

**COUNTY OF COLE, MISSOURI**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2009**

**Prepared by:**

**Auditor's Office**  
**James T. LePage, CPA**  
**County Auditor**

**COUNTY OF COLE, MISSOURI  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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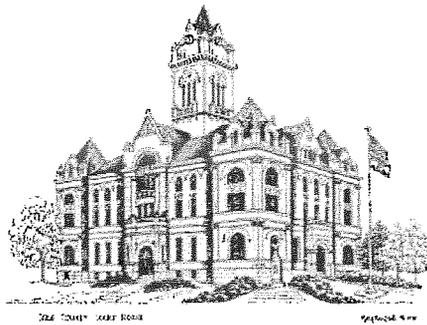
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## INTRODUCTION SECTION

**Office of the Auditor  
Cole County**

**JAMES T. LePAGE, CPA**  
AUDITOR

**KRISTEN BERHORST**  
DEPUTY AUDITOR



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June 9, 2010

To the members of the County Commission and Taxpayers of the County of Cole, Missouri:

The Comprehensive Annual Financial Report of Cole County for the fiscal year ended December 31, 2009 is submitted herewith. This report was prepared by the County Auditor's office in accordance with U.S. generally accepted accounting principles, state law, the Single Audit Act of 1984 and the requirements of Government Finance Officers' Association. Accordingly, this office is responsible for the accuracy, completeness, and fairness of the data and information presented. To the best of our knowledge, the data, as presented, are accurate in all material respects, and are presented in a fair and straight forward manner to reflect clearly the financial position and results of operations of the County as measured by the financial activity reflected in the various County funds. Moreover, all disclosures deemed necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The organization, form and content of the report including the management's discussion and analysis, accompanying financial statements and statistical tables conform substantially to the revised standards of the National Council of Governmental Accounting as adopted by the Governmental Accounting Standards Board.

**Independent Auditor's Report**

Cole County is required by law to have its financial reports audited by an independent audit firm in accordance with generally accepted auditing standards. The Single Audit Act of 1984 imposes additional standards for reporting on internal control and financial reporting for recipients of \$500,000 or more in federal funds. In addition, the County prepares its financial reports under policies and procedures reviewed by the Government Finance Officer's Association (GFOA) whose standards are considered the highest in financial reporting. The County has not participated in GFOA's excellence in reporting program since 2005. The independent audit firm of Williams Keepers LLC, Certified Public Accountants and Consultants audited our financial statements for the year 2009. I am happy to report that Williams Keepers et al issued an unqualified opinion on the County's financial reports for the fiscal year 2009. The independent auditor's report is included in this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The MD&A is prepared by the County Auditor but is believed to represent the views of management of the County.

**Profile of the Government**

The County of Cole surrounds and includes the City of Jefferson and is the home of the capital of Missouri. Located on the banks of the Missouri River in the center of the state, Cole County is the hub of state government, its basic employer. The County also is located just 30 miles south of the State's major research university – University of Missouri-Columbia.

The County of Cole is a first class County and is organized and operating under the Constitution and Laws of the State of Missouri. The County is governed by three County Commissioners, (a Presiding, an Eastern and Western District Commissioner). There are 14 other elected officials, the Assessor, Auditor, Collector, Clerk, Recorder, Prosecuting Attorney, Sheriff, Treasurer, Circuit Clerk, three Circuit Court and one Associate Court Judge, and Public Administrator. All of the County's elected officials are elected to a four-year term.

The County of Cole provides a full range of service, including judicial services, public safety, roads and bridges, health and welfare, document recording services, the administration of elections, and the administration of federal and state programs.

The annual budget serves as the foundation for the County of Cole's financial planning and control. All departments are required to submit their budget requests for appropriation to the Auditor's office by the 10<sup>th</sup> of September each year. The County Auditor uses these requests as the starting point for developing a proposed budget. The County Auditor then presents the proposed budget to the County Commission for review no later than the 15<sup>th</sup> of November each year. The County Commission is required to hold public hearings on the proposed budget and to adopt a final budget at least ten days after the beginning of the fiscal year. In any year in which the terms of any commissioner expire, the budget shall be approved within thirty days after the beginning of the fiscal year. The basis of the budgetary control is at the fund level. Departments may not legally exceed their appropriation without County Commission approval.

### **Factors Affecting the County's Financial Condition**

The County's financial position, like any economic enterprise, is impacted by general economic conditions including recessions. The County has a General Fund, a Proprietary Fund and 15 different Special Revenue Funds. Activity in these funds is discussed in detail in the MD&A section. As a cushion against potential emergencies including economic recessions, the County has maintained reserves equal to about 10 percent of its basic revenue. However, the economic base of the County and the financing decisions of the County will impact revenues, expenditures, and financial reserves.

#### **Economic Base**

The County of Cole's has a small but stable economic base. Population currently totals approximately 75,018. About half the County's population lives inside the city limits of Jefferson City. Population in both the City and County is expected to continue to grow over the next several years at its historical rate of about 300 per year depending upon how much state government and non-public industries expand. Both population and income have grown at healthy rates over the past 10 years and both are expected to continue to grow over the next 5 to 10 years depending upon the magnitude of the state government budget and potential economic problems. In area, the County is made up of more than 390 square miles of space situated in Central Missouri.

Cole County's economic base is considered diversified although dominated by government. As the center for state government, Cole County has a large number of government agencies and departments and a large number of private associations and organizations directly related to the legislative process. These groups as a whole employ several thousand workers. The light manufacturing industries represented in the County's economic base includes Scholastic and Unilever. Products include book publication and cosmetics. The service industry includes two major Wal-Mart retail centers and the Capital Mall retail center with Sears, Dillards, and JCPennys as major anchors. The down town and strip retail facilities along Missouri Boulevard also offer regional attractions. The County has a labor force of about 40,000. Slightly over 25 percent of County workers hold state government jobs. In 2009, the State had about 18,000 jobs located in the County, although not all these jobs are filled and not all those occupying these positions live in Cole County.

Although the light manufacturing components of the economic base of the County are small, they nevertheless have a history of stable growth. The current recession will likely slow the growth trend as reflected in a decline in sales tax collections. The State government budget has been basically contractive over the past year and will continue to contract in the next year or so. Because of economic stimulus money, the effect of the current recession on future years will not be clear until the State government budget is approved in May 2010.

#### **Financing Requirements**

In 2007, the County incurred obligation to service \$10 million of long term financing to construct a new jail. In 2009, it incurred obligation to service an additional \$25 million in long term financing, also to finance construction of the new jail. The annual charge for the \$35 million in long term financing will be about \$3.1 million per year to be paid from the ½ cent Law Enforcement Sales tax. In 2008, County voters approved a ½ cent sales tax to finance a County-wide ambulance service, which began in 2009. The tax is associated with a property tax roll back in the General Fund, but is anticipated to have little or no impact on the total revenue of the General Fund. However, in 2009, the County Commission loaned \$844,500 of General Fund reserves to a special revenue fund to finance the initial phases of the County-wide ambulance service, reducing reserves to about eight percent of basic revenue.

In 2007, most of the County's revenue was generated by property taxes; with the addition of the law enforcement sales tax and emergency services sales tax, the largest portion now comes from sales tax revenue. The Law Enforcement Fund and the Emergency Services Fund initiated in 2009 are both sales tax dependent. As indicated above, sales tax revenue for the County is down in 2009 from 2008. While growth in the activities of the Sheriff's Department beyond 2009 will probably be constrained by slower than projected sales tax growth and larger than projected financing costs, the actual impact cannot be determined until final construction costs for the new jail are known and the impact of the recession on the County's economy is better understood.

### **Major Initiatives**

The County considers its primary mission to be that of protecting the lives and property of its citizens, providing a safe and effective infrastructure and public health services for the needy in order for its citizens to live and work to the fullest of their potential. The County has adopted initiatives for each of the mission components. During the year 2004 the County began the process of developing a new jail and justice center. In 2007, voters approved a Law Enforcement Sales Tax to finance construction and operation of a new jail. A new jail is now under construction and should be completed and fully operational by 2011. Construction of the jail is financed through a lease-purchase agreement with a bank as the trustee. Under the agreement the bank issues Certificates of Participation (COP) that are similar to long term bonds. The COPs are guaranteed by the revenue stream produced by the ½ cent Law Enforcement Sales Tax. The County pays the bank a yearly rental fee (about \$3.1 million) sufficient to service the long term financing obligation. The COPs will mature in the year 2022. At that time the Law Enforcement Sales tax rate will drop from half cent to three-eighths cent, resulting in projected tax revenue to drop about \$1.5 million per year. The remainder of the Law Enforcement Tax revenue after debt service requirements is available for operating the Sheriff's Department.

The ½ cent sales tax to finance the County-wide ambulance service was approved by voters in November, 2008. Under this measure, sixty percent of the tax revenue collected will be transferred to the General Fund to offset a property tax levy adjustment to achieve a property tax rollback of sixty percent of the total amount of sales tax revenue collected. The remaining sales tax revenue generated is restricted for use in funding of a countywide ambulance service and associated emergency treatment. By law the tax became effective April 1, 2009. The County began operating a county wide ambulance service on July 18, 2009, and the program is being accounted for as an enterprise fund.

### **Cash Management**

The cash handled by the various agencies of the County is spread among 35 different checking accounts including general revenue, ten special revenue accounts, and two capital projects account which involve "County" moneys. The remaining 22 checking accounts process money related to special activities of the collector, circuit court, sheriff, assessor, prosecuting attorney, recorder and county clerk.

The County is operating under the terms of a depository agreement executed in July of 2009 with Central Trust Bank of Jefferson City (Central Bank) to manage "county" money - general and special revenue funds. Under this agreement the County is paid a 3.25% fixed rate on the first \$10 million deposited, with the remaining balance receiving .25 basis points above the overnight Treasury Bill Coupon Equivalent Yield. The County is required to maintain an average balance in all its accounts of \$10 million. When the balance exceeds \$10 million, the County can invest the excess funds in other investment types with an entity other than Central Bank. All account balances are collateralized by repurchase agreements and treasury bills.

All County employees are covered by worker's compensation. There were no major claims under the policy during 2009. The County promotes accident avoidance, including training, to minimize losses. The County reestablished a Safety Committee to identify and make recommendation to avoid accidents and injury. This program is ongoing and appears to be effective and, it is believed, should go a long way in reducing the liability insurance the County pays over the long term.

### **Awards and Acknowledgements**

County government is considered efficient and effective by most standards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cole County, Missouri for its comprehensive annual financial report for 16 consecutive years between 1989 through December 31, 2005. The County Commission has elected not to participate in the program since then. We believe our current report continues to conform to the Certificate of Achievement Program requirements, although the County is not submitting it to GFOA to determine its eligibility for the year 2009 award.

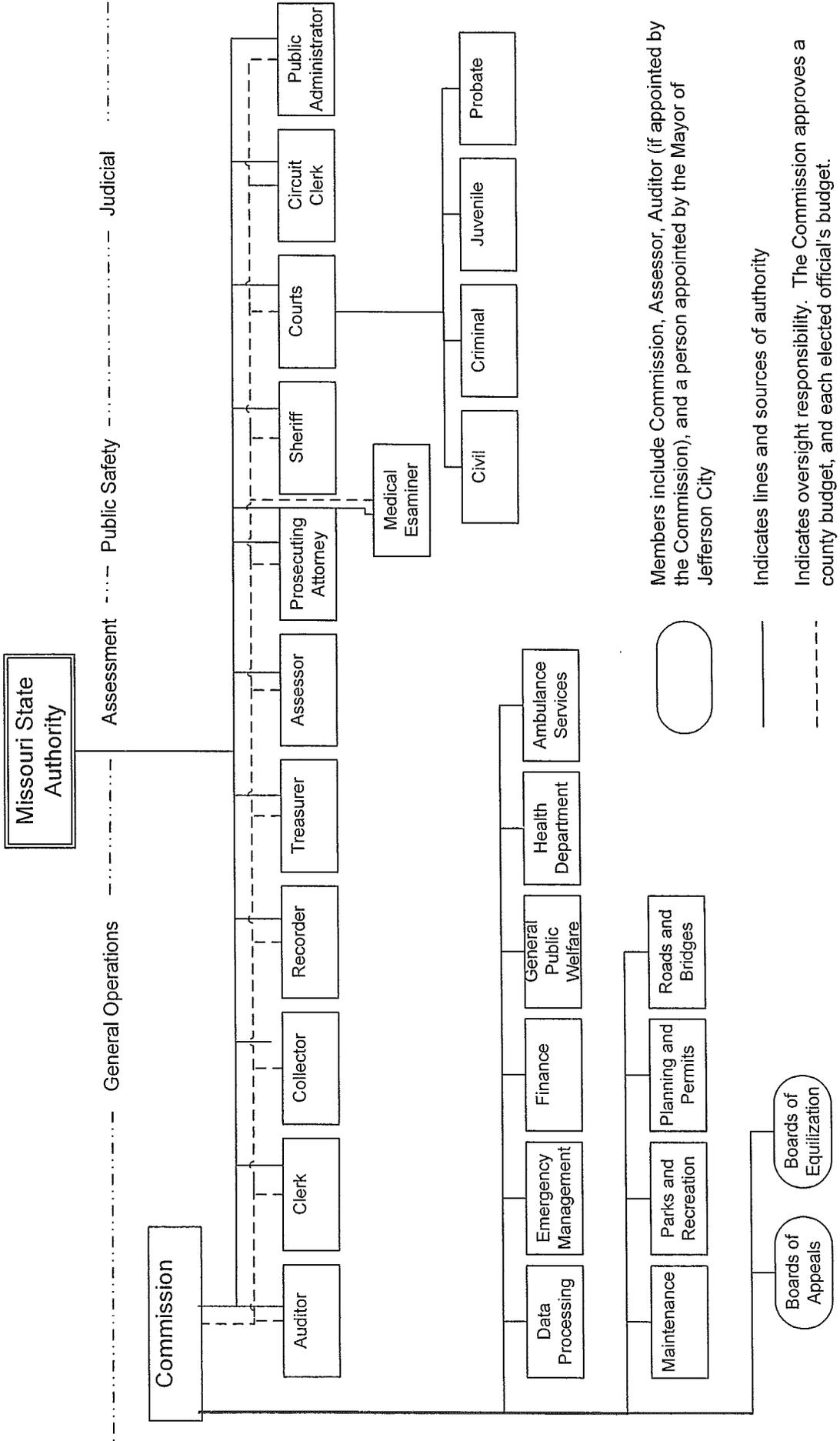
Preparing a comprehensive annual financial report to meet the standard of the Government Finance Officers Association is a challenging goal. As is usually the case, many people contribute to the accomplishment of a challenging goal. In this instance, the following played very critical roles: the County Commission for its support and encouragement, Williams Keepers, LLC the current independent auditors for advice, direction and other valuable help in making policy and procedure decisions. Kristen Berhorst, the County's Deputy County Auditor, provides most of the day to day activities required for a smooth running system and for managing the large amount of data collection and review that is required for financial reporting and audit efforts. I am deeply appreciative to all of them.

Respectfully,



James T. LePage, CPA  
Cole County Auditor

# Functional Organization Chart for Cole County, Missouri



Members include Commission, Assessor, Auditor (if appointed by the Commission), and a person appointed by the Mayor of Jefferson City

Indicates lines and sources of authority

Indicates oversight responsibility. The Commission approves a county budget, and each elected official's budget.

Elected officials: Assessor, Auditor, Circuit Judges (4), Circuit Clerk, County Clerk, Collector, Commissioners (3), Medical Examiner, Public Administrator, Prosecuting Attorney, Recorder, Sheriff, and Treasurer.

**County of Cole Missouri  
Principal Officials  
For Year Ended December 31, 2009**

County Commission:

|  |                       |
|--|-----------------------|
| Presiding Commissioner .....                 | Marc Ellinger         |
| Western District .....                       | Chris Wrigley         |
| Eastern District .....                       | Jeff Hoelscher        |
| Assessor .....                               | Christopher Estes     |
| Auditor .....                                | Dr. James LePage, CPA |
| Collector.....                               | Larry Vincent         |
| Circuit Clerk.....                           | Brenda Umstatt        |
| Circuit Judge – Division I .....             | Patricia Joyce        |
| Circuit Judge – Division II.....             | John Beetem           |
| Associate Circuit Judge – Division III ..... | Thomas Sodergren      |
| Circuit Judge – Division IV (Probate).....   | Paul Wilson           |
| Clerk of the County Commission.....          | Marvin Register       |
| Prosecuting Attorney.....                    | Mark Richardson       |
| Public Administrator .....                   | Marilyn Schmutzler    |
| Recorder of Deeds.....                       | Larry Rademan         |
| Sheriff .....                                | Greg White            |
| Treasurer .....                              | Eric Peters           |

## FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITORS' REPORT

County Commission  
County of Cole, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for County of Cole, Missouri (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and the budgetary comparison schedules as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The supplementary information and the schedule of expenditures of federal awards listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We did not audit the information included the introductory and statistical sections of this report and, therefore, express no opinion thereon.

Williams Keepers LLC

June 9, 2010

## **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

### **INTRODUCTION**

The discussion and analysis in this MD&A of Cole County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2009, based on currently known facts, decisions, and conditions. It should be studied in conjunction with the County's basic financial statements, including the footnotes, which follow the MD&A.

### **MANAGEMENT OF THE COUNTY'S PROGRAMS AND RESOURCES**

Management of the County is defined substantially by law. Cole County is a first class non-charter county with 13 elected officials (not including four elected judges) each with statutorily defined responsibilities and each accountable to the citizens of the County. A County-wide budget is adopted through a statutorily defined process that becomes essentially the County's management plan for the year once it is adopted. More specifically, the budget is a summarized version of the management plans of different elected officials and six key department heads. The various elected officials make budget requests to the Budget Officer (County Auditor) who makes recommendations to the County Commission (three elected officials) that has final oversight responsibility for the budget. However, the elected officials define their own goals, objectives and priorities and reflect them in the spending requests made in the annual budgeting process. Some elected officials have responsibility for more than one budget.

The Commission has no direct authority to alter or change this process. While they must evaluate spending requests, the Commission cannot impose its will on elected officials. However, the Commission's influence is made effective in the budgeting process. The resulting Budget Document reflects substantially a package of individual management goals and objectives rather than a unified countywide integrated operating plan for the County. The final set of management plans are summarized into 18 different funds organized into 45 departments. Six of the funds are major funds, 11 are minor funds and one is a proprietary fund. Five of the six major funds and all the minor funds are special revenue funds. The General Fund (largest of the major funds) contains 24 different budgets for the various elected officials and departments. Some funds have multiple departments, each with a budget, giving a total of 45 individual spending budgets and related management plans.

### **ACCOUNTING AND INTERNAL CONTROL PROCEDURES**

By statute, the County Auditor is the budgeting and accounting officer of the County. The Auditor is responsible for setting up and managing the accounting system, for maintaining the general ledger and for preparing the County's financial statements and reports. The County Clerk is the bookkeeper of the County and has responsibility for all county financial records, including copies of financial reports. The County has a computerized, integrated accounting and budgeting system. As is required by State statutes, internal control is achieved by separating accounting functions among different elected officials. Statutes require that receipt and payment of funds and authorizing and recording transactions are separated among elected officials. The County Clerk is responsible for processing all payments that have been authorized by elected officials and department heads, approved by the County Commission, and certified by the Accounting Officer. All checks are co-signed by the Auditor and County Treasurer. The County Collector collects all real and property taxes and turns them over to the County Treasurer who is responsible for recording these and all other revenue received by the County into the accounting system.

The County prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Although not required by law, the County publishes a Comprehensive Annual Financial Report (CAFR) that is prepared to meet the standards of the Government Financial Officer's Association (GFOA) recognized as the highest standards of accounting and reporting in County government. The County was recognized by the GFOA for 16 years for meeting these standards.

In compliance with GAAP and GFOA standards, the CAFR consists of the following:

- MD&A (this section)
- Basic Financial Statements (includes the government-wide and fund financial statements, and footnotes audited by outside independent auditors)
- Required Supplementary Information (budget comparison for major funds)
- Supplementary Information (combining statements for non-major funds)

## **OVERVIEW OF THE FINANCIAL STATEMENT PACKAGE**

### **Management Discussion and Analysis (MD&A)**

The MD&A contains an interpretation of the financial data by management whose decision drove the results represented by the data. In it is summarized in a narrative format how the financial statements reflect the policies and priorities of elected officials and department heads during the current year. The objectives of elected officials are substantially defined by state law. What and how revenue is collected and for what it is spent are all defined by statute. However, effectiveness, efficiency, prudent financial reserves, and control of costs and priorities assigned to its various programs are key management objectives. The financial statements show how well these management objectives were achieved. Financial statements of public institutions differ from those of private businesses. In the public sector, quality service is the primary objective. In the private sector, it is profit. In the public sector, an increase in net assets is comparable to an increase in profits in the private sector. Net assets in the public statement are comparable to net worth in the private sector statement. In most cases, the revenue from the programs public institutions are required by law to provide does not cover the cost of these programs. Consequently, county officials must rely on a variety of fees and taxes over which their control is limited to make up program revenue and cost differences. Likewise, their control over costs in some cases is limited. Thus, the primary challenge for county officials is managing costs.

### **County Wide Statements**

As indicated above County government is organized into activities of 13 different elected officials and six major departments. As required by GAAP and GFOA standards, the County issues financial statements that combine all 18 funds into "government wide" statements designed to report on the financial condition of the County as a whole, distinguishing between the functions of governmental and business-type activities. These two statements are called the Statement of Net Assets and Statement of Activities. Net assets are similar to net worth in the private sector and change in net assets is similar to net income in the private sector. Also, like the private sector, the government wide statements are prepared using the full accrual basis of accounting.

Governmental activities encompass basic County services such as general government, public safety, road and bridges, etc. while emergency medical services are the County's only business-type activities, where the charges for services are intended to cover all costs of operation, including depreciation. The government-wide statements are intended to show the County's financial position from a "long-term" view as well as including short-term information. They show "capital assets" of the County, including infrastructure assets not shown in the individual governmental fund statements, and "long-term liabilities", including debt also not shown in the individual governmental fund statements. From a long term perspective, working capital, debt and reserves are key considerations.

### **Individual Fund Statements**

The individual fund statements show a more detailed picture of activities than that reflected in the government wide statements and include three parts: 1) governmental funds statements, 2) proprietary fund statements; and 3) fiduciary fund statements. The funds on each statement are classified into "major" or "non-major", and the County's 18 individual funds are classified into six "major" governmental funds and 11 small or "non-major" governmental funds, and one proprietary fund. Each major and non major fund is required by law and is designed to facilitate accounting for a special activity usually financed by a special revenue source. The major governmental funds are General Fund, Road and Bridge Fund, Sales Tax Fund, Law Enforcement Sales Tax

Fund, Capital Improvement Fund and Emergency Services Sales Tax Fund. Over 90 percent of the County's activities are accounted for in the six major funds.

The individual governmental fund statements are intended to show financial capability in the short term – usually the next year – and are prepared on the modified accrual basis of accounting. These statements show more detail on revenue and expenses and are considered more focused on program activity in the “short-term”. The differences between the accrual basis used in the government-wide financial statements and the modified accrual basis of accounting used in the governmental fund statements are reconciled and shown as a reconciliation report following the governmental fund statements.

The proprietary fund and fiduciary fund statements are prepared on the accrual basis of accounting, similar to that used in the government-wide statements. Prior to July 2009, Cole County did not engage in any activity that would normally be considered a business-type activity (such as providing utilities where the purpose is to be self-supporting), or a “component unit” of its general governmental activities (such as a landfill authority or school district over which it would exercise legal control), both of which would require additional reporting in the government-wide statements. In July 2009, the County acquired an ambulance service previously operated by Capital Region Medical Center. The Cole County Emergency Medical Services Fund, which is an enterprise fund, was created to account for this activity. The addition of an enterprise fund to the County's CAFR created additional proprietary fund statements, including a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

The County has other funds, some required by law, to help it manage money for particular purposes like the Assessment Fund, Collector's Fund, Recorder's Trust Fund, and others. Generally the activity in these funds is small and one set of statements is prepared and reported for these small funds grouped together.

## **BASIS OF ACCOUNTING**

The government-wide statements are prepared on a full accrual basis. Under the full accrual basis, revenues are recorded when earned and expenses when incurred, regardless of the timing of the related cash flows.

The accounting approach to the individual major governmental funds is called the modified accrual approach. The difference basically is in how revenue is recognized and recorded. Under the modified accrual accounting approach, the County recognizes only that revenue that is measurable and that it collects within 60 days after year end. It treats as “current expenditures” all payments for current activities, including payments for capital assets, even though these assets will benefit the County for many years. It also treats principal payments on long-term debt as current expenditures. See note 1 page 30 for a more detailed discussion of the basis of accounting.

Relationships and/or differences between the government-wide activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds statements are described in a reconciliation following the fund financial statements. The differences are due to the GAAP requirement that revenues and expenditures are treated differently in the two sets of statements (see Notes to the Financial Statements).

The City maintains one proprietary fund, an enterprise fund. The enterprise fund is used to report the emergency medical services operations presented as the business-type activity in the government-wide statements. An individual fund statement is included for the emergency services operations, which provides the same type of information as the government-wide statement, only in more detail. The enterprise fund is accounted for using the full accrual basis of accounting.

## **THE COUNTY AS TRUSTEE**

The County acts as a trustee, or fiduciary, for a number of different political subdivisions in the County to facilitate tax collections and disbursements. All of the County's fiduciary activities are reported in a separate statement called the Statement of Fiduciary Net Assets. These activities are excluded from the County's other

financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. Collections for and disbursements to these governmental units are not shown in the County-wide statements. Activities accounted for in these funds are not discussed in this part of the financial report.

## **HIGHLIGHTS OF THE FINANCIAL STATEMENTS OF THE COUNTY AS A WHOLE**

Financial reports reflect the County's performance in carrying out its mission of public service. Financial highlights point to the County's performance during 2009 in managing its financial resources while performing its functions and its ability to perform these activities in the future. Key financial highlights include:

- The County's net assets totaled over \$71 million at year-end 2009.
- The County's primary source of revenue is taxes. During 2009, total taxes collected from all sources amounted to \$23.8 million. In addition, the County collected over \$8.8 million in charges and grants referred to as "Program Revenues" including fees (\$6.9 million) and grants (\$2 million).
- Expenses were over \$29 million, producing an increase in net assets of about \$3.9 million.
- The County collected a half cent Emergency Services Sales tax that is used to help finance the new county wide ambulance service. Sixty percent of the tax revenue collected is transferred to the General Fund to rollback property taxes.

## **ANALYSIS OF THE FINANCIAL STATEMENTS OF THE COUNTY AS A WHOLE**

The financial position of the County as a whole (including all funds) is shown in the Statement of Net Assets. At year end 2009, the County's had reserves of about \$22.7 million, net of funds invested in capital assets. It had working capital of about \$45 million (current assets over current liabilities) with current and accrued liabilities of about \$2.2 million. By most standards, the financial position of the County is considered strong and its ability to carry on operations effectively and efficiently in the future is strong.

### **Total Net Assets**

The County's combined net assets for 2009 totaled \$71.4 million (Table 1). Assets exceeded liabilities by this amount. From a financial position point of view, the County's assets would have to fall in value substantially before it would be in danger of a failure to meet its current financial obligations.

The total of all assets in 2009 and 2008 was \$107.6 and \$79.2 million, respectively. Total assets include all of the County's capital assets including infrastructure assets. Capital assets account for over half (68%) of the County's total assets and most of this is infrastructure assets and construction in progress on the new jail.

### **Working Capital**

As indicated above the County's financial statements are reported on a full accrual basis. Short term assets (about \$47.4 million) exceeded short term liabilities (about \$2.2 million) by approximately \$45 million. Monthly expenses average about \$2.5 million. On an accrual basis, therefore, the County has sufficient working capital to cover expenses for more than one year assuming no loss in converting non-cash liquid assets to cash. The following summary supports this conclusion.

The majority of the County's 2009 liabilities of about \$34 million were long term liabilities. Most were associated with jail financing, including a lease-purchase arrangement totaling \$35 million financed by Certificates of Participation (COPs) issued in 2007 and 2009. The COPs are similar to a bond, and in conjunction with the lease-purchase contract, is the method the County has chosen to finance the construction of the new jail. The COPs will be retired over a period of about 15 years with special tax proceeds. The remaining 2009 liabilities were related to normal operating obligations, which include compensated absences, a tax sharing agreement with the City of Jefferson, and the County's liability related to Neighborhood Improvement Districts.

**Table 1**  
**County of Cole, Missouri**  
**Statement of Net Assets**  
**For the Years Ended December 31, 2009 and 2008**

|  | <u>2009</u>          |                                   | <u>2008</u>          |                                   |
|--|----------------------|-----------------------------------|----------------------|-----------------------------------|
|  | <u>Amount</u>        | Percent of<br><u>Total Assets</u> | <u>Amount</u>        | Percent of<br><u>Total Assets</u> |
| Current and other assets                           | \$ 47,365,613        | 44.0%                             | \$ 28,645,487        | 36.1%                             |
| Capital assets                                     | 60,181,904           | 56.0%                             | 50,652,068           | 63.9%                             |
| Total assets                                       | <u>107,547,517</u>   | <u>100.0%</u>                     | <u>79,297,555</u>    | <u>100.0%</u>                     |
| Current liabilities                                | 2,120,830            | 2.0%                              | 697,670              | 0.9%                              |
| Accrued liabilities                                | 110,590              | 0.1%                              | 108,882              | 0.1%                              |
| Noncurrent liabilities:                            |                      |                                   |                      |                                   |
| Due to other governments                           | 350,866              | 0.3%                              | -                    | 0.0%                              |
| Due within one year                                | 2,006,502            | 1.9%                              | 705,207              | 0.9%                              |
| Due in more than one year                          | 31,684,032           | 29.5%                             | 10,301,357           | 13.0%                             |
| Total liabilities                                  | <u>36,272,820</u>    | <u>33.7%</u>                      | <u>11,813,116</u>    | <u>14.9%</u>                      |
| Net assets:  |                      |                                   |                      |                                   |
| Invested in capital assets, net of<br>related debt | 48,694,136           | 45.3%                             | 48,778,941           | 61.5%                             |
| Restricted   | 17,786,392           | 16.5%                             | 12,960,710           | 16.3%                             |
| Unrestricted                                       | 4,794,169            | 4.5%                              | 5,744,788            | 7.2%                              |
| Total net assets                                   | <u>\$ 71,274,697</u> | <u>66.3%</u>                      | <u>\$ 67,484,439</u> | <u>85.1%</u>                      |

The Statement of Net Assets indicates the financing position of the County changed substantially between 2008 and 2009. Between 2008 and 2009 total assets increased about \$28.3 million. The increase is mostly due to construction of a new jail facility. The trustee issued an additional \$25 million in COPs in 2009 for the financing of the new jail approved by the County. Liabilities at the end of 2008 as a percentage of assets were less than in 2009, reflecting mostly the debt service payments on the lease obligation signed in 2009. The increase in liabilities from 2008 to 2009 is due to the additional COPs issuance and various contractor payables related to the on-going jail construction. The relationship between revenue and expenditures is shown more clearly in Table 2 (Statement of Change in Net Assets) and discussed in more detail in following sections.

