,637 | - | (2,975,793) |
| Maintenance of roads | 20,451,243 | 10,925 | 556,051 | 1,129,218 | (18,755,049) |
| Park maintenance | 989,114 | 134,700 | 1,881 | 76,000 | (776,533) |
| Community Development | 1,408,376 | - | 822,650.91 | - | (585,725) |
| Other | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal payments | 1,912,961 | - | - | 215,414 | (1,697,547) |
| Interest and fiscal charges | 510,271 | - | - | - | (510,271) |
| Cost of Issuance | - | - | - | - | - |
| Total governmental activities | \$ 75,691,635 | \$ 10,666,790 | \$ 4,876,118 | \$ 1,544,855 | (58,603,872) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes, levied | | | | | |
| | | | | | 17,320,162 |
| Sales tax | | | | | |
| | | | | | 33,714,275 |
| Other taxes | | | | | |
| | | | | | 5,836,541 |
| Interest | | | | | |
| | | | | | 1,002,508 |
| Proceeds from sale of capital assets | | | | | |
| | | | | | 90,754 |
| Bond Proceeds | | | | | |
| | | | | | - |
| Lawsuit Settlement | | | | | |
| | | | | | 4,085 |
| Miscellaneous | | | | | |
| | | | | | 101,481 |
| Total general revenues | | | | | |
| | | | | | 58,069,806 |
| Change in net positions | | | | | |
| | | | | | (534,066) |
| Net Position Beginning of Year | | | | | |
| | | | | | 48,841,804 |
| Net Position End of Year | | | | | |
| | | | | | \$ 48,307,738 |

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
As of December 31, 2019

| | Major Funds | | | | | | | Other Governmental Funds | Total Governmental Funds | |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|-------------------------|--|--------------------------------|--------------------------------|----------------------|
| | General | Road and Bridge | Law Enforcement | Road Tax | Assessment | Parks and Recreation | Capital Improvement Debt Service | | | Debt Service |
| -- ASSETS -- | | | | | | | | | | |
| Cash and cash equivalents | \$ 2,865,890 | \$ 6,021,019 | \$ 8,265,326 | \$ 6,018,179 | \$ 1,310,635 | \$ 1,076,129 | \$ 1,371,346 | \$ 450,493 | \$ 3,037,544 | \$ 30,416,562 |
| Investments | 4,315,965 | 3,078,056 | - | 3,561,029 | - | - | 2,909,346 | - | 514,902 | 14,379,299 |
| Due from Collector of Revenue | 494,883 | 1,478,792 | 932,870 | - | 541,466 | 257,022 | - | 7,452 | 740,336 | 4,452,821 |
| Due from Prosecuting Attorney | - | - | - | - | - | - | - | - | - | - |
| Restricted Investments | - | - | - | - | - | - | 270,415 | 101,806 | 1 | 372,222 |
| TOTAL ASSETS | \$ 7,676,738 | \$ 10,577,867 | \$ 9,198,196 | \$ 9,579,209 | \$ 1,852,101 | \$ 1,333,151 | \$ 4,551,107 | \$ 559,751 | \$ 4,292,783 | \$ 49,620,904 |
| -- LIABILITIES AND FUND BALANCES -- | | | | | | | | | | |
| LIABILITIES: | | | | | | | | | | |
| Due to other funds | 807,771 | 355,642 | 111,573 | - | 7,163 | 1,656 | - | - | - | 1,283,805 |
| Due to others | - | - | - | - | - | - | - | 702 | 28,658 | 29,360 |
| TOTAL LIABILITIES | 807,771 | 355,642 | 111,573 | - | 7,163 | 1,656 | - | 702 | 28,658 | 1,313,165 |
| FUND BALANCES: | | | | | | | | | | |
| Restricted | - | 10,222,225 | - | 9,579,209 | 1,844,939 | 1,331,495 | 270,415 | 559,049 | 4,263,118 | 28,070,449 |
| Assigned | 4,557,487 | - | 9,086,624 | - | - | - | 4,280,692 | - | 1,007 | 17,925,809 |
| Unassigned | 2,311,480 | - | - | - | - | - | - | - | - | 2,311,480 |
| TOTAL FUND BALANCES | 6,868,967 | 10,222,225 | 9,086,624 | 9,579,209 | 1,844,939 | 1,331,495 | 4,551,107 | 559,049 | 4,264,125 | 48,307,738 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 7,676,738 | \$ 10,577,867 | \$ 9,198,196 | \$ 9,579,209 | \$ 1,852,101 | \$ 1,333,151 | \$ 4,551,107 | \$ 559,751 | \$ 4,292,783 | \$ 49,620,904 |

The accompanying notes are an integral part of this statement.

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
DECEMBER 31, 2019

| | Major Funds | | | | | | | | Non-Major Governmental Funds | Total Governmental Funds |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|-------------------------|--|-------------------|------------------------------------|-----------------------------|
| | General | Road and Bridge | Law Enforcement | Road Tax | Assessment | Parks and Recreation | Capital Improvement Debt Service | Debt Service | | |
| REVENUES: | | | | | | | | | | |
| Property Taxes | \$ 181,703 | \$ 6,859,638 | \$ 6,218,228 | \$ - | \$ 1,564,399 | \$ 903,110 | \$ - | \$ 215,414 | \$ 3,030,464 | \$ 18,972,955 |
| Other Taxes | 1,262,551 | 3,116,511 | - | - | 9,183 | 7,415 | - | - | 3,502 | 4,399,162 |
| Sales Tax | 12,375,767 | 876,405 | 12,375,735 | 8,086,370 | - | - | - | - | - | 33,714,276 |
| Grants, distributions, and reimbursements | 1,238,838 | 1,241,093 | 2,016,796 | - | 335,196 | 77,881 | 22,146 | - | 996,264 | 5,928,214 |
| Charges for Services | 8,486,049 | 476,693 | 909,176 | 919 | 9,318 | 134,700 | - | - | 921,388 | 10,938,242 |
| Interest | 183,305 | 233,046 | 197,433 | 221,034 | 16,122 | 21,799 | 64,010 | 2,489 | 63,268 | 1,002,507 |
| Other | 62,477 | 5,445 | 37,774 | - | 1,430 | - | - | - | 249 | 107,375 |
| Total Revenues | <u>23,790,689</u> | <u>12,808,832</u> | <u>21,755,142</u> | <u>8,308,323</u> | <u>1,935,647</u> | <u>1,144,904</u> | <u>86,156</u> | <u>217,903</u> | <u>5,015,134</u> | <u>75,062,731</u> |
| EXPENDITURES: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General County Government | 12,431,887 | - | - | - | - | - | - | - | 43,921 | 12,475,808 |
| Financial Administration | 597,652 | - | - | - | - | - | - | - | 330,143 | 927,796 |
| Property valuation and recording | 294,175 | - | - | - | 1,953,198 | - | - | - | 50,813 | 2,298,186 |
| Administration of justice and law enforcement | 7,170,458 | - | 20,669,393 | - | - | - | - | - | 305,967 | 28,145,817 |
| Health and Welfare | 24,973 | - | - | - | - | - | - | - | 3,075,457 | 3,100,431 |
| Maintenance of roads | - | 10,013,547 | - | - | - | - | - | - | - | 10,013,547 |
| Park maintenance | - | - | - | - | - | 851,210 | - | - | - | 851,210 |
| Community Development | - | - | - | - | - | - | - | - | 822,651 | 822,651 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | | | |
| Principal | 432,961 | - | - | - | - | - | 1,300,000 | 180,000 | - | 1,912,961 |
| Interest and fiscal charges | 7,357 | - | - | - | - | - | 435,950 | 66,965 | - | 510,271 |
| Costs of Issuance | - | - | - | - | - | - | - | - | - | - |
| Capital Outlay: | | | | | | | | | | |
| Construction of roads and bridges | - | 1,763,801 | - | 7,085,877 | - | - | - | - | - | 8,849,678 |
| Property , equipment and buildings | 1,364,800 | 914,403 | 1,786,680 | 673,617 | 84,105 | 137,904 | 585,725 | - | 236,045 | 5,783,280 |
| Total Expenditures | <u>22,324,264</u> | <u>12,691,752</u> | <u>22,456,073</u> | <u>7,759,494</u> | <u>2,037,303</u> | <u>989,114</u> | <u>2,321,675</u> | <u>246,965</u> | <u>4,864,996</u> | <u>75,691,635</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>1,466,426</u> | <u>117,080</u> | <u>(700,931)</u> | <u>548,829</u> | <u>(101,656)</u> | <u>155,791</u> | <u>(2,235,518)</u> | <u>(29,062)</u> | <u>150,137</u> | <u>(628,905)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Good Faith Deposit | - | - | - | - | - | - | - | - | - | - |
| Bond proceeds | - | - | - | - | - | - | - | - | - | - |
| Redemption of temporary municipal notes | - | - | - | - | - | - | - | - | - | - |
| Lawsuit Settlement | 585 | 3,500 | - | - | - | - | - | - | - | 4,085 |
| Transfers in | 117,564 | 818,054 | 2,029,407 | - | 122,214 | - | 691,088.00 | - | 12,300 | 3,790,627 |
| Transfers out | (2,816,747) | - | (34,462) | (818,054) | - | - | - | - | (121,364) | (3,790,627) |
| Proceeds from loan | - | - | - | - | - | - | - | - | - | - |
| Proceeds from the sale of property | 14,009 | 8,039 | - | 67,275 | - | 1,431 | - | - | - | 90,754 |
| Total Other Financing Sources (Uses) | <u>(2,684,589)</u> | <u>829,593</u> | <u>1,994,945</u> | <u>(750,779)</u> | <u>122,214</u> | <u>1,431</u> | <u>691,088</u> | <u>-</u> | <u>(109,064)</u> | <u>94,839</u> |
| NET CHANGE IN FUND BALANCES | <u>(1,218,163)</u> | <u>946,673</u> | <u>1,294,014</u> | <u>(201,950)</u> | <u>20,558</u> | <u>157,222</u> | <u>(1,544,430)</u> | <u>(29,062)</u> | <u>41,073</u> | <u>(534,066)</u> |
| FUND BALANCES - BEGINNING OF YEAR | <u>8,087,130</u> | <u>9,275,552</u> | <u>7,792,610</u> | <u>9,781,159</u> | <u>1,824,381</u> | <u>1,174,273</u> | <u>6,095,536</u> | <u>588,110</u> | <u>4,223,052</u> | <u>48,841,804</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 6,868,967</u> | <u>\$ 10,222,225</u> | <u>\$ 9,086,624</u> | <u>\$ 9,579,209</u> | <u>\$ 1,844,939</u> | <u>\$ 1,331,495</u> | <u>\$ 4,551,107</u> | <u>\$ 559,049</u> | <u>\$ 4,264,125</u> | <u>\$ 48,307,738</u> |

The accompanying notes are an integral part of this statement.

