

COUNTY OF COLE, MISSOURI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2012

Prepared by:

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

**COUNTY OF COLE, MISSOURI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter	i - iii
Organizational Chart	iv
Officials	v

FINANCIAL SECTION

Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 22
Basic Financial Statements:	
Government-Wide:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds:	
Statement of Net Position	28
Statement of Revenues, Expenses and Changes in Net Position	29
Statement of Cash Flows	30
Fiduciary Funds:	
Statement of Fiduciary Net Assets	31
Notes to Basic Financial Statements	32-51
Required Supplementary Information:	
Budgetary Comparison Schedules	
Notes to the Budgetary Comparison Schedules	52
General Fund	53
Road and Bridge Fund	54
Sales Tax Fund	55
Law Enforcement Sales Tax Fund	56
Emergency Services Sales Tax Fund	57
Pension Plan Trend Information	58
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Information	60 - 61
Fiduciary Funds:	
Combining Fiduciary Net Position	62
Combining Statement of Changes in Assets and Liabilities	63 - 64
Combining Statement of Fiduciary Net Position	65
Combining Statement of Changes in Fiduciary Net Position	66

STATISTICAL SECTION (Unaudited)

Government-wide information:

Net Position by Component	67
Changes in Net Position	68

Fund information:

General Governmental Tax Revenues by Source – Last Ten Fiscal Years	69
Fund Balances of Governmental Funds – Last Ten Fiscal Years	70 - 71
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	72
General Governmental Revenues by Source – Last Ten Fiscal Years	73
Sales Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years	74
Assessed and Estimated Actual Value of Property – Last Ten Fiscal Years	75
Property Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years	76
Principal Real Estate Property Taxpayers– Current and Nine Years Ago	77
Property Tax Levies and Collections – Last Ten Fiscal Years	78
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	79
Legal Debt Margin – Last Ten Fiscal Years	80
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	81
Ratios of General Bonded Debt Outstanding– Last Ten Fiscal Years	82
Law Enforcement Sales Tax Fund Pledged Revenue Coverage – Last Ten Fiscal Years	83
Demographic Statistics – Last Ten Fiscal Years	84
Principal Employers – Current and Nine Years Ago	85
Full-time Equivalent County Government Employee by Function– Last Ten Fiscal Years	86
Special Assessment Billings and Collections– Last Ten Fiscal Years	87
General Governmental Expenditures by Function– Last Ten Fiscal Years	88

SINGLE AUDIT REPORTS:

Report on Compliance and on Internal Control over Financial Reporting	89 - 90
Report on Compliance for Each Major Program and Report on Internal Control Over Compliance as Required by OMB Circular A-133	91 - 92
Schedule of Expenditures of Federal Awards	93 - 94
Schedule of Findings and Questioned Costs	95 - 96
Summary Schedule of Prior Year's Audit Findings	97

INTRODUCTION SECTION

**Office of the Auditor
Cole County**

JAMES T. LePAGE, CPA
AUDITOR

KRISTEN BERHORST
DEPUTY AUDITOR



311 EAST HIGH
JEFFERSON CITY, MO 65101
PHONE: 573-634-9122
FAX: 573-635-4073
EMAIL: jlepage@colecouny.org
kberhorst@colecouny.org

May 22, 2013

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, 2012, 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 U.S. 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. The independent audit firm of Williams Keepers LLC, Certified Public Accountants and Consultants audited our financial statements for the year 2012. I am happy to report that Williams Keepers et al issued an unmodified opinion on the County's financial reports for the fiscal year 2012. The independent auditors' 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 is also located just 30 miles south of the State's major research university – University of Missouri.

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, 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 10th 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 15th 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, two Proprietary Funds 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 approximately 10 percent of its basic revenue. However, the economic base of the County and the financing decision of the County will impact both revenue and expenditures and finally financial reserves.

Economic Base

The County of Cole's has a small but stable economic base. Population currently totals approximately 76,363. 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 slightly over the next several years, dependent on the growth of state government and expansion of non-public industries. 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 five 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 400 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. 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 attraction. Slightly over 25% of County workers hold state government jobs.

Although the light manufacturing components of the economic base of the County are small, they nevertheless have a history of stable growth. The State government budget basically has been contractive over the past two years and will likely start to grow again in the next year or so. The effect on future years will not be clear until the State government budget is approved in May 2013.

Financing Requirements

In 2007, the County incurred obligation to service \$10 million of long term financing to construct a jail. In 2009, it incurred obligation to service an additional \$25 million in long term financing, also to be used for construction of the jail. The annual charge for the \$35 million in long term financing will be approximately \$3 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 should have little or no impact on the total revenue of the General Fund.