### Statement of Changes in Net Assets

Activities of the County that incur expenses are classified (by law) and accounted for under different “programs” such as public safety, health, etc. The costs of these programs are financed both with fees and with tax revenue. Fees directly allocated to the program are called “program revenue.” However, in most cases, program revenue (fees) is not sufficient to cover the cost of the program. The remainder cost is covered by tax revenue called “non-program revenue.” The Statement of Change in Net Assets shows program and non-program revenue and the costs of the various programs. It also shows what caused the \$3.9 million increase in Net Assets. Between 2008 and 2009, total assets increased about \$28.3 million while total liabilities increased about \$24.5 million. Normally, the County’s net asset position increases as assets usually grow faster than liabilities.

### Changes in Revenues

Total revenue collected by the County (\$33.5 million) increased by over \$4.3 million in 2009. Over \$3.6 million of this increase was increase in sales tax collections caused by the addition of the emergency services sales tax the County began collecting in 2009. Program revenue increase about \$2.3 million and non-program revenue (other than sales taxes) decreased about \$1.5 million due to a rollback of the general fund property tax levy that

was promised when the emergency services sales tax passed. The change in nets assets of about \$3.9 million in 2009 is substantially larger than the increase in 2008 of about \$2.5 million (see Table 2).

### Changes in Expenses

On an accrual basis, the County spent or incurred obligations to spend a little over \$29.6 million in 2009 compared to \$26.6 million in 2008 to provide the activities it is required by law to provide. Depreciation is included in the expenses of the various programs. For the County as a whole, expenses average about \$2.5 million per month.

**Table 2**  
**County of Cole, Missouri**  
**Statement of Changes in Net Assets**  
**For the Years Ended December 31, 2009 and 2008**

|                                    | 2009                    |                          |                      |                          | 2008                    |                          |
|------------------------------------|-------------------------|--------------------------|----------------------|--------------------------|-------------------------|--------------------------|
|                                    | Governmental Activities | Business-type Activities | Total                | Percent of Total Revenue | Governmental Activities | Percent of Total Revenue |
| Revenues:                          |                         |                          |                      |                          |                         |                          |
| Program Revenues:                  |                         |                          |                      |                          |                         |                          |
| Charges for services               | \$ 5,371,232            | \$ 1,545,688             | \$ 6,916,920         | 20.6%                    | \$ 4,653,986            | 16.0%                    |
| Operating grants and contributions | 1,967,698               | -                        | 1,967,698            | 5.9%                     | 1,890,181               | 6.5%                     |
| Capital grants and contributions   | 5,243                   | -                        | 5,243                | 0.0%                     | 28,088                  | 0.1%                     |
| Non Program Revenues:              |                         |                          |                      |                          |                         |                          |
| Property taxes                     | 7,121,570               | -                        | 7,121,570            | 21.2%                    | 8,870,255               | 30.4%                    |
| Sales tax                          | 13,720,164              | -                        | 13,720,164           | 40.9%                    | 10,103,217              | 34.6%                    |
| Local use tax                      | 985,600                 | -                        | 985,600              | 2.9%                     | 756,827                 | 2.6%                     |
| Motor vehicle sales tax            | 239,980                 | -                        | 239,980              | 0.7%                     | 241,036                 | 0.8%                     |
| Stock insurance                    | 978,150                 | -                        | 978,150              | 2.9%                     | 813,279                 | 2.8%                     |
| County aid road trust              | 787,468                 | -                        | 787,468              | 2.3%                     | 806,626                 | 2.8%                     |
| Financial institution tax          | 24,395                  | -                        | 24,395               | 0.1%                     | 25,625                  | 0.1%                     |
| Transfers                          | (1,014,497)             | 1,014,497                | -                    | 0.0%                     |                         |                          |
| Other                              | 793,441                 | 2,055                    | 795,496              | 2.4%                     | 977,057                 | 3.3%                     |
| Total revenues                     | <u>30,980,444</u>       | <u>2,562,240</u>         | <u>33,542,684</u>    | <u>100.0%</u>            | <u>29,166,177</u>       | <u>100.0%</u>            |
| Expenses:                          |                         |                          |                      |                          |                         |                          |
| General government                 | 4,519,053               | -                        | 4,519,053            | 13.5%                    | 4,397,489               | 15.1%                    |
| Public safety                      | 8,964,258               | -                        | 8,964,258            | 26.7%                    | 7,540,692               | 25.9%                    |
| Highways, streets & bridges        | 9,462,367               | -                        | 9,462,367            | 28.2%                    | 10,934,724              | 37.5%                    |
| Assessment costs                   | 817,567                 | -                        | 817,567              | 2.4%                     | 537,689                 | 1.8%                     |
| Judicial                           | 753,715                 | -                        | 753,715              | 2.2%                     | 743,324                 | 2.5%                     |
| Health & welfare                   | 2,196,749               | -                        | 2,196,749            | 6.5%                     | 1,690,600               | 5.8%                     |
| Parks & recreation                 | 10,677                  | -                        | 10,677               | 0.0%                     | 10,695                  | 0.0%                     |
| Emergency management               | 329,185                 | -                        | 329,185              | 1.0%                     | 354,989                 | 1.2%                     |
| Interest and fiscal fees           | 1,176,414               | -                        | 1,176,414            | 3.5%                     | 458,092                 | 1.6%                     |
| Emergency medical services         | -                       | 1,522,441                | 1,522,441            | 4.3%                     | -                       | 0.0%                     |
| Total expenses                     | <u>28,229,985</u>       | <u>1,522,441</u>         | <u>29,752,426</u>    | <u>88.4%</u>             | <u>26,668,294</u>       | <u>91.4%</u>             |
| Increase in net assets             | 2,750,459               | 1,039,799                | 3,790,258            |                          | 2,497,883               |                          |
| Net assets - beginning             | 67,484,439              | -                        | 67,484,439           |                          | 64,986,556              |                          |
| Net assets - ending                | <u>\$ 70,234,898</u>    | <u>\$ 1,039,799</u>      | <u>\$ 71,274,697</u> |                          | <u>\$ 67,484,439</u>    |                          |

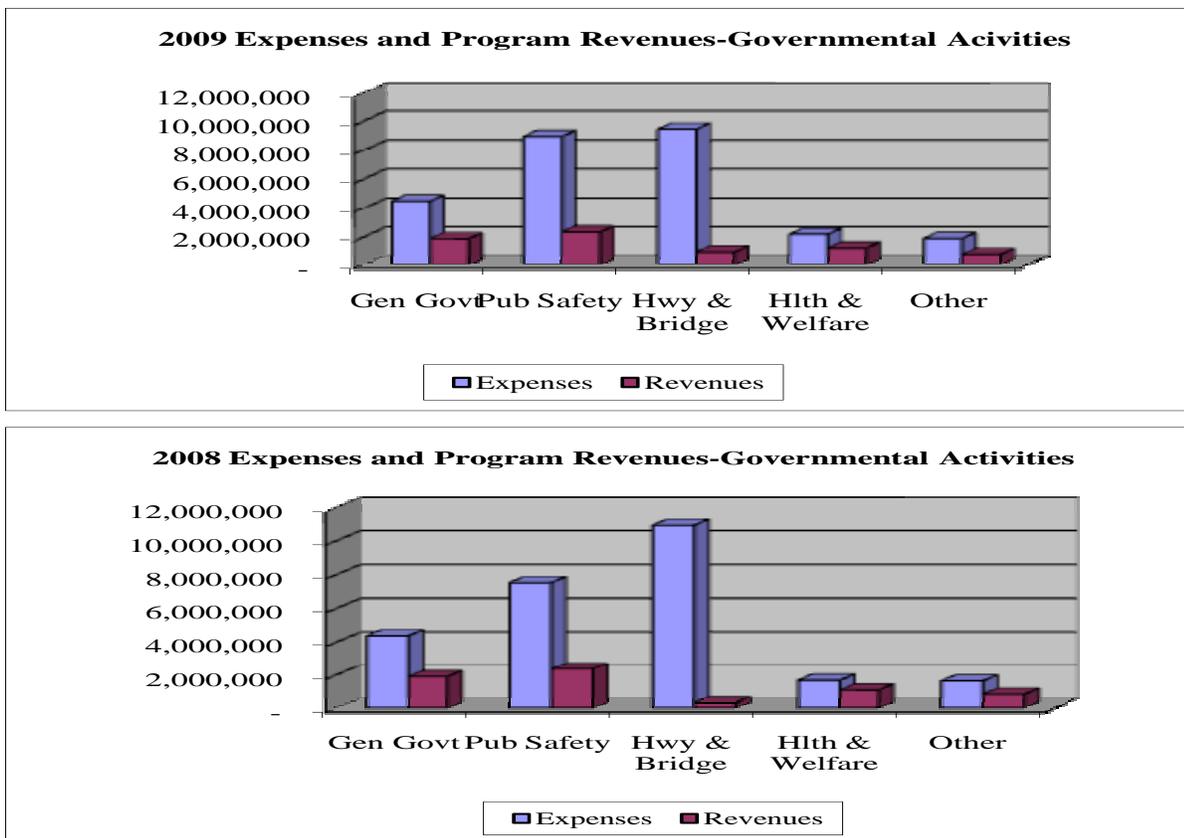
General government expenses increased about \$122,000 due to the addition of a leased building and new personnel. Public safety expenses increased in the current year by approximately \$1.4 million due to the addition of new employees in the sheriff's department, non-capitalized costs related to the construction of the new law enforcement facility, and increase in certain operating expenses. Highways, streets and bridges expenses decreased by \$1.5 million due to a variety of factors, including anticipated decreases in the motor vehicle sales tax and the county aid road trust. During the budgeting process, the County predicted a decline in sales tax revenue for FY09; as a result, less expenditures were budgeted. Health and welfare expenses increased by about \$479,000 in 2009, mostly due to the H1N1 outbreak and the additional time and personnel needed to run the vaccine clinics. Interest expense increased approximately \$718,000 due to payments in connection with the COPs issued to finance the new jail facility.

In 2009 the County added the Emergency Medical Services Fund, which is a proprietary fund and accounts for the activity of the ambulance service. The County took over the ambulance service from Capitol Region Medical Center in July 2009. In the period from July to December the County collected over \$1.5 million in charges for services and incurred over \$1.5 million in expenditures. The Emergency Medical Services Fund is supplemented with the half cent Emergency Services Sales tax.

### Program Revenue and Expenses

The County has eight different program categories. Program revenue is revenue received when there is basically an exchange transaction – payment (fee) is charged for a service (program) rendered. The beneficiary pays for some or all of the cost of the service (program) that he/she receives. Typically fees and grant revenue generated by these programs cover only a small part of the total cost of providing the service. In almost all cases, the fees that the County is required to charge and the program revenue available for programs is not sufficient to cover the full cost. The remainder is financed with tax revenue. Chart I shows this pattern for the major program activities.

Chart I



In the two major program areas – public safety and highways and bridges – program revenue is substantially less than program expenses (see Chart I). The difference is nearly \$8.4 million in the case of highways and bridges. Revenue from property tax and sales tax make up the difference. The excess of program costs over program revenue is highest in the Road & Bridge category and relatively low in some other categories. For example, expenses for Highways and Bridges were over \$9.4 million in 2009 while program revenue was less than \$1.0 million.

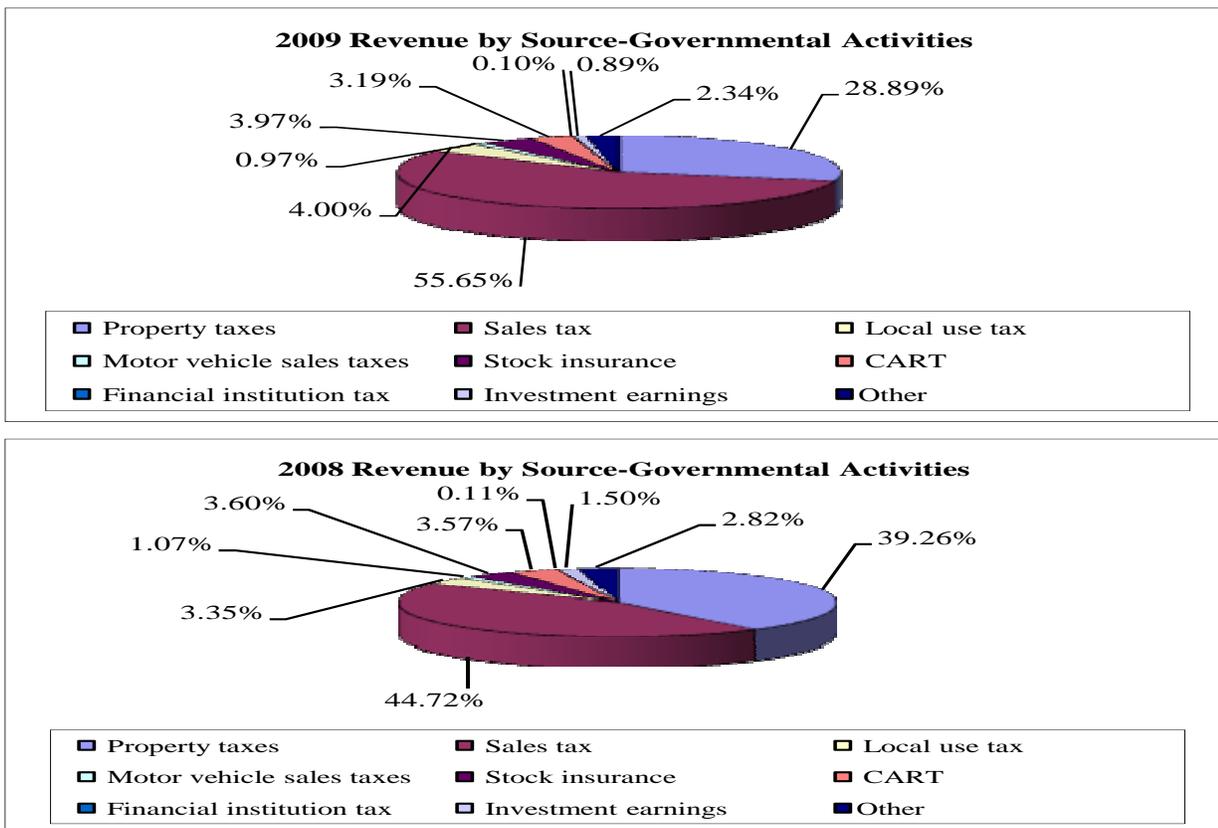
General government expenses include activities directly affecting citizens, including collecting taxes, holding elections, recording documents, and other basic governmental activities including accounting. Expenditures for these activities totaled almost \$4.5 million in 2009 – slightly more than 13 percent of the total expenses for all activities. In 2008, these expenses were about \$4.4 million and almost 15 percent of total expenses.

In most cases the deficiency of program revenue for program expenses was larger in 2009 than in 2008. This has been a trend and most likely will continue, making revenue management critically important because in County government expenses generally are growing at a faster rate than revenues.

**Sources of Revenue - Tax Revenue**

As indicated above, program revenues in total make up about one-fourth the cost of program activities. The remainder comes from tax revenue. In 2009, over 70 percent of the County’s revenue came from some type of tax. Sales tax revenue in 2008 became the largest source of non program revenue for the County accounting for almost 56 percent of total revenue compared to 29 percent from property tax revenue. Sales tax continued to grow with addition of the emergency services sales tax in 2009; however, property taxes in the general fund dropped due to a roll back of the property tax levy. The County collects seven different taxes. Chart II shows the revenue the County collects from the different taxes. In total, about 30% of the tax revenue is property tax and the remainder some type of tax related to sales of commodities. The County also gets revenue from financial institutions in lieu of property taxes including a stock insurance tax on the assets of banks that totaled slightly over \$978,000 in 2009 compared to about \$800,000 in 2008.

Chart II



**ANALYSIS OF THE COUNTY’S INDIVIDUAL FUNDS STATEMENTS**

In the short term (within one year), the County must manage its financial resources to meet the public’s need for its services in an effective and efficient manner. Short term activities of the County are accounted for in individual funds. Six of the County’s governmental funds are considered major funds because their individual assets and/or liabilities are equal to or greater than 10 percent of the County’s total assets or liabilities. The focus of the financial statements for the individual governmental funds, including the General Fund, is on short-term financial accountability as reflected primarily by revenue compared to expenses and reserves. The focus is to provide information that reflects the County’s financing requirements. The unreserved fund balance at the end of

the year measures in part the government's net resources available for spending beyond the end of the fiscal year and funds available for emergency and/or unusual or unexpected events.

**THE GENERAL FUND**

About 17% of the County's activities are accounted for in the General Fund. At the end of fiscal 2009, the General Fund had a reserve (fund balance) of \$7.3 million (Table 3) – about 17 percent of the County's total fund balance of \$43.3 million.

**Table 3**  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- General Fund**  
**For the Years Ended December 31, 2009 and 2008**

|   | 2009                |                                 | 2008                |                                 |
|---|---------------------|---------------------------------|---------------------|---------------------------------|
|   | <u>Amount</u>       | <u>Percent of Total Revenue</u> | <u>Amount</u>       | <u>Percent of Total Revenue</u> |
| <b>REVENUES</b>   |                     |                                 |                     |                                 |
| Taxes   | \$ 4,889,872        | 51.0%                           | \$ 6,042,954        | 56.3%                           |
| Licenses, fees and permits                                | 2,639,837           | 27.5%                           | 2,611,368           | 24.3%                           |
| Intergovernmental   | 1,675,563           | 17.5%                           | 1,643,699           | 15.3%                           |
| Interest  | 32,190              | 0.3%                            | 45,859              | 0.4%                            |
| Other   | 352,440             | 3.7%                            | 398,070             | 3.7%                            |
| Total revenues  | <u>9,589,902</u>    | <u>100.0%</u>                   | <u>10,741,950</u>   | <u>100.0%</u>                   |
| <b>EXPENDITURES</b>                                       |                     |                                 |                     |                                 |
| Current:  |                     |                                 |                     |                                 |
| General government  | 3,751,809           | 39.1%                           | 3,504,659           | 32.6%                           |
| Public safety   | 2,648,228           | 27.6%                           | 2,567,070           | 23.9%                           |
| Judicial  | 674,762             | 7.0%                            | 644,145             | 6.0%                            |
| Health & welfare  | 1,695,883           | 17.7%                           | 1,651,018           | 15.4%                           |
| Parks & recreation  | 1,566               | 0.0%                            | 1,584               | 0.0%                            |
| Emergency management                                      | 145,495             | 1.5%                            | 151,178             | 1.4%                            |
| Capital outlay:   |                     |                                 |                     |                                 |
| General government  | 22,392              | 0.2%                            | 326,977             | 3.0%                            |
| Public safety   | -                   | 0.0%                            | -                   | 0.0%                            |
| Judicial  | 14,167              | 0.1%                            | 10,464              | 0.1%                            |
| Health & welfare  | 19,726              | 0.2%                            | -                   | 0.0%                            |
| Emergency management                                      | -                   | 0.0%                            | 11,570              | 0.1%                            |
| Total expenditures  | <u>8,974,028</u>    | <u>93.6%</u>                    | <u>8,868,665</u>    | <u>82.6%</u>                    |
| Excess (deficiency) of revenues over (under) expenditures | <u>615,874</u>      | <u>6.4%</u>                     | <u>1,873,285</u>    | <u>17.4%</u>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                     |                                 |                     |                                 |
| Transfers in (out)  | (41,774)            | -0.4%                           | (1,325,690)         | -12.3%                          |
| Sale of capital assets                                    | 1,335               | 0.0%                            | 2,436               | 0.0%                            |
| Total other financing sources (uses)                      | <u>(40,439)</u>     | <u>-0.4%</u>                    | <u>(1,323,254)</u>  | <u>-12.3%</u>                   |
| Net changes in fund balances                              | 575,435             | 6.0%                            | 550,031             | 5.1%                            |
| Fund balances-beginning                                   | 6,740,465           | 70.3%                           | 6,190,434           | 57.6%                           |
| Fund balances - ending                                    | <u>\$ 7,315,900</u> | <u>76.3%</u>                    | <u>\$ 6,740,465</u> | <u>62.7%</u>                    |

None of the General Fund's fund balance has any legal restrictions. Accordingly, as a measure of the General Fund's liquidity, it represents over three-fourths of the General Fund total expenditures of about \$9 million. However, on the modified accrual basis, revenue at year end would reflect much of the revenue collected

throughout the year. The General Fund balance increased during the year by about \$575,000 after inter-fund transfers.

Some sources of General Fund revenues increased between 2009 and 2008 while others declined. Taxes account for about half of General Fund revenue and taxes decreased by about \$1.2 million in 2009, due to a rollback of the property tax levy that was promised with passing of the emergency services sales tax. The rollback of property taxes is offset by a transfer of 60% of the emergency services sales tax as promised in the ballot language.

Some General Fund expenses were up slightly during 2009. General government expenditures that include personnel costs, insurance, supplies, and miscellaneous expenses increased about \$247,000 and as a percent of total revenue from 33 percent to about 39 percent. There was a decrease of about \$305,000 in general government capital expenditures in 2009 due to the court security renovations being completed in 2008 and no large capital expenditures being budgeted in 2009.

### **ROAD AND BRIDGE FUND**

The County's Road and Bridge Fund is a special revenue fund used to account for activity associated with constructing and maintaining the County's transportation infrastructure. The main source of revenue is a special levy property tax. It also receives revenue from two other sources – County Aid Road Trust (CART), basically a tax on motor fuel, and an automobile sales tax. The Fund received revenue of over \$4.8 million (see Table 4) in 2009, of which over 96 percent was from special taxes that can only be used for construction and maintenance of road and bridge systems.

**Table 4**  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- Road and Bridge Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | 2009          |                                     | 2008          |                                     |
|--|---------------|-------------------------------------|---------------|-------------------------------------|
|  | <u>Amount</u> | <u>Percent of<br/>Total Revenue</u> | <u>Amount</u> | <u>Percent of<br/>Total Revenue</u> |
| <b>REVENUES</b>  |               |                                     |               |                                     |
| Taxes  | \$ 4,645,960  | 96.6%                               | \$ 4,636,483  | 91.2%                               |
| Licenses, fees and permits                                   | 99,128        | 2.1%                                | 132,436       | 2.6%                                |
| Intergovernmental  | 33,461        | 0.7%                                | 250,957       | 4.9%                                |
| Interest   | 16,586        | 0.3%                                | 45,044        | 0.9%                                |
| Other  | 12,719        | 0.3%                                | 19,681        | 0.4%                                |
| Total revenues   | 4,807,854     | 100.0%                              | 5,084,601     | 100.0%                              |
| <b>EXPENDITURES</b>  |               |                                     |               |                                     |
| Current:   |               |                                     |               |                                     |
| Highways, streets & bridges                                  | 4,360,810     | 90.7%                               | 5,227,965     | 102.8%                              |
| Capital outlay:  |               |                                     |               |                                     |
| Highways, streets & bridges                                  | 112,963       | 2.3%                                | 322,898       | 6.4%                                |
| Debt service:  |               |                                     |               |                                     |
| Highways, streets & bridges                                  | 100,000       | 2.1%                                | 100,000       | 2.0%                                |
| Total expenditures   | 4,573,773     | 95.1%                               | 5,650,863     | 111.1%                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | 234,081       | 4.9%                                | (566,262)     | -11.1%                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |               |                                     |               |                                     |
| Transfers in (out)   | 46,715        | 1.0%                                | 10,456        | 0.2%                                |
| Sale of capital assets                                       | -             | 0.0%                                | (169)         | 0.0%                                |
| Total other financing sources (uses)                         | 46,715        | 1.0%                                | 10,287        | 0.2%                                |
| Net changes in fund balances                                 | 280,796       | 5.8%                                | (555,975)     | -10.9%                              |
| Fund balances-beginning                                      | 4,562,448     | 94.9%                               | 5,118,423     | 100.7%                              |
| Fund balances - ending                                       | \$ 4,843,244  | 100.7%                              | \$ 4,562,448  | 89.7%                               |

Revenue between 2008 and 2009 declined slightly (about \$277,000), due mostly to a decrease in intergovernmental revenue. Basic revenue (taxes and fees) decreased by about \$24,000, a relative decrease of only about one percent. The fund balance increased about \$281,000. The decrease in expenses of approximately \$1.1 million caused the increase in fund balance. This decrease was caused by several factors, most notably a decrease in budgeted expenditures and the fact the County did not experience any large snow or ice storms such as those occurring in 2008. Typically the fund balance is large in this fund as most of the revenue is collected near the end of the year and projects are frequently long term, multi-year projects.

#### **SALES TAX FUND (Capital Improvement Sales Tax Fund)**

The Sales Tax Fund is also a special revenue fund. The County has had a half-cent capital improvement sales tax for over 23 years. By law the revenue must be spent on capital improvements. By County policy 85 percent of the revenue is allocated to road and bridge capital improvement projects. The remaining 15 percent is allocated to capital improvements related to courthouse needs. Total revenue in this fund was slightly more than \$6 million in 2009. Revenue increased from 2008 by about \$677,000 – a relative increase of about 11 percent. Fees were up significantly due to the Bridge Replacement and Rehabilitation funds received on a bridge project. Tax revenue was down by almost three percent (about \$134,000). Expenditures were also down in 2009 by about \$714,000 compared to 2008 and accounted for about 75 percent of the total revenue. The decrease in expenditures is due to the multi-year projects that are paid for in this fund and timing of the completion of these projects.

**Table 5**  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- Sales Tax Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | <u>2009</u>         |                                     | <u>2008</u>         |                                     |
|--|---------------------|-------------------------------------|---------------------|-------------------------------------|
|  | <u>Amount</u>       | <u>Percent of<br/>Total Revenue</u> | <u>Amount</u>       | <u>Percent of<br/>Total Revenue</u> |
| <b>REVENUES</b>  |                     |                                     |                     |                                     |
| Taxes  | \$ 5,034,719        | 83.2%                               | \$ 5,168,190        | 96.1%                               |
| Licenses, fees and permits                                   | 899,077             | 14.9%                               | 72,922              | 1.4%                                |
| Intergovernmental  | 11,073              | 0.2%                                | -                   | 0.0%                                |
| Interest   | 51,447              | 0.8%                                | 71,237              | 1.3%                                |
| Other  | 57,583              | 1.0%                                | 64,706              | 1.2%                                |
| Total revenues   | <u>6,053,899</u>    | <u>100.0%</u>                       | <u>5,377,055</u>    | <u>100.0%</u>                       |
| <b>EXPENDITURES</b>  |                     |                                     |                     |                                     |
| Current:   |                     |                                     |                     |                                     |
| General government   | 331,201             | 5.5%                                | 173,630             | 3.2%                                |
| Highways, streets & bridges                                  | -                   | 0.0%                                | 1,221,282           | 22.7%                               |
| Capital outlay:  |                     |                                     |                     |                                     |
| General government   | 81,166              | 1.3%                                | 121,276             | 2.3%                                |
| Public safety  | -                   | 0.0%                                | 10,900              | 0.2%                                |
| Highways, streets & bridges                                  | 4,098,164           | 67.7%                               | 3,722,918           | 69.2%                               |
| Emergency management   | 25,808              | 0.4%                                | -                   | 0.0%                                |
| Total expenditures   | <u>4,536,339</u>    | <u>74.9%</u>                        | <u>5,250,006</u>    | <u>97.6%</u>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,517,560</u>    | <u>25.1%</u>                        | <u>127,049</u>      | <u>2.4%</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                                     |                     |                                     |
| Transfers in (out)   | 105,759             | 1.7%                                | (310,228)           | -5.8%                               |
| Sale of capital assets                                       | -                   | 0.0%                                | -                   | 0.0%                                |
| Total other financing sources (uses)                         | <u>105,759</u>      | <u>1.7%</u>                         | <u>(310,228)</u>    | <u>-5.8%</u>                        |
| Net changes in fund balances                                 | <u>1,623,319</u>    | <u>26.8%</u>                        | <u>(183,179)</u>    | <u>-3.4%</u>                        |
| Fund balances-beginning                                      | <u>3,963,190</u>    | <u>65.5%</u>                        | <u>4,146,369</u>    | <u>77.1%</u>                        |
| Fund balances - ending                                       | <u>\$ 5,586,509</u> | <u>92.3%</u>                        | <u>\$ 3,963,190</u> | <u>73.7%</u>                        |

**LAW ENFORCEMENT SALES TAX FUND**

The Law Enforcement Fund is a special revenue fund established in 2008. Revenue from the special sales tax can be used only for law enforcement purposes, including constructing a jail, other capital improvements, acquisition of vehicles and equipment, and for operating the Sheriff's Department. The tax in 2009 accounted for about four-fifths of the Fund's revenue. Most of the remainder came from fees and charges (about 17%).

Table 6  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- Law Enforcement Sales Tax Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | 2009         |                             | 2008         |                             |
|--|--------------|-----------------------------|--------------|-----------------------------|
|  | Amount       | Percent of<br>Total Revenue | Amount       | Percent of<br>Total Revenue |
| <b>REVENUES</b>  |              |                             |              |                             |
| Taxes  | \$ 5,048,783 | 80.2%                       | \$ 4,935,027 | 79.5%                       |
| Licenses, fees and permits                                   | 1,042,088    | 16.5%                       | 1,043,603    | 16.8%                       |
| Intergovernmental  | 119,500      | 1.9%                        | 137,128      | 2.2%                        |
| Interest   | 43,332       | 0.7%                        | 24,447       | 0.4%                        |
| Other  | 44,910       | 0.7%                        | 65,900       | 1.1%                        |
| Total revenues   | 6,298,613    | 100.0%                      | 6,206,105    | 100.0%                      |
| <b>EXPENDITURES</b>  |              |                             |              |                             |
| Current:   |              |                             |              |                             |
| Public safety  | 4,906,005    | 77.9%                       | 4,362,799    | 70.3%                       |
| Capital outlay:  |              |                             |              |                             |
| Public safety  | 187,627      | 3.0%                        | 204,297      | 3.3%                        |
| Total expenditures   | 5,093,632    | 80.9%                       | 4,567,096    | 73.6%                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,204,981    | 19.1%                       | 1,639,009    | 26.4%                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |              | 0.0%                        | 0.0%         |                             |
| Transfers in (out)   | (1,289,073)  | -20.5%                      | 807,645      | 13.0%                       |
| Sale of capital assets                                       | 29,600       | 0.5%                        | 3,965        | 0.1%                        |
| Total other financing sources (uses)                         | (1,259,473)  | -20.0%                      | 811,610      | 13.1%                       |
| Net changes in fund balances                                 | (54,492)     | -0.9%                       | 2,450,619    | 39.5%                       |
| Fund balances-beginning                                      | 2,450,619    | 38.9%                       | -            | 0.0%                        |
| Fund balances - ending                                       | \$ 2,396,127 | 38.0%                       | \$ 2,450,619 | 39.5%                       |

Construction on the new jail began in 2008 with site development work and continued in to 2009. The jail construction will total about \$35 million and is financed through a lease-purchase agreement with a bank as the trustee. The lease payments are recorded as transfers out in the Law Enforcement Fund and increased over 2008 due to the issuance of the second set of COPs. The expenditures in the Law Enforcement Fund increased in 2009 by about \$527,000, mostly due to the additional cost incurred for boarding prisoners in other counties until the completion of the new jail. In addition, a new employee was hired in 2009. The ending fund balance (reserves) decreased slightly by about \$54,000 in 2009.