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2019**

-- ASSETS --

| | |
|-------------------------------|------------------------------------|
| Cash and cash equivalents | \$ 75,714,868 |
| Due from Collector of Revenue | 3,199,109 |
| Due from Recorder of Deeds | - |
| TOTAL ASSETS | <u><u>\$ 78,913,977</u></u> |

-- LIABILITIES --

| | |
|---|------------------------------------|
| Due to various taxing authorities and others | \$ 69,251,251 |
| Protested Taxes | 1,732,468 |
| Funds held in trust | 99,859 |
| Due to other funds | <u>7,830,399</u> |
| TOTAL LIABILITIES | <u><u>\$ 78,913,977</u></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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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 2019, for purposes of taxation, was:

| | |
|-------------------|-------------------------|
| Real Estate | \$ 2,760,445,864 |
| Personal Property | <u>729,689,852</u> |
| | <u>\$ 3,490,135,716</u> |

During 2019, the County Council approved a \$0.8041 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2019, for purposes of County taxation, as follows:

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019.

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HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019.

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

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

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

I. Net Position

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

| | |
|---|------------|
| Payment of principal and interest on Certificates of Participation | \$ 559,049 |
| Payment of principal and interest on Neighborhood Improvement District bonds | \$ 270,415 |

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Net Position (concluded)

| | |
|---|---------------|
| Assessment | 1,844,939 |
| Parks and Recreation | 1,331,495 |
| Police Officer Training | 54,780 |
| Post Commission | 17,381 |
| Sheriff Revolving | 355,938 |
| Inmate Security | 104,615 |
| Prosecuting Attorney Training | 24,620 |
| Prosecuting Attorney Delinquent Tax | 31,632 |
| Prosecuting Attorney Administrative Handling Cost Fund | 153,070 |
| Prosecuting Attorney Victim Advocate | 501 |
| SVDV | 2,346 |
| Recorder's Fund | 817,587 |
| Mental Health | 2,182,785 |
| Jefferson County LEPC | 13,394 |
| Election Services | 180,672 |
| Tax Maintenance | 322,905 |
| NID Projects | 1 |
| Justice Assistance Grant | 890 |
| Total Special Revenue Funds Restricted by State Statute | 27,240,985 |
| Total Restricted Net Position | \$ 28,070,449 |

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, 2019.

L. Adoption of New Accounting Standards

There were no new applicable accounting standards implemented during the year ended December 31, 2019.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, and reported at cost, are as follows:

| Type | Cost |
|---|----------------|
| Deposits: | |
| Demand deposits | \$ 105,577,285 |
| Cash on hand | 605 |
| Debt service escrow | 553,540 |
| Investments: | |
| Nonnegotiable certificates of deposit | 14,379,299 |
| Restricted Investments | 372,222 |
| Total deposits and investments | \$ 120,882,951 |
| Reconciliation to financial statements: | |
| Statement of Net Position | |
| Cash and cash equivalents | \$ 30,416,562 |
| Investments | 14,379,299 |
| Restricted cash and investments | 372,222 |
| Statement of Fiduciary Net Position | |
| Cash and cash equivalents | 75,714,868 |
| | \$ 120,882,951 |

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, 2019, none of the County's bank balances were exposed to custodial credit risk.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

The County's investment policy limits investment maturities to securities with a maturity of less than twenty-four (24) months as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments earn interest based on variable interest rates. Investments (money market mutual funds) held at December 31, 2019, mature on January 1, 2020.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the County's investments were rated as follows:

| Investment | Rating | Amount |
|---------------------------|--------|------------|
| Money Market Mutual Funds | AAAm | \$ 553,540 |

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, 2019.

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, 2019, the following changes occurred in long-term debt:

| | Balance January 1, 2018 | Additions | Retirements | Balance December 31, 2019 | Amounts Due Within One Year |
|--|-------------------------------|-----------|--------------|---------------------------------|-----------------------------------|
| Special Assessment Debt with Government Commitment: Neighborhood Improvement | | | | | |
| District Bonds | \$ 2,055,000 | \$ - | \$ 180,000 | \$ 1,875,000 | \$ 180,000 |
| Certificates of Participation | 14,245,000 | - | 1,300,000 | 12,945,000 | 1,350,000 |
| Capital Leases & Loans | 444,368 | - | 444,368 | - | - |
| Total | \$ 16,744,368 | \$ - | \$ 1,924,368 | \$ 14,820,000 | \$ 1,530,000 |

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, 2019

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, 2019:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|--------------|------------|--------------|
| 2020 | \$ 180,000 | \$ 58,685 | \$ 238,685 |
| 2021 | 190,000 | 53,799 | 243,799 |
| 2022 | 190,000 | 48,489 | 238,489 |
| 2023 | 195,000 | 42,981 | 237,981 |
| 2024 | 185,000 | 37,408 | 222,408 |
| 2025-2029 | 570,000 | 122,738 | 692,738 |
| 2030-2033 | 365,000 | 13,834 | 378,834 |
| | \$ 1,875,000 | \$ 377,934 | \$ 2,252,934 |

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019

III. LONG-TERM DEBT (continued)

B. Certificates of Participation (concluded)

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

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

The following is a schedule of future minimum rental payments at December 31, 2019, under the Leases, assuming the agreements are renewed each year.

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 1,350,000 | \$ 375,966 | \$ 1,725,966 |
| 2021 | 1,400,000 | 321,056 | 1,721,056 |
| 2022 | 1,405,000 | 263,213 | 1,668,213 |
| 2023 | 1,460,000 | 212,981 | 1,672,981 |
| 2024 | 1,485,000 | 177,906 | 1,662,906 |
| 2025-2028 | 5,845,000 | 319,897 | 6,164,897 |
| | <u>\$ 12,945,000</u> | <u>\$ 1,671,019</u> | <u>\$ 14,616,019</u> |

C. Lease/Purchase Agreement

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. This lease purchase was paid off in the current year.

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. This lease purchase was paid off in the current year.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

C. 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:

| | | |
|---|----|----------------------|
| 2019 assessed valuation | \$ | <u>3,490,135,716</u> |
| Debt limit - 10% of assessed valuation | \$ | 349,013,572 |
| Bonded indebtedness applicable to debt limit (Neighborhood Improvement District bonds) | | (1,875,000) |
| Amount available in debt service fund | | <u>559,751</u> |
| Legal debt margin | \$ | <u>347,698,323</u> |

D. 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:

| <u>Year Ending December 31,</u> | <u>Rental Payments</u> |
|-------------------------------------|----------------------------|
| 2020 | \$ 7,067 |
| 2021 | 7,067 |
| 2022 | 6,257 |
| 2023 | 998 |
| | <u>\$ 21,389</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, 2019 totaled approximately \$130,117.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the District abated property taxes totaling approximately \$16,851,900 under this program.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| <u>Major Funds</u> | | |
| General Fund: | | |
| Law Enforcement Fund | \$ - | \$ 1,994,945 |
| Capital Improvement Fund | - | 691,088 |
| Assessment Fund | - | 122,214 |
| Tax Maintenance Fund | 117,564 | - |
| Prosecuting Attorney Fund | - | 8,500 |
| Total General Fund | <u>117,564</u> | <u>2,816,747</u> |
| Road and Bridge Fund: | | |
| Road Tax Fund | 818,054 | - |
| Law Enforcement: | | |
| General Fund | 2,029,407 | 34,462 |
| Road Tax Fund: | | |
| Road and Bridge Fund | - | 818,054 |
| Assessment Fund: | | |
| General Fund | 122,214 | - |
| Capital Improvement Fund: | | |
| General Fund | 691,088 | - |
| <u>Non-Major Funds (Special Revenue)</u> | | |
| Prosecuting Attorney Admin Handling Cost Fund: | | |
| Prosecuting Attorney Victim Advocate Fund | - | 3,800 |
| Prosecuting Attorney Victim Advocate Fund: | | |
| Prosecuting Attorney Admin Handling Cost Fund | 3,800 | - |
| General Fund | 8,500 | - |
| Tax Maintenance Fund: | | |
| General Fund | - | 117,564 |
| Total | <u>\$ 3,790,627</u> | <u>\$ 3,790,627</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.

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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.

2019 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.