In 2007, most of the County's revenue was generated by property taxes, but with the addition of the law enforcement sales tax and emergency services sales tax, the largest portion of revenue was from sales tax in 2012. The Law Enforcement Fund and the Ambulance Fund initiated in 2009 are both sales tax dependent.

Major Initiatives

The County of Cole considers its primary mission to be that of protecting the lives and property of its citizens, providing a safe and effective infrastructure, and providing 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. The new jail was completed and fully operational in September 2011. In 2012 the County completed its first full year of operations in the new facility. Construction of the jail was financed through a lease-purchase agreement with a bank as the trustee. Under the agreement, the bank issues Certificates of Participation (COP) which are similar to long term bonds. The COPs are guaranteed by the revenue stream produced by the ½ cent Law Enforcement Sales Tax. The COPs will mature in the year 2022. At that time, the Law Enforcement Sales tax rate will drop from ½ cent to three-eighth cent, causing projected tax revenue to drop about \$1.5 million per year. The remainder of Law Enforcement Tax revenue after debt service requirements is available for operating the Sheriff's Department.

Cash Management

The cash handled by the various agencies of the County of Cole is spread among 35 different checking accounts including the 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 of Cole is operating under the terms of a depository agreement executed in July of 2009 with Central Trust Bank of Jefferson City 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 and receives .25 basis points above the overnight Treasury Bill Coupon Equivalent Yield for the remaining balance. 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 bid the funds considered to be temporarily under separate agreements. All account balances are collateralized by repurchase agreements and treasury bills.

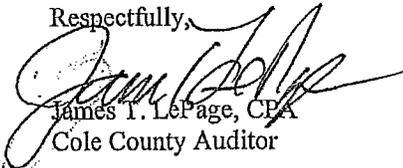
All County employees are covered by worker's compensation. There were no major claims under the policy during 2012. The County promotes accident avoidance, including training, to minimize losses. The County reestablished a Safety Committee to identify and make recommendations to avoid accidents and injury. 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

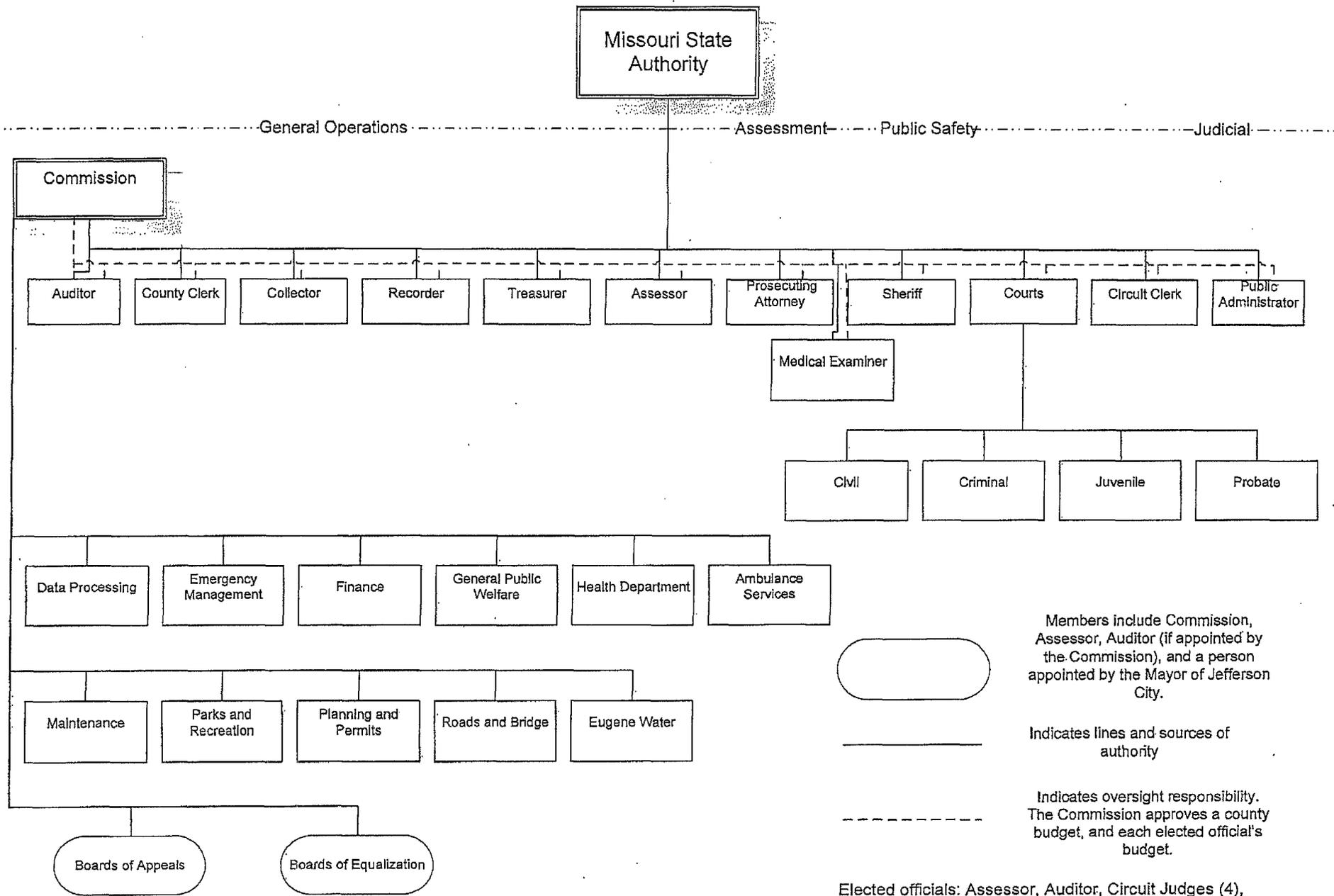
County government is considered efficient and effective by most standards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cole County, Missouri for its comprehensive annual financial report for 16 consecutive years between 1989 through December 31, 2005. The County Commission 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 2012 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 and 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 I. LePage, CPA
Cole County Auditor