#### **EMERGENCY SERVICES SALES TAX FUND**

The Emergency Services Sales Tax Fund is a special revenue fund established in 2009 to account for a ½ cent sales tax. Revenue from the special sales tax can be used only for emergency services and a rollback of General Fund property taxes. The County acquired the county wide ambulance services in 2009 from Capital Region Medical Center.

**Table 7**  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- Emergency Services Sales Tax Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | <u>2009</u>        |                                     | <u>2008</u>   |                                     |
|--|--------------------|-------------------------------------|---------------|-------------------------------------|
|  | <u>Amount</u>      | <u>Percent of<br/>Total Revenue</u> | <u>Amount</u> | <u>Percent of<br/>Total Revenue</u> |
| <b>REVENUES</b>  |                    |                                     |               |                                     |
| Taxes  | \$ 3,636,662       | 99.9%                               | \$ -          | 0.0%                                |
| Interest   | 4,575              | 0.1%                                | -             | 0.0%                                |
| Total revenues   | <u>3,641,237</u>   | <u>100.0%</u>                       | <u>-</u>      | <u>0.0%</u>                         |
| <b>EXPENDITURES</b>  |                    |                                     |               |                                     |
| Current:   |                    |                                     |               |                                     |
| Health & welfare   | 490,863            | 13.5%                               | -             | 0.0%                                |
| Capital outlay:  |                    |                                     |               |                                     |
| Health & welfare   | 429,825            | 11.8%                               | -             | 0.0%                                |
| Total expenditures   | <u>920,688</u>     | <u>25.3%</u>                        | <u>-</u>      | <u>0.0%</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>2,720,549</u>   | <u>74.7%</u>                        | <u>-</u>      | <u>0.0%</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                                     |               |                                     |
| Transfers in (out)   | <u>(1,972,496)</u> | <u>-54.2%</u>                       | <u>-</u>      | <u>0.0%</u>                         |
| Total other financing sources (uses)                         | <u>(1,972,496)</u> | <u>-54.2%</u>                       | <u>-</u>      | <u>0.0%</u>                         |
| Net changes in fund balances                                 | 748,053            | 20.5%                               | -             | 0.0%                                |
| Fund balances-beginning                                      | -                  | 0.0%                                | -             | 0.0%                                |
| Fund balances - ending                                       | <u>\$ 748,053</u>  | <u>20.5%</u>                        | <u>\$ -</u>   | <u>0.0%</u>                         |

The ballot language authorizing the sales tax requires that sixty percent of the tax collected by the emergency services sales tax is transferred to the General Fund to offset a property tax rollback. The rest of the tax collected in this fund is used to finance ambulance and emergency medical services. The balance of the tax after the rollback portion is required to supplement the ambulance service accounted for in the emergency medical services enterprise fund.

**CAPITAL IMPROVEMENT FUND**

The County created a capital improvement fund in 2007 to account for construction of a new jail. Proceeds from COPs issued by the trustee and subsequent disbursements are included in this fund. The fund balance in the Capital Improvement Fund increased in 2009 to \$20.5 million due to a second issuance of COPs for \$25 million.

During 2009, Cole County continued construction of the new jail. The County spent almost \$2 million for the initial site work and preparation for the construction of the new facility in 2008. Over \$14 million was expended in 2009. The County will continue work towards the completion of the new jail facility in 2010.

**Table 8**  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds- Capital Improvement Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | 2009                |                             | 2008                |                             |
|--|---------------------|-----------------------------|---------------------|-----------------------------|
|  | Amount              | Percent of<br>Total Revenue | Amount              | Percent of<br>Total Revenue |
| <b>REVENUES</b>  |                     |                             |                     |                             |
| Taxes  | \$ -                | 0.0%                        | \$ -                | 0.0%                        |
| Interest   | 31,629              | 100.0%                      | 114,672             | 100.0%                      |
| Total revenues   | <u>31,629</u>       | <u>100.0%</u>               | <u>114,672</u>      | <u>100.0%</u>               |
| <b>EXPENDITURES</b>  |                     |                             |                     |                             |
| Current:   |                     |                             |                     |                             |
| General government   | 84,699              | 267.8%                      | 479,850             | 418.5%                      |
| Public safety  | 16,255              | 51.4%                       | -                   | 0.0%                        |
| Capital outlay:  |                     |                             |                     |                             |
| Public safety  | 11,118,398          | 35152.5%                    | 1,950,588           | 1701.0%                     |
| Debt service:  |                     |                             |                     |                             |
| Public safety  | 3,070,265           | 9707.1%                     | 902,203             | 786.8%                      |
| Total expenditures   | <u>14,289,617</u>   | <u>45178.8%</u>             | <u>3,332,641</u>    | <u>2906.2%</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(14,257,988)</u> | <u>-45078.8%</u>            | <u>(3,217,969)</u>  | <u>-2806.2%</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                             |                     |                             |
| Issuance of certificates of participation:                   |                     |                             |                     |                             |
| Proceeds   | 25,000,000          | 79041.4%                    | -                   | 0.0%                        |
| Discount   | (382,417)           | -1209.1%                    | -                   | 0.0%                        |
| Transfers in (out)   | 2,649,197           | 8375.8%                     | 872,817             | 761.1%                      |
| Total other financing sources (uses)                         | <u>27,266,780</u>   | <u>86208.2%</u>             | <u>872,817</u>      | <u>761.1%</u>               |
| Net changes in fund balances                                 | 13,008,792          | 41129.3%                    | (2,345,152)         | -2045.1%                    |
| Fund balances-beginning                                      | 7,480,749           | 23651.6%                    | 9,825,901           | 8568.7%                     |
| Fund balances - ending                                       | <u>\$20,489,541</u> | <u>64780.9%</u>             | <u>\$ 7,480,749</u> | <u>6523.6%</u>              |

Construction costs of the new jail itself is projected to total about \$28 million, including site preparation costs, parking and furniture and equipment. With financing costs the new jail will cost about \$46 million. The law enforcement sales tax approved by the voters in August of 2007 to finance the construction and operation of the jail will be reduced by 1/8<sup>th</sup> after the COPs are retired in 2022.

**EMERGENCY MEDICAL SERVICES –ENTERPRISE FUND**

The Emergency Medical Services Fund was created in 2009 and is considered a business-type activity. Business-type activities include services funded primarily through user charges. The activity for this fund is reflected both on the entity-wide statements as a business-type activity, and on individual fund statements which include a statement of net assets, a statement of revenues, expenses and changes in fund net assets, and a statement of cash flows.

Table 9  
**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund- Emergency Medical Services Fund**  
**For the Years Ended December 31, 2009 and 2008**

|  | 2009                |                             | 2008        |                             |
|--|---------------------|-----------------------------|-------------|-----------------------------|
|  | Amount              | Percent of<br>Total Revenue | Amount      | Percent of<br>Total Revenue |
| <b>OPERATING REVENUES</b>              |                     |                             |             |                             |
| Charges for services                   | \$ 1,545,688        | 100.0%                      | \$ -        | 0.0%                        |
| Total operating revenues               | <u>1,545,688</u>    | <u>100.0%</u>               | <u>-</u>    | <u>0.0%</u>                 |
| <b>OPERATING EXPENSES</b>              |                     |                             |             |                             |
| Personnel services                     | 1,050,066           | 67.9%                       | -           | 0.0%                        |
| Administrative                         | 293,487             | 19.0%                       | -           | 0.0%                        |
| Other supplies and expenses            | 52,712              | 3.4%                        | -           | 0.0%                        |
| Repairs and maintenance                | 67,543              | 4.4%                        | -           | 0.0%                        |
| Insurance                              | 11,487              | 0.7%                        | -           | 0.0%                        |
| Depreciation                           | 42,813              | 2.8%                        | -           | 0.0%                        |
| Miscellaneous                          | 4,333               | 0.3%                        | -           | 0.0%                        |
| Total operating expenses               | <u>1,522,441</u>    | <u>98.5%</u>                | <u>-</u>    | <u>0.0%</u>                 |
| Operating income                       | <u>23,247</u>       | <u>1.5%</u>                 | <u>-</u>    | <u>0.0%</u>                 |
| <b>NONOPERATING REVENUE (EXPENSES)</b> |                     |                             |             |                             |
| Miscellaneous                          | 1,283               | 0.1%                        | -           | 0.0%                        |
| Interest and investment revenue        | 772                 | 0.0%                        | -           | 0.0%                        |
| Interest expense and fees              | -                   | 0.0%                        | -           | 0.0%                        |
| Total nonoperating revenue             | <u>2,055</u>        | <u>0.1%</u>                 | <u>-</u>    | <u>0.0%</u>                 |
| Income before contributions            | <u>118,516</u>      | <u>7.7%</u>                 | <u>-</u>    | <u>0.0%</u>                 |
| Transfers in                           | 584,672             | 37.8%                       | -           | 0.0%                        |
| Capital contributions                  | 429,825             | 27.8%                       | -           | 0.0%                        |
| Change in net assets                   | 1,039,799           | 67.3%                       | -           | 0.0%                        |
| Total net assets-beginning             | -                   | 0.0%                        | -           | 0.0%                        |
| Total net assets - ending              | <u>\$ 1,039,799</u> | <u>67.3%</u>                | <u>\$ -</u> | <u>0.0%</u>                 |

In 2009, the County acquired the ambulance service previously operated by Capital Region Medical Center (CRMC). On July 18, 2009 the County hired staff and acquired assets, including eight ambulances and other special equipment, from CRMC. The County operated the service for about five and one-half months in 2009. The service is financed partly through a charge for services, which totaled \$1.5 million, and partly through a special revenue sales tax discussed previously. Net assets of the Emergency Medical Services Fund at the end of 2009 totaled over \$1 million.

**INDIVIDUAL FUND BUDGET-TO-ACTUAL COMPARISON HIGHLIGHTS**

The scope of the budget-to-actual analysis covers four of the six major funds and is part of the Required Supplemental Information (RSI) section included in the statements as required by GAAP and GFOA. The other two major funds are debt service and capital projects fund types, which are excluded from the RSI. The purpose of the budget-to-actual analysis is to provide a measure of the efficiency of the County's budgeting system. When budget revisions are small and infrequent, the budgeting system is considered efficient and management's ability to plan for the future effective. Also, when actual revenues and expenses are very close to budgeted revenues and expenses, planning and control are considered effective. The County prepares its budgets on the cash basis of accounting so that revenue is recorded when received rather than when earned and expenditures are

recorded when paid rather than when incurred. The funds' modified accrual basis statements are converted to cash basis for the budget comparisons. The cash basis of accounting can cause variances if revenues are not received when anticipated and expenditures are incurred but not paid during the budget year.

The analysis shows that actual plans conformed substantially to budget and reserves were maintained at prudent levels. In 2009, with the down turn in the economy as a whole, the County took a more conservative approach to budgeting and spending. As such, both revenues and expenditures were under budget in the General Fund. In the Road and Bridge Fund and Capital Improvement Fund (Sales Tax Fund), projects are large and frequently multi-year. Generally, budgeting in these two funds must be done from a three to five year perspective rather than the next year. These two funds cause most of the difference in budget to actual numbers. A more detailed analysis of budget-to-actual amounts is shown in the Required Supplemental Information section.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The County has capital assets of over \$60 million at the end of 2009. Most of this (almost \$33 million) consists of infrastructure. The County has about \$5.9 million in buildings and about \$3.5 million in machinery and equipment. Additional information regarding Cole County's capital assets can be found in note 11 on page 34 and in note 6 on page 39 of this report.

**CAPITAL ASSETS**

**Table 10**  
**County of Cole, Missouri**  
**Schedule of Capital Assets**  
**For the Years Ended December 31, 2009 and 2008**  
 (net of depreciation)

|                          | <u>2009</u>                 |                      | <u>2008</u>                 |                      |
|--------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|                          | Total                       | Percent<br>of Total  | Total                       | Percent<br>of Total  |
| Land                     | \$ 4,335,563                | 7.2%                 | \$ 4,270,959                | 8.4%                 |
| Buildings                | 5,887,001                   | 9.8%                 | 6,018,284                   | 11.9%                |
| Machinery and equipment  | 3,520,845                   | 5.9%                 | 3,771,952                   | 7.4%                 |
| Infrastructure           | 32,857,576                  | 54.6%                | 32,617,116                  | 64.4%                |
| Construction in progress | 13,580,919                  | 22.6%                | 3,973,757                   | 7.8%                 |
| <b>Total</b>             | <u><u>\$ 60,181,904</u></u> | <u><u>100.0%</u></u> | <u><u>\$ 50,652,068</u></u> | <u><u>100.0%</u></u> |

The largest increase in 2009 is in construction in progress due to the law enforcement facility construction that began in 2008. In addition, various pieces of equipment were acquired through the purchase of the ambulance services from CRMC. The County capitalizes only those assets in excess of \$5,000.

**DEBT**

**Table 11**  
**County of Cole, Missouri**  
**Schedule of Outstanding Debt**  
**Year Ended December 31, 2009 and 2008**

|   | <u>2009</u>                 | <u>2008</u>                |
|---|-----------------------------|----------------------------|
| Outstanding Debt:                             |                             |                            |
| Special Assessment Bonds                      | \$ 411,000                  | \$ 442,000                 |
| Certificates of Participation (Capital Lease) | 32,460,000                  | 9,485,000                  |
| <b>Total</b>                                  | <u><u>\$ 32,871,000</u></u> | <u><u>\$ 9,927,000</u></u> |

## **Special Assessment Bonds - Neighborhood Improvement District Projects**

The County has a contingent liability for outstanding debt of \$411,000 in 2009 associated with neighborhood improvement district projects. The County is required by law to give its backing to these obligations although they are retired by a special assessment on property owners. The amount due from property owners has been recorded as a receivable while the amount owed on the bonds is recorded as debt in the County's financial statements. The total is \$31,000 less in 2009 due to retirement of bond principal, which was reimbursed by property owner assessment payments.

## **Capital Leases**

In 2007, the County completed all necessary steps to enter into and finalize a capital lease arrangement to finance the construction of a new jail, and \$10 million of COPs were issued by the trustee in December 2007. An additional \$25 million of COPs were issued in March 2009. These agreements meet the definition of a capital lease and are recorded in the County's financial statements as debt. The County will retire the COPs through lease payments from the proceeds of a law enforcement sales tax approved by voters in 2007. A principal payment of \$2,025,000 was made in 2009. Additional information regarding Cole County's long term debt can be found in note 7 on page 40 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

County officials consider and study the economic environment of the County in preparing budgets and administering financial activities. Population and income growth are key determinants of the demand for county services and its revenue. The County's population is estimated to be about 75,018 in 2009 and grew slightly from 2008. Prior to 2009, both personal income and commercial activity have grown at healthy rates over the past several years. However, both are expected to grow at much slower rates or decline somewhat as the economy experiences the contracting effects of the recession that began in December 2007. As such, County officials plan activities on the assumption that key economic events that drive revenue and expenses will grow at somewhat less than historical trend rates after adjustment for known or expected current conditions.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

The County's budget officer is the County Auditor. The County Auditor also is the accounting officer of the county and is responsible for preparing financial statements. The Auditor can be contacted by phone at (573) 634-9122. The County Auditor's office is located at 311 East High Street, Jefferson City, Missouri.

**COUNTY OF COLE, MISSOURI**  
**Statement of Net Assets**  
**December 31, 2009**

|   | <b>Primary Government</b>  |                             |                      |
|---|----------------------------|-----------------------------|----------------------|
|   | <b><u>Governmental</u></b> | <b><u>Business-Type</u></b> | <b><u>Total</u></b>  |
|   | <b><u>Activities</u></b>   | <b><u>Activities</u></b>    |                      |
| <b>ASSETS:</b>                                  |                            |                             |                      |
| Cash and cash investments                       | \$ 19,500,992              | \$ 123,985                  | \$ 19,624,977        |
| Investments                                     | 22,288,907                 | -                           | 22,288,907           |
| Receivables (net of allowance)                  | 4,053,317                  | 658,580                     | 4,711,897            |
| Due from agency fund                            | 34,800                     | -                           | 34,800               |
| Bond issuance costs, net                        | 15,946                     | -                           | 15,946               |
| Inventory                                       | 530,408                    | -                           | 530,408              |
| Prepaid insurance                               | 139,828                    | 18,850                      | 158,678              |
| Capital assets:                                 |                            |                             |                      |
| Non-depreciable                                 | 17,916,482                 | -                           | 17,916,482           |
| Depreciable, net                                | 41,878,411                 | 387,011                     | 42,265,422           |
| <b>Total assets</b>                             | <b>106,359,091</b>         | <b>1,188,426</b>            | <b>107,547,517</b>   |
| <b>LIABILITIES:</b>                             |                            |                             |                      |
| Accounts payable and other current liabilities  | 2,040,068                  | 80,762                      | 2,120,830            |
| Accrued liabilities                             | 110,590                    | -                           | 110,590              |
| Noncurrent liabilities:                         |                            |                             |                      |
| Due to other governments                        | 350,866                    | -                           | 350,866              |
| Due within one year                             | 2,004,502                  | 2,000                       | 2,006,502            |
| Due in more than one year                       | 31,618,167                 | 65,865                      | 31,684,032           |
| <b>Total liabilities</b>                        | <b>36,124,193</b>          | <b>148,627</b>              | <b>36,272,820</b>    |
| <b>NET ASSETS:</b>                              |                            |                             |                      |
| Invested in capital assets, net of related debt | 48,307,125                 | 387,011                     | 48,694,136           |
| Restricted for:                                 |                            |                             |                      |
| Capital projects                                | 12,119,777                 | -                           | 12,119,777           |
| Highways, streets, and bridges                  | 4,843,244                  | -                           | 4,843,244            |
| Emergency medical services                      | 748,053                    | -                           | 748,053              |
| Debt service                                    | 75,318                     | -                           | 75,318               |
| Unrestricted                                    | 4,141,381                  | 652,788                     | 4,794,169            |
| <b>Total net assets</b>                         | <b>\$ 70,234,898</b>       | <b>\$ 1,039,799</b>         | <b>\$ 71,274,697</b> |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

|                                      | Program Revenues     |  |                                    | Net (Expenses) Revenues and Changes in Net Assets |                         |                          |                        |
|--------------------------------------|----------------------|--|------------------------------------|---|-------------------------|--------------------------|------------------------|
|                                      | Expenses             | Charges for Services                           | Operating Grants and Contributions | Capital Grants and Contributions                  | Primary Government      |                          | Total                  |
|                                      |                      |  |                                    |   | Governmental Activities | Business-Type Activities |                        |
| <b>Primary government</b>            |                      |  |                                    |   |                         |                          |                        |
| Governmental activities              |                      |  |                                    |   |                         |                          |                        |
| General government                   | \$ 4,519,053         | \$ 1,790,513                                   | \$ 106,928                         | \$ -  | \$ (2,621,612)          | \$ -                     | \$ (2,621,612)         |
| Public safety                        | 8,964,258            | 1,860,706                                      | 490,079                            | 5,243   | (6,608,230)             | -                        | (6,608,230)            |
| Highways, streets and bridges        | 9,462,367            | 998,205  | -                                  | -   | (8,464,162)             | -                        | (8,464,162)            |
| Assessment                           | 817,567              | 223,147  | -                                  | -   | (594,420)               | -                        | (594,420)              |
| Judicial                             | 753,715              | 133,411  | 334,235                            | -   | (286,069)               | -                        | (286,069)              |
| Health and welfare                   | 2,196,749            | 365,250  | 893,455                            | -   | (938,044)               | -                        | (938,044)              |
| Parks and recreation                 | 10,677               | -  | -                                  | -   | (10,677)                | -                        | (10,677)               |
| Emergency management                 | 329,185              | -  | 143,001                            | -   | (186,184)               | -                        | (186,184)              |
| Interest and fiscal fees             | 1,176,414            | -  | -                                  | -   | (1,176,414)             | -                        | (1,176,414)            |
| <b>Total governmental activities</b> | <b>28,229,985</b>    | <b>5,371,232</b>                               | <b>1,967,698</b>                   | <b>5,243</b>                                      | <b>(20,885,812)</b>     | <b>-</b>                 | <b>(20,885,812)</b>    |
| <b>Business-type activities</b>      |                      |  |                                    |   |                         |                          |                        |
| Emergency medical services           | 1,522,441            | 1,545,688                                      | -                                  | -   | -                       | 23,247                   | 23,247                 |
| Total business-type activities       | 1,522,441            | 1,545,688                                      | -                                  | -   | -                       | 23,247                   | 23,247                 |
| <b>Total primary government</b>      | <b>\$ 29,752,426</b> | <b>\$ 6,916,920</b>                            | <b>\$ 1,967,698</b>                | <b>\$ 5,243</b>                                   | <b>(20,885,812)</b>     | <b>\$ 23,247</b>         | <b>\$ (20,862,565)</b> |
|                                      |                      | Property taxes                                 |                                    |   | \$ 7,121,570            | \$ -                     | \$ 7,121,570           |
|                                      |                      | Sales tax                                      |                                    |   | 13,720,164              | -                        | 13,720,164             |
|                                      |                      | Local use tax                                  |                                    |   | 985,600                 | -                        | 985,600                |
|                                      |                      | Motor vehicle sales taxes                      |                                    |   | 239,980                 | -                        | 239,980                |
|                                      |                      | Stock insurance                                |                                    |   | 978,150                 | -                        | 978,150                |
|                                      |                      | County Aid Road Trust                          |                                    |   | 787,468                 | -                        | 787,468                |
|                                      |                      | Financial institution tax                      |                                    |   | 24,395                  | -                        | 24,395                 |
|                                      |                      | Unrestricted investment earnings               |                                    |   | 219,056                 | 772                      | 219,828                |
|                                      |                      | Transfers                                      |                                    |   | (1,014,497)             | 1,014,497                | -                      |
|                                      |                      | Other  |                                    |   | 574,385                 | 1,283                    | 575,668                |
|                                      |                      | Total general revenues and separate line items |                                    |   | 23,636,271              | 1,016,552                | 24,652,823             |
|                                      |                      | Changes in net assets                          |                                    |   | 2,750,459               | 1,039,799                | 3,790,258              |
|                                      |                      | Net assets - beginning                         |                                    |   | 67,484,439              | -                        | 67,484,439             |
|                                      |                      | Net assets - ending                            |                                    |   | \$ 70,234,898           | \$ 1,039,799             | \$ 71,274,697          |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Balance Sheet and the Reconciliation of the Governmental**  
**Funds Balance Sheet to the Statement of Net Assets**  
**Governmental Funds**  
**December 31, 2009**

|   | Major Funds         |                     |                     |                                 |                                    |                        | Non-Major<br>Funds  | Total<br>Governmental<br>Funds |
|---|---------------------|---------------------|---------------------|---------------------------------|------------------------------------|------------------------|---------------------|--------------------------------|
|   | Special Revenue     |                     |                     |                                 | Capital Project                    |                        |                     |                                |
|   | General             | Road & Bridge       | Sales Tax           | Law<br>Enforcement<br>Sales Tax | Emergency<br>Services Sales<br>Tax | Capital<br>Improvement |                     |                                |
| <b>ASSETS</b>   |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Cash and cash investments   | \$ 6,383,891        | \$ 4,154,721        | \$ 4,768,367        | \$ 1,858,814                    | \$ 407,823                         | \$ -                   | \$ 1,927,376        | \$ 19,500,992                  |
| Restricted investments  | -                   | -                   | -                   | -                               | -                                  | 22,288,907             | -                   | 22,288,907                     |
| Receivables (net of allowance)  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Intergovernmental   | 518,753             | 167,226             | 852,033             | 868,008                         | 850,575                            | -                      | -                   | 3,256,595                      |
| Special assessments   | -                   | -                   | -                   | -                               | -                                  | -                      | 373,275             | 373,275                        |
| Property taxes  | 202,248             | 221,199             | -                   | -                               | -                                  | -                      | -                   | 423,447                        |
| Due from other funds  | 510,345             | -                   | -                   | 34,800                          | -                                  | -                      | -                   | 545,145                        |
| Inventory   | -                   | 530,408             | -                   | -                               | -                                  | -                      | -                   | 530,408                        |
| Prepaid insurance   | 86,496              | 19,389              | -                   | 29,753                          | -                                  | -                      | 4,190               | 139,828                        |
| <b>Total assets</b>   | <b>\$ 7,701,733</b> | <b>\$ 5,092,943</b> | <b>\$ 5,620,400</b> | <b>\$ 2,791,375</b>             | <b>\$ 1,258,398</b>                | <b>\$ 22,288,907</b>   | <b>\$ 2,304,841</b> | <b>\$ 47,058,597</b>           |
| <b>LIABILITIES AND FUND BALANCES</b>  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| <b>Liabilities:</b>   |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Accounts payable and accrued liabilities  | \$ 65,240           | \$ 87,790           | \$ 33,891           | \$ 31,860                       | \$ -                               | \$ 1,799,366           | \$ 23,601           | \$ 2,041,748                   |
| Due to other funds  | -                   | -                   | -                   | -                               | 510,345                            | -                      | -                   | 510,345                        |
| Due to other governments  | -                   | -                   | -                   | 350,866                         | -                                  | -                      | -                   | 350,866                        |
| Deferred revenue  | 320,593             | 161,909             | -                   | 12,522                          | -                                  | -                      | 373,275             | 868,299                        |
| <b>Total liabilities</b>  | <b>385,833</b>      | <b>249,699</b>      | <b>33,891</b>       | <b>395,248</b>                  | <b>510,345</b>                     | <b>1,799,366</b>       | <b>396,876</b>      | <b>3,771,258</b>               |
| <b>Fund balances:</b>   |                     |                     |                     |                                 |                                    |                        |                     |                                |
| <b>Reserved for:</b>  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Encumbrances  | 27,848              | -                   | 141,461             | -                               | -                                  | 13,814,812             | -                   | 13,984,121                     |
| Prepaid items   | 86,496              | 19,389              | -                   | 29,753                          | -                                  | -                      | 4,190               | 139,828                        |
| Capital improvements  | -                   | -                   | 5,445,048           | -                               | -                                  | 6,674,729              | -                   | 12,119,777                     |
| Inventory   | -                   | 530,408             | -                   | -                               | -                                  | -                      | -                   | 530,408                        |
| Emergency medical services  | -                   | -                   | -                   | -                               | 748,053                            | -                      | -                   | 748,053                        |
| <b>Unreserved, reported in:</b>   |                     |                     |                     |                                 |                                    |                        |                     |                                |
| General Fund  | 7,201,556           | -                   | -                   | -                               | -                                  | -                      | -                   | 7,201,556                      |
| Special Revenue Funds   | -                   | 4,293,447           | -                   | 2,366,374                       | -                                  | -                      | 1,903,775           | 8,563,596                      |
| <b>Total fund balances</b>  | <b>7,315,900</b>    | <b>4,843,244</b>    | <b>5,586,509</b>    | <b>2,396,127</b>                | <b>748,053</b>                     | <b>20,489,541</b>      | <b>1,907,965</b>    | <b>43,287,339</b>              |
| <b>Total liabilities and fund balances</b>  | <b>\$ 7,701,733</b> | <b>\$ 5,092,943</b> | <b>\$ 5,620,400</b> | <b>\$ 2,791,375</b>             | <b>\$ 1,258,398</b>                | <b>\$ 22,288,907</b>   | <b>\$ 2,304,841</b> | <b>\$ 47,058,597</b>           |
| <b>Total fund balances - governmental funds</b>   |                     |                     |                     |                                 |                                    |                        |                     | <b>\$ 43,287,339</b>           |
| Amounts reported for governmental activities in the statement of net assets are different because:  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |                     |                     |                     |                                 |                                    |                        |                     | 59,794,893                     |
| Some of the County's property taxes and special assessments will be collected after the 60-day availability period and are deferred in the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.   |                     |                     |                     |                                 |                                    |                        |                     | 868,299                        |
| Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported in the fund financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported on the government-wide statement of net assets. |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Interest payable  |                     |                     |                     |                                 |                                    |                        |                     | (7,762)                        |
| Bonds payable   |                     |                     |                     |                                 |                                    |                        |                     | (411,000)                      |
| Less: Bond issue costs to be amortized as interest expense  |                     |                     |                     |                                 |                                    |                        |                     | 15,946                         |
|   |                     |                     |                     |                                 |                                    |                        |                     | <u>(395,054)</u>               |
| Interest payable  |                     |                     |                     |                                 |                                    |                        |                     | (102,827)                      |
| Certificates of Participation payable   |                     |                     |                     |                                 |                                    |                        |                     | (32,460,000)                   |
| Less: Discount on certificates of participation to be amortized   |                     |                     |                     |                                 |                                    |                        |                     | 482,691                        |
|   |                     |                     |                     |                                 |                                    |                        |                     | <u>(31,977,309)</u>            |
| Payable to City of Jefferson  |                     |                     |                     |                                 |                                    |                        |                     | (31,977,309)                   |
| Compensated absences  |                     |                     |                     |                                 |                                    |                        |                     | (298,321)                      |
|   |                     |                     |                     |                                 |                                    |                        |                     | <u>(934,360)</u>               |
| <b>Net assets of governmental activities</b>  |                     |                     |                     |                                 |                                    |                        |                     | <b>\$ 70,234,898</b>           |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