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

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

| | <u>General</u> | <u>Police</u> | <u>Road</u> |
|--|----------------|---------------|-------------|
| Inactive employees or beneficiaries currently receiving benefits | 243 | 127 | 110 |
| Inactive employees entitled to but not yet receiving benefits | 163 | 85 | 27 |
| Active employees | 322 | 140 | 104 |
| | <u>728</u> | <u>352</u> | <u>241</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 9.8% (General), 10.4% (Police), and 15.8% (Roads) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Equity | 43.00% | 5.16% |
| Fixed Income | 26.00% | 2.86% |
| Real Assets | 21.00% | 3.23% |
| Strategic Assets | 10.00% | 5.59% |

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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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 | \$ 1,355,721 | \$ 780,014 | \$ 545,791 |
| 2 Interest on Total Pension Liability | 3,955,323 | 2,565,347 | 1,794,547 |
| 3 Changes of Benefit Terms | - | - | - |
| 4 Difference between expected and actual experience of the Total Pension Liability | 1,176,915 | 1,020,315 | 595,434 |
| 5 Changes of Assumptions | - | - | - |
| 6 Benefit payments, including refunds of employee contributions | <u>(2,506,619)</u> | <u>(1,758,337)</u> | <u>(1,313,161)</u> |
| 7 Net change in total pension liability | 3,981,340 | 2,607,339 | 1,622,611 |
| 8 Total pension liability - beginning | <u>55,121,557</u> | <u>35,864,705</u> | <u>25,129,346</u> |
| 9 Total pension liability - ending | <u><u>\$ 59,102,897</u></u> | <u><u>\$ 38,472,044</u></u> | <u><u>\$ 26,751,957</u></u> |
| B. Plan Fiduciary Net Position | | | |
| 1 Contributions - employer | \$ 1,280,838 | \$ 816,231 | \$ 810,158 |
| 2 Contributions - employee | - | - | 3,259 |
| 3 Net investment income | 4,144,502 | 2,642,443 | 1,632,098 |
| 4 Benefit payments, including refunds of employee contributions | (2,506,619) | (1,758,337) | (1,313,161) |
| 5 Pension plan administrative expense | (82,110) | (38,513) | (28,849) |
| 6 Other (net transfer) | <u>250,156</u> | <u>333,595</u> | <u>2,870</u> |
| 7 Net change in plan fiduciary net position | 3,086,767 | 1,995,419 | 1,106,375 |
| 8 Plan fiduciary net position - beginning | <u>62,181,808</u> | <u>40,103,665</u> | <u>25,459,435</u> |
| 9 Plan fiduciary net position - ending | <u><u>\$ 65,268,575</u></u> | <u><u>\$ 42,099,084</u></u> | <u><u>\$ 26,565,810</u></u> |
| C. Net Pension Liability / (Asset) | <u><u>\$ (6,165,678)</u></u> | <u><u>\$ (3,627,040)</u></u> | <u><u>\$ 186,147</u></u> |
| D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 110.43% | 109.43% | 99.30% |
| E. Covered-Employee Payroll | \$ 13,116,336 | \$ 7,566,977 | \$ 5,176,706 |
| F. Net Pension Liability as a Percentage of Covered Employee Payroll | -47.01% | -47.93% | 3.60% |

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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

| | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|---------------------------------------|----------------------|---|----------------------|
| General Division: | | | |
| Total Pension Liability (TPL) | \$ 68,071,493 | \$ 59,102,897 | \$ 51,792,365 |
| Plan Fiduciary Net Position | 62,268,575 | 65,268,575 | 65,268,575 |
| Net Pension Liability / (Asset) (NPL) | \$ 5,802,918 | \$ (6,165,678) | \$ (13,476,210) |
| Police Division: | | | |
| Total Pension Liability (TPL) | \$ 44,679,430 | \$ 38,472,044 | \$ 33,443,707 |
| Plan Fiduciary Net Position | 42,099,084 | 42,099,084 | 42,099,084 |
| Net Pension Liability / (Asset) (NPL) | \$ 2,580,346 | \$ (3,627,040) | \$ (8,655,377) |
| Roads Division: | | | |
| Total Pension Liability (TPL) | \$ 30,315,739 | \$ 26,751,957 | \$ 23,793,437 |
| Plan Fiduciary Net Position | 26,565,810 | 26,565,810 | 26,565,810 |
| Net Pension Liability / (Asset) (NPL) | \$ 3,749,929 | \$ 186,147 | \$ (2,772,373) |

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

For the year ended June 30, 2019, the employer would have recognized pension expense of \$2,231,316 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 | \$ 953,934 | \$ (1,056,237) | \$ 819,632 | \$ (444,523) | \$ 471,077 | \$ (180,567) |
| Changes in assumptions | 501,884 | - | 207,767 | - | 193,949 | - |
| Net difference between projected and actual earnings on pension plan investments | - | (1,671,721) | - | (1,122,916) | - | (630,486) |
| Employer contributions subsequent to the measurement date | - | - | - | - | - | - |
| Total | <u>\$ 1,455,818</u> | <u>\$ (2,727,958)</u> | <u>\$ 1,027,399</u> | <u>\$ (1,567,439)</u> | <u>\$ 665,026</u> | <u>\$ (811,053)</u> |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

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 |
|-------------------------|--|---|--|
| 2020 | \$ (59,422) | \$ (89,243) | \$ 104,914 |
| 2021 | (988,151) | (562,327) | (311,134) |
| 2022 | (462,193) | (154,457) | (76,812) |
| 2023 | 237,626 | 249,087 | 137,005 |
| 2024 | - | 16,900 | - |
| Thereafter | - | - | - |
| Total | <u>\$ (1,272,140)</u> | <u>\$ (540,040)</u> | <u>\$ (146,027)</u> |

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.

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VIII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(CONCLUDED)

A. Plan Description

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

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

B. Pension Benefits

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

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

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

C. Funding Policy

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

| Year Ended December 31, | Employee Contributions | Statutory Charges |
|----------------------------|---------------------------|----------------------|
| 2019 | \$ 887,709 | \$ 2,942,771 |
| 2018 | \$ 730,348 | \$ 1,729,887 |
| 2017 | \$ 694,900 | \$ 1,319,000 |
| 2016 | \$ 621,600 | \$ 1,274,000 |

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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, 2019.

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, 16 retirees participated in the County's health insurance plan, 50 retirees participated in the County's dental insurance plan, and paid premiums totaling \$135,663 and \$25,281, 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 zero COBRA participants for the year ended December 31, 2019.

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, 2019, 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, 2019.

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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.

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XIII. SUBSEQUENT EVENTS

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

XIV. FUND BALANCE CONSTRAINTS

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

| | | | | | | | | | | |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------|-------------------|
| Roads and bridges | \$ - | \$ 10,222,225 | \$ - | \$ 9,579,209 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,801,434 |
| Assessment | - | - | - | - | 1,844,939 | - | - | - | - | 1,844,939 |
| Parks and recreation | - | - | - | - | - | 1,331,495 | - | - | - | 1,331,495 |
| Debt service - COPS | - | - | - | - | - | - | 270,415 | - | - | 270,415 |
| Debt service - NIDS | - | - | - | - | - | - | - | 559,049 | - | 559,049 |
| Police officer training | - | - | - | - | - | - | - | - | 54,780 | 54,780 |
| Post commission | - | - | - | - | - | - | - | - | 17,381 | 17,381 |
| Sheriff revolving fund | - | - | - | - | - | - | - | - | 355,938 | 355,938 |
| Inmate security | - | - | - | - | - | - | - | - | 104,615 | 104,615 |
| Prosecuting attorney training | - | - | - | - | - | - | - | - | 24,620 | 24,620 |
| Prosecuting attorney delinquent tax fund | - | - | - | - | - | - | - | - | 31,632 | 31,632 |
| Prosecuting attorney admin handling cost | - | - | - | - | - | - | - | - | 153,070 | 153,070 |
| Prosecuting attorney victim advocate fund | - | - | - | - | - | - | - | - | 501 | 501 |
| SVDV fund | - | - | - | - | - | - | - | - | 2,346 | 2,346 |
| Recorder of deeds | - | - | - | - | - | - | - | - | 817,587 | 817,587 |
| Mental health fund | - | - | - | - | - | - | - | - | 2,182,785 | 2,182,785 |
| Jeff Co LEPC | - | - | - | - | - | - | - | - | 13,395 | 13,395 |
| Election services | - | - | - | - | - | - | - | - | 180,672 | 180,672 |
| Tax maintenance | - | - | - | - | - | - | - | - | 322,905 | 322,905 |
| NID projects | - | - | - | - | - | - | - | - | 1 | 1 |
| JAG grant | - | - | - | - | - | - | - | - | 890 | 890 |
| Total Restricted | - | 10,222,225 | - | 9,579,209 | 1,844,939 | 1,331,495 | 270,415 | 559,049 | 4,263,118 | 28,070,449 |
| Assigned for: | | | | | | | | | | |
| Prosecuting attorney forfeitures | 4,653 | - | - | - | - | - | - | - | - | 4,653 |
| Courthouse beautification | 477 | - | - | - | - | - | - | - | - | 477 |
| County discretionary fund | 29,640 | - | - | - | - | - | - | - | - | 29,640 |
| Animal control donations | 39,800 | - | - | - | - | - | - | - | - | 39,800 |
| Subsequent year's budget deficit | 4,482,917 | - | - | - | - | - | - | - | - | 4,482,917 |
| Drug forfeiture | - | - | - | - | - | - | - | - | - | - |
| Sheriff's commissary fund | - | - | - | - | - | - | - | - | - | - |
| Sheriff equipment donation fund | - | - | - | - | - | - | - | - | - | - |
| Prisoner phone fund | - | - | - | - | - | - | - | - | - | - |
| Police memorial fund | - | - | - | - | - | - | - | - | - | - |
| Sheriff's reserve fund | - | - | - | - | - | - | - | - | - | - |
| JCMEG asset forfeiture fund | - | - | - | - | - | - | - | - | - | - |
| Law enforcement | - | - | 9,086,624 | - | - | - | - | - | - | 9,086,624 |
| Capital improvements | - | - | - | - | - | - | 4,280,691 | - | 1,007 | 4,281,698 |
| Total Assigned | 4,557,487 | - | 9,086,624 | - | - | - | 4,280,691 | - | 1,007 | 17,925,809 |
| Unassigned | 2,311,480 | - | - | - | - | - | - | - | - | 2,311,480 |
| \$ 6,868,967 | \$ 10,222,225 | \$ 9,086,624 | \$ 9,579,209 | \$ 1,844,939 | \$ 1,331,495 | \$ 4,551,106 | \$ 559,049 | \$ 4,264,125 | \$ 48,307,738 | |