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, 2012**

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.....	Marilue Hemmel
Circuit Judge – Division I.....	Patricia Joyce
Circuit Judge – Division II.....	John Beetem
Associate Circuit Judge – Division III.....	Thomas Sodergren
Circuit Judge – Division IV (Probate).....	Daniel Green
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

INDEPENDENT AUDITORS' REPORT

County Commission
County of Cole, Missouri

Report on the Financial Statements

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 the County of Cole, Missouri (the County), as of and for the year ended December 31, 2012, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Cole, Missouri as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, and the pension plan trend information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory, other supplementary information listed in the table of contents, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2013, 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, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

William Keepers LLC

May 22, 2013

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, 2012, 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.

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 2012 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 position totaled approximately \$77 million at year-end 2012, an increase of about \$1.8 million from prior year
- The County's primary source of revenue is taxes. During 2012, total taxes collected from all sources amounted to \$25.7 million. In addition, the County collected over \$9.8 million in charges and grants referred to as "Program Revenues", including fees of \$7.5 million and grants of \$2.3 million.
- Expenses were approximately \$34.4 million, with the largest portion being spent on highways, streets and bridges, followed by public safety.
- In July 2012, the Cole County Commission assumed responsibility for the Eugene Water system. It is accounted for as a business type activity. This fund charges a fee to users for the use of the water system.

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. Seven of the funds are major funds, nine are non-major funds and two proprietary funds. Six of the seven major funds and all the non-major 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 personal 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 and pension plan trend information)
- 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 decisions 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 position is comparable to an increase in profits in the private sector. Net position in the public statement is 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 seven 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. The two statements are called the Statement of Net Position and Statement of Activities. Net position is similar to net worth in the private sector and change in net position 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 and Eugene water services are the County's 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 seven "major" governmental funds, nine small or "non-major" governmental funds, and two proprietary funds. 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, Neighborhood Sinking Fund and Emergency Services Sales Tax Fund. Over 90 % of the County's activities are accounted for in the seven major funds.

The individual governmental fund statements are intended to indicate 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. 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. In 2012, the County added another enterprise fund with the addition of the Eugene Water Services Fund, which accounts for the activity of the Eugene water system that was previously run by trustees. The proprietary fund statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

The County has other funds, some required by law, to help it manage money for particular purposes including 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 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 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 Position 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 County maintains two proprietary funds, both enterprise funds. The enterprise funds are used to report the activities of the emergency medical services operations and Eugene water service operations presented as the business-type activities in the government-wide statements. An individual fund statement is included for both services, which provides the same type of information as the government-wide statement, only in more detail. The enterprise funds are accounted for using the full accrual basis of accounting as required by GAAP.

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 Position. 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.

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 Position. At year end 2012, the County had working capital of about \$35.5 million (current assets over current liabilities) with current and accrued liabilities of over \$631,000. By most standards, the financial position of the County is considered strong and sufficient to carry on operations effectively and efficiently in the future.

Total Net Position and Total Assets

The County's combined net position for 2012 totaled almost \$76.7 million (Table 1). Assets exceeded liabilities by this amount. Invested in capital assets, net of related debt, constitute about 56% of the County's combined net position and are not considered spendable resources. 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 for 2012 was approximately \$105.2 million as compared to \$106.3 million in 2011. Total assets include all of the County's capital assets, including infrastructure assets, which decreased in 2012 due to depreciation. Capital assets account for over half (65%) of the County's total assets and most of this is infrastructure assets and buildings.

Working Capital

As indicated above, the County's financial statements are reported on a full accrual basis. Short term assets (about \$36.2 million) exceeded short term liabilities (about \$631,000) by approximately \$35.5 million. Monthly expenses average about \$2.9 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.