|  | Major Funds         |                     |                     |                                 |                                    |                        | Non-Major<br>Funds  | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------|---------------------|---------------------------------|------------------------------------|------------------------|---------------------|--------------------------------|
|  | Special Revenue     |                     |                     | Capital Project                 |                                    |                        |                     |                                |
|  | General             | Road & Bridge       | Sales Tax           | Law<br>Enforcement<br>Sales Tax | Emergency<br>Services Sales<br>Tax | Capital<br>Improvement |                     |                                |
| <b>REVENUES</b>  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Taxes  | \$ 4,889,872        | \$ 4,645,960        | \$ 5,034,719        | \$ 5,048,783                    | \$ 3,636,662                       | \$ -                   | \$ 643,828          | \$ 23,899,824                  |
| Licenses, fees and permits                                   | 2,639,837           | 99,128              | 899,077             | 1,042,088                       | -                                  | -                      | 723,409             | 5,403,539                      |
| Intergovernmental  | 1,675,563           | 33,461              | 11,073              | 119,500                         | -                                  | -                      | -                   | 1,839,597                      |
| Interest   | 32,190              | 16,586              | 51,447              | 43,332                          | 4,575                              | 31,629                 | 39,297              | 219,056                        |
| Other  | 352,440             | 12,719              | 57,583              | 44,910                          | -                                  | -                      | 39,700              | 507,352                        |
| <b>Total revenues</b>  | <b>9,589,902</b>    | <b>4,807,854</b>    | <b>6,053,899</b>    | <b>6,298,613</b>                | <b>3,641,237</b>                   | <b>31,629</b>          | <b>1,446,234</b>    | <b>31,869,368</b>              |
| <b>EXPENDITURES</b>  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Current:   |                     |                     |                     |                                 |                                    |                        |                     |                                |
| General government   | 3,751,809           | -                   | 331,201             | -                               | -                                  | 84,699                 | 215,226             | 4,382,935                      |
| Public safety  | 2,648,228           | -                   | -                   | 4,906,005                       | -                                  | 16,255                 | 187,440             | 7,757,928                      |
| Highways, streets & bridges                                  | -                   | 4,360,810           | -                   | -                               | -                                  | -                      | -                   | 4,360,810                      |
| Assessment costs   | -                   | -                   | -                   | -                               | -                                  | -                      | 812,986             | 812,986                        |
| Judicial   | 674,762             | -                   | -                   | -                               | -                                  | -                      | 26,522              | 701,284                        |
| Health & welfare   | 1,695,883           | -                   | -                   | -                               | 490,863                            | -                      | -                   | 2,186,746                      |
| Parks & recreation   | 1,566               | -                   | -                   | -                               | -                                  | -                      | -                   | 1,566                          |
| Emergency management   | 145,495             | -                   | -                   | -                               | -                                  | -                      | -                   | 145,495                        |
| Capital outlay:  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| General government   | 22,392              | -                   | 81,166              | -                               | -                                  | -                      | -                   | 103,558                        |
| Public safety  | -                   | -                   | -                   | 187,627                         | -                                  | 11,118,398             | -                   | 11,306,025                     |
| Judicial   | 14,167              | -                   | -                   | -                               | -                                  | -                      | -                   | 14,167                         |
| Health & welfare   | 19,726              | -                   | -                   | -                               | 429,825                            | -                      | -                   | 449,551                        |
| Highways, streets & bridges                                  | -                   | 112,963             | 4,098,164           | -                               | -                                  | -                      | -                   | 4,211,127                      |
| Emergency management   | -                   | -                   | 25,808              | -                               | -                                  | -                      | -                   | 25,808                         |
| Debt service:  |                     |                     |                     |                                 |                                    |                        |                     |                                |
| General government   | -                   | -                   | -                   | -                               | -                                  | -                      | 57,958              | 57,958                         |
| Public safety  | -                   | -                   | -                   | -                               | -                                  | 3,070,265              | -                   | 3,070,265                      |
| Highways, streets & bridges                                  | -                   | 100,000             | -                   | -                               | -                                  | -                      | -                   | 100,000                        |
| <b>Total expenditures</b>                                    | <b>8,974,028</b>    | <b>4,573,773</b>    | <b>4,536,339</b>    | <b>5,093,632</b>                | <b>920,688</b>                     | <b>14,289,617</b>      | <b>1,300,132</b>    | <b>39,688,209</b>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | 615,874             | 234,081             | 1,517,560           | 1,204,981                       | 2,720,549                          | (14,257,988)           | 146,102             | (7,818,841)                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Issuance of certificates of participation                    |                     |                     |                     |                                 |                                    |                        |                     |                                |
| Proceeds   | -                   | -                   | -                   | -                               | -                                  | 25,000,000             | -                   | 25,000,000                     |
| Discount   | -                   | -                   | -                   | -                               | -                                  | (382,417)              | -                   | (382,417)                      |
| Transfers in (out)   | (41,774)            | 46,715              | 105,759             | (1,289,073)                     | (1,972,496)                        | 2,649,197              | (83,000)            | (584,672)                      |
| Sale of capital assets                                       | 1,335               | -                   | -                   | 29,600                          | -                                  | -                      | -                   | 30,935                         |
| <b>Total other financing sources (uses)</b>                  | <b>(40,439)</b>     | <b>46,715</b>       | <b>105,759</b>      | <b>(1,259,473)</b>              | <b>(1,972,496)</b>                 | <b>27,266,780</b>      | <b>(83,000)</b>     | <b>24,063,846</b>              |
| <b>Net changes in fund balances</b>                          | <b>575,435</b>      | <b>280,796</b>      | <b>1,623,319</b>    | <b>(54,492)</b>                 | <b>748,053</b>                     | <b>13,008,792</b>      | <b>63,102</b>       | <b>16,245,005</b>              |
| Fund balances-beginning                                      | 6,740,465           | 4,562,448           | 3,963,190           | 2,450,619                       | -                                  | 7,480,749              | 1,844,863           | 27,042,334                     |
| <b>Fund balances - ending</b>                                | <b>\$ 7,315,900</b> | <b>\$ 4,843,244</b> | <b>\$ 5,586,509</b> | <b>\$ 2,396,127</b>             | <b>\$ 748,053</b>                  | <b>\$ 20,489,541</b>   | <b>\$ 1,907,965</b> | <b>\$ 43,287,339</b>           |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2009**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 16,245,005

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|   |                 |           |
|---|-----------------|-----------|
| Capital outlay  | 15,294,285      |           |
| Depreciation expense                                    | (5,761,504)     |           |
| Capital contribution to business-type activity          | (429,825)       |           |
| Loss on sale of governmental activities' capital assets | <u>(22,845)</u> | 9,080,111 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

|               |                 |         |
|---------------|-----------------|---------|
| Grants        | 133,348         |         |
| Taxes         | (42,496)        |         |
| Contributions | 62,714          |         |
| Fees          | <u>(32,308)</u> | 121,258 |

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|   |                |              |
|---|----------------|--------------|
| Issuance of certificates of participation               | (25,000,000)   |              |
| Discount on issuance of certificates of participation   | 382,417        |              |
| Principal payments on certificates of participation     | 2,025,000      |              |
| Amortization expense on certificates of participation   | (30,850)       |              |
| Change in interest payable                              | (71,934)       |              |
| Principal payments                                      | 131,000        |              |
| Amortization expense for Neighborhood Improvement bonds | <u>(1,407)</u> | (22,565,774) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                              |                |                  |
|------------------------------|----------------|------------------|
| Compensated absences expense | (123,672)      |                  |
| City of Jefferson expense    | <u>(6,469)</u> | <u>(130,141)</u> |

Change in net assets of governmental activities \$ 2,750,459

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Net Assets**  
**Proprietary Fund**  
**December 31, 2009**

|   | <b>Emergency<br/>Medical Services</b> |
|---|---------------------------------------|
| <b>ASSETS:</b>                                    |                                       |
| Cash and cash investments                         | \$ 123,985                            |
| Receivables (net of allowance)                    | 658,580                               |
| Prepaid insurance                                 | 18,850                                |
| Capital assets (net of accumulated depreciation): |                                       |
| Buildings   | 49,546                                |
| Equipment   | 337,465                               |
|   | 1,188,426                             |
| Total assets                                      | 1,188,426                             |
| <b>LIABILITIES:</b>                               |                                       |
| Accounts payable and other current liabilities    | 80,762                                |
| Noncurrent liabilities:                           |                                       |
| Due within one year                               | 2,000                                 |
| Due in more than one year                         | 65,865                                |
|   | 148,627                               |
| Total liabilities                                 | 148,627                               |
| <b>NET ASSETS:</b>                                |                                       |
| Invested in capital assets, net of related debt   | 387,011                               |
| Unrestricted                                      | 652,788                               |
|   | 1,039,799                             |
| Total net assets                                  | \$ 1,039,799                          |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended December 31, 2009**

|   | <b>Emergency<br/>Medical Services</b> |
|---|---------------------------------------|
| <b>OPERATING REVENUES</b>                 |                                       |
| Charges for services                      | \$ 1,545,688                          |
| <b>OPERATING EXPENSES</b>                 |                                       |
| Personnel services                        | 1,050,066                             |
| Administrative                            | 293,487                               |
| Other supplies and expenses               | 52,712                                |
| Repairs and maintenance                   | 67,543                                |
| Insurance                                 | 11,487                                |
| Depreciation                              | 42,813                                |
| Miscellaneous                             | 4,333                                 |
| Total operating expenses                  | 1,522,441                             |
| Operating income                          | 23,247                                |
| <b>NONOPERATING REVENUE (EXPENSES)</b>    |                                       |
| Miscellaneous                             | 1,283                                 |
| Interest and investment revenue           | 772                                   |
| Total nonoperating revenue                | 2,055                                 |
| Income before contributions and transfers | 25,302                                |
| Transfers in                              | 584,672                               |
| Capital contributions                     | 429,825                               |
| Change in net assets                      | 1,039,799                             |
| Total net assets-beginning                | -                                     |
| Total net assets - ending                 | \$ 1,039,799                          |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended December 31, 2009**

|   | <b>Emergency<br/>Medical Services</b> |
|---|---------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                       |
| Receipts from customers   | \$ 887,108                            |
| Payments to suppliers   | (295,452)                             |
| Payments to employees   | (1,050,066)                           |
| Other operating revenues  | (3,050)                               |
|   | (461,460)                             |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>  |                                       |
| Operating subsidies and transfers from other funds  | 635,000                               |
| Operating subsidies and transfers to other funds  | (50,328)                              |
|   | 584,672                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                       |
| Interest and dividends  | 772                                   |
|   | 772                                   |
| Net increase in cash and cash equivalents   | 123,984                               |
| Cash-beginning  | -                                     |
|   | -                                     |
| Cash-ending   | \$ 123,984                            |
| <b>NON-CASH ACTIVITY</b>  |                                       |
| Capital contribution  | \$ 429,825                            |
| <b>Reconciliation of operating income to net cash<br/>used by operating activities</b>            |                                       |
| Operating income  | \$ 23,247                             |
| Adjustments to reconcile operating income to net cash<br>provided (used) by operating activities: |                                       |
| Miscellaneous revenue   | 1,283                                 |
| Depreciation  | 42,813                                |
| Change in assets and liabilities:   |                                       |
| Receivables, net of allowance   | (658,580)                             |
| Prepaid insurance   | (18,850)                              |
| Accounts and other payables   | 148,627                               |
|   | 148,627                               |
| Net cash provided by operating activities   | \$ (461,460)                          |

See accompanying notes to the basic financial statements.

**COUNTY OF COLE, MISSOURI**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

|  | <u>Agency Funds</u> |
|--|---------------------|
| <b>ASSETS</b>  |                     |
| Cash and cash investments                                | \$ 52,718,404       |
| Property taxes receivable, net of allowance of \$251,722 | 4,203,172           |
| Due from other funds                                     | 870,070             |
| Due from others  | 1,820,210           |
| Total assets   | \$ 59,611,856       |
| <br><b>LIABILITIES</b>                                   |                     |
| Due to other funds                                       | \$ 904,870          |
| Due to other governments                                 | 50,834,221          |
| Due to others  | 7,872,765           |
| Total liabilities  | \$ 59,611,856       |

See accompanying notes to the basic financial statements.

# COUNTY OF COLE, MISSOURI

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

County of Cole (the County) is located in central Missouri and home to the state capital and the City of Jefferson. It is a first class county governed by three elected commissioners (western, eastern, and presiding). Other elected County officials are the Assessor, Auditor, Circuit Clerk, Collector, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, and Treasurer. These various officials handle different aspects of the County's operations.

The accounting policies and financial reporting practices of the County conform to U.S. generally accepted accounting principles applicable to governmental entities. The more significant of the County's accounting policies are described below.

#### *A. Reporting Entity*

The County, for financial purposes, includes all of the funds relevant to the operations of the County. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the County that have been determined not to be component units as defined by Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" (GASB 14). These standards identify the County's financial accountability for potential component units as the primary, but not the only, criteria for inclusion. The County is financially accountable if it appoints a voting majority of a potential component unit's governing board and is able to impose its will on that unit, or there is a potential for the unit to provide specific financial benefits to, or impose specific financial burdens on the County. Based on the criteria of GASB 14, there are no other agencies or entities for which the County has been determined to be financially accountable and, therefore, should be included in the financial statements of the County.

The County Commission has established Cole County Special Services (CCSS) and appointed a board of directors under Section 205.968 RSMo. Once established, CCSS and its board are considered a political subdivision under section 70.600 RSMo and act independently of the County Commission. It does not meet the definition of a component unit. However, the County does include a levy under Senate Bill 40 for CCSS in the County levy, which is then remitted to CCSS.

#### *B. Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the County. The effect of interfund activities, except for interfund services provided and used, has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

segment. Taxes, unrestricted interest earnings, gains, and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter 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 Fund, Road and Bridge Fund, Sales Tax Fund, Law Enforcement Sales Tax Fund, Emergency Services Sales Tax Fund and Capital Improvement Fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balances for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide statements.

The County uses funds to report its financial position and results of its operations in the fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. 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. Funds are classified into three categories: governmental, proprietary and fiduciary.

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts not allocated by law or contractual agreement to another fund are accounted for in this fund. This fund provides for general operating expenditures, fixed charges and the capital improvement costs not paid through other funds.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund used to account for the operations of the public works department. Financing is provided by various taxes, intergovernmental grants, revenue from the State of Missouri, and transfers from the General Fund.

Emergency Services Sales Tax Fund-The Emergency Services Sales Tax Fund is a special revenue fund established in 2009 to account for the collections of a .5% cent sales tax. Revenue from the special sales tax can be used only for emergency services and to fund a rollback of General Fund property taxes.

Law Enforcement Sales Tax Fund-The Law Enforcement Sales Tax Fund is a special revenue fund used to account for sales tax collections from a .5% sales tax and for the operations of the Cole County Sheriff's department. The sales tax is to be used for the purpose of providing law enforcement services for the County, including construction of a new law enforcement facility. When all obligations related to the construction of the County jail have been paid, the sales tax will be reduced to .38%.

Capital Improvement Fund-The Capital Improvement Fund is a capital projects fund used to account for construction of the County jail, as voter approved. Proceeds from Certificates of Participation and subsequent disbursements are included in this fund.

Sales Tax Fund – The Sales Tax Fund is a special revenue fund used to account for sales tax collections from a .5% sales tax due to expire December 31, 2011, and expenditures from such collections for improvements to roads and bridges and the repair, renovation and acquisition of County facilities.

The County reports the following major proprietary fund:

Emergency Medical Services Fund- This enterprise fund accounts for the operations of the County's emergency medical response service.

Additionally, the County includes a fiduciary fund statement for trust and agency funds. Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. The County has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Agency funds include various taxes and fees collected by County officials which have not yet been remitted to the appropriate governmental entity or person. Only the portion of the funds collected by those officials subsequently remitted to the County are included in the County's financial statements. The remainder are included in the agency funds. The most significant portion of these agency funds are property and other taxes not yet remitted by the County Collector.

### *C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied as specified by the County Commission. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due.

Certain taxes (including property, sales, motor vehicle, local use, and others), special assessments, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as needed.

The County applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. The County applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The County does not apply FASB Statements and Interpretations issued after November 30, 1989.

#### *D. Budgets*

Budgets are adopted on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Road and Bridge, Sales Tax, Law Enforcement Sales Tax, Emergency Services Sales Tax Fund, Capital Improvement Fund, Training, Domestic Shelter, Recorder of Deeds, Election Services, Tax Maintenance, Bad Check Fees and Assessment Funds. The following funds do not adopt budgets because they are not required by Missouri Statutes: Circuit Clerk, Delinquent Tax Fee, Sheriff Revolving, and Neighborhood Improvement Sinking.

All annual appropriations lapse at fiscal year end. Funds on hand at year-end are considered as available revenue for expenditures and are included in beginning budgetary fund balance for the following year.

The County Commission approves the annual budget at the fund level. However, the appropriations at the departmental object level are closely monitored throughout the year for fluctuations and needed revisions. Budget amendments must be recommended by the County Auditor, who also serves as the Budget Officer, and authorized by the County Commission or other authority, as determined by state statute. Supplemental appropriations are made by the applicable authority throughout the year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances totaled \$13,984,121 at December 31, 2009.

#### *E. Cash and Cash Equivalents*

The County's cash and cash equivalents are defined as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County Treasurer maintains a cash and investment pool that is available for use by all funds. Within the financial statements, income from investments is allocated to the underlying fund unless required to be assigned to another fund by contractual or legal reason. In addition, cash and investments are separately maintained by other County officials.

#### *F. Short-Term Interfund Receivables/Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

#### *G. Receivables*

Receivables consist primarily of taxes, grants, and emergency medical services charges. They are shown net of an allowance for estimated uncollectible amounts.

## *H. Inventories*

All inventories are recorded in the Road and Bridge Fund and valued at cost using the first-in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

## *I. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

As permitted by GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) acquired prior to 2003 were capitalized retroactively to 1980 at estimated historical cost during 2007. Infrastructure acquired prior to 1980 is not recorded.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                                       |               |
|---------------------------------------|---------------|
| Buildings                             | 40 years      |
| Office furniture, fixtures, equipment | 5 – 10 years  |
| Transportation equipment              | 5 years       |
| Emergency services equipment          | 5 – 10 years  |
| Infrastructure                        | 10 - 40 years |

Fully depreciated fixed assets are included in the capital assets accounts until their disposal.

## *J. Amortization of Debt Issue Costs*

In the government-wide financial statements, debt issue costs totaling \$33,930 related to the special assessment debt are deferred and being amortized by the straight-line method over the repayment period of the related debt. As of December 31, 2009, accumulated amortization amounted to \$17,948. In the governmental fund statements, these issuance costs were recognized as expenses when paid in a previous year.

## *K. Compensated Absences*

Under terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts. However, no liability is recorded for non-vesting rights to receive sick pay benefits. All vested or accumulated vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are expected to be liquidated with expendable financial resources.

## *L. Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. No long-term obligations are reported. Principal and interest payments on long-term debt are reported as debt service expenditures.

#### *M. Fund Equity*

The governmental fund financial statements report reserved fund balances for amounts not available for appropriation or legally restricted for specified purposes. Designated fund balances represent tentative plans for future use of financial resources.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

#### *N. Emergency Medical Services*

Charges for services in the Emergency Medical Services fund are reported net of contractual adjustments. Generally, services provided to Medicare and Medicaid eligible individuals results in contractual adjustments, which are known by the County at the time of billing. Such adjustments were \$623,249 for the year ended December 31, 2009.

#### *O. Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used by management are the useful lives of fixed assets, allowance for uncollectible receivables, and infrastructure.

## **2. LEGAL COMPLIANCE - BUDGET**

The County budget process is governed by the Revised Statutes of Missouri (RSMo) 50.525-50.641. The County is a first class non-charter county where the County Auditor serves as Budget Officer. The following provides an overview of the budget process and a timetable of dates:

- (1) On or before September 1<sup>st</sup>, County agencies and department heads submit budget requests to the County Auditor.
- (2) During September and October, the County Auditor reviews budget requests and schedules work sessions with elected officials and department directors as necessary.

- (3) Prior to November 15th, the County Auditor submits to the County Commission a proposed operating budget for the fiscal period commencing the following January 1st based on budgets submitted by agencies and department heads. The operating budget includes proposed expenditures and the means of financing them.
- (4) The County Commission may add to, subtract from or change appropriations. During November and December, public hearings are conducted to obtain taxpayer comments on the original proposed budget and subsequent revisions.
- (5) No later than January 10th, the budget is legally adopted by the County Commission through majority approval. However, in the year the presiding commissioner's new term of office begins, the statutory deadline is January 31.

RSMo 50.540 and 50.550 require all department, offices, institutions, commissions, or courts receiving its revenues in whole or in part from the County, except for collection fees on delinquent taxes per RSMo 56.312, to prepare budgets of their anticipated receipts and disbursements.

The reported budgetary data represents the final approved budget after amendments as adopted by the County Commissioners. The budget was amended during the year.

### 3. CASH AND INVESTMENTS

The County's investment policies are governed by County Commission Order, state statutes, and management policies. Missouri State Statutes authorize the County to deposit funds in open accounts, U.S. Treasury securities, U.S. Agency securities, repurchase agreements, collateralized certificates of deposit, banker's acceptance, and commercial paper.

Collateral is required for demand deposits and certificates of deposit. Custodial credit risk is the risk that in event of a bank failure, the government's deposits may not be returned to it. Statues required the collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Obligations that may be pledged as collateral are of the same type in which the County may invest.

The County's deposits are categorized to give an indication of the level of custodial risk assumed by the County at December 31, 2009. The County's bank is participating in the FDIC's Temporary Liquidity Guarantee Program, which provides FDIC coverage for all non-interest bearing accounts. Deposits, categorized by level of custodial risk, were as follows as of December 31, 2009:

|  |                      |
|--|----------------------|
| Bank balance   |                      |
| Insured by FDIC  | \$ 46,528,759        |
| Collateralized with securities pledged by<br>the financial institution | 15,455,691           |
|  | <u>\$ 61,984,450</u> |

A reconciliation of cash and cash equivalents as shown in the financial statements is as follows:

|   |                      |
|---|----------------------|
| Carrying value                          |                      |
| Government-wide Statement of Net Assets | \$ 19,624,977        |
| Fiduciary Funds Statement of Net Assets | 52,718,404           |
|   | <u>\$ 72,343,381</u> |

## Investments

The County had the following investments as of December 31:

|                                      | Investment Maturities (in years) |             |             | Fair Value           | Carrying Value       |
|--------------------------------------|----------------------------------|-------------|-------------|----------------------|----------------------|
|                                      | Less than 1                      | 1-5         | Over 5      |                      |                      |
| Restricted:                          |                                  |             |             |                      |                      |
| U.S. Treasuries                      | \$ 9,988,386                     | \$ -        | \$ -        | \$ 9,988,386         | \$ 9,988,386         |
| Restricted - Money Market Funds:     |                                  |             |             |                      |                      |
| Federated Treasury Obligations Funds | 12,300,521                       | -           | -           | 12,300,521           | 12,300,521           |
|                                      | <u>\$ 22,288,907</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,288,907</u> | <u>\$ 22,288,907</u> |

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The County does not have a formal interest rate risk policy.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. State statutes authorize the County to invest in U.S. Treasury securities, U.S. Agency securities, repurchase agreements, collateralized certificates of deposit, banker's acceptance, and commercial paper. The County has no investment policy that would further limit its investment choice. The money market funds are invested primarily in a portfolio of U.S. Treasury securities maturing in 397 days or less.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer. All of the County's investments are held in money market funds and U.S. Treasuries.

Custodial credit risk – investments – For an investment, this 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 possession of an outside party. The County does not have any custodial risk in investments.

## **4. PROPERTY TAXES**

The County's property tax is levied by the County on September 1 based on the assessed value of all real and personal property located in the County and appropriate taxing districts as of the prior January 1, the lien date. Taxes are billed by November 1 and are considered delinquent after December 31. Assessed values are established by the County Assessor, and any appeals are reviewed by the Board of Equalization.

Property tax revenue is recognized independent of receivable recognition. A receivable is recognizable as of the lien date when the County has an enforceable legal claim while revenue is recognized in the period for which the taxes are levied on the government-wide statements. Taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred revenue within the governmental fund financial statements because they do not meet the criteria of being available as described in Note 1.

Property taxes levied in the current fiscal year are recognized as receivable as of that fiscal year end because they meet the recognition criteria. In addition, property taxes levied in the current fiscal year are also recognized as revenue on the government-wide statements in that year because the levies, as approved by the County Commission, are also for the current fiscal year.

The County is permitted by the Missouri State Constitution to levy taxes up to \$0.50 per \$100 of assessed valuation for general governmental services. The County's assessed valuations and tax levies per \$100 assessed valuation of those properties for the 2009 calendar year are as follows:

Assessed valuation:

|                        |                         |
|------------------------|-------------------------|
| Real estate            | \$ 983,416,620          |
| Personal property      | 238,213,063             |
| Railroad and utilities | 72,385,404              |
|                        | <u>\$ 1,294,015,087</u> |

In addition to the tax levies described below, various independent taxing districts within the County, including school, County, library, fire, special road and levee districts, levy a tax which is collected by the County Collector. The property tax collections resulting from these levies are disbursed by the County Collector to the appropriate taxing districts. These amounts collected but not yet disbursed are included in the agency funds.

Tax rates per \$100 assessed valuation:

|   |                  |
|---|------------------|
| General fund                                  | \$ 0.2054        |
| Road and bridge fund                          | 0.2700           |
| Library fund                                  | 0.1938           |
| Cole County Special Services (Senate Bill 40) | 0.0873           |
| State of Missouri (certain pension funds)     | 0.0300           |
|   | <u>\$ 0.7865</u> |

## 5. RECEIVABLES

Receivables are composed of the following as of December 31, 2009:

|  | Primary Government         |                             |                     |
|--|----------------------------|-----------------------------|---------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total               |
| Receivables:                                       |                            |                             |                     |
| Property taxes                                     | \$ 458,586                 | \$ -                        | \$ 458,586          |
| Accounts receivable                                | -                          | 879,007                     | 879,007             |
| Intergovernmental                                  | 3,256,595                  | -                           | 3,256,595           |
| Special assessments                                | 373,275                    | -                           | 373,275             |
|  | <u>4,088,456</u>           | <u>879,007</u>              | <u>4,967,463</u>    |
| Less allowance for estimated uncollectible amounts | (35,139)                   | (220,427)                   | -                   |
| Net receivables                                    | <u>\$ 4,053,317</u>        | <u>\$ 658,580</u>           | <u>\$ 4,711,897</u> |

Interfund receivable and payable balances at December 31, 2009, in the fund financial statements resulting from interfund transfers and interfund loans were as follows:

|                              | Receivable        | Payable           |
|------------------------------|-------------------|-------------------|
| Governmental Funds:          |                   |                   |
| Major:                       |                   |                   |
| General Fund                 | \$ 510,345        | \$ -              |
| Law Enforcement Sales Tax    | 34,800            | -                 |
| Emergency Services Sales Tax | -                 | 510,345           |
| Subtotal Governmental        | <u>545,145</u>    | <u>510,345</u>    |
| Agency Funds:                |                   |                   |
| Sheriff Fund                 | -                 | 34,800            |
| Subtotal Agency              | <u>-</u>          | <u>34,800</u>     |
| Total                        | <u>\$ 545,145</u> | <u>\$ 545,145</u> |

The due to/from amount between the General Fund and Emergency Services Sales Tax Fund represents the General Fund's forty percent portion of the emergency medical services sales tax collections not yet remitted by the Emergency Services Sales Tax Fund as of December 31, 2009. The due to/from amount between the Law Enforcement Sales Tax Fund and Sheriff Fund represents the portion of civil supplement fees collected by the Sheriff Fund in December, but not yet remitted to the Law Enforcement Sales Tax Fund as of December 31, 2009.

## 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

|  | Beginning            | Increases            | Decreases             | Ending               |
|--|----------------------|----------------------|-----------------------|----------------------|
| Governmental activities:                   |                      |                      |                       |                      |
| Capital assets not being depreciated:      |                      |                      |                       |                      |
| Land                                       | \$ 4,270,959         | \$ 64,604            | \$ -                  | \$ 4,335,563         |
| Construction in progress                   | 3,973,757            | 14,359,196           | (4,752,034)           | 13,580,919           |
| Total capital assets not being depreciated | <u>8,244,716</u>     | <u>14,423,800</u>    | <u>(4,752,034)</u>    | <u>17,916,482</u>    |
| Capital assets being depreciated:          |                      |                      |                       |                      |
| Buildings and improvements                 | 8,897,531            | 39,527               | -                     | 8,937,058            |
| Machinery and equipment                    | 8,706,274            | 483,522              | (370,242)             | 8,819,554            |
| Infrastructure                             | 92,295,312           | 4,752,034            | -                     | 97,047,346           |
| Total capital assets being depreciated     | <u>109,899,117</u>   | <u>5,275,083</u>     | <u>(370,242)</u>      | <u>114,803,958</u>   |
| Accumulated depreciation:                  |                      |                      |                       |                      |
| Buildings and improvements                 | (2,879,248)          | (220,354)            | -                     | (3,099,602)          |
| Machinery and equipment                    | (4,934,323)          | (1,029,577)          | 327,725               | (5,636,175)          |
| Infrastructure                             | (59,678,197)         | (4,511,573)          | -                     | (64,189,770)         |
| Total accumulated depreciation             | <u>(67,491,768)</u>  | <u>(5,761,504)</u>   | <u>327,725</u>        | <u>(72,925,547)</u>  |
| Net capital assets being depreciated       | <u>42,407,349</u>    | <u>(486,421)</u>     | <u>(42,517)</u>       | <u>41,878,411</u>    |
| Capital assets, net                        | <u>\$ 50,652,065</u> | <u>\$ 13,937,379</u> | <u>\$ (4,794,551)</u> | <u>\$ 59,794,893</u> |

|  | Beginning | Increases  | Decreases | Ending     |
|--|-----------|------------|-----------|------------|
| Business-type activities:              |           |            |           |            |
| Capital assets being depreciated:      |           |            |           |            |
| Buildings and improvements             | \$ -      | \$ 378,124 | \$ -      | \$ 378,124 |
| Machinery and equipment                | -         | 51,700     | -         | 51,700     |
| Total capital assets being depreciated | -         | 429,824    | -         | 429,824    |
| Accumulated depreciation:              |           |            |           |            |
| Buildings and improvements             | -         | (2,154)    | -         | (2,154)    |
| Machinery and equipment                | -         | (40,659)   | -         | (40,659)   |
| Total accumulated depreciation         | -         | (42,813)   | -         | (42,813)   |
| Net capital assets being depreciated   | -         | 387,011    | -         | 387,011    |
| Capital assets, net                    | \$ -      | \$ 387,011 | \$ -      | \$ 387,011 |

Depreciation expense was charged to functions/programs as follows:

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General government                                   | \$ 202,671          |
| Public safety  | 239,431             |
| Highway, streets and bridges                         | 5,017,519           |
| Health and welfare                                   | 24,491              |
| Assessment   | 2,517               |
| Judicial   | 58,551              |
| Parks and recreation                                 | 9,111               |
| Emergency management                                 | 207,213             |
| Total depreciation expense - governmental activities | <u>\$ 5,761,504</u> |
| Business-type activities:                            |                     |
| Emergency medical services                           | <u>\$ 42,813</u>    |

## 7. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the County for the year:

|                                 | For the year ended December 31, 2009 |                      |                     |                      | Due within one year |
|---------------------------------|--------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                 | Beginning                            | Additions            | Retirements         | Ending               |                     |
| Governmental Funds              |                                      |                      |                     |                      |                     |
| Special assessment debt         | \$ 442,000                           | \$ -                 | \$ 31,000           | \$ 411,000           | \$ 37,000           |
| Certificates of Participation   | 9,485,000                            | 25,000,000           | 2,025,000           | 32,460,000           | 1,835,000           |
| Less: Unamortized discount      | (131,124)                            | (382,417)            | 30,850              | (482,691)            |                     |
| Settlement to City of Jefferson | 400,000                              | -                    | 100,000             | 300,000              | 100,000             |
| Compensated absences            | 810,688                              | 155,228              | 31,556              | 934,360              | 32,502              |
| Enterprise Fund                 |                                      |                      |                     |                      |                     |
| Compensated absences            | -                                    | 67,865               | -                   | 67,865               | 2,000               |
|                                 | <u>\$ 11,006,564</u>                 | <u>\$ 24,840,676</u> | <u>\$ 2,218,406</u> | <u>\$ 33,690,534</u> | <u>\$ 2,006,502</u> |

*Special Assessment Debt:* Bonds issued to fund Neighborhood Improvement District projects are as follows:

|                               | Issued     | Rate            | Balance           |                   |
|-------------------------------|------------|-----------------|-------------------|-------------------|
|                               |            |                 | Original          | Current           |
| Maturing 3/1/1996 to 3/1/2015 | 3/1/1995   | 5.5% to 6.15%   | \$ 265,000        | \$ 106,000        |
| Maturing 3/1/2001 to 3/1/2020 | 9/15/2000  | 5% to 6%        | 93,000            | 63,000            |
| Maturing 3/1/2002 to 3/1/2020 | 02/15/2000 | 5.25% to 6.625% | 267,000           | 195,000           |
| Maturing 3/1/2003 to 3/1/2022 | 11/01/2002 | 4.25% to 5.25%  | 60,000            | 47,000            |
|                               |            |                 | <u>\$ 685,000</u> | <u>\$ 411,000</u> |

*Settlement to City of Jefferson:* In 2003, the County entered into a settlement agreement with the City of Jefferson for past claims in the amount of \$1,000,000 arising from and as a result of Section 137.556 RSMo, for the years 1997 to 2002. This section requires the County to spend not less than 25% of the moneys accruing to it from the County's special road and bridge tax levied upon property situated within the limits of any city within the County for the repair and improvement of existing roads, etc. from which the money accrued. Thus, the County was required to use 25% of the road/bridge property tax collections from City of Jefferson residents to repair City of Jefferson roads. However, it had not done so in prior years. An initial down payment of \$100,000 was made in 2003 with the execution of the agreement, with \$100,000 being payable over the next nine years. This note does not accrue interest and is unsecured. If the County goes into default, the remaining balance will accrue interest at 9% until the County is out of default.