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XV. ADOPTION OF NEW ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

XV. ADOPTION OF NEW ACCOUNTING STANDARDS (CONCLUDED)

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

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

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

SUPPLEMENTARY INFORMATION

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--|-------------------------|-----------------------|---------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Sales tax | \$ 11,900,000 | \$ 11,900,000 | \$ 12,375,767 | \$ 475,767 |
| Property taxes | 50,000 | 50,000 | 181,703 | 131,703 |
| Other taxes | 1,271,033 | 1,271,033 | 1,262,551 | (8,482) |
| Grants, distributions and reimbursements | 1,223,750 | 1,361,750 | 1,238,838 | (122,912) |
| Fees, licenses and permits | 8,976,479 | 8,976,479 | 8,486,049 | (490,430) |
| Interest | 198,945 | 198,945 | 183,305 | (15,640) |
| Other | 8,600 | 8,600 | 62,477 | 53,877 |
| Total Revenues | <u>23,628,807</u> | <u>23,766,807</u> | <u>23,790,689</u> | <u>23,882</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General county government | 14,073,008 | 14,040,975 | 12,431,887 | 1,609,088 |
| Financial Administration | 610,060 | 609,660 | 597,652 | 12,008 |
| Property valuation and recording | 292,397 | 292,397 | 294,175 | (1,778) |
| Administration of Justice and law enforcement | 7,401,404 | 7,537,316 | 7,170,458 | 366,858 |
| Health & Welfare | 32,970 | 32,970 | 24,973 | 7,997 |
| Community Development | - | - | - | - |
| Debt Service: | | | | |
| Principal payments | 582,087 | 582,087 | 432,961 | 149,126 |
| Interest and fiscal charges | 22,488 | 22,488 | 7,357 | 15,131 |
| Capital Outlay: | | | | |
| Property, equipment & buildings | 1,558,881 | 1,592,214 | 1,364,800 | 227,414 |
| Total Expenditures | <u>24,573,295</u> | <u>24,710,107</u> | <u>22,324,264</u> | <u>2,385,843</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>(944,488)</u> | <u>(943,300)</u> | <u>1,466,426</u> | <u>2,409,726</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 132,000 | 132,000 | 117,564 | (14,436) |
| Transfers out | (3,662,977) | (3,662,977) | (2,816,747) | 846,230 |
| Lawsuit Settlement | | | 585 | 585 |
| Loan Proceeds | | | - | - |
| Proceeds from the sale of property | - | - | 14,009 | 14,009 |
| Total Other Financing Sources (Uses) | <u>(3,530,977)</u> | <u>(3,530,977)</u> | <u>(2,684,589)</u> | <u>846,388</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (4,475,465)</u> | <u>\$ (4,474,277)</u> | <u>(1,218,163)</u> | <u>\$ 3,256,114</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>8,087,130</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 6,868,967</u> | |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES-
MODIFIED CASH BASIS-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with |
|--|----------------------|----------------------|----------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General County Government: | | | | |
| Animal Control | \$ 613,982 | \$ 613,985 | \$ 565,770 | \$ 48,215 |
| Auditor | 228,775 | 226,394 | 203,742 | 22,652 |
| Board of Equalization | 3,000 | 3,000 | 1,150 | 1,850 |
| Code Enforcement | 655,576 | 655,576 | 662,862 | (7,286) |
| Solid Waste | 229,038 | 294,038 | 203,640 | 90,398 |
| County Agencies | 10,000 | 10,000 | 10,000 | - |
| County Clerk | 463,211 | 458,317 | 463,560 | (5,243) |
| County Council | 279,700 | 179,700 | 134,564 | 45,136 |
| County Executive | 126,958 | 126,958 | 125,675 | 1,283 |
| Economic Development | 81,000 | 81,000 | 81,000 | - |
| Emergency Management | 275,141 | 275,141 | 259,144 | 15,997 |
| Facility Services | 1,550,775 | 1,549,824 | 1,382,692 | 167,132 |
| Fleet Services | 951,910 | 928,945 | 879,227 | 49,718 |
| General Services | 679,385 | 679,385 | 624,244 | 55,141 |
| Human Resources | 276,808 | 276,808 | 231,765 | 45,043 |
| Information Technology | 2,188,551 | 2,223,551 | 1,975,797 | 247,754 |
| Insurance Health | 1,710,215 | 1,710,215 | 1,595,533 | 114,682 |
| Insurance-Other | 255,000 | 255,000 | 228,863 | 26,137 |
| Insurance-Workmen's Compensation | 170,000 | 170,000 | 102,840 | 67,160 |
| County Services & Code Enforcement | 211,205 | 211,205 | 205,161 | 6,044 |
| MO University Extension Services | 84,700 | 84,700 | 84,533 | 167 |
| Organizations | 40,000 | 40,000 | 38,870 | 1,130 |
| Other | 690,846 | 690,846 | 374,216 | 316,630 |
| Payroll Taxes & Retirement | 1,960,955 | 1,960,955 | 1,679,569 | 281,386 |
| Planning Division | 336,277 | 335,432 | 317,471 | 17,961 |
| | <u>\$ 14,073,008</u> | <u>\$ 14,040,975</u> | <u>\$ 12,431,887</u> | <u>\$ 1,609,088</u> |
| Financial Administration: | | | | |
| Collector | \$ 452,280 | \$ 452,280 | \$ 441,951 | \$ 10,329 |
| Treasurer | 157,780 | 157,380 | 155,702 | 1,678 |
| | <u>\$ 610,060</u> | <u>\$ 609,660</u> | <u>\$ 597,652</u> | <u>\$ 12,008</u> |
| Property Valuation and Recording: | | | | |
| Recorder of Deeds | \$ 292,397 | \$ 292,397 | \$ 294,175 | \$ (1,778) |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
DEPARTMENTAL SCHEDULE OF EXPENDITURES-
MODIFIED CASH BASIS-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with |
|---|----------------------|----------------------|----------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| EXPENDITURES: | | | | |
| Admin. of Justice & Law Enforcement: | | | | |
| Circuit Clerk | \$ 29,645 | \$ 29,645 | \$ 25,216 | \$ 4,429 |
| Circuit Courts | 174,787 | 212,787 | 140,173 | 72,614 |
| Jury Script | 415,000 | 415,000 | 413,140 | 1,860 |
| Juvenile Office | 3,217,066 | 3,217,066 | 3,038,489 | 178,577 |
| Juvenile Treatment Center | - | - | - | - |
| Municipal Court | 388,932 | 387,612 | 375,746 | 11,866 |
| Medical Examiner | 516,401 | 516,401 | 617,668 | (101,267) |
| Prosecuting Attorney | 2,356,290 | 2,456,290 | 2,278,789 | 177,501 |
| Public Administrator | 303,283 | 302,515 | 281,237 | 21,278 |
| | <u>\$7,401,404</u> | <u>\$ 7,537,316</u> | <u>\$ 7,170,458</u> | <u>\$ 366,858</u> |
| Health & Welfare | \$ 32,970 | \$ 32,970 | \$ 24,973 | \$ 7,997 |
| Community Development | \$ - | \$ - | \$ - | \$ - |
| Debt Service: | | | | |
| Principal Payments | \$ 582,087 | \$ 582,087 | \$ 432,961 | \$ 149,126 |
| Interest & fiscal charges | 22,488 | 22,488 | 7,357 | 15,131 |
| | <u>\$ 604,575</u> | <u>\$ 604,575</u> | <u>\$ 440,318</u> | <u>\$ 164,257</u> |
| Capital Outlay: | | | | |
| Property, Equipment & Buildings | \$ 1,558,881 | \$ 1,592,214 | \$ 1,364,800 | \$ 227,414 |
| | <u>\$ 1,558,881</u> | <u>\$ 1,592,214</u> | <u>\$ 1,364,800</u> | <u>\$ 227,414</u> |
| Total Expenditures | <u>\$ 24,573,295</u> | <u>\$ 24,710,107</u> | <u>\$ 22,324,264</u> | <u>\$ 2,385,843</u> |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS-SPECIAL REVENUE MAJOR FUND -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with |
|--|-----------------------|-----------------------|----------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 6,659,675 | \$ 6,659,675 | \$ 6,859,638 | \$ 199,963 |
| Other taxes | 3,133,782 | 3,133,782 | 3,116,511 | (17,271) |
| Sales tax | 738,201 | 738,201 | 876,405 | 138,204 |
| Grants, distributions and reimbursements | 3,209,605 | 3,209,605 | 1,241,093 | (1,968,512) |
| Fees, licenses and permits | 456,536 | 456,536 | 476,693 | 20,157 |
| Interest | 149,000 | 149,000 | 233,046 | 84,046 |
| Other | - | - | 5,445 | 5,445 |
| Total Revenues | <u>14,346,799</u> | <u>14,346,799</u> | <u>12,808,832</u> | <u>(1,537,967)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Maintenance of Roads: | | | | |
| Salaries | 6,149,049 | 6,029,049 | 5,830,701 | 198,348 |
| Office Expense | 14,150 | 14,150 | 15,062 | (912) |
| Miscellaneous | 50,100 | 57,600 | 43,695 | 13,905 |
| Uniforms | 28,500 | 28,500 | 25,657 | 2,843 |
| Medical Expense | 3,000 | 10,500 | 10,104 | 396 |
| Safety Equipment & Supplies | 38,500 | 38,500 | 28,729 | 9,771 |
| Parts & Repairs | 350,000 | 570,000 | 555,997 | 14,003 |
| Utilities | 94,000 | 94,000 | 80,451 | 13,549 |
| Insurance | 1,602,951 | 1,630,451 | 1,361,594 | 268,857 |
| Payroll taxes | 488,124 | 488,124 | 431,703 | 56,421 |
| Pension | 864,646 | 864,646 | 817,512 | 47,134 |
| Training | 30,000 | 30,000 | 18,570 | 11,430 |
| City Tax Distribution | 350,000 | 350,000 | 349,893 | 107 |
| C.A.R.T | - | - | - | - |
| Vehicle Expenses | 525,250 | 569,250 | 443,878 | 125,372 |
| Capital Outlay: | | | | |
| Property, equipment and buildings: | | | | |
| Equipment | 1,174,000 | 984,000 | 823,295 | 160,705 |
| Right-of-Way | 405,797 | 405,797 | 91,108 | 314,689 |
| Construction of roads and bridges: | | | | |
| Contractual Service | 2,702,601 | 2,702,601 | 334,313 | 2,368,288 |
| Road materials | 1,100,000 | 1,103,500 | 1,030,190 | 73,310 |
| Equipment rental | 50,000 | 50,000 | 45,632 | 4,368 |
| Sign material | - | - | - | - |
| Engineering fees | 436,575 | 436,575 | 353,666 | 82,909 |
| Total Expenditures | <u>16,457,243</u> | <u>16,457,243</u> | <u>12,691,752</u> | <u>3,765,491</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>(2,110,444)</u> | <u>(2,110,444)</u> | <u>117,080</u> | <u>2,227,524</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Lawsuit Settlement | - | - | 3,500 | 3,500 |
| Transfers in | 750,000 | 750,000 | 818,054 | 68,054 |
| Transfers out | - | - | - | - |
| Proceeds from the sale of property | - | - | 8,039 | 8,039 |