Liabilities

The majority of the County's 2012 liabilities (approximately \$28.4 million) were long term liabilities. Most were associated with jail financing, including a lease-purchase arrangement financed by Certificates of Participation (COPs). The COPs are similar to a bond, and, in conjunction with the lease-purchase contract, are the method the County has chosen to finance the construction of the law enforcement facility. The remaining 2012 liabilities were related to normal operating obligations, which include compensated absences and the County's contingent liability related to Neighborhood Improvement Districts.

The Statement of Net Position indicates the change in the County's financial position between 2011 and 2012. Current assets increased by about \$1.6 million, while capital assets decreased by about \$2.7 million, causing a net decrease of \$1.1 million in total assets from the prior year. Most of the change in total assets was due to depreciation on County infrastructure, buildings and machinery. Liabilities also decreased about \$2.9 million from 2011 to 2012. The decrease in current liabilities was due to the completion of the law enforcement center. The decrease in noncurrent liabilities was due to a debt service payment on the COPs of over \$3 million in 2012. The total net position changed approximately \$1.8 million between 2011 and 2012.

Table 1
County of Cole, Missouri
Statement of Net Position
For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Governmental Activities	Business-type Activities	Total	Percent of Total Assets	Governmental Activities	Business-type Activities	Total	Percent of Total Assets
Current and other assets	\$ 34,759,701	\$ 1,417,667	\$ 36,177,368	34.4%	\$ 33,249,731	\$ 1,337,223	\$ 34,586,954	32.6%
Capital assets	68,298,110	679,734	68,977,844	65.6%	71,098,051	565,007	71,663,058	67.4%
Total assets	103,057,811	2,097,401	105,155,212	100.0%	104,347,782	1,902,230	106,250,012	100.0%
Current liabilities	440,890	103,928	544,818	0.5%	1,283,392	114,029	1,397,421	1.3%
Accrued liabilities	86,401	-	86,401	0.1%	92,722	-	92,722	0.1%
Noncurrent liabilities:								
Due to other governments	39,736	-	39,736	0.0%	38,588	-	38,588	0.0%
Due within one year	2,190,613	1,308	2,191,921	2.1%	2,241,731	1,832	2,243,563	2.1%
Due in more than one year	25,438,377	121,244	25,559,621	24.3%	27,449,960	115,519	27,565,479	25.9%
Total liabilities	28,196,017	226,480	28,422,497	27.0%	31,106,393	231,380	31,337,773	29.5%
Net position:								
Invested in capital assets, net of related debt	42,072,233	679,734	42,751,967	40.7%	42,355,969	565,007	42,920,976	40.4%
Restricted	22,646,848	-	22,646,848	21.5%	20,925,202	-	20,925,202	19.7%
Unrestricted	10,142,713	1,191,187	11,333,900	10.8%	9,960,218	1,105,843	11,066,061	10.4%
Total net position	\$ 74,861,794	\$ 1,870,921	\$ 76,732,715	73.0%	\$ 73,241,389	\$ 1,670,850	\$ 74,912,239	70.5%

Statement of Changes in Net Position

Activities of the County requiring the use of financial resources 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 Changes in Net Position shows program and non-program revenue and the costs of the various programs. It also reflects what caused the approximately \$1.8 million increase in Net Position. Normally, the County's net position increases as assets usually grow faster than liabilities.

Changes in Revenues

Total revenue collected by the County (\$36.3 million) increased by approximately \$516,000 in 2012. Program revenue increased about \$153,000, and non-program revenue increased about \$363,000, reflecting only a small change in overall revenue compared to 2011. The County stock insurance tax was \$859,000 in 2012, which is a significant decrease from \$1.2 million in the prior year. Most of this decrease is due to tax credits allowed by the State of Missouri. The decrease was offset by an increase in local use tax, which increased approximately \$427,000 in 2012. The local use tax has been on the rise since sales tax became the highest source of non-program revenue for the County.

Changes in Expenses

On an accrual basis, the County spent or incurred obligations to spend slightly less than \$34.5 million in 2012 compared to \$33.4 million in 2011 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 \$2.9 million per month.