In addition, the County signed an intergovernmental agreement, which automatically renews July 1 of each year, with the City of Jefferson where the County will remit monies obligated under Section 137.556 RSMo to the City. In return, the County will perform, on behalf of the City, repairs and improvements of roads, streets and bridges within the City's boundaries sufficient to cover the County's obligation under Section 137.556 RSMo. Amounts paid under this agreement for 2009 total \$564,367.

*Certificates of Participation:* In December 2007 and March 2009, the County entered into lease/purchase agreements with UMB Bank, N.A. (UMB) as trustee, lessor, and grantor. The lease/purchase agreements cover the construction and operation of a new jail facility. On those dates, UMB issued \$10,000,000 and \$25,000,000, respectively, in Certificates of Participation to third-party investors for undivided, proportionate interests in the rental payments made by the County. The County makes the required payments to UMB, who in turn repays the holders of the certificates.

The County is not obligated to levy any form of taxation or otherwise appropriate for the payments. The lease/purchase agreements are secured by certain property and equipment financed with the agreement. The County intends to satisfy its obligation to make rental payments under the lease/purchase agreements from the law enforcement sales tax.

Incremental sales taxes are projected to produce more than 100% of the debt service requirements over the life of the bond as the sales tax will also be used to fund jail operations. The Certificates bear interest at rates of 1.2% to 4.5%. Principal and interest payments are due annually and semi-annually, respectively, through December 1, 2022. For the current year, principal and interest paid and total law enforcement sales tax revenues for the Certificates are \$3,070,265 and \$5,048,783, respectively.

These lease/purchase agreements qualify as a capital lease for accounting purposes because ownership transfers at the end of the lease term. Therefore, it has been recorded as debt at the present value of the future minimum lease payments as of the date of its inception. As of December 31, 2009, improvements of \$12,535,338 have been made and are included in Construction in Progress on the Statement of Net Assets.

As a result of the lease/purchase agreements, the County is required to have certain funds held in trust at UMB in various accounts for reserve and other requirements. At December 31, 2009, restricted investments totaled \$22,288,907.

The annual requirements to amortize all debt outstanding as of December 31, 2009, including interest payments, are as follows:

| Year Ending December 31: | Special Assessment |            | City of Jefferson |          | Certificates of Participation |               | Total Payments |
|--------------------------|--------------------|------------|-------------------|----------|-------------------------------|---------------|----------------|
|                          | Principal          | Interest   | Principal         | Interest | Principal                     | Interest      |                |
| 2010                     | \$ 37,000          | \$ 24,130  | \$ 100,000        | \$ -     | \$ 1,835,000                  | \$ 1,233,935  | \$ 3,230,065   |
| 2011                     | 38,000             | 21,913     | 100,000           | -        | 1,875,000                     | 1,192,105     | 3,227,018      |
| 2012                     | 40,000             | 19,555     | 100,000           | -        | 1,925,000                     | 1,143,138     | 3,227,693      |
| 2013                     | 41,000             | 17,093     | -                 | -        | 1,980,000                     | 1,087,530     | 3,125,623      |
| 2014                     | 42,000             | 14,552     | -                 | -        | 2,045,000                     | 1,026,260     | 3,127,812      |
| 2015 through 2019        | 166,000            | 38,873     | -                 | -        | 11,375,000                    | 3,972,300     | 15,552,173     |
| 2020 through 2024        | 47,000             | 2,223      | -                 | -        | 11,425,000                    | 1,182,625     | 12,656,848     |
| Total debt payments      | \$ 411,000         | \$ 138,339 | \$ 300,000        | \$ -     | \$ 32,460,000                 | \$ 10,837,893 | \$ 44,147,232  |

The following summarizes the expected repayment sources for long-term obligations:

| Fund                                   | Obligation                    | Amount               |
|--|-------------------------------|----------------------|
| General Fund                           | Compensated absences          | \$ 607,459           |
| Road and Bridge Fund                   | Compensated absences          | 299,571              |
| Road and Bridge Fund                   | City of Jefferson             | 300,000              |
| Assessment Fund                        | Compensated absences          | 27,330               |
| Neighborhood Improvement District Fund | Special assessment debt       | 411,000              |
| Capital Improvement Fund               | Certificates of participation | 31,977,309           |
| Emergency Services Fund                | Compensated absences          | 67,865               |
|  |                               | <u>\$ 33,690,534</u> |

## 8. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2009, follows:

| Transferred to:                   | Transferred from:   |                   |                                |                                   |                          |                   |                                 | Total            |                      |
|-----------------------------------|---------------------|-------------------|--------------------------------|-----------------------------------|--------------------------|-------------------|---------------------------------|------------------|----------------------|
|                                   | Governmental Funds  |                   |                                |                                   |                          |                   | Enterprise Fund                 |                  |                      |
| General Fund                      | Road & Bridge Fund  | Sales Tax Fund    | Law Enforcement Sales Tax Fund | Emergency Services Sales Tax Fund | Capital Improvement Fund | Nonmajor Funds    | Emergency Medical Services Fund |                  |                      |
| General Fund                      | \$ -                | \$ 193,173        | \$ 284,346                     | \$ 289,771                        | \$ 2,181,997             | \$ -              | \$ 83,000                       | \$ 50,328        | \$ 3,082,615         |
| Road & Bridge Fund                | 239,888             | -                 | -                              | -                                 | -                        | -                 | -                               | -                | 239,888              |
| Sales Tax Fund                    | -                   | -                 | -                              | -                                 | -                        | 990,105           | -                               | -                | 990,105              |
| Law Enforcement Sales Tax Fund    | 2,040,000           | -                 | -                              | -                                 | -                        | -                 | -                               | -                | 2,040,000            |
| Emergency Services Sales Tax Fund | 534,500             | -                 | -                              | -                                 | -                        | -                 | -                               | -                | 534,500              |
| Capital Improvement Fund          | -                   | -                 | 600,000                        | 3,039,302                         | -                        | -                 | -                               | -                | 3,639,302            |
|                                   | <u>2,814,388</u>    | <u>193,173</u>    | <u>884,346</u>                 | <u>3,329,073</u>                  | <u>2,181,997</u>         | <u>990,105</u>    | <u>83,000</u>                   | <u>50,328</u>    | <u>10,526,410</u>    |
| Enterprise Fund:                  |                     |                   |                                |                                   |                          |                   |                                 |                  |                      |
| Emergency Services Fund           | 310,000             | -                 | -                              | -                                 | 325,000                  | -                 | -                               | -                | 635,000              |
|                                   | <u>\$ 3,124,388</u> | <u>\$ 193,173</u> | <u>\$ 884,346</u>              | <u>\$ 3,329,073</u>               | <u>\$ 2,506,997</u>      | <u>\$ 990,105</u> | <u>\$ 83,000</u>                | <u>\$ 50,328</u> | <u>\$ 11,161,410</u> |

Proceeds from the emergency medical services sales tax are first received by the Emergency Services Sales Tax Fund. Forty percent of sales tax collections are then transferred to the General Fund as required to support the rollback of property taxes that was part of the sales tax issuance. The remaining sixty percent is to fund emergency medical services and therefore is transferred to the Emergency Medical Services Fund for operations as needed. The remaining portion of collections not transferred to the Emergency Medical Services Fund as of December 31, 2009 is shown as a restricted fund balance on the governmental fund Balance Sheet.

The transfer of \$2,040,000 from the General Fund to the Law Enforcement Sales Tax Fund is to subsidize law enforcement operations and was promised to the taxpayers during the original law enforcement sales tax issuance.

Amounts transferred between the Law Enforcement Sales Tax Fund, Sales Tax Fund, and Capital Improvement Fund relate to jail construction and debt activity, such as the transfer of sales tax revenue to properly fund debt principal payments or the transfer of debt proceeds to reimburse funds incurring jail construction costs.

All other transfers are routine in nature and represent a reallocation of resources as approved by the County Commissioners.

## **9. COMMITMENTS AND CONTINGENCIES**

### *A. 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. The County has obtained coverage from commercial insurance companies for these risks of losses. There were no significant reductions in insurance coverage from the prior year. In addition, no settlements have exceeded insurance coverage in the previous three fiscal years.

### *B. Contracts for Construction*

The County has entered into contracts totaling \$4,811,739 for the construction of buildings, roads and other infrastructure. As of December 31, 2009, billings on these contracts totaled \$4,714,694, leaving a remaining contract liability of \$97,045.

The County has entered into contracts totaling \$23,225,150 for the construction of the new jail facility. As of December 31, 2009, billings on these contracts totaled \$9,948,363, leaving a remaining contract liability of \$13,276,757.

### *C. Lease Commitment*

The County entered into an operating lease agreement for the Scheppers building on May 31, 2009, for a one year period at an annual cost of \$160,320. The County has the option to renew the lease for ten one-year periods. The rent for each additional year shall be the previous period's rent adjusted upward or downward by the change in the Cost of Living Index. The agreement may be terminated by giving the lessor sixty days written notice prior to the anniversary date of the contract.

Total rent expense for the period ended December 31, 2009, totaled \$93,520.

### *D. Intergovernmental Revenue*

The County receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods

are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the County as of December 31, 2009.

#### *E. Joint City County Agreement*

In November 2009, the County entered into an agreement setting forth procedures for the Joint City and County Capital Improvement Sales Tax Projects. This agreement with the City of Jefferson identifies two projects, to be constructed in the 2010 and 2011 fiscal years, that the City and County will complete as cooperative City/County projects utilizing the Capital Improvement Sales Tax. This agreement includes a schedule that will be followed in order to fund these projects. Subsequent to year end, the City and County each contributed a total of \$3 million toward completion of these projects.

#### *F. Litigation*

The County is a defendant in a number of claims and lawsuits. The County Attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the County and arrive at an estimate, if any, of the amount or range of potential loss to the County. The County Attorney has indicated that the resolution of any lawsuits pending are covered by the County's insurance carrier and are not expected to have a material adverse effect on the basic financial statements of the County. No amount has been provided in these financial statements for any such claims and lawsuits.

#### *G. Civil Supplement Fees*

The Cole County Sheriff receives a charge for the service of any summons, writ, or other order of the court in connection with any civil case under RSMo 57.280. In 2008, a law placed an additional fee of ten dollars on the service of any summons, writ, or other order of the court in connection with any civil case. The additional monies were to be paid to the state treasurer to deposit in a sheriff salary supplementation fund. Although the County has been separately tracking these funds, no funds have been submitted to the state treasurer due to pending litigation. The case is expected to be heard in late 2010 by the Missouri Supreme Court. The County has currently recorded a payable of \$350,866 to the state for all of the additional funds collected and will disburse them to the correct party after the resolution of the pending litigation.

#### *H. Surtax*

During 2009, the County discovered the surtax calculation was done incorrectly in prior years, resulting in the improper distribution of surtax. The calculation was corrected for the 2009 tax year, but the error occurring in prior years resulted in both underpaid and overpaid districts. A possibility exists that the districts that were underpaid could request from the County the additional funds that were not originally distributed properly. In order to meet this request, the County would have to request a refund of the overpayments made to other districts.

## **10. EMPLOYEE BENEFIT PLANS**

### *A. Employees' Retirement System*

The following information is presented in accordance with Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employers."

### ***Plan Description***

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

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

The County's payroll for employees covered by LAGERS for the year ended December 31, 2009, was \$8,217,244 and total County payroll was \$9,964,865. The County's contribution to LAGERS for the year ended December 31, 2009, was \$436,380, which represents 5.3% of covered payroll.

### ***Funding Status***

The County's full-time employees do not contribute to the pension plan. The County is required to contribute at an actuarially determined rate; the current rate is 4.4% (general) and 7.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of each participating political subdivision. The contribution provisions of political subdivisions participating in the plan are established by state statute.

### ***Annual Pension Cost***

For 2009, the County's annual pension cost of \$443,891 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009, was 15 years.

### ***Trend Information***

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Three-Year Trend Information

| Fiscal<br>Year<br>Ended | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/2007               | \$ 483,901                      | 100%                                | \$ -                         |
| 6/30/2008               | 451,590                         | 100%                                | -                            |
| 6/30/2009               | 443,891                         | 100%                                | -                            |

The following table summarizes the funding status of the latest actuarial valuation date:

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets | Entry Age<br>Actuarial<br>Accrued<br>Liability | Unfunded<br>(Over funded)<br>Accrued<br>Liability | Funded<br>Ratio | Annual<br>Covered<br>Payroll | Unfunded<br>(Over funded)<br>Accrued<br>Liability as a<br>Percentage of<br>Covered<br>Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|------------------------------|---|
| 2/28/2009                      | \$ 11,533,586                   | \$ 11,779,976                                  | \$ 246,390  | 98%             | \$ 7,944,996                 | 3.1%  |

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, contact the LAGERS office in Jefferson County.

The required schedule of funding progress is included in required supplemental information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*B. County Employee Retirement Fund*

***Plan Description***

The County participates in the defined benefit plan of the County Employees' Retirement Fund (CERF). The cost-sharing multiple-employer plan provides retirement and death benefits. CERF was created and is governed by Missouri law, RSMO. 50.1000-50.1300. The plan is funded through various fees and employee contributions. The CERF is administered by an eleven member governing board of directors. CERF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to County Employees' Retirement Fund, 2121 Schotthill Woods Drive, Jefferson County, MO 65101.

The plan covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

### *Funding Status and Contributions*

The following fees and penalties are required under Missouri law to be collected by counties covered by the plan and remitted to the plan:

- \* Late fees on filing of personal property tax declarations
- \* Twenty dollars for each merchants and manufacturers license issued
- \* Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded
- \* Three sevenths of the fee on delinquent property taxes
- \* Interest earned on investment of the above collections prior to remittance to the Fund

The total of these fees collected by Cole County and remitted to CERF for 2009 was \$373,571. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees in a LAGERS' county hired on or after February 25, 2002 are required to make contributions of 4%. A county may elect to contribute all or a portion of the employees' 4% required contributions. For 2009 and 2008, Cole County collected and remitted to CERF employee contributions of \$185,437 and \$133,775; employer contributions of \$1,076 and \$1,077 and statutory charges of \$373,571 and \$368,238, respectively. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

#### *C. Deferred Compensation Plan*

The County offers its employees a deferred compensation plan created in accordance with IRC Section 457. The deferred compensation plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or other beneficiary) held in trust for the exclusive benefit of employees. As the County does not have fiduciary responsibility for these assets, the trust account and related liability are not included in the accompanying basic financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF COLE, MISSOURI**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2009**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budget Basis</u> | <u>Budget to<br/>GAAP<br/>Differences</u> | <u>Actual Amount<br/>GAAP Basis</u> |
|--|-------------------------|--------------------|--|---|-------------------------------------|
|  | <u>Original</u>         | <u>Final</u>       |  |   |                                     |
| <b>REVENUES</b>  |                         |                    |  |   |                                     |
| Taxes  | \$ 5,987,339            | \$ 5,987,339       | \$ 6,234,236                               | \$ (1,344,364)                            | \$ 4,889,872                        |
| Licenses, fees and permits                                   | 2,560,864               | 2,569,484          | 2,249,316                                  | 390,521                                   | 2,639,837                           |
| Intergovernmental  | 1,772,235               | 1,929,801          | 1,827,288                                  | (151,725)                                 | 1,675,563                           |
| Interest   | 60,100                  | 60,100             | 32,190                                     | -   | 32,190                              |
| Other  | 495,500                 | 497,008            | 441,570                                    | (89,130)                                  | 352,440                             |
| Total revenues   | <u>10,876,038</u>       | <u>11,043,732</u>  | <u>10,784,600</u>                          | <u>(1,194,698)</u>                        | <u>9,589,902</u>                    |
| <b>EXPENDITURES</b>  |                         |                    |  |   |                                     |
| Current:   |                         |                    |  |   |                                     |
| General government   | 6,330,783               | 6,362,568          | 4,461,643                                  | (687,442)                                 | 3,774,201                           |
| Public safety  | 2,733,824               | 2,772,624          | 2,658,692                                  | (10,464)                                  | 2,648,228                           |
| Judicial   | 713,192                 | 713,192            | 667,788                                    | 21,141                                    | 688,929                             |
| Health and welfare   | 1,982,258               | 2,077,859          | 1,690,120                                  | 25,489                                    | 1,715,609                           |
| Parks and recreation   | 1,650                   | 1,650              | 1,566                                      | -   | 1,566                               |
| Emergency management   | 171,698                 | 173,206            | 145,080                                    | 415                                       | 145,495                             |
| Total expenditures   | <u>11,933,405</u>       | <u>12,101,099</u>  | <u>9,624,889</u>                           | <u>(650,861)</u>                          | <u>8,974,028</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,057,367)</u>      | <u>(1,057,367)</u> | <u>1,159,711</u>                           | <u>(543,837)</u>                          | <u>615,874</u>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                    |  |   |                                     |
| Transfers in (out)   | (707,732)               | (707,732)          | (552,118)                                  | 510,344                                   | (41,774)                            |
| Sale of capital assets                                       | 2,000                   | 2,000              | 1,335                                      | -   | 1,335                               |
| Total other financing sources (uses)                         | <u>(705,732)</u>        | <u>(705,732)</u>   | <u>(550,783)</u>                           | <u>510,344</u>                            | <u>(40,439)</u>                     |
| Net changes in fund balances                                 | <u>(1,763,099)</u>      | <u>(1,763,099)</u> | <u>608,928</u>                             | <u>(33,493)</u>                           | <u>575,435</u>                      |
| Fund balances - beginning                                    | <u>1,763,099</u>        | <u>1,763,099</u>   | <u>6,487,556</u>                           | <u>252,909</u>                            | <u>6,740,465</u>                    |
| Fund balances - ending                                       | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 7,096,484</u>                        | <u>\$ 219,416</u>                         | <u>\$ 7,315,900</u>                 |

**COUNTY OF COLE, MISSOURI**  
**Road and Bridge**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2009**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual Amounts</u><br><u>Budget Basis</u> | <u>Budget to</u><br><u>GAAP</u><br><u>Differences</u> | <u>Actual Amount</u><br><u>GAAP Basis</u> |
|--|-------------------------|------------------|--|---|---|
|  | <u>Original</u>         | <u>Final</u>     |  |   |   |
| <b>REVENUES</b>  |                         |                  |  |   |   |
| Taxes  | \$ 4,605,719            | \$4,605,719      | \$ 4,585,524                                 | \$ 60,436   | \$ 4,645,960                              |
| Licenses, fees and permits                                   | 119,725                 | 119,725          | 99,128                                       | -   | 99,128                                    |
| Intergovernmental  | -                       | 33,461           | 33,461                                       | -   | 33,461                                    |
| Interest   | 50,000                  | 50,000           | 16,586                                       | -   | 16,586                                    |
| Other  | 7,100                   | 7,100            | 12,719                                       | -   | 12,719                                    |
| Total revenues   | <u>4,782,544</u>        | <u>4,816,005</u> | <u>4,747,418</u>                             | <u>60,436</u>   | <u>4,807,854</u>                          |
| <b>EXPENDITURES</b>  |                         |                  |  |   |   |
| Current:   |                         |                  |  |   |   |
| Highways, streets and bridges                                | 5,590,217               | 5,623,678        | 4,478,193                                    | (117,383)   | 4,360,810                                 |
| Capital outlay:  |                         |                  |  |   |   |
| Highways, streets and bridges                                | -                       | -                | -  | 112,963   | 112,963                                   |
| Debt service:  |                         |                  |  |   |   |
| Highways, streets and bridges                                | 100,000                 | 100,000          | 100,000                                      | -   | 100,000                                   |
| Total expenditures   | <u>5,690,217</u>        | <u>5,723,678</u> | <u>4,578,193</u>                             | <u>(4,420)</u>  | <u>4,573,773</u>                          |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(907,673)</u>        | <u>(907,673)</u> | <u>169,225</u>                               | <u>64,856</u>   | <u>234,081</u>                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                  |  |   |   |
| Transfers in (out)   | 46,715                  | 46,715           | 46,715                                       | -   | 46,715                                    |
| Total other financing sources (uses)                         | <u>46,715</u>           | <u>46,715</u>    | <u>46,715</u>                                | <u>-</u>  | <u>46,715</u>                             |
| Net changes in fund balances                                 | (860,958)               | (860,958)        | 215,940                                      | 64,856  | 280,796                                   |
| Fund balances - beginning                                    | 860,958                 | 860,958          | 4,159,980                                    | 402,468   | 4,562,448                                 |
| Fund balances - ending                                       | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 4,375,920</u>                          | <u>\$ 467,324</u>                                     | <u>\$ 4,843,244</u>                       |

**COUNTY OF COLE, MISSOURI**  
**Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2009**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts<br/>Budget Basis</u> | <u>Budget to<br/>GAAP<br/>Differences</u> | <u>Actual Amount<br/>GAAP Basis</u> |
|--|-------------------------|---------------------|--|---|-------------------------------------|
|  | <u>Original</u>         | <u>Final</u>        |  |   |                                     |
| <b>REVENUES</b>  |                         |                     |  |   |                                     |
| Taxes  | \$ 5,040,000            | \$ 5,040,000        | \$ 4,922,800                               | \$ 111,919                                | \$ 5,034,719                        |
| Licenses, fees and permits                                   | 930,000                 | 930,000             | 899,077                                    | -   | 899,077                             |
| Intergovernmental  | -                       | -                   | 11,073                                     | -   | 11,073                              |
| Interest   | 75,000                  | 75,000              | 51,447                                     | -   | 51,447                              |
| Other  | -                       | -                   | 57,583                                     | -   | 57,583                              |
| Total revenues   | <u>6,045,000</u>        | <u>6,045,000</u>    | <u>5,941,980</u>                           | <u>111,919</u>                            | <u>6,053,899</u>                    |
| <b>EXPENDITURES</b>  |                         |                     |  |   |                                     |
| Current:   |                         |                     |  |   |                                     |
| General government and other                                 | 1,101,063               | 2,040,736           | 274,746                                    | 56,455                                    | 331,201                             |
| Capital outlay:  |                         |                     |  |   |                                     |
| General government and other                                 | 131,000                 | 181,432             | 81,166                                     | -   | 81,166                              |
| Emergency management   | -                       | -                   | 25,808                                     | -   | 25,808                              |
| Highways, streets and bridges                                | <u>7,878,293</u>        | <u>7,878,293</u>    | <u>4,247,354</u>                           | <u>(149,190)</u>                          | <u>4,098,164</u>                    |
| Total expenditures   | <u>9,110,356</u>        | <u>10,100,461</u>   | <u>4,629,074</u>                           | <u>(92,735)</u>                           | <u>4,536,339</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(3,065,356)</u>      | <u>(4,055,461)</u>  | <u>1,312,906</u>                           | <u>204,654</u>                            | <u>1,517,560</u>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |  |   |                                     |
| Transfers in (out)   | <u>(284,346)</u>        | <u>(284,346)</u>    | <u>105,759</u>                             | <u>-</u>                                  | <u>105,759</u>                      |
| Total other financing sources (uses)                         | <u>(284,346)</u>        | <u>(284,346)</u>    | <u>105,759</u>                             | <u>-</u>                                  | <u>105,759</u>                      |
| Net changes in fund balances                                 | <u>(3,349,702)</u>      | <u>(4,339,807)</u>  | <u>1,418,665</u>                           | <u>204,654</u>                            | <u>1,623,319</u>                    |
| Fund balances - beginning                                    | <u>3,349,702</u>        | <u>3,349,702</u>    | <u>3,349,702</u>                           | <u>613,488</u>                            | <u>3,963,190</u>                    |
| Fund balances - ending                                       | <u>\$ -</u>             | <u>\$ (990,105)</u> | <u>\$ 4,768,367</u>                        | <u>\$ 818,142</u>                         | <u>\$ 5,586,509</u>                 |

**COUNTY OF COLE, MISSOURI**  
**Law Enforcement Sales Tax**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2009**

|  | Budgeted Amounts |             | Actual Amounts<br>Budget Basis | Budget to<br>GAAP<br>Differences | Actual Amount<br>GAAP Basis |
|--|------------------|-------------|--------------------------------|----------------------------------|-----------------------------|
|  | Original         | Final       |                                |                                  |                             |
| <b>REVENUES</b>  |                  |             |                                |                                  |                             |
| Taxes  | \$ 5,037,334     | \$5,037,334 | \$ 4,936,339                   | \$ 112,444                       | \$ 5,048,783                |
| Licenses, fees and permits                                   | 1,157,980        | 1,180,187   | 1,358,154                      | (316,066)                        | 1,042,088                   |
| Intergovernmental  | 138,282          | 151,476     | 116,181                        | 3,319                            | 119,500                     |
| Interest   | 25,000           | 25,000      | 43,332                         | -                                | 43,332                      |
| Other  | 23,336           | 58,710      | 26,732                         | 18,178                           | 44,910                      |
| Total revenues   | 6,381,932        | 6,452,707   | 6,480,738                      | (182,125)                        | 6,298,613                   |
| <b>EXPENDITURES</b>  |                  |             |                                |                                  |                             |
| Current:   |                  |             |                                |                                  |                             |
| Public safety  | 6,468,440        | 6,534,415   | 4,875,056                      | 30,949                           | 4,906,005                   |
| Capital outlay:  |                  |             |                                |                                  |                             |
| Public safety  | 244,000          | 248,800     | 187,627                        | -                                | 187,627                     |
| Total expenditures   | 6,712,440        | 6,783,215   | 5,062,683                      | 30,949                           | 5,093,632                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (330,508)        | (330,508)   | 1,418,055                      | (213,074)                        | 1,204,981                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |             |                                |                                  |                             |
| Transfers in (out)   | (1,346,645)      | (1,346,645) | (1,289,073)                    | -                                | (1,289,073)                 |
| Sale of capital assets                                       | 2,000            | 2,000       | 29,600                         | -                                | 29,600                      |
| Total other financing sources (uses)                         | (1,344,645)      | (1,344,645) | (1,259,473)                    | -                                | (1,259,473)                 |
| Net changes in fund balances                                 | (1,675,153)      | (1,675,153) | 158,582                        | (213,074)                        | (54,492)                    |
| Fund balances - beginning                                    | 1,675,153        | 1,675,153   | 1,700,232                      | 750,387                          | 2,450,619                   |
| Fund balances - ending                                       | \$ -             | \$ -        | \$ 1,858,814                   | \$ 537,313                       | \$ 2,396,127                |

**COUNTY OF COLE, MISSOURI**  
**Emergency Services Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2009**

|  | <u>Budgeted Amounts</u> |                    | Actual<br>Amounts<br>Budget Basis | Budget to<br>GAAP<br>Differences | Actual Amount<br>GAAP Basis |
|--|-------------------------|--------------------|-----------------------------------|----------------------------------|-----------------------------|
|  | <u>Original</u>         | <u>Final</u>       |                                   |                                  |                             |
| <b>REVENUES</b>  |                         |                    |                                   |                                  |                             |
| Taxes  | \$ 2,870,910            | \$ 2,870,910       | \$ 2,786,087                      | \$ 850,575                       | \$ 3,636,662                |
| Interest   | -                       | -                  | 4,575                             | -                                | 4,575                       |
| Total revenues   | <u>2,870,910</u>        | <u>2,870,910</u>   | <u>2,790,662</u>                  | <u>850,575</u>                   | <u>3,641,237</u>            |
| <b>EXPENDITURES</b>  |                         |                    |                                   |                                  |                             |
| Current:   |                         |                    |                                   |                                  |                             |
| Health & welfare   | 730,000                 | 867,000            | 715,862                           | (224,999)                        | 490,863                     |
| Capital outlay:  |                         |                    |                                   |                                  |                             |
| Health & welfare   | <u>1,000,000</u>        | <u>863,000</u>     | <u>429,825</u>                    | <u>-</u>                         | <u>429,825</u>              |
| Total expenditures   | <u>1,730,000</u>        | <u>1,730,000</u>   | <u>1,145,687</u>                  | <u>(224,999)</u>                 | <u>920,688</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,140,910</u>        | <u>1,140,910</u>   | <u>1,644,975</u>                  | <u>1,075,574</u>                 | <u>2,720,549</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                    |                                   |                                  |                             |
| Transfers in (out)   | <u>(1,140,910)</u>      | <u>(1,140,910)</u> | <u>(1,237,152)</u>                | <u>(735,344)</u>                 | <u>(1,972,496)</u>          |
| Total other financing sources (uses)                         | <u>(1,140,910)</u>      | <u>(1,140,910)</u> | <u>(1,237,152)</u>                | <u>(735,344)</u>                 | <u>(1,972,496)</u>          |
| Net changes in fund balances                                 | -                       | -                  | 407,823                           | 340,230                          | 748,053                     |
| Fund balances - beginning                                    | -                       | -                  | -                                 | -                                | -                           |
| Fund balances - ending                                       | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 407,823</u>                 | <u>\$ 340,230</u>                | <u>\$ 748,053</u>           |

**COLE COUNTY**

**Required Supplementary Information  
Pension Plan – Trend Information  
December 31, 2009**

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets | Entry Age<br>Actuarial<br>Accrued<br>Liability | Unfunded<br>(Over funded)<br>Accrued<br>Liability | Funded<br>Ratio | Annual<br>Covered<br>Payroll | Unfunded<br>(Over funded)<br>Accrued<br>Liability as a<br>Percentage of<br>Covered<br>Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|------------------------------|---|
| 2/28/2007                      | \$ 12,523,315                   | \$ 10,374,053                                  | \$ (2,149,262)                                    | 121%            | \$ 6,866,055                 | (31%)   |
| 2/29/2008                      | 13,762,978                      | 10,872,895                                     | (2,890,083)                                       | 127%            | 7,025,869                    | (41%)   |
| 2/28/2009                      | 11,533,586                      | 11,779,976                                     | 246,390   | 98%             | \$ 7,944,996                 | 3.1%  |

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006, annual actuarial valuations.

**SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS**

## COLE COUNTY, MISSOURI SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific or restricted revenue sources or to finance specified activities as required by law or administrative regulation.

**Domestic Shelter Fund** - This fund is established and governed by RSMo 451.151; 455.200-455.305; 488.445; 488.607. It accounts for statutory fees that are collected and expended to provide shelter for victims of domestic violence. The County Commission approves the budget and administers the fund.

**Recorder of Deeds Fund** - This fund is established and governed by RSMo 59.319. It accounts for fees authorized and collected for record storage, microfilming, and preservation. The Recorder of Deeds approves the budget and administers the fund.

**Assessment Fund** - This fund is established and governed by RSMo 137.750. It accounts for the operations of the Cole County Assessor's Office. The County Commission approves the budget for this fund, subject to certain statutory provisions. The Assessor administers the fund.

**Sheriff's and Prosecuting Attorney Training Fund** - The Sheriff's fund is established and governed by RSMo 590.178. It accounts for the revenues and expenditures for peace officer training authorized by state statute. The revenues may be expended solely for peace officer training. The Prosecuting Attorney's fund is established and governed by RSMo 56.765. It accounts for fees authorized and collected for the purpose of providing additional training for prosecuting attorneys and their staff.

**Circuit Clerk Fund** - The Circuit Clerk's fund accounts for revenues and expenditures associated with family court. The law provides for the collection of a fee for each family court case which is deposited into this fund. This fund accounts for the fee charged to those cases that pay on a time payment basis as governed by RSMo 488.5025. This fund also accounts for the interest earned on the Circuit Clerk's general fund and governed by RSMo 483.310.

**Delinquent Tax Fund** - This fund is established and governed by RSMo 136.150. It accounts for revenues and expenditures associated with the collection of certain delinquent taxes, licenses, and fees on behalf of the State of Missouri. The Prosecuting Attorney approves the budget and administers the fund.

**Election Services Fund** - This fund is established and governed by RSMo 115.065. It accounts for revenues derived from a charge, not to exceed 5%, that is levied to all political subdivisions participating in any election. Fund resources may be used for training programs, election supplies and equipment, and any other costs incurred for the general improvement of elections. The County Clerk approves the budget and administers the fund.

**Collector Tax Maintenance Fund** - This fund is established and governed by RSMo 52.312-317. It accounts for the additional delinquent fees and commissions authorized by state statute. The Cole County Collector of Revenue approves the budget and administers the fund.

**Sheriff's Revolving Fund** - This fund is established and governed by RSMo 50.535; 571.101. It accounts for fees collected for conceal and carry endorsement. The Sheriff approves the budget and administers the fund.

**Prosecuting Attorney Bad Check Fund** - This fund is established and governed by RSMo 570.120. It accounts for revenues derived from Prosecuting Attorney Fees for the collection of non-sufficient funds (NSF) checks. The Prosecuting Attorney approves the budget and administers the fund.

**Neighborhood Sinking Fund** - This fund is established and governed by RSMo 67.457. It accounts for improvements to a neighborhood improvement district (NID) that are paid for by property owners through a special assessment to retire bonds used to finance the improvements.

**COUNTY OF COLE, MISSOURI**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2009

|                                     | Domestic Shelter | Recorder of Deeds | Assessment   | Training | Circuit Clerk | Delinquent Tax | Election Services | Tax Maintenance | Sheriff Revolving | Bad Check Fees | Neighborhood Sinking | Total Nonmajor Governmental Funds |
|-------------------------------------|------------------|-------------------|--------------|----------|---------------|----------------|-------------------|-----------------|-------------------|----------------|----------------------|-----------------------------------|
| <b>ASSETS</b>                       |                  |                   |              |          |               |                |                   |                 |                   |                |                      |                                   |
| Cash and cash investments           | \$ 8,505         | \$ 7,569          | \$ 1,129,286 | \$ 5,203 | \$ 105,226    | \$ 414,738     | \$ 35,542         | \$ 61,339       | \$ 15,589         | \$ 69,061      | \$ 75,318            | \$ 1,927,376                      |
| Special assessments                 | -                | -                 | -            | -        | -             | -              | -                 | -               | -                 | -              | 373,275              | 373,275                           |
| Prepaid insurance                   | -                | -                 | 4,190        | -        | -             | -              | -                 | -               | -                 | -              | -                    | 4,190                             |
| Total assets                        | \$ 8,505         | \$ 7,569          | \$ 1,133,476 | \$ 5,203 | \$ 105,226    | \$ 414,738     | \$ 35,542         | \$ 61,339       | \$ 15,589         | \$ 69,061      | \$ 448,593           | \$ 2,304,841                      |
| <b>LIABILITIES</b>                  |                  |                   |              |          |               |                |                   |                 |                   |                |                      |                                   |
| Accounts and contracts payable      | \$ 8,505         | \$ 2,430          | \$ 9,329     | \$ -     | \$ -          | \$ 1,289       | \$ -              | \$ -            | \$ -              | \$ 2,048       | \$ -                 | \$ 23,601                         |
| Deferred revenue                    | -                | -                 | -            | -        | -             | -              | -                 | -               | -                 | -              | 373,275              | 373,275                           |
| Total liabilities                   | 8,505            | 2,430             | 9,329        | -        | -             | 1,289          | -                 | -               | -                 | 2,048          | 373,275              | 396,876                           |
| <b>FUND BALANCES</b>                |                  |                   |              |          |               |                |                   |                 |                   |                |                      |                                   |
| Reserved for prepaid items          | -                | -                 | 4,190        | -        | -             | -              | -                 | -               | -                 | -              | -                    | 4,190                             |
| Unreserved, designated              | -                | 5,139             | 1,119,957    | 5,203    | 105,226       | 413,449        | 35,542            | 61,339          | 15,589            | 67,013         | 75,318               | 1,903,775                         |
| Total fund balances                 | -                | 5,139             | 1,124,147    | 5,203    | 105,226       | 413,449        | 35,542            | 61,339          | 15,589            | 67,013         | 75,318               | 1,907,965                         |
| Total liabilities and fund balances | \$ 8,505         | \$ 7,569          | \$ 1,133,476 | \$ 5,203 | \$ 105,226    | \$ 414,738     | \$ 35,542         | \$ 61,339       | \$ 15,589         | \$ 69,061      | \$ 448,593           | \$ 2,304,841                      |

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Information**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2009**

|   | Domestic Shelter |         | Recorder of Deeds |         | Assessment   |            | Training |         | Circuit Clerk |            | Delinquent Tax |          | Election Services |        |
|---|------------------|---------|-------------------|---------|--------------|------------|----------|---------|---------------|------------|----------------|----------|-------------------|--------|
|   | Actual           | Budget  | Actual            | Budget  | Actual       | Budget     | Actual   | Budget  | Actual        | Budget     | Actual         | Budget   | Actual            | Budget |
| <b>REVENUES</b>   |                  |         |                   |         |              |            |          |         |               |            |                |          |                   |        |
| Taxes   | \$ -             | \$ -    | \$ -              | \$ -    | \$ 643,828   | \$ 795,128 | \$ -     | \$ -    | \$ -          | \$ -       | \$ -           | \$ -     | \$ -              | \$ -   |
| Licenses, fees and permits                                | 14,981           | 20,000  | 97,155            | 95,000  | 223,147      | 251,883    | 12,164   | 11,000  | -             | -          | 184,533        | 15,317   | 16,000            | 16,000 |
| Interest  | 41               | 100     | 113               | 20      | 7,474        | 8,000      | 48       | -       | -             | -          | 3,537          | 349      | 50                | 50     |
| Other   | -                | -       | -                 | -       | 5,330        | 1,000      | -        | -       | 34,370        | -          | -              | -        | -                 | -      |
| Total revenues  | 15,022           | 20,100  | 97,268            | 95,020  | 879,779      | 1,056,011  | 12,212   | 11,000  | 34,370        | 188,070    | 15,666         | 16,050   | 16,050            | 16,050 |
| <b>EXPENDITURES</b>                                       |                  |         |                   |         |              |            |          |         |               |            |                |          |                   |        |
| Current:  |                  |         |                   |         |              |            |          |         |               |            |                |          |                   |        |
| General government  | 24,241           | 29,319  | 95,337            | 98,228  | -            | -          | 8,969    | 12,961  | -             | -          | 12,843         | 48,760   | 48,760            | 48,760 |
| Public safety   | -                | -       | -                 | -       | -            | -          | -        | -       | -             | -          | 103,002        | -        | -                 | -      |
| Assessment costs  | -                | -       | -                 | -       | 812,986      | 1,360,826  | -        | -       | -             | -          | -              | -        | -                 | -      |
| Judicial  | -                | -       | -                 | -       | -            | -          | -        | -       | 26,522        | -          | -              | -        | -                 | -      |
| Debt service:   |                  |         |                   |         |              |            |          |         |               |            |                |          |                   |        |
| General government  | -                | -       | -                 | -       | -            | -          | -        | -       | -             | -          | -              | -        | -                 | -      |
| Total expenditures  | 24,241           | 29,319  | 95,337            | 98,228  | 812,986      | 1,360,826  | 8,969    | 12,961  | 26,522        | 105,002    | 12,843         | 48,760   | 48,760            |        |
| Excess (deficiency) of revenues over (under) expenditures | (9,219)          | (9,219) | 1,931             | (3,208) | 66,793       | (304,815)  | 3,243    | (1,961) | 7,848         | 83,068     | 2,823          | (32,710) | (32,710)          |        |
| Transfers in (out)  | -                | -       | -                 | -       | (83,000)     | (83,000)   | -        | -       | -             | -          | -              | -        | -                 | -      |
| Net changes in fund balances                              | (9,219)          | (9,219) | 1,931             | (3,208) | (16,207)     | (387,815)  | 3,243    | (1,961) | 7,848         | 83,068     | 2,823          | (32,710) | (32,710)          |        |
| Fund balances - beginning                                 | 9,219            | 9,219   | 3,208             | 3,208   | 1,140,354    | 387,815    | 1,960    | 1,961   | 97,378        | 330,381    | 32,719         | 32,710   | 32,710            |        |
| Fund balances - ending                                    | \$ -             | \$ -    | \$ 5,139          | \$ -    | \$ 1,124,147 | \$ -       | \$ 5,203 | \$ -    | \$ 105,226    | \$ 413,449 | \$ 35,542      | \$ -     | \$ -              |        |

(Continued on next page)

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Information (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2009**

|   | Tax Maintenance  |                | Sheriff Revolving |                  | Bad Check Fees   |                | Neighborhood Sinking |                  | Total Actual        |
|---|------------------|----------------|-------------------|------------------|------------------|----------------|----------------------|------------------|---------------------|
|   | Actual           | Budget         | Actual            | Budget           | Actual           | Budget         | Actual               | Budget           |                     |
| <b>REVENUES</b>   |                  |                |                   |                  |                  |                |                      |                  |                     |
| Taxes   | \$ -             | \$ -           | \$ -              | \$ -             | \$ -             | \$ -           | \$ -                 | \$ -             | \$ 643,828          |
| Licenses, fees and permits                                | 72,208           | 80,000         | 5,142             | 82,500           | 66,454           | 82,500         | 32,308               | 32,308           | 723,409             |
| Interest  | -                | -              | 266               | 350              | 696              | 350            | 26,773               | 26,773           | 39,297              |
| Other   | -                | -              | -                 | -                | -                | -              | -                    | -                | 39,700              |
| <b>Total revenues</b>                                     | <b>72,208</b>    | <b>80,000</b>  | <b>5,408</b>      | <b>82,850</b>    | <b>67,150</b>    | <b>82,850</b>  | <b>59,081</b>        | <b>59,081</b>    | <b>1,446,234</b>    |
| <b>EXPENDITURES</b>                                       |                  |                |                   |                  |                  |                |                      |                  |                     |
| Current:  |                  |                |                   |                  |                  |                |                      |                  |                     |
| General government  | 82,805           | 148,649        | -                 | -                | -                | -              | -                    | -                | 215,226             |
| Public safety   | -                | -              | 16,873            | 139,309          | 56,596           | 139,309        | -                    | -                | 187,440             |
| Assessment costs  | -                | -              | -                 | -                | -                | -              | -                    | -                | 812,986             |
| Judicial  | -                | -              | -                 | -                | -                | -              | -                    | -                | 26,522              |
| Debt service:   |                  |                |                   |                  |                  |                |                      |                  |                     |
| General government  | -                | -              | -                 | -                | -                | -              | 57,958               | 57,958           | 57,958              |
| <b>Total expenditures</b>                                 | <b>82,805</b>    | <b>148,649</b> | <b>16,873</b>     | <b>139,309</b>   | <b>56,596</b>    | <b>139,309</b> | <b>57,958</b>        | <b>57,958</b>    | <b>1,300,132</b>    |
| Excess (deficiency) of revenues over (under) expenditures | (10,597)         | (68,649)       | (11,465)          | (56,459)         | 10,554           | (56,459)       | 1,123                | 1,123            | 146,102             |
| Transfers in (out)  | -                | -              | -                 | -                | -                | -              | -                    | -                | (83,000)            |
| Net changes in fund balances                              | (10,597)         | (68,649)       | (11,465)          | (56,459)         | 10,554           | (56,459)       | 1,123                | 1,123            | 63,102              |
| Fund balances - beginning                                 | 71,936           | 68,649         | 27,054            | 56,459           | 56,459           | 56,459         | 74,195               | 74,195           | 1,844,863           |
| <b>Fund balances - ending</b>                             | <b>\$ 61,339</b> | <b>\$ -</b>    | <b>\$ 15,589</b>  | <b>\$ 67,013</b> | <b>\$ 67,013</b> | <b>\$ -</b>    | <b>\$ 75,318</b>     | <b>\$ 75,318</b> | <b>\$ 1,907,965</b> |

## FIDUCIARY FUNDS

## COLE COUNTY, MISSOURI FIDUCIARY FUNDS

**Agency Funds** account for money's and properties held by the County as a trustee, custodian, or agent for individuals, for other governmental units, or for private organizations.

**Unclaimed Fees Fund** – To account for old outstanding checks and unclaimed deposits maintained by the County Treasurer.

**General School Fund** – To account for fines and forfeitures collected by the circuit court and remitted to all County schools once a year based on the percentage of enrollment in the County. Also the railroad and utility taxes for the schools are held in this account until distributed to the County schools.

**Tax Overplus Fund** – To account for excess proceeds from property sold by the County over the tax liability owed. These moneys must be kept for 3 years and, if not claimed, are then remitted to County schools.

**Circuit Clerk Fund** – To account for all the fees collected by the Circuit Clerk and the subsequent distribution of those fees to the State, County, or other entities.

**Sheriff Fund** – To account for the moneys held by the County on behalf of inmates. To account for the bond moneys collected at the Cole County Jail pertaining to other counties outstanding warrants.

**Prosecuting Attorney Restitution Fund** – To account for restitution moneys collected from defendants by the Prosecuting Attorney which then is distributed to the victims.

**Employee's Retirement Fund** – To account for the moneys collected and disbursed to the County Employee Retirement Fund (CERF). Pursuant to legislation enacted in August 1994, special fees are collected by various County offices and recorded in this fund, together with employee contributions. The moneys are subsequently transferred to the statewide fund, where they are invested.

**Protest Tax Fund** – To account for the taxes collected under protest until the case has been resolved and then the taxes are distributed to the rightful recipients.

**Collector Tax Fund** – To account for all property taxes collected in the County and the subsequent distribution to the various taxing entities.

**Financial Institution Tax Fund** - To account for the tax levied on banks and trust companies, credit institutions, savings and loan associations and credit unions that is then distributed to the taxing jurisdictions. Chapter 148 of state law authorizes this tax and each tax rate is 7 percent of net income

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

|   | <b>Special Taxing</b> |                      |                      |                   | <b>Total</b>         |
|---|-----------------------|----------------------|----------------------|-------------------|----------------------|
|   | <b>Districts</b>      | <b>Circuit Clerk</b> | <b>Tax Collector</b> | <b>Other</b>      |                      |
| <b>ASSETS</b>                               |                       |                      |                      |                   |                      |
| Cash and cash investments                   | \$ 462,368            | \$ 862,129           | \$ 50,850,927        | \$ 542,980        | \$ 52,718,404        |
| Property taxes receivable, net of allowance | -                     | -                    | 4,203,172            | -                 | 4,203,172            |
| Due from other funds                        | -                     | -                    | 870,070              | -                 | 870,070              |
| Due from others                             | 1,763,146             | -                    | 368                  | 56,696            | 1,820,210            |
| Total assets                                | <u>\$ 2,225,514</u>   | <u>\$ 862,129</u>    | <u>\$ 55,924,537</u> | <u>\$ 599,676</u> | <u>\$ 59,611,856</u> |
| <b>LIABILITIES</b>                          |                       |                      |                      |                   |                      |
| Due to other funds                          | -                     | -                    | 870,070              | 34,800            | 904,870.00           |
| Due to other governments                    | -                     | -                    | 50,834,221           | -                 | 50,834,221           |
| Due to others                               | 2,225,514             | 862,129              | 4,220,246            | 564,876           | 7,872,765            |
| Total liabilities                           | <u>\$ 2,225,514</u>   | <u>\$ 862,129</u>    | <u>\$ 55,924,537</u> | <u>\$ 599,676</u> | <u>\$ 59,611,856</u> |

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**December 31, 2009**

|   | Balance<br>December 31,<br>2008 | Additions            | Deductions           | Balance<br>December 31,<br>2009 |
|---|---------------------------------|----------------------|----------------------|---------------------------------|
| <b>TOTAL ALL AGENCY FUNDS</b>               |                                 |                      |                      |                                 |
| Assets                                      |                                 |                      |                      |                                 |
| Cash and cash investments                   | \$ 51,996,168                   | \$ 82,435,344        | \$ 81,713,108        | \$ 52,718,404                   |
| Property taxes receivable, net of allowance | 4,388,979                       | -                    | 185,807              | 4,203,172                       |
| Due from other funds                        | 183,594                         | 686,476              | -                    | 870,070                         |
| Due from others                             | 1,616,833                       | 203,377              | -                    | 1,820,210                       |
| Total assets                                | <u>\$ 58,185,574</u>            | <u>\$ 83,325,197</u> | <u>\$ 81,898,915</u> | <u>\$ 59,611,856</u>            |
| Liabilities                                 |                                 |                      |                      |                                 |
| Due to other funds                          | \$ 183,594                      | \$ 721,276           | \$ -                 | \$ 904,870                      |
| Due to other governments                    | 50,565,782                      | 69,575,089           | 69,306,650           | 50,834,221                      |
| Due to others                               | 7,436,198                       | 13,028,832           | 12,592,265           | 7,872,765                       |
| Total liabilities                           | <u>\$ 58,185,574</u>            | <u>\$ 83,325,197</u> | <u>\$ 81,898,915</u> | <u>\$ 59,611,856</u>            |
| <b>SPECIAL TAXING DISTRICTS</b>             |                                 |                      |                      |                                 |
| Assets                                      |                                 |                      |                      |                                 |
| Cash and cash investments                   | \$ 446,698                      | \$ 2,048,915         | \$ 2,033,245         | \$ 462,368                      |
| Due from others                             | 1,564,933                       | 198,213              | -                    | 1,763,146                       |
| Total assets                                | <u>\$ 2,011,631</u>             | <u>\$ 2,247,128</u>  | <u>\$ 2,033,245</u>  | <u>\$ 2,225,514</u>             |
| Liabilities                                 |                                 |                      |                      |                                 |
| Due to others                               | \$ 2,011,631                    | \$ 2,247,128         | \$ 2,033,245         | \$ 2,225,514                    |
| Total liabilities                           | <u>\$ 2,011,631</u>             | <u>\$ 2,247,128</u>  | <u>\$ 2,033,245</u>  | <u>\$ 2,225,514</u>             |
| <b>CIRCUIT CLERK</b>                        |                                 |                      |                      |                                 |
| Assets                                      |                                 |                      |                      |                                 |
| Cash and cash investments                   | \$ 970,831                      | \$ 3,637,526         | \$ 3,746,228         | \$ 862,129                      |
| Total assets                                | <u>\$ 970,831</u>               | <u>\$ 3,637,526</u>  | <u>\$ 3,746,228</u>  | <u>\$ 862,129</u>               |
| Liabilities                                 |                                 |                      |                      |                                 |
| Due to others                               | \$ 970,831                      | \$ 3,637,526         | \$ 3,746,228         | \$ 862,129                      |
| Total liabilities                           | <u>\$ 970,831</u>               | <u>\$ 3,637,526</u>  | <u>\$ 3,746,228</u>  | <u>\$ 862,129</u>               |

(Continued on next page)

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**December 31, 2009**

|   | <u>Balance<br/>December 31,<br/>2008</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance<br/>December 31,<br/>2009</u> |
|---|--|----------------------|----------------------|--|
| <b>TAX COLLECTOR</b>                        |  |                      |                      |  |
| Assets                                      |  |                      |                      |  |
| Cash and cash investments                   | \$ 50,059,444                            | \$ 70,396,654        | \$ 69,605,171        | \$ 50,850,927                            |
| Property taxes receivable, net of allowance | 4,388,979                                | -                    | 185,807              | 4,203,172                                |
| Due from other funds                        | 183,594                                  | 686,476              | -                    | 870,070                                  |
| Due from others                             | 368                                      | -                    | -                    | 368                                      |
| Total assets                                | <u>\$ 54,632,385</u>                     | <u>\$ 71,083,130</u> | <u>\$ 69,790,978</u> | <u>\$ 55,924,537</u>                     |
| Liabilities                                 |  |                      |                      |  |
| Due to other funds                          | \$ 183,594                               | \$ 686,476           | \$ -                 | \$ 870,070                               |
| Due to other governments                    | 50,565,782                               | 69,575,089           | 69,306,650           | 50,834,221                               |
| Due to others                               | 3,883,009                                | 821,565              | 484,328              | 4,220,246                                |
| Total liabilities                           | <u>\$ 54,632,385</u>                     | <u>\$ 71,083,130</u> | <u>\$ 69,790,978</u> | <u>\$ 55,924,537</u>                     |
| <b>OTHER AGENCY FUNDS</b>                   |  |                      |                      |  |
| Assets                                      |  |                      |                      |  |
| Cash and cash investments                   | \$ 519,195                               | \$ 6,352,249         | \$ 6,328,464         | \$ 542,980                               |
| Due from others                             | 51,532                                   | 5,164                | -                    | 56,696                                   |
| Total assets                                | <u>\$ 570,727</u>                        | <u>\$ 6,357,413</u>  | <u>\$ 6,328,464</u>  | <u>\$ 599,676</u>                        |
| Liabilities                                 |  |                      |                      |  |
| Due to other funds                          | \$ -                                     | \$ 34,800            | \$ -                 | \$ 34,800                                |
| Due to others                               | 570,727                                  | 6,322,613            | 6,328,464            | 564,876                                  |
| Total liabilities                           | <u>\$ 570,727</u>                        | <u>\$ 6,357,413</u>  | <u>\$ 6,328,464</u>  | <u>\$ 599,676</u>                        |

**COUNTY OF COLE, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

|   | Unclaimed Fees | General School Fund | Tax Overplus | Circuit Clerk | Sheriff    | Prosecuting Attorney | Employees Retirement | Protest Tax  | Tax Collector | Financial Institution Tax | Total         |
|---|----------------|---------------------|--------------|---------------|------------|----------------------|----------------------|--------------|---------------|---------------------------|---------------|
| <b>ASSETS</b>                               |                |                     |              |               |            |                      |                      |              |               |                           |               |
| Cash and cash investments                   | \$ 43,765      | \$ 456,486          | \$ 5,882     | \$ 862,129    | \$ 460,700 | \$ 13,133            | \$ 25,382            | \$ 2,451,015 | \$ 48,399,912 | \$ -                      | \$ 52,718,404 |
| Property taxes receivable, net of allowance | -              | -                   | -            | -             | -          | -                    | -                    | -            | 4,203,172     | -                         | 4,203,172     |
| Due from other funds                        | -              | -                   | -            | -             | -          | -                    | -                    | -            | 870,070       | -                         | 870,070       |
| Due from others                             | -              | 1,763,146           | -            | -             | -          | -                    | 56,696               | -            | 368           | -                         | 1,820,210     |
| Total assets                                | 43,765         | 2,219,632           | 5,882        | 862,129       | 460,700    | 13,133               | 82,078               | 2,451,015    | 53,473,522    | -                         | 59,611,856    |
| <b>LIABILITIES</b>                          |                |                     |              |               |            |                      |                      |              |               |                           |               |
| Due to other funds                          | \$ -           | \$ -                | \$ -         | \$ -          | \$ 34,800  | \$ -                 | \$ -                 | \$ 870,070   | \$ -          | \$ -                      | \$ 904,870    |
| Due to other governments                    | -              | -                   | -            | -             | -          | -                    | -                    | 1,580,577    | 49,253,644    | -                         | 50,834,221    |
| Due to others                               | 43,765         | 2,219,632           | 5,882        | 862,129       | 425,900    | 13,133               | 82,078               | 368          | 4,219,878     | -                         | 7,872,765     |
| Total liabilities                           | \$ 43,765      | \$ 2,219,632        | \$ 5,882     | \$ 862,129    | \$ 460,700 | \$ 13,133            | \$ 82,078            | \$ 2,451,015 | \$ 53,473,522 | \$ -                      | \$ 59,611,856 |

**COUNTY OF COLE, MISSOURI**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2009**

|                            | Unclaimed Fees | General School Fund | Tax Overplus | Circuit Clerk | Sheriff   | Prosecuting Attorney | Employees Retirement | Protest Tax | Tax Collector | Financial Institution Tax | Total         |
|----------------------------|----------------|---------------------|--------------|---------------|-----------|----------------------|----------------------|-------------|---------------|---------------------------|---------------|
| <b>ADDITIONS</b>           |                |                     |              |               |           |                      |                      |             |               |                           |               |
| Taxes                      | \$ -           | \$ 1,937,898        | \$ -         | \$ -          | \$ -      | \$ -                 | \$ -                 | \$ -        | \$ 68,061,428 | \$ -                      | \$ 69,999,326 |
| Licenses, fees and permits | -              | 302,766             | -            | 3,637,526     | 4,009,463 | 1,777,432            | 542,532              | 1,812,291   | -             | -                         | 12,082,010    |
| Interest                   | -              | 4,446               | -            | -             | -         | -                    | 187                  | -           | -             | -                         | 4,633         |
| Other                      | -              | -                   | 2,017        | -             | -         | -                    | 27,797               | -           | -             | 15,648                    | 45,462        |
| Total additions            | -              | 2,245,110           | 2,017        | 3,637,526     | 4,009,463 | 1,777,432            | 570,516              | 1,812,291   | 68,061,428    | 15,648                    | 82,131,431    |
| <b>DEDUCTIONS</b>          |                |                     |              |               |           |                      |                      |             |               |                           |               |
| General government         | -              | 2,245,110           | 2,017        | 3,637,526     | 4,009,463 | 1,777,432            | 570,516              | 1,812,291   | 68,061,428    | 15,648                    | 82,131,431    |
| Total deductions           | -              | 2,245,110           | 2,017        | 3,637,526     | 4,009,463 | 1,777,432            | 570,516              | 1,812,291   | 68,061,428    | 15,648                    | 82,131,431    |
| Change in net assets       | -              | -                   | -            | -             | -         | -                    | -                    | -           | -             | -                         | -             |
| Net assets - beginning     | -              | -                   | -            | -             | -         | -                    | -                    | -           | -             | -                         | -             |
| Net assets - ending        | \$ -           | \$ -                | \$ -         | \$ -          | \$ -      | \$ -                 | \$ -                 | \$ -        | \$ -          | \$ -                      | \$ -          |

## STATISTICAL SECTION

## COLE COUNTY, MISSOURI STATISTICAL SECTION

This section of the comprehensive annual financial report for Cole County, Missouri presents detailed information to help understand the information presented in the financial statements, notes to the financial statements, and required supplementary information and how it relates to the governments overall financial standing.

**Financial Trends** – These schedules contain trend information for the last ten years to help understand how the County’s financial performance has changed in those ten years.

**Revenue Trends** – These schedules contain information regarding property tax and sales tax for the last ten years. Property tax and sales tax make up the County’s largest revenue sources.

**Debt Capacity** – These schedules contain information on the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future if needed.

**Demographic Information** –These schedules present the demographic and economic indicators for the County and help to understand the environment in which the County operates.

**Operating Information** – These schedules contain information about the County and its services to help understand how the financial report relates to the services the County offers and the activities that it performs.

**COUNTY OF COLE, MISSOURI**  
**Net Assets by Component**  
**Last Ten Fiscal Years 2000 - 2009**

|   | 2000        | 2001        | 2002        | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
|---|-------------|-------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                  |             |             |             |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ -        | \$ -        | \$ -        | \$ 13,562,257        | \$ 21,212,641        | \$ 24,422,688        | \$ 27,293,931        | \$ 49,125,358        | \$ 48,778,941        | \$ 48,307,125        |
| Restricted for:                                 |             |             |             |                      |                      |                      |                      |                      |                      |                      |
| Highways, streets and bridges                   | -           | -           | -           | 2,086,010            | 4,736,021            | 4,860,886            | 5,077,295            | -                    | 4,562,448            | 4,843,244            |
| Capital projects                                | -           | -           | -           | -                    | -                    | -                    | -                    | 13,034,818           | 8,324,067            | 12,119,777           |
| Emergency medical services                      | -           | -           | -           | -                    | -                    | -                    | -                    | -                    | -                    | 748,053              |
| Debt Service                                    | -           | -           | -           | 80,886               | 75,655               | 76,410               | 171,179              | 73,859               | 74,195               | 75,318               |
| Unrestricted                                    | -           | -           | -           | 5,171,053            | 8,208,587            | 8,632,728            | 9,465,524            | 2,752,521            | 5,744,788            | 4,141,381            |
| <b>Total net assets</b>                         | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>20,900,206</b>    | <b>34,232,904</b>    | <b>37,992,712</b>    | <b>42,007,929</b>    | <b>64,986,556</b>    | <b>67,484,439</b>    | <b>70,234,898</b>    |
| <b>Business-type activities</b>                 |             |             |             |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt | -           | -           | -           | -                    | -                    | -                    | -                    | -                    | -                    | 387,011              |
| Unrestricted                                    | -           | -           | -           | -                    | -                    | -                    | -                    | -                    | -                    | 652,788              |
| <b>Total net assets</b>                         | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>1,039,799</b>     |
| <b>Primary government</b>                       |             |             |             |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt | -           | -           | -           | 13,562,257           | 21,212,641           | 24,422,688           | 27,293,931           | 49,125,358           | 48,778,941           | 48,694,136           |
| Restricted for:                                 |             |             |             |                      |                      |                      |                      |                      |                      |                      |
| Highways, streets and bridges                   | -           | -           | -           | 2,086,010            | 4,736,021            | 4,860,886            | 5,077,295            | -                    | 4,562,448            | 4,843,244            |
| Capital projects                                | -           | -           | -           | -                    | -                    | -                    | -                    | 13,034,818           | 8,324,067            | 12,119,777           |
| Emergency medical services                      | -           | -           | -           | -                    | -                    | -                    | -                    | -                    | -                    | 748,053              |
| Debt Service                                    | -           | -           | -           | 80,886               | 75,655               | 76,410               | 171,179              | 73,859               | 74,195               | 75,318               |
| Unrestricted                                    | -           | -           | -           | 5,171,053            | 8,208,587            | 8,632,728            | 9,465,524            | 2,752,521            | 5,744,788            | 4,794,169            |
| <b>Total net assets</b>                         | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 20,900,206</b> | <b>\$ 34,232,904</b> | <b>\$ 37,992,712</b> | <b>\$ 42,007,929</b> | <b>\$ 64,986,556</b> | <b>\$ 67,484,439</b> | <b>\$ 71,274,697</b> |

*Data Source*

Statement of Net Assets

Note: Government-wide statements: This is the sixth year the County has prepared the Comprehensive Annual Financial Statement following the new financial reporting model requirements promulgated by GASB Statement No. 34.