| Total Other Financing Sources (Uses) | <u>750,000</u> | <u>750,000</u> | <u>829,593</u> | <u>76,093</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,360,444)</u> | <u>\$ (1,360,444)</u> | <u>\$ 946,673</u> | <u>\$ 2,303,617</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>\$ 9,275,552</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 10,222,225</u> | |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS-SPECIAL REVENUE MAJOR FUND -
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Property Taxes | \$ 6,420,000.00 | \$ 6,420,000.00 | \$6,218,227.51 | \$ (201,772) |
| Sales tax | 11,900,000 | 11,900,000 | 12,375,735 | 475,735 |
| Fees, licenses and permits | 632,900 | 632,900 | 909,176 | 276,276 |
| Grants, distributions and reimbursements | 2,029,325 | 2,049,598 | 2,016,796 | (32,802) |
| Interest | 77,377 | 77,377 | 197,433 | 120,056 |
| Other | 60,000 | 60,000 | 37,774 | (22,226) |
| Total Revenues | <u>21,119,602</u> | <u>21,139,875</u> | <u>21,755,142</u> | <u>615,267</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Administration of Justice and law enforcement: | | | | |
| Salaries | 14,607,439 | 14,601,439 | 13,482,129 | 1,119,310 |
| Payroll Taxes | 1,113,194 | 1,113,194 | 1,007,359 | 105,835 |
| Leased vehicles | 62,900 | 62,900 | 57,436 | 5,464 |
| Office Expense | 50,750 | 50,750 | 47,855 | 2,895 |
| Contractual Services | 823,880 | 858,880 | 802,608 | 56,272 |
| Professional Services | 41,500 | 41,500 | 77,756 | (36,256) |
| Uniforms | 169,700 | 189,826 | 183,750 | 6,076 |
| Utilities | 149,650 | 154,900 | 121,952 | 32,948 |
| Insurance | 3,337,216 | 3,127,516 | 2,337,010 | 790,506 |
| Pension | 1,425,365 | 1,425,365 | 1,140,164 | 285,201 |
| Training | 185,400 | 185,400 | 130,711 | 54,689 |
| Other | 719,340 | 769,800 | 601,811 | 167,990 |
| Institutional Placement | 5,000 | 5,000 | 2,637 | 2,364 |
| Medical Expense | 10,000 | 10,000 | 5,726 | 4,274 |
| Prisoner Transport | 8,500 | 8,500 | 65,419 | (56,919) |
| Prisoner Food | 470,000 | 510,000 | 538,999 | (28,999) |
| Vehicle Gas & Oil | 1,200 | 12,200 | 12,115 | 85 |
| Jail Expense | 62,725 | 62,725 | 53,955 | 8,770 |
| Capital outlay: | | | | |
| Property, equipment and buildings | 1,491,750 | 1,863,865 | 1,786,680 | 77,185 |
| Total Expenditures | <u>24,735,509</u> | <u>25,053,760</u> | <u>22,456,073</u> | <u>2,597,687</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(3,615,907)</u> | <u>(3,913,885)</u> | <u>(700,931)</u> | <u>3,212,954</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,994,945 | 1,994,945 | 2,029,407 | 34,462 |
| Transfers out | - | (200,000) | (34,462) | 165,538 |
| Proceeds from the sale of property | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>1,994,945</u> | <u>1,794,945</u> | <u>1,994,945</u> | <u>200,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,620,962)</u> | <u>\$ (2,118,940)</u> | <u>\$ 1,294,014</u> | <u>\$ 3,412,954</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>\$ 7,792,610</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 9,086,624</u> | |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS-SPECIAL REVENUE MAJOR FUND -
ROAD TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Sales tax | \$ 7,900,000 | \$ 7,900,000 | \$ 8,086,370 | \$ 186,370 |
| Grants, distributions and reimbursements | - | - | - | - |
| Fees, Licenses and Permits | - | - | 919 | 919 |
| Interest | 155,000 | 155,000 | 221,034 | 66,034 |
| Other | - | - | - | - |
| Total Revenues | <u>8,055,000</u> | <u>8,055,000</u> | <u>8,308,323</u> | <u>253,323</u> |
| EXPENDITURES: | | | | |
| Capital outlay: | | | | |
| Property, equipment and buildings: | | | | |
| Right of Way | 410,811 | 410,811 | 103,456 | 307,355 |
| Motor Vehicle Equipment | 700,000 | 700,000 | 570,161 | 129,839 |
| Other Equipment | - | - | - | - |
| Construction of Roads & Bridges: | | | | |
| Contractual Services | 3,995,861 | 4,845,861 | 4,186,884 | 658,977 |
| Building Maintenance & Repairs | - | - | - | - |
| Road Materials | 3,000,000 | 2,049,445 | 1,915,707 | 133,738 |
| Equipment Rental | 50,000 | 70,000 | 69,579 | 421 |
| Sign Material | 125,000 | 137,500 | 136,040 | 1,460 |
| Engineering fees | 927,088 | 927,088 | 777,667 | 149,421 |
| Total Expenditures | <u>9,208,760</u> | <u>9,140,705</u> | <u>7,759,494</u> | <u>1,381,211</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,153,760)</u> | <u>(1,085,705)</u> | 548,829 | 1,634,534 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (750,000) | (818,055) | (818,054) | 1 |
| Proceeds from the sale of property | - | - | 67,275 | 67,275 |
| Total Other Financing Sources (Uses) | <u>(750,000)</u> | <u>(818,055)</u> | <u>(750,779)</u> | <u>67,276</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,903,760)</u> | <u>\$ (1,903,760)</u> | \$ (201,950) | <u>\$ 1,701,810</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>\$ 9,781,159</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 9,579,209</u> | |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND -
ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with |
|--|---------------------|---------------------|---------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 1,516,623 | \$ 1,516,623 | \$ 1,564,399 | \$ 47,776 |
| Other taxes | 10,000 | 10,000 | 9,183 | (817) |
| Grants, distributions and reimbursements | 336,372 | 336,372 | 335,196 | (1,176) |
| Fees, licenses and permits | 10,250 | 10,250 | 9,318 | (932) |
| Interest | 21,000 | 21,000 | 16,122 | (4,878) |
| Other | - | - | 1,430 | 1,430 |
| Total Revenues | <u>1,894,245</u> | <u>1,894,245</u> | <u>1,935,647</u> | <u>41,402</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Property valuation and recording: | | | | |
| Salaries | 1,353,081 | 1,353,081 | 1,256,785 | 96,296 |
| Office | 10,000 | 10,600 | 10,404 | 196 |
| Contractual Services | 102,000 | 101,400 | 25,377 | 76,023 |
| Miscellaneous | 11,780 | 12,780 | 10,659 | 2,121 |
| Mileage | 1,000 | 1,000 | 920 | 80 |
| Utilities | 3,200 | 3,200 | 1,849 | 1,351 |
| Insurance | 282,064 | 282,064 | 236,293 | 45,771 |
| Postage | 70,000 | 70,000 | 56,711 | 13,289 |
| Payroll taxes | 107,756 | 107,756 | 92,962 | 14,794 |
| Pension | 125,206 | 125,206 | 105,455 | 19,751 |
| Professional services | 123,380 | 120,750 | 108,845 | 11,905 |
| Training | 45,000 | 45,000 | 43,943 | 1,057 |
| Vehicle Gas & Oil | 3,000 | 3,000 | 2,995 | 5 |
| Capital Outlay: | | | | |
| Property, equipment & buildings | 87,000 | 94,993 | 84,105 | 10,888 |
| Total Expenditures | <u>2,324,467</u> | <u>2,330,830</u> | <u>2,037,303</u> | <u>293,527</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>(430,222)</u> | <u>(436,585)</u> | <u>(101,656)</u> | <u>334,929</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 122,214 | 122,214 | 122,214 | - |
| Transfers out | - | - | - | - |
| Proceeds from the sale of property | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>122,214</u> | <u>122,214</u> | <u>122,214</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (308,008)</u> | <u>\$ (314,371)</u> | <u>\$ 20,558</u> | <u>\$ 334,929</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>\$ 1,824,381</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 1,844,939</u> | |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - SPECIAL REVEUE MAJOR FUND -
PARKS AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|--------------------|---------------------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 905,151 | \$ 905,151 | \$ 903,110 | \$ (2,041) |
| Other taxes | 7,600 | 7,600 | 7,415 | (185) |
| Grants, distributions and reimbursements | - | 76,000 | 77,881 | 1,881 |
| Fees, licenses and permits | 138,705 | 138,705 | 134,700 | (4,005) |
| Interest | 17,100 | 17,100 | 21,799 | 4,699 |
| Other | - | - | - | - |
| Total Revenues | <u>1,068,556</u> | <u>1,144,556</u> | <u>1,144,904</u> | <u>348</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Park Maintenance: | | | | |
| Salaries | 593,618 | 593,618 | 532,608 | 61,010 |
| Office | 1,400 | 1,400 | 851 | 549 |
| Contractual Services | 55,300 | 55,300 | 48,373 | 6,927 |
| Miscellaneous | 28,050 | 28,050 | 20,336 | 7,714 |
| Utilities | 25,600 | 25,600 | 16,869 | 8,731 |
| Uniforms | 1,500 | 1,700 | 1,557 | 143 |
| Medical Expenses | 250 | 250 | 771 | (521) |
| Parts & Repairs | 7,000 | 10,000 | 9,486 | 514 |
| Rent | 400 | 400 | 43 | 357 |
| Insurance | 119,050 | 119,050 | 97,081 | 21,969 |
| Payroll taxes | 51,780 | 51,780 | 40,275 | 11,505 |
| Pension | 54,448 | 54,448 | 40,653 | 13,795 |
| Supplies | 2,900 | 2,710 | 1,439 | 1,271 |
| Professional services | 8,000 | 4,590 | 85 | 4,505 |
| Training | 3,150 | 3,150 | 597 | 2,553 |
| Park Programs | 28,250 | 28,250 | 26,911 | 1,339 |
| Park Development | 10,000 | 6,800 | 765 | 6,035 |
| Vehicle Expense | 16,000 | 16,000 | 12,510 | 3,490 |
| Capital Outlay: | | | | |
| Property, equipment & buildings | 42,100 | 164,700 | 137,904 | 26,796 |
| Total Expenditures | <u>1,048,796</u> | <u>1,167,796</u> | <u>989,114</u> | <u>178,682</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>19,760</u> | <u>(23,240)</u> | <u>155,791</u> | <u>179,031</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from the sale of property | - | - | 1,431 | 1,431 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>1,431</u> | <u>1,431</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 19,760</u> | <u>\$ (23,240)</u> | <u>\$ 157,222</u> | <u>\$ 180,462</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>\$ 1,174,273</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 1,331,495</u> | |