Table 2
County of Cole, Missouri
Statement of Changes in Net Position
For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Governmental Activities	Business-type Activities	Total	Percent of Total Revenue	Governmental Activities	Business-type Activities	Total	Percent of Total Revenue
Revenues:								
Program Revenues:								
Charges for services	\$ 4,674,340	\$ 2,839,449	\$ 7,513,789	20.7%	\$ 4,668,605	\$ 2,937,738	\$ 7,606,343	21.3%
Operating grants and contributions	1,993,078	-	1,993,078	5.5%	2,069,133	-	2,069,133	5.8%
Capital grants and contributions	289,130	31,988	321,118	0.9%	-	-	-	0.0%
Non Program Revenues:								
Property taxes	6,037,446	-	6,037,446	16.6%	6,138,124	-	6,138,124	17.2%
Sales tax	16,112,800	-	16,112,800	44.4%	15,718,088	-	15,718,088	44.0%
Local use tax	1,506,676	-	1,506,676	4.2%	1,079,931	-	1,079,931	3.0%
Motor vehicle sales tax	279,708	-	279,708	0.8%	256,176	-	256,176	0.7%
Stock insurance	859,463	-	859,463	2.4%	1,242,305	-	1,242,305	3.5%
County aid road trust	788,881	-	788,881	2.2%	788,667	-	788,667	2.2%
Financial institution tax	71,009	-	71,009	0.2%	63,522	-	63,522	0.2%
Transfers	(1,036,036)	1,036,036	-	0.0%	(924,450)	924,450	-	0.0%
Other	763,637	20,023	783,660	2.2%	765,040	24,728	789,768	2.2%
Total revenues	32,340,132	3,927,496	36,267,628	100.0%	31,865,141	3,886,916	35,752,057	100.0%
Expenses:								
General government	5,709,420	-	5,709,420	15.7%	4,737,321	-	4,737,321	13.3%
Public safety	10,055,696	-	10,055,696	27.7%	8,155,050	-	8,155,050	22.8%
Highways, streets & bridges	10,143,743	-	10,143,743	28.0%	11,691,480	-	11,691,480	32.7%
Assessment costs	648,417	-	648,417	1.8%	646,327	-	646,327	1.8%
Judicial	900,409	-	900,409	2.5%	825,797	-	825,797	2.3%
Health & welfare	1,920,835	-	1,920,835	5.3%	2,141,565	-	2,141,565	6.0%
Parks & recreation	10,861	-	10,861	0.0%	11,547	-	11,547	0.0%
Emergency management	222,227	-	222,227	0.6%	293,589	-	293,589	0.8%
Interest and fiscal fees	1,108,119	-	1,108,119	3.1%	1,081,503	-	1,081,503	3.0%
Emergency medical services	-	3,716,316	3,716,316	10.2%	-	3,789,417	3,789,417	10.6%
Eugene water services	-	11,109	11,109	0.0%	-	-	-	0.0%
Total expenses	30,719,727	3,727,425	34,447,152	95.0%	29,584,179	3,789,417	33,373,596	93.3%
Increase in net position	1,620,405	200,071	1,820,476		2,280,962	97,499	2,378,461	
Net position - beginning	73,241,389	1,670,850	74,912,239		70,960,427	1,573,351	72,533,778	
Net position - ending	\$ 74,861,794	\$ 1,870,921	\$ 76,732,715		\$ 73,241,389	\$ 1,670,850	\$ 74,912,239	

General government expenses increased approximately \$972,000 in 2012 over 2011. About \$200,000 of the increase was due to the presidential election year in 2012 and the resulting increased election costs to the County. General government expenses also include a \$100,000 payment to the City of Columbia to help attract new airlines to the regional airport, and a \$300,000 donation to the City of Jefferson to help fund the new animal shelter.

Public safety expenses increased in the current year by approximately \$1.9 million due to a variety of factors. During 2012, the new law enforcement facility was open for the entire year and the inmate population grew substantially due to the increased space. Highways, streets and bridges expenses decreased by almost \$1.6 million due to work on two large joint City/County road projects with the City of Jefferson being completed in 2011. The County and City were sharing the cost of these two projects, although the completed infrastructure has become an asset of the City. The County was also sharing the costs of the St. Mary's/Hwy 179 project with the