**COUNTY OF COLE, MISSOURI**  
**Changes in Net Assets**  
**Last Ten Fiscal Years 2000 - 2009**

|   | 2000 | 2001 | 2002 | 2003           | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            |
|---|------|------|------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>   |      |      |      |                |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities:</b>                         |      |      |      |                |                 |                 |                 |                 |                 |                 |
| General government                                      | \$ - | \$ - | \$ - | \$ 3,519,668   | \$ 3,525,868    | \$ 3,592,907    | \$ 4,280,528    | \$ 3,766,827    | \$ 4,397,489    | \$ 4,519,053    |
| Public safety   | -    | -    | -    | 5,056,787      | 5,120,719       | 5,616,435       | 5,814,014       | 6,048,027       | 7,540,692       | 8,964,258       |
| Highways, streets & bridges                             | -    | -    | -    | 7,401,364      | 5,518,942       | 5,557,640       | 6,043,638       | 10,020,529      | 10,934,724      | 9,462,367       |
| Assessment  | -    | -    | -    | 511,720        | 507,824         | 591,493         | 637,377         | 647,930         | 537,689         | 817,567         |
| Judicial  | -    | -    | -    | 525,817        | 641,184         | 688,027         | 652,086         | 633,321         | 743,324         | 753,715         |
| Health & welfare  | -    | -    | -    | 1,719,818      | 1,759,520       | 1,779,970       | 1,774,871       | 1,690,600       | 1,690,600       | 2,196,749       |
| Parks & recreation                                      | -    | -    | -    | 17,814         | 2,798           | 2,303           | 4,588           | 39,170          | 10,695          | 10,677          |
| Emergency management                                    | -    | -    | -    | 171,711        | 134,660         | 329,349         | 405,194         | 405,194         | 354,989         | 329,185         |
| Interest and fiscal fees                                | -    | -    | -    | 40,111         | 35,950          | 32,461          | 34,033          | 458,092         | 458,092         | 1,176,414       |
| Total governmental activities expenses:                 | -    | -    | -    | 18,924,699     | 17,231,626      | 18,194,274      | 19,334,475      | 23,298,387      | 26,668,294      | 28,229,985      |
| <b>Business-type activities:</b>                        |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Emergency medical services                              | -    | -    | -    | -              | -               | -               | -               | -               | -               | 1,522,441       |
| Total primary government expenses                       | \$ - | \$ - | \$ - | \$ 18,924,699  | \$ 17,231,626   | \$ 18,194,274   | \$ 19,334,475   | \$ 23,298,387   | \$ 26,668,294   | \$ 29,752,426   |
| <b>Program Revenues</b>                                 |      |      |      |                |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities:</b>                         |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Charges for services:                                   |      |      |      |                |                 |                 |                 |                 |                 |                 |
| General government                                      | \$ - | \$ - | \$ - | \$ 2,163,268   | \$ 1,662,674    | \$ 1,669,013    | \$ 1,709,048    | \$ 1,698,779    | \$ 1,828,094    | \$ 1,790,513    |
| Public safety   | -    | -    | -    | 1,451,133      | 1,521,412       | 1,283,461       | 1,397,684       | 1,566,672       | 1,847,877       | 1,860,706       |
| Highways, streets & bridges                             | -    | -    | -    | 178,264        | 35,684          | 123,291         | 79,902          | 146,332         | 205,338         | 998,205         |
| Assessment  | -    | -    | -    | 705            | -               | 239,297         | 311,601         | 257,180         | 231,526         | 223,147         |
| Judicial  | -    | -    | -    | 272,855        | 125,111         | 123,238         | 117,969         | 117,695         | 128,211         | 133,411         |
| Health & welfare  | -    | -    | -    | 81,579         | 422,552         | 313,170         | 391,020         | 296,569         | 412,920         | 365,250         |
| Emergency management                                    | -    | -    | -    | 14,800         | 4,519           | -               | -               | -               | -               | -               |
| Operating grants and contributions:                     | -    | -    | -    | 3,006,120      | 2,031,032       | 1,926,592       | 2,231,054       | 2,155,563       | 1,890,181       | 1,967,698       |
| Capital grants and contributions:                       | -    | -    | -    | 1,778,982      | 17,216          | 138,014         | 41,000          | 179,086         | 28,088          | 5,243           |
| Total governmental activities program revenue           | -    | -    | -    | 8,947,706      | 5,820,200       | 5,836,076       | 6,279,278       | 6,417,876       | 6,572,255       | 7,344,173       |
| <b>Business-type activities:</b>                        |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Charges for services:                                   |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Emergency medical services                              | \$ - | \$ - | \$ - | \$ 8,947,706   | \$ 5,820,200    | \$ 5,836,076    | \$ 6,279,278    | \$ 6,417,876    | \$ 6,572,255    | \$ 8,889,861    |
| Total primary government program revenue                | \$ - | \$ - | \$ - | \$ 8,947,706   | \$ 5,820,200    | \$ 5,836,076    | \$ 6,279,278    | \$ 6,417,876    | \$ 6,572,255    | \$ 8,889,861    |
| <b>Net (expense) revenue</b>                            | \$ - | \$ - | \$ - | \$ (9,976,993) | \$ (11,411,426) | \$ (12,358,198) | \$ (13,055,197) | \$ (16,880,511) | \$ (20,096,039) | \$ (20,885,812) |
| <b>Governmental activities</b>                          | \$ - | \$ - | \$ - | \$ (9,976,993) | \$ (11,411,426) | \$ (12,358,198) | \$ (13,055,197) | \$ (16,880,511) | \$ (20,096,039) | \$ (20,862,565) |
| <b>Business-type activities</b>                         | \$ - | \$ - | \$ - | \$ -           | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ 23,247       |
| <b>Total primary government net expense</b>             | \$ - | \$ - | \$ - | \$ (9,976,993) | \$ (11,411,426) | \$ (12,358,198) | \$ (13,055,197) | \$ (16,880,511) | \$ (20,096,039) | \$ (20,862,565) |
| <b>General Revenues and Other Changes in Net Assets</b> |      |      |      |                |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities:</b>                         |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Taxes:  |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Property taxes  | \$ - | \$ - | \$ - | \$ 6,381,313   | \$ 7,100,277    | \$ 7,669,706    | \$ 7,867,071    | \$ 8,211,669    | \$ 8,870,255    | \$ 7,121,570    |
| Sales tax   | -    | -    | -    | 4,762,355      | 4,944,301       | 5,088,702       | 5,288,518       | 5,434,669       | 10,103,217      | 13,720,164      |
| Local use tax   | -    | -    | -    | 392,276        | 382,861         | 680,470         | 537,110         | 466,639         | 756,827         | 985,600         |
| Motor vehicle sales taxes                               | -    | -    | -    | 306,081        | 327,509         | 311,818         | 349,832         | 319,631         | 241,036         | 239,980         |
| Stock insurance   | -    | -    | -    | 843,152        | 889,294         | 854,285         | 873,614         | 806,626         | 813,279         | 978,150         |
| County Aid Road Trust (CART)                            | -    | -    | -    | 55,424         | 51,179          | 50,337          | 57,076          | 28,714          | 25,625          | 24,395          |
| Financial institution tax                               | -    | -    | -    | 142,094        | 149,257         | 296,155         | 475,965         | 576,968         | 339,147         | 219,036         |
| Unrestricted investment earnings                        | -    | -    | -    | 4,874          | (88,828)        | -               | 9,069           | (37,399)        | (11,527)        | (22,845)        |
| Gain (loss) on sale of capital assets                   | -    | -    | -    | -              | -               | -               | -               | -               | -               | (1,014,497)     |
| Transfers   | -    | -    | -    | -              | -               | -               | -               | -               | -               | 597,230         |
| Other   | -    | -    | -    | -              | 530,775         | 536,808         | 684,613         | 554,807         | 649,437         | 23,636,271      |
| Total governmental activities:                          | -    | -    | -    | 13,642,057     | 15,198,383      | 16,118,006      | 17,070,413      | 17,483,958      | 22,593,922      | 23,636,271      |
| <b>Business-type activities:</b>                        |      |      |      |                |                 |                 |                 |                 |                 |                 |
| Unrestricted investment earnings                        | -    | -    | -    | -              | -               | -               | -               | -               | -               | 772             |
| Transfers   | -    | -    | -    | -              | -               | -               | -               | -               | -               | 1,014,497       |
| Other   | -    | -    | -    | -              | -               | -               | -               | -               | -               | 1,283           |
| Total business-type activities:                         | -    | -    | -    | -              | -               | -               | -               | -               | -               | 1,016,552       |
| <b>Total primary government</b>                         | \$ - | \$ - | \$ - | \$ 13,642,057  | \$ 15,198,383   | \$ 16,118,006   | \$ 17,070,413   | \$ 17,483,958   | \$ 22,593,922   | \$ 24,652,823   |
| <b>Change in Net Assets</b>                             | \$ - | \$ - | \$ - | \$ 3,665,064   | \$ 3,786,957    | \$ 3,759,808    | \$ 40,152,117   | \$ 603,447      | \$ 2,497,883    | \$ 2,750,459    |
| <b>Governmental activities</b>                          | \$ - | \$ - | \$ - | \$ 3,665,064   | \$ 3,786,957    | \$ 3,759,808    | \$ 40,152,117   | \$ 603,447      | \$ 2,497,883    | \$ 3,790,258    |
| <b>Business-type activities</b>                         | \$ - | \$ - | \$ - | \$ -           | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| <b>Total primary government</b>                         | \$ - | \$ - | \$ - | \$ 3,665,064   | \$ 3,786,957    | \$ 3,759,808    | \$ 40,152,117   | \$ 603,447      | \$ 2,497,883    | \$ 3,790,258    |

**COUNTY OF COLE, MISSOURI**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Property Tax | Sales Tax     | Local Use Tax | Motor Vehicle |            | Stock Insurance | CART      | Financial Institution Tax | Total |
|-------------|--------------|---------------|---------------|---------------|------------|-----------------|-----------|---------------------------|-------|
|             |              |               |               | Sales Tax     | Tax        |                 |           |                           |       |
| 2000        |              |               |               |               |            |                 |           |                           |       |
| 2001        |              |               |               |               |            |                 |           |                           |       |
| 2002        |              |               |               |               |            |                 |           |                           |       |
| 2003        | \$ 6,381,313 | \$ 4,762,355  | \$ 392,276    | \$ 306,081    | \$ 754,488 | \$ 843,152      | \$ 55,424 | \$ 13,495,089             |       |
| 2004        | 7,100,277    | 4,944,501     | 382,861       | 327,509       | 911,558    | 889,294         | 51,179    | 14,607,179                |       |
| 2005        | 7,669,706    | 5,088,702     | 680,470       | 311,818       | 629,725    | 854,285         | 50,337    | 15,285,043                |       |
| 2006        | 7,867,071    | 5,288,518     | 537,110       | 349,832       | 948,954    | 852,205         | 57,076    | 15,900,766                |       |
| 2007        | 8,211,669    | 5,434,669     | 466,639       | 319,631       | 1,054,646  | 873,614         | 28,714    | 16,389,582                |       |
| 2008        | 8,870,255    | 10,103,217    | 756,827       | 241,036       | 813,279    | 806,626         | 25,625    | 21,616,865                |       |
| 2009        | \$ 7,121,570 | \$ 13,720,164 | \$ 985,600    | \$ 239,980    | \$ 978,150 | \$ 787,468      | \$ 24,395 | \$ 23,857,327             |       |

*Data Source*

Statement of Activities

Note: Government-wide Statements: This is the sixth year the County has prepared the Comprehensive Annual Financial Statement following the new financial reporting model requirements promulgated by GASB Statement No. 34.

**COUNTY OF COLE, MISSOURI**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years 2000 - 2009**

|                                 | 2000       | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007         | 2008         | 2009         |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| General Fund                    |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Prepaid items                   | \$ -       | \$ -       | \$ 54,026  | \$ -       | \$ 57,444  | \$ 63,169  | \$ 65,577  | \$ 126,032   | \$ 95,768    | \$ 86,496    |
| Encumbrances                    | -          | -          | -          | -          | -          | -          | -          | -            | -            | 27,848       |
| Unreserved                      | 3,544,662  | 455,951    | 3,005,782  | 3,214,451  | 6,541,390  | 6,322,152  | 6,204,512  | 6,064,402    | 6,644,697    | 7,201,556    |
| Total General Fund              | 3,544,662  | 455,951    | 3,059,808  | 3,214,451  | 6,598,834  | 6,385,321  | 6,270,089  | 6,190,434    | 6,740,465    | 7,315,900    |
| Road and Bridge                 |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Prepaid items                   | -          | -          | 16,094     | -          | 18,147     | 404,351    | 19,589     | 19,108       | 17,898       | 19,389       |
| Encumbrances                    | 23,250     | 24,895     | -          | 24,894     | 388,990    | 428,201    | 354,657    | -            | -            | -            |
| Inventory                       | 388,348    | 300,902    | 306,623    | -          | 328,628    | 383,553    | 377,585    | 434,892      | 489,397      | 530,408      |
| Unreserved                      | 2,844,718  | 933,369    | 1,594,509  | 2,061,116  | 4,000,256  | 3,642,781  | 4,325,464  | 4,664,423    | 4,055,153    | 4,293,447    |
| Total Road and Bridge           | 3,256,316  | 1,259,166  | 1,917,226  | 2,086,010  | 4,736,021  | 4,860,886  | 5,077,295  | 5,118,423    | 4,562,448    | 4,843,244    |
| Sales Tax                       |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Encumbrances                    | 384,631    | 282,421    | -          | 183,557    | 183,557    | -          | 183,557    | 937,452      | 1,761,891    | 141,461      |
| Capital Projects                | 2,522,287  | 3,148,883  | 3,216,341  | 2,750,255  | 1,725,396  | 2,412,856  | 3,080,815  | 3,208,917    | 2,201,299    | 5,445,048    |
| Total Sales Tax                 | 2,906,918  | 3,431,304  | 3,216,341  | 2,933,812  | 1,908,953  | 2,412,856  | 3,264,372  | 4,146,369    | 3,963,190    | 5,586,509    |
| Neighborhood Sinking            |            |            |            |            |            |            |            |              |              |              |
| Unreserved                      | 61,947     | 62,023     | 72,921     | 80,886     | 75,655     | 71,179     | 73,575     | 73,859       | 74,195       | -            |
| Total Neighborhood Sinking      | 61,947     | 62,023     | 72,921     | 80,886     | 75,655     | 71,179     | 73,575     | 73,859       | 74,195       | -            |
| Emergency Services Sales Tax    |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Prepaid items                   | -          | -          | -          | -          | -          | -          | -          | -            | -            | -            |
| Emergency medical services      | -          | -          | -          | -          | -          | -          | -          | -            | -            | 748,053      |
| Total Law Enforcement Sales Tax | -          | -          | -          | -          | -          | -          | -          | -            | -            | 748,053      |
| Law Enforcement Sales Tax       |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Prepaid items                   | -          | -          | -          | -          | -          | -          | -          | -            | 25,412       | 29,753       |
| Unreserved                      | -          | -          | -          | -          | -          | -          | -          | -            | 2,425,207    | 2,366,374    |
| Total Law Enforcement Sales Tax | -          | -          | -          | -          | -          | -          | -          | -            | 2,450,619    | 2,396,127    |
| Capital Improvement             |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Encumbrances                    | -          | -          | -          | -          | -          | -          | -          | -            | 1,357,981    | 13,814,812   |
| Capital Improvements            | -          | -          | -          | -          | -          | -          | -          | 9,825,901    | 6,122,768    | 6,674,729    |
| Total Capital Improvement       | -          | -          | -          | -          | -          | -          | -          | 9,825,901    | 7,480,749    | 20,489,541   |
| Non Major Funds                 |            |            |            |            |            |            |            |              |              |              |
| Reserved for:                   |            |            |            |            |            |            |            |              |              |              |
| Prepaid items                   | -          | -          | 2,866      | 3,501      | 4,323      | 5,250      | 5,622      | 3,921        | 3,867        | 4,190        |
| Unreserved                      | 487,866    | 449,501    | 292,262    | 431,081    | 639,034    | 693,315    | 817,359    | 1,045,744    | 1,766,801    | 1,903,775    |
| Total Non Major Funds           | \$ 487,866 | \$ 449,501 | \$ 295,128 | \$ 434,582 | \$ 643,357 | \$ 698,565 | \$ 822,981 | \$ 1,049,665 | \$ 1,770,668 | \$ 1,907,965 |

Note: The Neighborhood Sinking Fund became a non-major fund in 2009.

**COUNTY OF COLE, MISSOURI**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years 2000 - 2009**

|  | 2000              | 2001              | 2002                | 2003              | 2004                | 2005              | 2006                | 2007                 | 2008              | 2009                 |
|--|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|----------------------|-------------------|----------------------|
| <b>Revenues</b>  |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| Taxes  | \$12,316,716      | \$12,892,426      | \$13,028,173        | \$13,489,902      | \$14,586,674        | \$15,242,509      | \$15,878,292        | \$16,352,428         | \$21,635,621      | \$23,899,824         |
| Licenses, fees and permits                                       | 1,968,700         | 1,885,503         | 2,732,183           | 3,311,217         | 3,797,932           | 3,776,075         | 3,722,123           | 4,111,277            | 4,684,512         | 5,403,539            |
| Intergovernmental  | 2,876,164         | 3,184,832         | 3,699,153           | 4,790,431         | 1,731,626           | 2,016,837         | 2,603,665           | 2,319,753            | 2,049,081         | 1,839,597            |
| Interest   | 477,960           | 420,580           | 168,801             | 142,094           | 149,257             | 296,155           | 475,966             | 576,968              | 339,147           | 219,056              |
| Special assessment   | 92,989            | 21,960            | 108,805             | -                 | 5,394               | 2,697             | -                   | -                    | -                 | -                    |
| Unclaimed property   | -                 | -                 | 1,811,846           | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Other  | 1,289,604         | 1,347,569         | 960,738             | 863,374           | 531,231             | 541,775           | 689,440             | 486,143              | 605,673           | 507,352              |
| <b>Total revenues</b>  | <b>19,022,133</b> | <b>19,752,870</b> | <b>22,509,699</b>   | <b>22,597,018</b> | <b>20,802,114</b>   | <b>21,876,048</b> | <b>23,369,486</b>   | <b>23,846,569</b>    | <b>29,314,034</b> | <b>31,869,368</b>    |
| <b>Expenditures</b>  |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| <b>Current:</b>  |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| General government   | 2,916,362         | 3,656,235         | 3,007,359           | 3,249,696         | 3,358,190           | 3,380,716         | 4,022,898           | 3,489,030            | 4,349,405         | 4,382,935            |
| Public safety and judicial                                       | 5,207,151         | 5,326,409         | 5,726,446           | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Public safety  | -                 | -                 | -                   | 4,897,912         | 4,938,882           | 5,432,123         | 5,659,474           | 5,893,361            | 7,107,533         | 7,757,928            |
| Highways, streets & bridges                                      | 7,253,002         | 7,173,719         | 8,120,832           | 5,741,179         | 4,531,955           | 4,150,170         | 4,164,766           | 4,885,398            | 6,449,247         | 4,360,810            |
| Assessment costs   | 501,554           | 480,758           | 497,056             | 510,762           | 515,651             | 590,783           | 631,665             | 643,608              | 540,599           | 812,986              |
| Building maintenance   | 255,780           | 330,144           | 334,963             | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Judicial   | -                 | -                 | -                   | 477,148           | 573,811             | 629,358           | 598,302             | 598,552              | 688,706           | 701,284              |
| Health & welfare   | 1,329,805         | 1,441,731         | 1,601,533           | 1,698,808         | 1,707,636           | 1,758,467         | 1,795,445           | 1,678,174            | 1,651,018         | 2,186,746            |
| Parks & recreation   | 11,003            | 10,981            | 13,812              | 15,869            | 1,365               | 870               | 2,737               | 31,799               | 1,584             | 1,566                |
| Emergency management   | -                 | -                 | -                   | 147,639           | 96,481              | 254,862           | 12,022              | 263,919              | 151,178           | 145,495              |
| <b>Capital outlay:</b>   |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| General government   | -                 | -                 | -                   | 6,647             | 86,865              | 431,874           | 409,406             | 1,695,774            | 448,253           | 103,558              |
| Public safety  | -                 | -                 | -                   | 67,712            | 82,510              | 194,237           | 82,846              | 119,902              | 2,165,785         | 11,306,025           |
| Judicial   | -                 | -                 | -                   | 96,435            | 16,140              | 38,617            | 22,265              | 39,728               | 10,464            | 14,167               |
| Highways, streets & bridges                                      | -                 | -                 | -                   | 5,219,971         | 5,326,468           | 4,310,624         | 4,093,712           | 3,222,439            | 4,045,816         | 4,211,127            |
| Health & welfare   | -                 | -                 | -                   | -                 | -                   | 5,421             | 34,538              | 54,830               | -                 | 449,551              |
| Emergency management   | -                 | -                 | -                   | 92,587            | 291,787             | 68,889            | 669,894             | 40,018               | 11,570            | 25,808               |
| Equipment  | 899,790           | 654,646           | 600,707             | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Property renovations/acquisitions                                | 649,431           | 325,880           | 182,761             | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| <b>Debt service:</b>   |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| Capital lease payments   | 119,918           | 73,578            | 88,563              | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Note principal   | 15,549            | 18,640            | 23,364              | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Interest and fees  | 15,101            | 44,741            | 34,787              | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Bond issuance costs  | -                 | -                 | 9,156               | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| General government   | -                 | -                 | -                   | 182,492           | 57,211              | 63,050            | 59,626              | 60,054               | 59,222            | 57,958               |
| Public safety  | -                 | -                 | -                   | 8,717             | 100,000             | 100,000           | 100,000             | 100,000              | 902,203           | 3,070,265            |
| Highways, streets & bridges                                      | -                 | -                 | -                   | 22,413,574        | 21,684,952          | 21,410,061        | 22,359,596          | 22,816,586           | 100,000           | 100,000              |
| <b>Total expenditures</b>  | <b>19,174,446</b> | <b>19,517,462</b> | <b>20,241,339</b>   | <b>22,413,574</b> | <b>21,684,952</b>   | <b>21,410,061</b> | <b>22,359,596</b>   | <b>22,816,586</b>    | <b>28,682,583</b> | <b>39,688,209</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(152,313)</b>  | <b>235,408</b>    | <b>2,268,360</b>    | <b>183,444</b>    | <b>(882,838)</b>    | <b>465,987</b>    | <b>1,009,890</b>    | <b>1,029,983</b>     | <b>631,451</b>    | <b>(7,818,841)</b>   |
| <b>Other financing sources (uses)</b>                            |                   |                   |                     |                   |                     |                   |                     |                      |                   |                      |
| COPS issuance  | -                 | -                 | -                   | -                 | -                   | -                 | -                   | 10,000,000           | -                 | 25,000,000           |
| Discount on COPS issuance  | -                 | -                 | -                   | -                 | -                   | -                 | -                   | (140,490)            | -                 | (382,417)            |
| Transfers in (out)   | -                 | -                 | -                   | -                 | -                   | -                 | -                   | -                    | -                 | (584,672)            |
| Proceeds from bonds  | 353,640           | -                 | 60,000              | -                 | -                   | -                 | -                   | -                    | -                 | -                    |
| Sale of capital assets   | 4,040             | 1,442             | 4,088               | 4,874             | -                   | -                 | 69,614              | 6,845                | 6,232             | 30,935               |
| <b>Total other financing sources (uses)</b>                      | <b>357,680</b>    | <b>1,442</b>      | <b>64,088</b>       | <b>4,874</b>      | <b>-</b>            | <b>-</b>          | <b>69,614</b>       | <b>9,866,355</b>     | <b>6,232</b>      | <b>24,063,846</b>    |
| <b>Net changes in fund balances</b>                              | <b>\$ 205,367</b> | <b>\$ 236,850</b> | <b>\$ 2,332,448</b> | <b>\$ 188,318</b> | <b>\$ (882,838)</b> | <b>\$ 465,987</b> | <b>\$ 1,079,504</b> | <b>\$ 10,896,338</b> | <b>\$ 637,683</b> | <b>\$ 16,245,005</b> |

**COUNTY OF COLE, MISSOURI**  
**General Governmental Revenues by Source**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Taxes         | Licenses Fees and Permits | Inter-governmental | Interest   | Special Assessment | Other        | Total         |
|-------------|---------------|---------------------------|--------------------|------------|--------------------|--------------|---------------|
| 2000        | \$ 12,316,716 | \$ 1,968,700              | \$ 2,876,164       | \$ 477,960 | \$ 92,989          | \$ 1,289,604 | \$ 19,022,133 |
| 2001        | 12,892,426    | 1,885,503                 | 3,184,832          | 420,580    | 21,960             | 1,347,569    | 19,752,870    |
| 2002        | 13,028,173    | 2,732,183                 | 3,699,153          | 168,801    | 108,805            | 2,772,584    | 22,509,699    |
| 2003        | 13,489,902    | 3,311,217                 | 4,790,431          | 142,094    | -                  | 863,374      | 22,597,018    |
| 2004        | 14,586,674    | 3,797,932                 | 1,731,626          | 149,257    | 5,394              | 531,231      | 20,802,114    |
| 2005        | 15,242,509    | 3,776,075                 | 2,016,837          | 296,155    | 2,697              | 541,775      | 21,876,048    |
| 2006        | 15,878,292    | 3,722,123                 | 2,603,665          | 475,966    | -                  | 689,440      | 23,369,486    |
| 2007        | 16,352,428    | 4,111,277                 | 2,319,753          | 576,968    | -                  | 486,143      | 23,846,569    |
| 2008        | 21,635,621    | 4,684,512                 | 2,049,081          | 339,147    | -                  | 605,673      | 29,314,034    |
| 2009        | \$ 23,899,824 | \$ 5,403,539              | \$ 1,839,597       | \$ 219,056 | \$ -               | \$ 507,352   | \$ 31,869,368 |

*Data Source*  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds.

**COUNTY OF COLE, MISSOURI**  
**Sales Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Cole County              |                      |                         |                   |                   |                          |            |                 |            |                                 | City of Jefferson |  |  | Total Direct & Overlapping Rate |
|-------------|--------------------------|----------------------|-------------------------|-------------------|-------------------|--------------------------|------------|-----------------|------------|---------------------------------|-------------------|--|--|---------------------------------|
|             | Capital Improvement Rate | Law Enforcement Rate | Emergency Services Rate | Total County Rate | General Fund Rate | Capital Improvement Rate | Parks Rate | Total City Rate | State Rate | Total Direct & Overlapping Rate |                   |  |  |                                 |
|             | Rate                     | Rate                 | Rate                    | Rate              | Rate              | Rate                     | Rate       | Rate            | Rate       | Rate                            |                   |  |  |                                 |
| 2000        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2001        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2002        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2003        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2004        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2005        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | -          | 1.500%          | 4.225%     | 6.225%                          |                   |  |  |                                 |
| 2006        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | 0.500%     | 2.000%          | 4.225%     | 6.725%                          |                   |  |  |                                 |
| 2007        | 0.500%                   | -                    | -                       | 0.500%            | 1.000%            | 0.500%                   | 0.500%     | 2.000%          | 4.225%     | 6.725%                          |                   |  |  |                                 |
| 2008        | 0.500%                   | 0.500%               | -                       | 1.000%            | 1.000%            | 0.500%                   | 0.500%     | 2.000%          | 4.225%     | 7.225%                          |                   |  |  |                                 |
| 2009        | 0.500%                   | 0.500%               | 0.500%                  | 1.500%            | 1.000%            | 0.500%                   | 0.500%     | 2.000%          | 4.225%     | 7.725%                          |                   |  |  |                                 |

Cole County Law Enforcement one-half cent sales tax was effective January 1, 2008.  
 Cole County Emergency Services one-half cent sales tax was effective April 1, 2009.