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO BUDGETARY SCHEDULES
DECEMBER 31, 2019

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, MISSOURI
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

| | Combined Non-Major Special Revenue Funds | Non-Major County Building Capital Projects Fund | Total Non-Major Governmental Funds |
|--|---|--|---|
| -- ASSETS -- | | | |
| Cash and cash equivalents | \$ 3,036,537 | \$ 1,007 | \$ 3,037,544 |
| Investments | 514,902 | \$ - | 514,902 |
| Due from Collector of Revenue | 740,336 | - | 740,336 |
| Restricted Investments | 1 | - | 1 |
| TOTAL ASSETS | \$ 4,291,776 | \$ 1,007 | \$ 4,292,783 |
| -- LIABILITIES AND FUND BALANCES -- | | | |
| TOTAL LIABILITIES | 28,658 | - | 28,658 |
| Fund Balances: | | | |
| Restricted | 4,263,118 | - | 4,263,118 |
| Assigned | - | 1,007 | 1,007 |
| Total Fund Balances | 4,263,118 | 1,007 | 4,264,125 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,291,776 | \$ 1,007 | \$ 4,292,783 |

THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2019

| | Police Officer Training Fund | Post Commission Fund | Sheriff Revolving Fund | Inmate Security Fund | Pros Atty Training Fund | Pros Atty Delinquent Tax Fund | Pros Atty Administrative Handling Cost Fund | Pros Atty Victim Advocate Fund |
|--|------------------------------------|----------------------------|------------------------------|----------------------------|-------------------------------|-------------------------------------|--|--------------------------------------|
| -- ASSETS -- | | | | | | | | |
| Cash and cash equivalents | \$ 54,780 | \$ 17,381 | \$ 356,028 | \$ 104,615 | \$ 24,620 | \$ 31,632 | \$ 155,163 | \$ 541 |
| Investments | - | - | - | - | - | - | - | - |
| Due from Collector of Revenue | - | - | - | - | - | - | - | - |
| Due from Recorder of Deeds | - | - | - | - | - | - | - | - |
| Due from Prosecuting Attorney | - | - | - | - | - | - | - | - |
| Restricted Investments | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 54,780 | \$ 17,381 | \$ 356,028 | \$ 104,615 | \$ 24,620 | \$ 31,632 | \$ 155,163 | \$ 541 |
| -- LIABILITIES AND FUND BALANCES -- | | | | | | | | |
| Due to other funds | | | | | | | | |
| Due to other tax authorities and others | - | - | 89 | - | - | - | 2,093 | 40 |
| TOTAL LIABILITIES | - | - | 89 | - | - | - | 2,093 | 40 |
| FUND BALANCES | | | | | | | | |
| Restricted | 54,780 | 17,381 | 355,938 | 104,615 | 24,620 | 31,632 | 153,070 | 501 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 54,780 | \$ 17,381 | \$ 356,028 | \$ 104,615 | \$ 24,620 | \$ 31,632 | \$ 155,163 | \$ 541 |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2019**

| | SVDV Fund | Recorder's Fund | Mental Health Fund | Jeff Co LEPC Fund | Election Services Fund | Tax Maintenance Fund | Justice Assistance Grant Fund | Economic Development Fund | Neighborhood Improvement District | Total |
|--|-----------------|--------------------|-----------------------|-------------------------|------------------------------|----------------------------|-------------------------------------|---------------------------------|---|---------------------|
| -- ASSETS -- | | | | | | | | | | |
| Cash and cash equivalents | \$ 2,346 | \$ 329,046 | \$ 1,474,168 | \$ 13,394 | \$ 180,672 | \$ 291,260 | \$ 890 | \$ - | \$ - | \$ 3,036,536 |
| Investments | - | 514,902 | - | - | - | - | - | - | - | 514,902 |
| Due from Collector of Revenue | - | - | 708,617 | - | - | 31,719 | - | - | - | 740,336 |
| Due from Recorder of Deeds | - | - | - | - | - | - | - | - | - | - |
| Due from Prosecuting Attorney | - | - | - | - | - | - | - | - | - | - |
| Restricted Investments | - | - | - | - | - | - | - | - | 1 | 1 |
| TOTAL ASSETS | \$ 2,346 | \$ 843,948 | \$ 2,182,785 | \$ 13,394 | \$ 180,672 | \$ 322,979 | \$ 890 | \$ - | \$ 1 | 4,291,776 |
| -- LIABILITIES AND FUND BALANCES -- | | | | | | | | | | |
| Due to other funds | - | - | - | - | - | - | - | - | - | - |
| Due to other tax authorities and others | - | 26,362 | - | - | - | 74 | - | - | - | 28,658 |
| TOTAL LIABILITIES | - | 26,362 | - | - | - | 74 | - | - | - | 28,658 |
| FUND BALANCES | | | | | | | | | | |
| Restricted | 2,346 | 817,587 | 2,182,785 | 13,394 | 180,672 | 322,905 | 890 | - | 1 | 4,263,118 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,346 | \$ 843,948 | \$ 2,182,785 | \$ 13,394 | \$ 180,672 | \$ 322,979 | \$ 890 | \$ - | \$ 1 | \$ 4,291,776 |