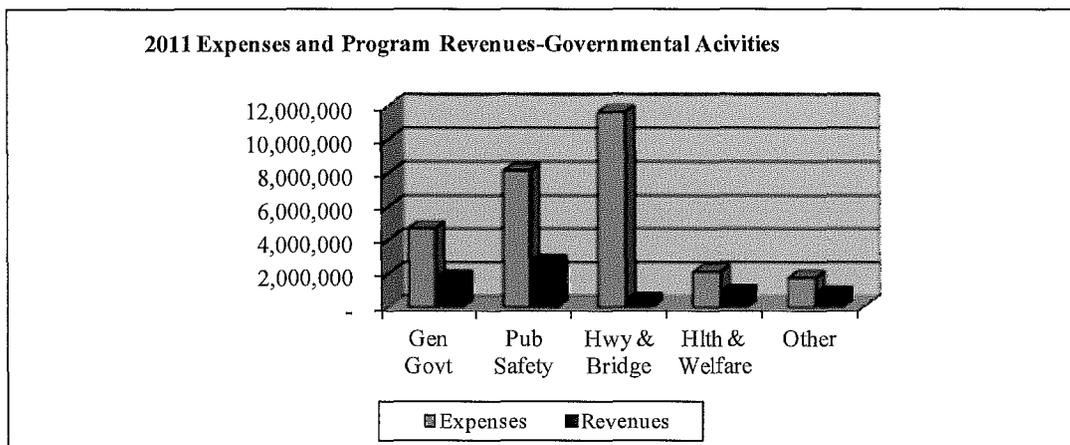
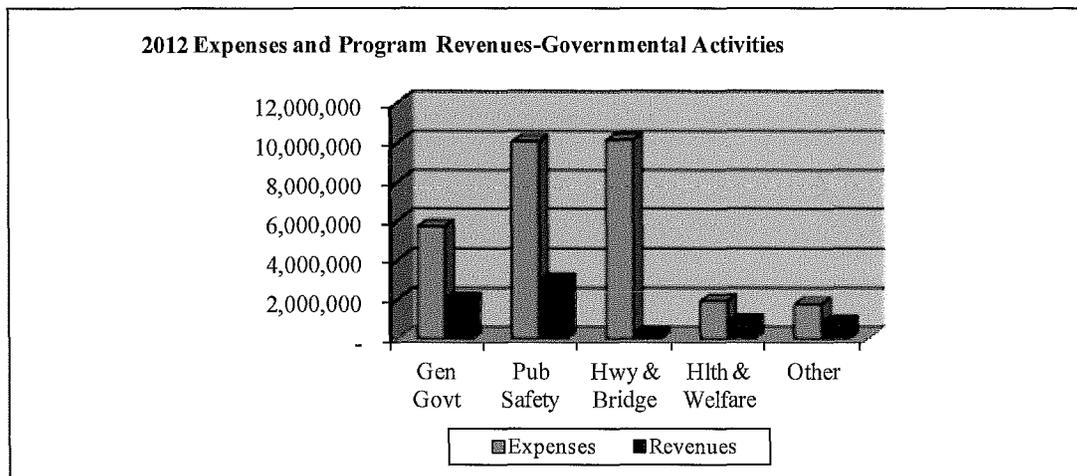
City of Jefferson and the State of Missouri, and this project was completed in 2012 under budget. Since the County will not own these infrastructure assets, costs are expensed rather than capitalized. Health and welfare expenses decreased by about \$220,000 in 2012, mostly due to the reduction of professional services in the Emergency Services Sales Tax Fund. The County was still paying a portion of the costs to Capital Region Medical Center in 2011 for the move of the ambulance service to Cole County.

The Emergency Medical Services Fund, which is a proprietary fund and accounts for the activity of the ambulance service, incurred approximately \$3.7 million in expenses. Operations remained relatively stable compared to 2011, with only a slight decrease of \$45,000 in expenses. The County added the Eugene Water Services Fund in July 2012 and incurred expenses of approximately \$11,000.

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, streets and bridges – program revenue is substantially less than program expenses (see Chart I). Revenue from property tax and sales tax make up the difference. The excess of program costs over program revenue is highest in the Highways and Bridge category