**COUNTY OF COLE, MISSOURI**  
**Assessed and Estimated Actual Value of Property**  
**Last Ten Fiscal Years 2000 - 2009**  
 (amounts expressed in thousands)

| Fiscal Year | Real Property  |                        | Personal Property |                        | Total        | Ratio of Total Assessed Value to Total Estimated Actual Value |
|-------------|----------------|------------------------|-------------------|------------------------|--------------|---|
|             | Assessed Value | Estimated Actual Value | Assessed Value    | Estimated Actual Value |              |   |
| 2000        | \$ 638,724     | \$ 2,912,355           | \$ 222,033        | \$ 739,371             | \$ 860,757   | 23.57%  |
| 2001        | 680,852        | 3,104,444              | 237,882           | 792,147                | 918,734      | 23.58%  |
| 2002        | 703,105        | 3,205,912              | 244,922           | 815,590                | 948,028      | 23.57%  |
| 2003        | 780,703        | 3,559,729              | 247,119           | 822,905                | 1,027,822    | 23.45%  |
| 2004        | 811,153        | 3,698,569              | 242,903           | 808,865                | 1,054,055    | 23.38%  |
| 2005        | 895,406        | 4,082,739              | 240,638           | 801,322                | 1,136,044    | 23.26%  |
| 2006        | 919,090        | 4,190,729              | 248,751           | 828,340                | 1,167,841    | 23.27%  |
| 2007        | 984,864        | 4,490,635              | 255,528           | 850,907                | 1,240,392    | 23.22%  |
| 2008        | 1,009,731      | 4,604,020              | 274,131           | 1,249,941              | 1,283,862    | 21.93%  |
| 2009        | \$ 1,037,333   | \$ 4,729,875           | \$ 256,682        | \$ 1,170,380           | \$ 1,294,015 | 21.93%  |

Data Source  
 Cole County Clerk

**COUNTY OF COLE, MISSOURI**  
**Property Tax Rates (Per \$100 Assess Valuation)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years 2000 - 2009**

County of Cole

| Fiscal Year | General Revenue |  | Road and Bridge |  | Library |  | Home for Handicapped |  | State  |  | Total County |  | City of Jefferson |  | School District |  | Total     |
|-------------|-----------------|--|-----------------|--|---------|--|----------------------|--|--------|--|--------------|--|-------------------|--|-----------------|--|-----------|
|             | \$              |  | \$              |  |         |  | \$                   |  |        |  | \$           |  | \$                |  | \$              |  |           |
| 2000        | \$ 0.3400       |  | \$ 0.2600       |  | 0.2000  |  | \$ 0.0900            |  | 0.0300 |  | \$ 0.9200    |  | 0.7200            |  | \$ 3.1700       |  | 4.8100    |
| 2001        | 0.3400          |  | 0.2700          |  | 0.2000  |  | 0.0900               |  | 0.0300 |  | 0.9300       |  | 0.7200            |  | 3.1700          |  | 4.8200    |
| 2002        | 0.3400          |  | 0.2700          |  | 0.2000  |  | 0.0900               |  | 0.0300 |  | 0.9300       |  | 0.7200            |  | 3.4854          |  | 5.1354    |
| 2003        | 0.3384          |  | 0.2700          |  | 0.1934  |  | 0.0872               |  | 0.0300 |  | 0.9190       |  | 0.7373            |  | 3.7112          |  | 5.3675    |
| 2004        | 0.3384          |  | 0.2700          |  | 0.1945  |  | 0.0877               |  | 0.0300 |  | 0.9206       |  | 0.7373            |  | 3.7112          |  | 5.3691    |
| 2005        | 0.3355          |  | 0.2700          |  | 0.1917  |  | 0.0864               |  | 0.0300 |  | 0.9136       |  | 0.5760            |  | 3.6822          |  | 5.1718    |
| 2006        | 0.3355          |  | 0.2700          |  | 0.1921  |  | 0.0866               |  | 0.0300 |  | 0.9142       |  | 0.5560            |  | 3.6770          |  | 5.1472    |
| 2007        | 0.3347          |  | 0.2700          |  | 0.1913  |  | 0.0862               |  | 0.0300 |  | 0.9122       |  | 0.5553            |  | 3.6770          |  | 5.1445    |
| 2008        | 0.3347          |  | 0.2700          |  | 0.1913  |  | 0.0862               |  | 0.0300 |  | 0.9122       |  | 0.6353            |  | 3.6770          |  | 5.2245    |
| 2009        | \$ 0.2054       |  | \$ 0.2700       |  | 0.1938  |  | \$ 0.0873            |  | 0.0300 |  | \$ 0.7865    |  | \$ 0.5561         |  | \$ 3.6770       |  | \$ 5.0196 |

Data Source  
Cole County Assessor

**COUNTY OF COLE, MISSOURI**  
**Principal Real Estate Property Taxpayers**  
**December 31, 2009**

|                                   | 2009                   |                      |      |  | 2000                 |      |  |  |
|-----------------------------------|------------------------|----------------------|------|--|----------------------|------|--|--|
|                                   | Type of Business       | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation |  |
| Scholastic, Inc.                  | Publishing company     | \$ 6,400,000         | 1    | 0.49%                                  | \$ 5,367,170         | 1    | 0.62%                                  |  |
| Jefferson City Medical Group      | Medical center         | 4,992,740            | 2    | 0.39%                                  | 3,616,000            | 3    | 0.42%                                  |  |
| Capital Mall LLC                  | Shopping mall          | 4,896,000            | 3    | 0.38%                                  |                      |      |  |  |
| Wildwood Crossing Shopping Center |                        | 4,640,000            | 4    | 0.36%                                  | 1,846,400            | 9    | 0.21%                                  |  |
| Wal-Mart Properties, Inc.         | Discount store         | 4,514,140            | 5    | 0.35%                                  | 3,212,480            | 4    | 0.37%                                  |  |
| Lowes Home Centers Inc            | Home improvement store | 4,160,000            | 6    | 0.32%                                  |                      |      |  |  |
| Von Hoffmann Press, Inc.          | Publishing company     | 3,604,740            | 7    | 0.28%                                  | 2,977,280            | 5    | 0.35%                                  |  |
| Atrium Finance I                  | Hotel                  | 3,158,340            | 8    | 0.24%                                  |                      |      |  |  |
| Central Missouri Realty Co        | Real estate            | 3,152,000            | 9    | 0.24%                                  |                      |      |  |  |
| GGP Limited Partnership           | Shopping mall          | 3,011,460            | 10   | 0.23%                                  | 4,896,000            | 2    | 0.57%                                  |  |
| Chesebrough-Ponds, Inc.           | Cosmetic Manufacturer  |                      |      |  | 2,576,960            | 6    | 0.30%                                  |  |
| John Q Hammons Hotel LP           | Hotel                  |                      |      |  | 2,555,200            | 7    | 0.30%                                  |  |
| Florsheim Shoe Co.                | Shoe Company           |                      |      |  | 2,434,880            | 8    | 0.28%                                  |  |
| Missouri Farm Bureau Federation   | Insurance company      |                      |      |  | 1,840,000            | 10   | 0.21%                                  |  |
| <b>Totals</b>                     |                        | <b>\$ 42,529,420</b> |      | <b>2.81%</b>                           | <b>\$ 31,322,370</b> |      | <b>1.98%</b>                           |  |

Data Source  
Cole County Information Systems

**COUNTY OF COLE, MISSOURI**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years 2000 - 2009**  
(amounts expressed in thousands)

| Fiscal Year | Total Tax Levy |  | Current Tax Collections |  | Percent of Current Taxes Collected |  | Delinquent Tax Collections |  | Total Tax Collections |  | Ratio of Total Tax Collections to Total Tax Levy |  | Ratio of Outstanding Delinquent Taxes to Total Tax Levy |  |
|-------------|----------------|--|-------------------------|--|------------------------------------|--|----------------------------|--|-----------------------|--|--|--|---|--|
|             | \$             |  | \$                      |  | %                                  |  | \$                         |  | \$                    |  | %  |  | \$  |  |
| 2000        | \$ 6,999       |  | \$ 6,358                |  | 90.8%                              |  | \$ 299                     |  | \$ 6,657              |  | 95.1%  |  | \$ 342  |  |
| 2001        | 7,606          |  | 6,851                   |  | 90.1%                              |  | 354                        |  | 7,205                 |  | 94.7%  |  | 400   |  |
| 2002        | 7,862          |  | 7,091                   |  | 90.2%                              |  | 362                        |  | 7,453                 |  | 94.8%  |  | 409   |  |
| 2003        | 8,438          |  | 7,653                   |  | 90.7%                              |  | 346                        |  | 7,999                 |  | 94.8%  |  | 439   |  |
| 2004        | 8,689          |  | 7,880                   |  | 90.7%                              |  | 339                        |  | 8,219                 |  | 94.6%  |  | 469   |  |
| 2005        | 9,036          |  | 8,204                   |  | 90.8%                              |  | 391                        |  | 8,595                 |  | 95.1%  |  | 440   |  |
| 2006        | 9,355          |  | 8,420                   |  | 90.0%                              |  | 428                        |  | 8,848                 |  | 94.6%  |  | 507   |  |
| 2007        | 9,395          |  | 8,597                   |  | 91.5%                              |  | 502                        |  | 9,099                 |  | 96.8%  |  | 296   |  |
| 2008        | 10,492         |  | 9,405                   |  | 89.6%                              |  | 460                        |  | 9,865                 |  | 94.0%  |  | 627   |  |
| 2009        | \$ 10,241      |  | \$ 9,178                |  | 89.6%                              |  | \$ 440                     |  | \$ 9,618              |  | 93.9%  |  | \$ 622  |  |

Data Source  
Cole County Collector

**COUNTY OF COLE, MISSOURI**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**December 31, 2009**

| <u>Jurisdiction</u>               | <u>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to<br/>Government</u> | <u>Amount<br/>Applicable<br/>to<br/>Government</u> |
|-----------------------------------|-----------------------------|--|--|
| Direct:                           |                             |  |  |
| Neighborhood Improvement District | \$ 411,000                  | 100%   | \$ 411,000   |
| Certificates of Participation     | 32,460,000                  | 100%   | 32,460,000   |
| Overlapping:                      |                             |  |  |
| Total*                            | \$ 32,871,000               | 100%   | \$ 32,871,000                                      |

*Data Source*

Cole County Clerk

\*The total includes a capital lease obligation.

**COUNTY OF COLE, MISSOURI**  
**Legal Debt Margin**  
**Last Ten Fiscal Years 2000 - 2009**

|  | 2000           | 2001           | 2002           | 2003             | 2004             | 2005             | 2006             | 2007             | 2008             | 2009             |
|--|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Assessed valuations:                                 |                |                |                |                  |                  |                  |                  |                  |                  |                  |
| Total assessed value                                 | \$ 860,757,390 | \$ 918,734,309 | \$ 948,027,628 | \$ 1,027,821,761 | \$ 1,054,055,115 | \$ 1,136,043,788 | \$ 1,167,840,956 | \$ 1,240,391,934 | \$ 1,283,862,799 | \$ 1,294,015,087 |
| Legal debt margin                                    | 86,075,739     | 91,873,431     | 94,802,763     | 102,782,176      | 105,405,512      | 113,604,379      | 116,784,096      | 124,039,193      | 128,386,280      | 129,401,509      |
| Debt limitation - 10 percent of total assessed value | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                |
| Debt applicable to limitation:                       |                |                |                |                  |                  |                  |                  |                  |                  |                  |
| Less: Note payable                                   | 6,981          | 2,341          | -              | -                | -                | -                | -                | -                | -                | -                |
| Less: Compensated absences                           | 494,697        | 527,123        | 520,387        | 545,696          | 656,679          | 647,931          | 701,513          | 740,582          | 810,688          | 934,360          |
| Less: Capital leases, general revenue                | 229,387        | 172,817        | 114,331        | 50,768           | -                | -                | -                | -                | -                | -                |
| Less: Special assessment bonds                       | 583,000        | 569,000        | 608,000        | 586,000          | 557,000          | 528,000          | 501,000          | 472,000          | 442,000          | 411,000          |
| Total debt applicable to limitation                  | 1,314,065      | 1,271,281      | 1,242,718      | 1,182,464        | 1,213,679        | 1,175,931        | 1,202,513        | 1,212,582        | 1,252,688        | 1,345,360        |
| Legal debt margin                                    | \$ 84,761,674  | \$ 90,602,150  | \$ 93,560,045  | \$ 101,599,712   | \$ 104,191,833   | \$ 112,428,448   | \$ 115,581,583   | \$ 122,826,611   | \$ 127,133,592   | \$ 128,056,149   |

**COUNTY OF COLE, MISSOURI**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Governmental Activities  |                          |                |                               | Total Primary Government | Population | Per Capita |
|-------------|--------------------------|--------------------------|----------------|-------------------------------|--------------------------|------------|------------|
|             | General Obligation Bonds | Special Assessment Bonds | Capital Leases | Certificates of Participation |                          |            |            |
| 2000        | \$ -                     | \$ 583,000               | \$ 229,387     | \$ -                          | \$ 812,387               | 71,482     | 11         |
| 2001        | -                        | 569,000                  | 172,817        | -                             | 741,817                  | 71,619     | 10         |
| 2002        | -                        | 608,000                  | 114,331        | -                             | 722,331                  | 72,062     | 10         |
| 2003        | -                        | 586,000                  | 50,768         | -                             | 636,768                  | 72,585     | 9          |
| 2004        | -                        | 557,000                  | -              | -                             | 557,000                  | 72,195     | 8          |
| 2005        | -                        | 528,000                  | -              | -                             | 528,000                  | 72,610     | 7          |
| 2006        | -                        | 501,000                  | -              | -                             | 501,000                  | 73,208     | 7          |
| 2007        | -                        | 472,000                  | -              | 10,000,000                    | 10,472,000               | 73,506     | 142        |
| 2008        | -                        | 442,000                  | -              | 9,485,000                     | 9,927,000                | 74,313     | 134        |
| 2009        | \$ -                     | \$ 411,000               | \$ -           | \$32,460,000                  | \$ 32,871,000            | 75,018     | 438        |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. See Schedule of Demographic Statistics for personal income and population data.

**COUNTY OF COLE, MISSOURI**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years 2000 - 2009**

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Percentage of Estimated Actual Taxable Value of Property</u> | <u>Population</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|---|-------------------|-------------------|
| 2000               | \$ -                            | 0.0%  | 71,482            | \$ -              |
| 2001               | -                               | 0.0%  | 71,619            | -                 |
| 2002               | -                               | 0.0%  | 72,062            | -                 |
| 2003               | -                               | 0.0%  | 72,585            | -                 |
| 2004               | -                               | 0.0%  | 72,195            | -                 |
| 2005               | -                               | 0.0%  | 72,610            | -                 |
| 2006               | -                               | 0.0%  | 73,208            | -                 |
| 2007               | -                               | 0.0%  | 73,506            | -                 |
| 2008               | -                               | 0.0%  | 74,313            | -                 |
| 2009               | \$ -                            | 0.0%  | 75,018            | \$ -              |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See Schedule of Demographic Statistics for personal income and population data.

**COUNTY OF COLE, MISSOURI**  
**Law Enforcement Sales Tax Fund**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Operating Revenue | Direct Operating Expense | Net Revenue Available for Debt Service | Debt Service Requirements |              |              | Coverage Ratio | Law Enforcement Sales Tax |
|-------------|-------------------|--------------------------|--|---------------------------|--------------|--------------|----------------|---------------------------|
|             |                   |                          |  | Principal                 | Interest     | Total        |                |                           |
| 2000        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2001        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2002        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2003        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2004        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2005        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2006        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2007        | -                 | -                        | -                                      | -                         | -            | -            | -              | -                         |
| 2008        | \$ 6,206,105      | \$ 4,567,096             | \$ 1,639,009                           | \$ 515,000                | \$ 387,203   | \$ 902,203   | 0.40           | \$ 4,935,027              |
| 2009        | \$ 6,298,613      | \$ 5,093,632             | \$ 1,204,981                           | \$ 2,025,000              | \$ 1,045,265 | \$ 3,070,265 | 0.40           | \$ 5,048,783              |

Note: In 2007 a Law Enforcement 1/2 cent sales tax was passed by the voters to pay for the construction of a new law enforcement facility and the operations of the sheriff's department. Certificates of Participation were issued for the construction costs of the new facility. Gross Revenue includes interest income. Direct operating expense excludes depreciation expense.

**COUNTY OF COLE, MISSOURI**  
**Demographic Statistics**  
**Last Ten Fiscal Years 2000 - 2009**

| Fiscal Year | Population | Per Capita Income | Wages and Salaries | Other Income | Total Labor Force | Unemployment Rate |
|-------------|------------|-------------------|--------------------|--------------|-------------------|-------------------|
| 2000        | 71,482     | 27,807            | 1,550,438          | 436,796      | 39,832            | 2.5%              |
| 2001        | 71,619     | 29,580            | 1,629,365          | 483,690      | 40,205            | 3.4%              |
| 2002        | 72,062     | 30,149            | 1,650,180          | 514,309      | 39,412            | 3.8%              |
| 2003        | 72,585     | 31,215            | 1,712,156          | 553,596      | 40,007            | 3.9%              |
| 2004        | 72,195     | 32,499            | 1,769,284          | 576,962      | 40,073            | 4.0%              |
| 2005        | 72,610     | 34,108            | 1,811,855          | 664,722      | 39,960            | 4.1%              |
| 2006        | 73,208     | 35,278            | 1,882,396          | 700,225      | 39,780            | 3.8%              |
| 2007        | 73,506     | 36,223            | 1,945,218          | 717,396      | 39,950            | 3.9%              |
| 2008        | 74,313     | N/A               | N/A                | N/A          | 39,223            | 3.9%              |
| 2009        | 75,018     | N/A               | N/A                | N/A          | 39,625            | 3.9%              |

*Data Source*  
 Economic and Policy Research Center-  
 University of Missouri-Columbia

**COUNTY OF COLE, MISSOURI**

**Principal Employers**

**December 31, 2009**

| <u>Employer</u>               | <u>2009</u>           |             | <u>2000</u>           |             |
|-------------------------------|-----------------------|-------------|-----------------------|-------------|
|                               | <u># of Employees</u> | <u>Rank</u> | <u># of Employees</u> | <u>Rank</u> |
| State of Missouri             | \$ 18,203             | 1           | \$ -                  |             |
| Scholastic, Inc.              | 1,500                 | 2           | -                     |             |
| Capitol Region Medical Center | 1,450                 | 3           | -                     |             |
| St. Mary's Health Center      | 1,200                 | 4           | -                     |             |
| Jefferson City Public Schools | 1,106                 | 5           | -                     |             |
| Walmart Supercenter           | 783                   | 6           | -                     |             |
| Central Bank                  | 750                   | 7           | -                     |             |
| Learfield Communications      | 650                   | 8           | -                     |             |
| ABB Power T&D Company         | 625                   | 9           | -                     |             |
| City of Jefferson             | 625                   | 10          | -                     |             |
| Totals                        | <u>\$ 26,892</u>      |             | <u>\$ -</u>           |             |

*Data Source*

Jefferson City Area Chamber of Commerce

**COUNTY OF COLE, MISSOURI**  
**Full-time Equivalent County Government Employee by Function**  
**Last Ten Fiscal Years 2000 - 2009**

|   | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|------|------|------|------|------|
| Primary government                          |      |      |      |      |      |      |      |      |      |      |
| Governmental activities:                    |      |      |      |      |      |      |      |      |      |      |
| General government                          |      |      |      |      |      |      |      |      |      |      |
| Auditor                                     | -    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Collector                                   | -    | 4    | 4    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Treasurer                                   | -    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| County Clerk                                | -    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Commission                                  | -    | 5    | 5    | 5    | 6    | 6    | 6    | 6    | 7    | 8    |
| Recorder                                    | -    | 5    | 5    | 5    | 5    | 6    | 6    | 6    | 6    | 6    |
| Information Systems                         | -    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Building Maintenance                        | -    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    |
| Public safety                               |      |      |      |      |      |      |      |      |      |      |
| Juvenile Center                             | -    | 26   | 25   | 24   | 24   | 22   | 24   | 23   | 29   | 30   |
| Prosecuting Attorney                        | -    | 15   | 16   | 15   | 15   | 15   | 14   | 15   | 15   | 15   |
| Sheriff                                     | -    | 44   | 47   | 47   | 46   | 47   | 50   | 51   | 64   | 64   |
| Highways, streets & bridges                 |      |      |      |      |      |      |      |      |      |      |
| Public Works                                | -    | 46   | 47   | 43   | 44   | 44   | 44   | 44   | 45   | 46   |
| Assessment                                  |      |      |      |      |      |      |      |      |      |      |
| Assessor                                    | -    | 9    | 9    | 9    | 9    | 10   | 11   | 11   | 11   | 11   |
| Judicial                                    |      |      |      |      |      |      |      |      |      |      |
| Circuit Court                               | -    | -    | -    | -    | 2    | 2    | 2    | -    | -    | -    |
| Circuit Court Bailiffs                      | -    | 2    | 2    | 3    | 3    | 3    | 3    | 3    | 4    | 4    |
| Child Support                               | -    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    |
| Health & welfare                            |      |      |      |      |      |      |      |      |      |      |
| Health Department                           | -    | 30   | 32   | 30   | 32   | 33   | 28   | 27   | 28   | 27   |
| Public Administrator                        | -    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 4    | 4    |
| Emergency management                        |      |      |      |      |      |      |      |      |      |      |
| Emergency management                        | -    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Total governmental activities FT Employees  | -    | 209  | 215  | 209  | 214  | 216  | 216  | 214  | 239  | 242  |
| Business-type activities:                   |      |      |      |      |      |      |      |      |      |      |
| Health & welfare                            |      |      |      |      |      |      |      |      |      |      |
| Emergency Medical Services                  | -    | -    | -    | -    | -    | -    | -    | -    | -    | 44   |
| Total business-type activities FT Employees | -    | -    | -    | -    | -    | -    | -    | -    | -    | 44   |
| Total primary government FT Employees       | -    | 209  | 215  | 209  | 214  | 216  | 216  | 214  | 239  | 286  |

Note: Information prior to 2001 not available due to new accounting software in 2001.

**COUNTY OF COLE, MISSOURI**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years 2000 - 2009**

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| <u>Fiscal<br/>Year</u> | <u>Special<br/>Assessment<br/>Billings</u> | <u>Special<br/>Assessment<br/>Collected</u> |
|------------------------|--|---|
| 2000                   | \$ 61,020                                  | \$ 60,476                                   |
| 2001                   | 61,887                                     | 61,344                                      |
| 2002                   | 66,072                                     | 65,711                                      |
| 2003                   | 66,072                                     | 64,754                                      |
| 2004                   | 66,072                                     | 64,215                                      |
| 2005                   | 63,072                                     | 61,393                                      |
| 2006                   | 60,737                                     | 59,602                                      |
| 2007                   | 60,347                                     | 58,880                                      |
| 2008                   | 60,347                                     | 59,223                                      |
| 2009                   | \$ 60,347                                  | \$ 59,981                                   |

*Data Source*  
Cole County Clerk

**COUNTY OF COLE, MISSOURI<sup>1</sup>**  
**General Governmental Expenditures by Function**  
**Last Ten Fiscal Years 2000 - 2009**  
(amounts expressed in thousands)

| Fiscal Year | General Government | Public Safety <sup>2</sup> | Public Safety & Judicial <sup>2</sup> | Highways Streets & Bridges <sup>3</sup> | Capital Improvement <sup>3</sup> | Debt Service <sup>4</sup> | Assessment Costs | Judicial <sup>2</sup> | Health & Welfare | Parks & Recreation | Emergency Mgmt <sup>5</sup> | Total     |
|-------------|--------------------|----------------------------|---------------------------------------|---|----------------------------------|---------------------------|------------------|-----------------------|------------------|--------------------|-----------------------------|-----------|
|             |                    |                            |                                       |   |                                  |                           |                  |                       |                  |                    |                             |           |
| 2000        | \$ 3,172           | \$ -                       | \$ 5,207                              | \$ 7,253                                | \$ 1,549                         | \$ 150                    | \$ 502           | \$ -                  | \$ 1,330         | \$ 11              | \$ -                        | \$ 19,174 |
| 2001        | 3,966              | -                          | 5,236                                 | 7,174                                   | 981                              | 137                       | 481              | -                     | 1,442            | 11                 | -                           | 19,428    |
| 2002        | 3,342              | -                          | 5,726                                 | 8,121                                   | 783                              | 155                       | 497              | -                     | 1,601            | 14                 | -                           | 20,239    |
| 2003        | 3,439              | 4,966                      | -                                     | 10,969                                  | -                                | -                         | 511              | 574                   | 1,699            | 16                 | 240                         | 22,414    |
| 2004        | 3,512              | 5,021                      | -                                     | 9,958                                   | -                                | -                         | 517              | 590                   | 1,708            | 1                  | 388                         | 21,695    |
| 2005        | 3,876              | 5,626                      | -                                     | 8,561                                   | -                                | -                         | 591              | 668                   | 1,764            | -                  | 324                         | 21,410    |
| 2006        | 4,492              | 5,742                      | -                                     | 8,359                                   | -                                | -                         | 632              | 620                   | 1,830            | 3                  | 682                         | 22,360    |
| 2007        | 5,245              | 6,013                      | -                                     | 8,208                                   | -                                | -                         | 644              | 638                   | 1,733            | 32                 | 303                         | 22,816    |
| 2008        | 4,857              | 10,176                     | -                                     | 10,595                                  | -                                | -                         | 541              | 699                   | 1,651            | 1                  | 163                         | 28,683    |
| 2009        | \$ 4,487           | \$ 19,064                  | \$ -                                  | \$ 8,572                                | \$ -                             | \$ -                      | \$ 813           | \$ 716                | \$ 2,636         | \$ 1               | \$ 171                      | \$ 36,460 |

<sup>1</sup>Includes general, special revenue, capital projects fund and debt service.

<sup>2</sup>Public safety and judicial, previously reported together have been divided effective 12/31/03.

<sup>3</sup>Highways, streets, bridges and capital improvement, previously reported together have been divided effective 12/31/03.

<sup>4</sup>Debt service, previously reported by itself has been divided between functions, (ie. General government and Highway, streets & bridges) effective 12/31/03.

<sup>5</sup>Emergency management, previously reported under General government has been divided effective 12/31/03.

**SINGLE AUDIT REPORTS**

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

To the County Commissioners of the  
County of Cole, Missouri

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of County of Cole, Missouri (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance***

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County Commissioners, management, other federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than those specified parties.

*Williams Keepers LLC*

June 9, 2010



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commissioners of the  
County of Cole, Missouri

### *Compliance*

We have audited the compliance of County of Cole, Missouri (the County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009.

### *Internal Control Over Compliance*

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commissioners, management, federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than those specified parties.

William's Keepers LLC

June 9, 2010

**COUNTY OF COLE, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2009**

|   | Federal<br>CFDA<br>Number | Expenditures   |
|---|---------------------------|----------------|
| U.S. Department of Agriculture:   |                           |                |
| Direct Program:   |                           |                |
| Child Care Food Program   | 10.558                    | \$ 14,638      |
| Passed Through Missouri Department of Health:   |                           |                |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC)               | 10.557                    | 198,264        |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC) - BFPC        | 10.557                    | 10,066         |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC) - Enhancement | 10.557                    | 5,000          |
| Passed Through Missouri Department of Health: Maternal and<br>Child Health Services       |                           |                |
| Summer Food Program   | 10.559                    | 1,440          |
| Passed Through Missouri Department of Social Services:                                    |                           |                |
| Food Distribution Program   | 10.550                    | 225            |
|   |                           | <b>229,633</b> |
| <b>Total U.S. Department of Agriculture</b>   |                           |                |
| U.S. Department of Health and Human Services:   |                           |                |
| Passed Through Missouri Department of Social Services:                                    |                           |                |
| Child Support Enforcement   | 93.563                    | 334,235        |
| Deputy Juvenile Officer Program   | 93.667                    | 48,262         |
| Knowles Suspended Student Classroom   | 93.667                    | 135,074        |
| Passed Through Missouri Department of Health: Maternal and<br>Child Health Services       |                           |                |
| Public Health Emergency Preparedness  | 93.069                    | 193,421        |
| Regional Public Health Emergency Planning & Preparation                                   | 93.283                    | 42,252         |
| West Nile Virus Public Outreach   | 93.283                    | 2,820          |
| Nursing Consultation to Child Care Facilities   | 93.575                    | 4,344          |
| Local Sanitation Inspections for Child Care Facilities                                    | 93.575                    | 2,940          |
| Ryan White Title II Service Coordination  | 93.917                    | 59,012         |
| Breast and Cervical Cancer Control  | 93.919                    | 17,317         |
| Breast and Cervical Cancer Wisewomen  | 93.919                    | 4,341          |
| Breast and Cervical Cancer Early Detection  | 93.919                    | 69,038         |

(continued on next page)

**COUNTY OF COLE, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**For the Year Ended December 31, 2009**

|   | Federal<br>CFDA<br>Number | <u>Expenditures</u>        |
|---|---------------------------|----------------------------|
| Preventive Health & Services Block Grant                      | 93.991                    | 33,400                     |
| Maternal and Child Health Program                             | 93.994                    | <u>30,493</u>              |
| <b>Total U.S. Department of Health and Human Services</b>     |                           | <u>976,949</u>             |
| U.S. Department of Housing and Urban Development:             |                           |                            |
| Passed Through Missouri Department of Social Services:        |                           |                            |
| Emergency Shelter Grant Program                               | 14.231                    | <u>47,709</u>              |
| <b>Total U.S. Department of Housing and Urban Development</b> |                           | <u>47,709</u>              |
| U.S. Department of Justice:                                   |                           |                            |
| Passed Through Missouri Department of Public Safety:          |                           |                            |
| Edward Byrne Memorial Justice Assistance Grant Program        | 16.738                    | 16,853                     |
| Passed Through the Office of Justice Program:                 |                           |                            |
| Federal Forfeiture  | 16.580                    | 741                        |
| Drug Courts Program (Block Grant) JAC Division                | 16.585                    | 32,792                     |
| Bulletproof Vest Grant  | 16.607                    | 5,243                      |
| COPS Secure Our Schools Grant                                 | 16.710                    | <u>22,791</u>              |
| <b>Total U.S. Department of Justice</b>                       |                           | <u>78,420</u>              |
| U.S. Election Assistance Commission:                          |                           |                            |
| Passed Through Missouri Secretary of State's Office:          |                           |                            |
| Accessible & Second Chance Voting Systems (HAVA)              | 90.401                    | 3,162                      |
| EAID Polling Place Grant                                      | 93.617                    | <u>18,250</u>              |
| <b>Total U.S. Election Assistance Commission</b>              |                           | <u>21,412</u>              |
| Department of Homeland Security:                              |                           |                            |
| Passed Through Missouri Department of Public Safety:          |                           |                            |
| Emergency Management Assistance                               | 97.042                    | 63,067                     |
| FY 07 Citizen Corps Grant                                     | 97.053                    | 2,499                      |
| FY 07 Homeland Security Grant                                 | 97.067                    | <u>62,054</u>              |
| <b>Total Department of Homeland Security</b>                  |                           | <u>127,620</u>             |
| <b>Total Expenditures of Federal Awards</b>                   |                           | <u><u>\$ 1,481,743</u></u> |

**COUNTY OF COLE, MISSOURI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2009**

**BASIS OF PRESENTATION:**

The schedule of expenditures of federal awards includes only the current year federal grant activity of the County and is presented on the accrual basis of accounting. This information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

**COUNTY OF COLE, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2009**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the County.
2. No material weaknesses relating to the audit of the financial statements is reported in the "Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standard*."
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the County are reported in Part C of this Schedule.
7. The programs tested as major programs include:

|   | Federal<br>CFDA<br>Number |
|---|---------------------------|
|   |                           |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC)               | 10.557                    |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC) - BFPC        | 10.557                    |
| Special Supplemental Food Program for Women,<br>Infants, and Children (WIC) - Enhancement | 10.557                    |
| Child Support Enforcement   | 93.563                    |

8. The dollar threshold used to distinguish between Type A and B programs, as described in Section 520(b) of OMB Circular A-133, was \$300,000.
9. Using the criteria as defined in Section 530 of OMB Circular A-133, the County qualified as a low-risk auditee for the year ended December 31, 2009.

**B. FINDINGS--FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**COUNTY OF COLE, MISSOURI**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS  
For the Year Ended December 31, 2009**

There were no findings in the prior year relative to federal awards.