**THE COUNTY OF JEFFERSON, MISSOURI
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, 2019**

| | Combined Non-Major Special Revenue Funds | Non-Major County Building Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|---|--|--|
| REVENUES: | | | |
| Property Taxes | \$ 3,030,464 | \$ - | \$ 3,030,464 |
| Other Taxes | 3,502 | - | 3,502 |
| Sales Tax | - | - | - |
| Grants, distributions, and reimbursements | 996,264 | - | 996,264 |
| Charges for Services | 921,388 | - | 921,388 |
| Interest | 63,263 | 4 | 63,268 |
| Other | 249 | - | 249 |
| Total Revenues | 5,015,130 | 4 | 5,015,134 |
| EXPENDITURES: | | | |
| Current: | | | |
| General County Government | 43,921 | - | 43,921 |
| Financial Administration | 330,143 | - | 330,143 |
| Property valuation and recording | 50,813 | - | 50,813 |
| Administration of justice and law enforcement | 305,967 | - | 305,967 |
| Health and Welfare | 3,075,457 | - | 3,075,457 |
| Maintenance of roads | - | - | - |
| Park maintenance | - | - | - |
| Community Development | 822,651 | - | 822,651 |
| Other | - | - | - |
| Debt Service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| Capital Outlay: | | | |
| Construction of roads and bridges | - | - | - |
| Property , equipment and buildings | 236,045 | - | 236,045 |
| Total Expenditures | 4,864,996 | - | 4,864,996 |
| EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES | 150,133 | 4 | 150,137 |
| OTHER FINANCING SOURCES (USES): | | | |
| Bond proceeds | - | - | - |
| Loan proceeds | - | - | - |
| Transfers in | 12,300 | - | 12,300 |
| Transfers out | (121,364) | - | (121,364) |
| Proceeds from loan | - | - | - |
| Total Other Financing Sources (Uses) | (109,064) | - | (109,064) |
| NET CHANGE IN FUND BALANCES | 41,069 | 4 | 41,073 |
| FUND BALANCES - BEGINNING OF YEAR | 4,222,048 | 1,003 | 4,223,052 |
| FUND BALANCES - END OF YEAR | \$ 4,263,118 | \$ 1,007 | \$ 4,264,125 |

**THE COUNTY OF JEFFERSON, MISSOURI
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, 2019**

| | Police Officer Training Fund | Post Commission Fund | Sheriff Revolving Fund | Inmate Security Fund | Justice Assistance Grant | Pros Atty Training Fund | Pros Atty Delinquent Tax Fund | Pros Atty Admin Handling Cost Fund |
|--|---------------------------------|----------------------------|---------------------------|-------------------------|--------------------------------|-------------------------------|-------------------------------------|---|
| REVENUES: | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Taxes | - | - | - | - | - | - | - | - |
| Sales Tax | - | - | - | - | - | - | - | - |
| Grants, distributions, and reimbursements | - | 9,032 | 39,291 | - | 27,236 | - | - | - |
| Fees, licenses, and permits | 17,176 | - | 132,162 | 20,360 | - | 6,988 | 33,666 | 25,232 |
| Interest | 493 | 260 | 4,806 | 1,133 | 3 | 101 | 299 | 918 |
| Other | - | - | - | - | - | - | - | - |
| Total Revenues | 17,669 | 9,292 | 176,259 | 21,493 | 27,239 | 7,089 | 33,965 | 26,150 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General County Government | - | - | - | - | - | - | - | - |
| Financial Administration | - | - | - | - | - | - | - | - |
| Property valuation and recording | - | - | - | - | - | - | - | - |
| Administration of justice and law enforcement | 13,140 | 18,469 | 107,994 | 57,519 | - | 4,425 | 10,779 | 6,162 |
| Health and Welfare | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Capital Outlay: | | | | | | | | |
| Construction of roads and bridges | - | - | - | - | - | - | - | - |
| Property, equipment and buildings | - | - | 22,156 | 1,412 | 26,365 | - | 20,913 | 6,569 |
| Total Expenditures | 13,140 | 18,469 | 130,150 | 58,931 | 26,365 | 4,425 | 31,692 | 12,731 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 4,529 | (9,177) | 46,109 | (37,438) | 874 | 2,664 | 2,273 | 13,419 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | (3,800) |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | (3,800) |
| NET CHANGE IN FUND BALANCES | 4,529 | (9,177) | 46,109 | (37,438) | 874 | 2,664 | 2,273 | 9,619 |
| FUND BALANCES - BEGINNING OF YEAR | 50,251 | 26,558 | 309,829 | 142,053 | 16 | 21,956 | 29,360 | 143,451 |
| FUND BALANCES - END OF YEAR | \$ 54,780 | \$ 17,381 | \$ 355,938 | \$ 104,615 | \$ 890 | \$ 24,620 | \$ 31,632 | \$ 153,070 |

**THE COUNTY OF JEFFERSON, MISSOURI
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, 2019**

| | Pros Atty Victim Advocate Fund | SVDV Fund | Recorder's Fund | Mental Health Fund | Jeff Co LEPC Fund | Election Services Fund | Tax Maintenance Fund | Economic Development Fund | Total |
|--|---|-----------------|--------------------|-----------------------|----------------------|---------------------------|----------------------------|---------------------------------|---------------------|
| REVENUES: | | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ 3,030,464 | \$ - | \$ - | \$ - | \$ - | \$ 3,030,464 |
| Other Taxes | - | - | - | \$ 3,502 | - | - | - | - | 3,502 |
| Sales Tax | - | - | - | \$ - | - | - | - | - | - |
| Grants, distributions, and reimbursements | 27,009 | - | - | \$ - | 8,772 | 62,273 | - | 822,651 | 996,264 |
| Fees, licenses, and permits | - | 47,386 | 138,373 | \$ - | - | 51,227 | 448,818 | - | 921,388 |
| Interest | 80 | - | 15,364 | \$ 25,841 | 429 | 3,876 | 9,661 | - | 63,263 |
| Other | - | - | - | - | 249 | - | - | - | 249 |
| Total Revenues | 27,089 | 47,386 | 153,737 | 3,059,807 | 9,450 | 117,376 | 458,479 | 822,651 | 5,015,130 |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| General County Government | - | - | - | - | - | 43,921 | - | - | 43,921 |
| Financial Administration | - | - | - | - | - | - | 330,143 | - | 330,143 |
| Property valuation and recording | - | - | 50,813 | - | - | - | - | - | 50,813 |
| Administration of justice and law enforcement | 39,386 | 48,093 | - | - | - | - | - | - | 305,967 |
| Health and Welfare | - | - | - | 3,059,811 | 15,646 | - | - | - | 3,075,457 |
| Community Development | - | - | - | - | - | - | - | 822,651 | 822,651 |
| Other | - | - | - | - | - | - | - | - | - |
| Capital Outlay: | | | | | | | | | |
| Construction of roads and bridges | - | - | - | - | - | - | - | - | - |
| Property, equipment and buildings | - | - | - | - | 1,866 | 98,715 | 58,050 | - | 236,045 |
| Total Expenditures | 39,386 | 48,093 | 50,813 | 3,059,811 | 17,512 | 142,636 | 388,193 | 822,651 | 4,864,996 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (12,297) | (707) | 102,925 | (4) | (8,061) | (25,260) | 70,286 | - | 150,133 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers in | 12,300 | - | - | - | - | - | - | - | 12,300 |
| Transfers out | - | - | - | - | - | - | (117,564) | - | (121,364) |
| Total Other Financing Sources (Uses) | 12,300 | - | - | - | - | - | (117,564) | - | (109,064) |
| NET CHANGE IN FUND BALANCES | 3 | (707) | 102,925 | (4) | (8,061) | (25,260) | (47,279) | - | 41,069 |
| FUND BALANCES - BEGINNING OF YEAR | 498 | 3,053 | 714,662 | 2,182,790 | 21,455 | 205,933 | 370,184 | - | 4,222,048 |
| FUND BALANCES - END OF YEAR | \$ 501 | \$ 2,346 | \$ 817,587 | \$ 2,182,785 | \$ 13,394 | \$ 180,672 | \$ 322,905 | \$ - | \$ 4,263,118 |

**THE COUNTY OF JEFFERSON, MISSOURI
HILLSBORO, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2019**

| | <u>County Treasurer Agency Funds</u> | <u>County Officials and Other Agency Funds</u> | <u>County Collector of Revenue Agency Fund</u> | <u>Total Agency Funds</u> |
|---|--|--|--|-------------------------------|
| -- ASSETS -- | | | | |
| Cash and cash equivalents | \$ 12,826,090 | \$ 99,959 | \$ 62,788,820 | \$ 75,714,868 |
| Due from Collector of Revenue | 3,199,109 | - | - | 3,199,109 |
| Due from Recorder of Deeds | - | - | - | - |
| TOTAL ASSETS | <u>\$ 16,025,198</u> | <u>\$ 99,959</u> | <u>\$ 62,788,820</u> | <u>\$ 78,913,977</u> |
| -- LIABILITIES -- | | | | |
| Due to various taxing authorities and others | \$ 16,025,198 | \$ 100 | \$ 53,225,953 | \$ 69,251,251 |
| Protested Taxes | - | - | 1,732,468 | 1,732,468 |
| Funds held in trust | - | 99,859 | - | 99,859 |
| Due to other funds | - | - | 7,830,399 | 7,830,399 |
| TOTAL LIABILITIES | <u>\$ 16,025,198</u> | <u>\$ 99,959</u> | <u>\$ 62,788,820</u> | <u>\$ 78,913,977</u> |

STATE COMPLIANCE SECTION

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

There are no state audit findings for the year ended December 31, 2019.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

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

We have audited, in accordance with 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 3, 2021.