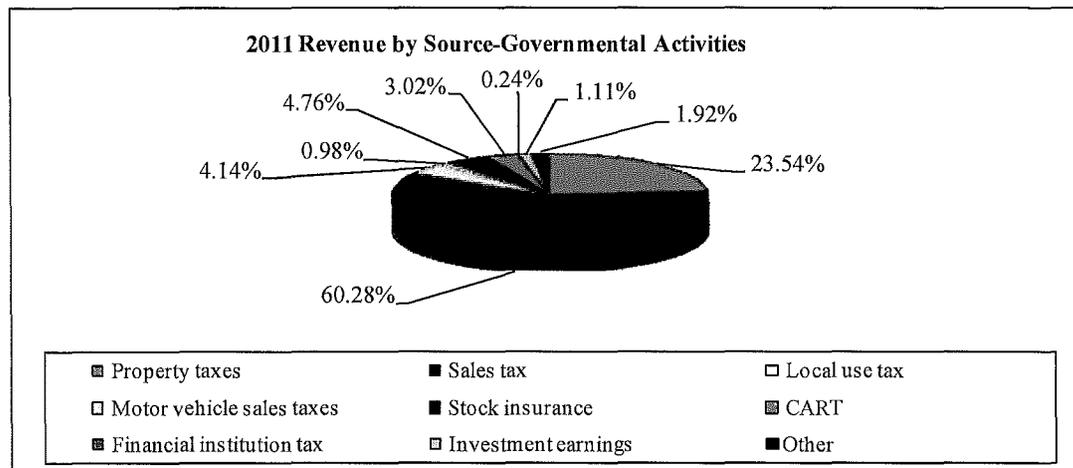
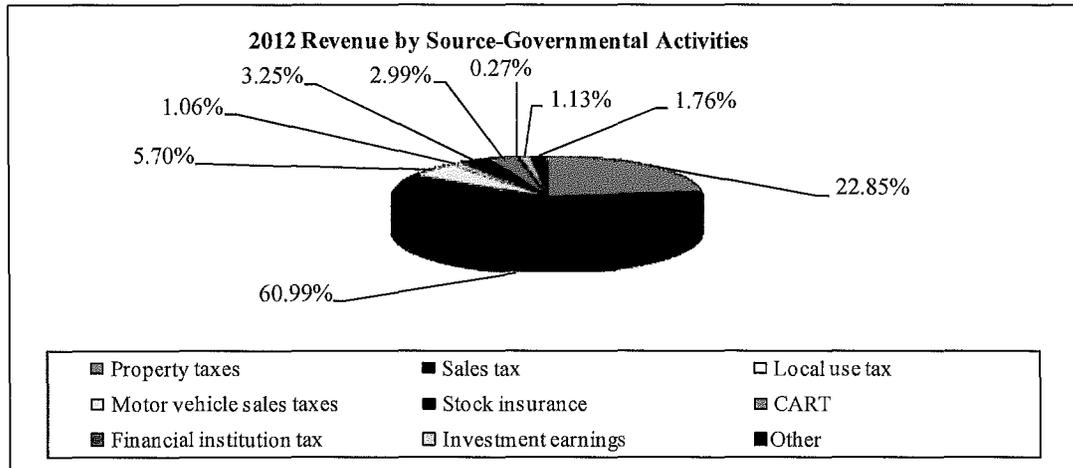
and relatively low in some other categories. For example, expenses for Highways and Bridges were over \$10 million in 2012 while program revenue was less than \$360,000.

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 about \$5.7 million in 2012 – almost 16% of the total expenses for all activities. In 2011, these expenses were about \$4.7 million and almost 14% of total expenses. In most cases the deficiency of program revenue for program expenses was larger in 2012 than in 2011. 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 2012, almost 71% of the County’s revenue came from some type of tax. In 2008, sales tax revenue became the largest source of non program revenue for the County; prior to 2008, it was property taxes. In 2012, sales tax accounted for almost 61% of total revenue compared to 23% from property tax revenue.

Chart II



The County collects seven different taxes. Chart II shows the revenue the County collects from the different taxes. In total, about 23% of the tax revenue is property tax and the remainder some type of tax related to sales of commodities. The County also receives revenue from insurance companies and financial institutions in lieu of property taxes, including a stock insurance tax and financial institution tax that totaled slightly over \$859,000 and \$71,000, respectively, in 2012.

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. Seven of the County's governmental funds are considered major funds because their individual assets and/or liabilities are equal to or greater than 10-% 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 fund balance at the end of the year measures 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 31% of the County's activities are accounted for in the General Fund. At the end of fiscal 2012, the General Fund had a reserve (fund balance) of \$10.3 million (Table 3) – about 31% of the County's total fund balance of \$33.6 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, 2012 and 2011

	2012		2011	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 4,126,804	47.3%	\$ 4,179,430	48.2%
Licenses, fees and permits	2,600,584	29.8%	2,520,626	29.1%
Intergovernmental	1,585,590	18.2%	1,695,543	19.6%
Interest	98,327	1.1%	85,078	1.0%
Other	306,478	3.5%	183,423	2.1%
Total revenues	8,717,783	100.0%	8,664,100	100.0%
EXPENDITURES				
Current:				
General government	4,178,982	47.9%	3,868,632	44.7%
Public safety	2,847,380	32.7%	2,769,809	32.0%
Judicial	811,700	9.3%	715,852	8.3%
Health & welfare	1,611,872	18.5%	1,657,764	19.1%
Parks & recreation	2,532	0.0%	2,957	0.0%
Emergency management	63,983	0.7%	142,764	1.6%
Capital outlay:				
General government	215,148	2.5%	-	0.0%
Public safety	31,200	0.4%	-	0.0%
Health & welfare	-	0.0%	15,493	0.2%
Emergency management	157,377	1.8%	86,859	1.0%
Total expenditures	9,920,174	113.8%	9,260,130	106.9%
Excess (deficiency) of revenues over (under) expenditures	(1,202,391)	-13.8%	(596,030)	-6.9%
OTHER FINANCING SOURCES (USES)				
Transfers in	4,020,511	46.1%	3,972,413	45.8%
Transfers out	(2,257,716)	-25.9%	(2,295,812)	-26.5%
Sale of capital assets	69	0.0%	2,300	0.0%
Total other financing sources (uses)	1,762,864	20.2%	1,678,901	19.4%
Net changes in fund balances	560,473	6.4%	1,082,871	12.5%
Fund balances-beginning	9,766,969	112.0%	8,684,098	100.2%
Fund balances - ending	\$ 10,327,442	118.5%	\$ 9,766,969	112.7%

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 100 % of the General Fund total expenditures of approximately \$9.9 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 \$560,000 after inter-fund transfers.