Internal Control Over Financial Reporting

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

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

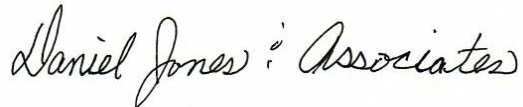
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

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

February 3, 2021



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, 2019. 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, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 3, 2021

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass- Through Identification Number</u> | <u>Provided to Subrecipients</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|--|--------------------------------------|---------------------------------|
| <u>U.S. Department of Housing and Urban Development:</u> | | | | |
| Direct: | | | | |
| Community Development Block Grants | 14.218 | B14-UC-29-0002 | \$ - | \$ 9,115 |
| | | B15-UC-29-0002 | - | 3,413 |
| | | B16-UC-29-0002 | - | 37,673 |
| | | B17-UC-29-0002 | - | 398,402 |
| | | B18-UC-29-0002 | - | 374,047 |
| Subtotal CFDA# 14.218 | | | - | 822,651 |
| Total U.S. Dept. of Housing and Urban Development | | | - | 822,651 |
| <u>U.S. Department of Justice</u> | | | | |
| Direct: | | | | |
| Domestic Cannabis Eradication and Suppression Program | 16.U01 | 2019-78 | - | 19,063 |
| Equitable Sharing Program | 16.922 | N/A | - | 286,385 |
| Bulletproof Vest Partnership Program | 16.607 | N/A | - | 10,063 |
| JAG Program Cluster: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program (Justice Assistance Grant - Local Solicitation) | 16.738 | 2018-DJ-BX-0153 | - | 27,236 |
| Passed Through Missouri Department of Public Safety: | | | | |
| JAG Program Cluster: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2017-JAG-010 | - | 130,190 |
| | | 2018-JAG-010 | - | 96,883 |
| Subtotal CFDA# 16.738 | | | - | 254,309 |
| Total JAG Program Cluster | | | - | 254,309 |
| Juvenile Justice and Delinquency Prevention | 16.540 | 2019-TITLE II-010 | - | 25,063 |
| Crime Victim Assistance | 16.575 | ER130180054 | - | 22,415 |
| Total Passed Through Missouri Department of Public Safety | | | - | 301,787 |
| Passed Through Missouri Association of Prosecuting Attorneys: | | | | |
| Crime Victim Assistance | 16.575 | ER130200072 | - | 6,916 |
| Subtotal CFDA #16.575 | | | - | 29,330 |
| Total Passed Through Missouri Association of Prosecuting Attorneys | | | - | 29,330 |
| Total U.S. Department of Justice | | | - | 624,214 |

The accompanying notes to the Schedule of Expenditures of Federal Awards is an integral part of this statement.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Program Title | Federal CFDA Number | Pass- Through Identification Number | Provided to Subrecipients | Federal Expenditures |
|---|---------------------------|--|------------------------------|-------------------------|
| <u>U.S. Department of Transportation</u> | | | | |
| Passed Through Missouri Department of Transportation | | | | |
| Highway Planning and Construction Cluster: | | | | |
| Big Hollow Road Bridge | 20.205 | STP-9900 (646) | - | 24,729 |
| Butcher Branch Bridge | 20.205 | STP-5403 (635) | - | 2,688 |
| Cedar Hill Road @ Local Hillsboro | 20.205 | STP-5403 (689) | - | 29,865 |
| Charter Church Road Bridge at Huskey | 20.205 | STP-5403 (661) | - | 215 |
| Charter Church Road Bridge at Mitch Sweet | 20.205 | STP-5403 (673) | - | 37,312 |
| Doc Sargent Road Bridge | 20.205 | STP-5403 (674) | - | 34,060 |
| East Rock Creek Safety Improvement | 20.205 | STP-5403 (677) | - | 6,699 |
| Eime Road Bridge | 20.205 | BRO-B050 (22) | - | 126,347 |
| Imperial Main Street | 20.205 | STP-5403 (662) | - | 97,653 |
| Main Street House Springs | 20.205 | STP-5403 (679) | - | 19,532 |
| Miller Road Intersection-Phase 1 | 20.205 | STP-5403 (680) | - | 22,092 |
| Old Lemay Ferry Road Phases 1 & 2 | 20.205 | STP-5461 (609) | - | 26,046 |
| Old State Route 21 at Lions Den Intersection | 20.205 | STP-5462 (607) | - | 10,639 |
| Old Ste Route 21 at East/West Four Ridge Intersection | 20.205 | STP-5462 (608) | - | 35,321 |
| Romaine Creek Slide Repairs | 20.205 | ER-5403 (690) | - | 48,352 |
| Rougly Kieppe Road Bridge | 20.205 | STP-5403 (685) | - | 36,666 |
| Seckman Road Roundabout-Phase 1 | 20.205 | STP-7202 (602) | - | 27,241 |
| Seckman Road Roundabout-Phase 2 | 20.205 | STP-5403 (686) | - | 24,287 |
| Whitehead Road Bridge | 20.205 | STP-5403 (675) | - | 35,764 |
| Total Passed Through Missouri Department of Transp | | | - | 645,509 |
| Passed Through Missouri Division of Highway Safety: | | | | |
| Highway Planning and Construction (Work Zone Enforcement) | | | | |
| | 20.205 | FWZEG04Z | - | 15,622 |
| | | FWZEI02Z | - | 36,857 |
| Total Passed through Missouri Division of Highway Safety | | | - | 52,479 |
| Total Highway Planning and Construction Cluster | | | - | 697,988 |
| Passed Through Missouri Department of Transportation | | | | |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety (Hazardous Moving Violation) | | | | |
| | 20.600 | 19-PT-02-099 | - | 136,374 |
| | | 20-PT-02-063 | - | 49,304 |
| Total State and Community Highway Safety | | | - | 185,678 |
| National Priority Safety Programs | | | | |
| | 20.616 | 19-M2HVE-05-019 | - | 20,927 |
| | | 20-M2HVE-05-016 | - | 7,111 |
| | | 20-M5HVE-03-011 | - | 25,356 |
| Total National Priority Safety Programs | | | - | 53,394 |
| Total Highway Safety Cluster | | | - | 239,072 |
| Passed Through Missouri Department of Transportation | | | | |
| Alcohol Open Container Requirements | | | | |
| | 20.607 | 19-154-AL-111 | - | 116,461 |
| | | 20-154-AL-072 | - | 38,059 |
| | | 19-154-AL-117 | - | 158,759 |
| | | 20-154-AL-071 | - | 33,286 |
| | | 19-154-AL-116 | - | 145,563 |
| Total Alcohol Open Container Requirements | | | - | 492,127 |
| Total U.S. Department of Transportation | | | - | 1,429,186 |

The accompanying notes to the Schedule of Expenditures of Federal Awards is an integral part of this statement.

**THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass- Through Identification Number</u> | <u>Provided to Subrecipients</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|--|--------------------------------------|---------------------------------|
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed Through Missouri Department of Social Services: | | | | |
| Child Support Enforcement | 93.563 | COUNTY FIPS #29-099-01 | - | 287,068 |
| | | COUNTY FIPS #099-06 | - | 2,199 |
| Total Child Support Enforcement | | | - | 289,267 |
| Passed Through Missouri Office of State Courts Administrator: | | | | |
| State Court Improvement Program | 93.586 | OSCA 16-015-54 | - | 300 |
| Total U.S. Department of Health and Human Services | | | - | 289,567 |
| <u>U.S. Executive Office of the President</u> | | | | |
| Passed Through Missouri State Highway Patrol: | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | G17MW0001A-V | - | 548 |
| | | G18MW0001A-V | - | 6,109 |
| | | G19MW0001A-V | - | 2,083 |
| High Intensity Drug Trafficking Areas Program | 95.001 | G18MW0001A-JJ | - | 58,054 |
| | | G19MW0001A-JJ | - | 93,441 |
| Total High Intensity Drug Trafficking Areas Program | | | - | 160,235 |
| Total U.S. Executive Office of the President | | | - | 160,235 |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Direct: | | | | |
| Port Security Grant Program | 97.056 | EMK-2018-PU-00037 | - | 67,275 |
| Passed Through Missouri State Emergency Management Agency: | | | | |
| Disaster Grants - Public Assistance (Presidential Declared Disasters) | 97.036 | FEMA-4317-DR-MO | - | 131,739 |
| Emergency Management Performance Grants | 97.042 | EMK-2019-EP-00001-054 | - | 115,082 |
| Total Passed Through Missouri State Emergency Management Agency | | | - | 115,082 |
| Total U.S. Department of Homeland Security | | | - | 314,095 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 3,639,949 |

The accompanying notes to the Schedule of Expenditures of Federal Awards is an integral part of this statement.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUBRECIPIENTS

The County did not have any subrecipients for the year ended December 31, 2019.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

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

B. Federal Awards

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

4. Identification of major federal programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|-------------------|-------------------------------------|
| 20.205 | Highway Planning and Construction |
| 20.607 | Alcohol Open Container Requirements |
| 16.922 | Equitable Sharing Program |

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

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

II. FINANCIAL STATEMENT FINDINGS

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

There were no federal award findings for the fiscal year ended December 31, 2019.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the fiscal year ended December 31, 2018.

II. PRIOR YEAR SINGLE AUDIT FINDINGS

2018-001

| | |
|---|--|
| Federal Grantor: | U.S. Department of Transportation, U.S. Executive OFFICE of President |
| Pass-Through Grantor: | Missouri Department of Transportation |
| Federal CFDA Number: | 20.205, 95.001 |
| Program Title: | Highway Planning and Construction, High Intensity Drug Trafficking Area Program |
| Pass-Through Entity Identifying Number: | STP-5403 (661, 662, 674, 675, 686), STP-5461 (609), BRO-B050 (22), STP-7200 (602), G18MW0001A-JJ |
| Award Year: | 2018 |
| Type of Finding: | Other Information – Significant Deficiency |

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: The Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

THE COUNTY OF JEFFERSON
HILLSBORO, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

II. PRIOR YEAR SINGLE AUDIT FINDINGS (CONCLUDED)

Views of responsible officials and planned corrective actions: The County will continue to improve upon existing procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County will make improvements to our current grant monitoring system which will allow the capture of grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The County Auditor is Kristy Apprill and her office phone number is 636-797-5461.

Status: This issue has been resolved.