General fund total revenue remained relatively consistent with 2011, with a slight increase of \$54,000. Taxes account for almost half of General Fund revenue and did not change significantly in 2012. General government expenditures that include personnel costs, insurance, supplies, and miscellaneous expenses also remained relatively stable, with an increase of approximately \$660,000. Most of the increase came in general government, which includes the election costs for the presidential election and a capital expenditure for new warning sirens in the County. The warning sirens were recorded as construction in progress at the entity-wide level.

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 about \$5.2 million (see Table 4) in 2012, of which over 93% 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, 2012 and 2011

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 4,818,921	93.2%	\$ 4,796,762	92.1%
Licenses, fees and permits	278,406	5.4%	309,164	5.9%
Intergovernmental	31,268	0.6%	63,071	1.2%
Interest	29,602	0.6%	26,736	0.5%
Other	13,823	0.3%	14,026	0.3%
Total revenues	<u>5,172,020</u>	<u>100.0%</u>	<u>5,209,759</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Highways, streets & bridges	4,697,439	90.8%	5,114,139	98.2%
Capital outlay:				
Highways, streets & bridges	205,945	4.0%	283,553	5.4%
Debt service:				
Highways, streets & bridges	100,000	1.9%	100,000	1.9%
Total expenditures	<u>5,003,384</u>	<u>96.7%</u>	<u>5,497,692</u>	<u>105.5%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>168,636</u>	<u>3.3%</u>	<u>(287,933)</u>	<u>-5.5%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	265,594	5.1%	255,812	4.9%
Transfers out	(193,800)	-3.7%	(189,291)	-3.6%
Sale of capital assets	20	0.0%	1,744	0.0%
Total other financing sources (uses)	<u>71,814</u>	<u>1.4%</u>	<u>68,265</u>	<u>1.3%</u>
Net changes in fund balances	240,450	4.6%	(219,668)	-4.2%
Fund balances-beginning	4,947,535	95.7%	5,167,203	99.2%
Fund balances - ending	<u>\$ 5,187,985</u>	<u>100.3%</u>	<u>\$ 4,947,535</u>	<u>95.0%</u>

Revenue between 2011 and 2012 decreased slightly (about \$38,000), due to a decrease in fees and intergovernmental revenue. Expenses decreased approximately \$494,000, mostly due to the timing of large road projects and the mild winter experienced in 2012. Fund balance increased about \$240,000. 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 25 years. By law, the revenue must be spent on capital improvements. By County policy, 85% of the revenue is allocated to road and bridge capital improvement projects. The remaining 15% is allocated to capital improvements related to courthouse needs.

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, 2012 and 2011

	2012		2011	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 5,372,816	98.8%	\$ 5,240,141	97.5%
Licenses, fees and permits	-	0.0%	49,937	0.9%
Interest	62,983	1.2%	81,940	1.5%
Other	1,814	0.0%	-	0.0%
Total revenues	5,437,613	100.0%	5,372,018	100.0%
EXPENDITURES				
Current:				
General government	485,515	8.9%	267,925	5.0%
Highways, streets & bridges	983,971	18.1%	1,867,865	34.8%
Capital outlay:				
General government		0.0%	1,232,056	22.9%
Highways, streets & bridges	2,511,151	46.2%	3,109,439	57.9%
Public Safety	108,022	2.0%	111,190	2.1%
Total expenditures	4,088,659	75.2%	6,588,475	122.6%
Excess (deficiency) of revenues over (under) expenditures	1,348,954	24.8%	(1,216,457)	-22.6%
OTHER FINANCING SOURCES (USES)				
Transfers out	(159,786)	-2.9%	(158,012)	-2.9%
Total other financing sources (uses)	(159,786)	-2.9%	(158,012)	-2.9%
Net changes in fund balances	1,189,168	21.9%	(1,374,469)	-25.6%
Fund balances-beginning	4,570,599	84.1%	5,945,068	110.7%
Fund balances - ending	\$ 5,759,767	105.9%	\$ 4,570,599	85.1%

Total revenue in this fund was over \$5.4 million in 2012. Revenue increased from 2011 by about \$66,000, mostly due to the slight increase in sales tax. Tax revenue increased by almost 2% (about \$134,000). Expenditures decreased in 2012 by about \$2.5 million compared to 2011 and accounted for over 75% of the total revenue. In 2011, the County purchased a building and property to house the ambulance service and emergency management for the County; no such large purchases occurred in 2012, causing a decrease in expenditures. The decrease in expenditures is also due to the multi-year projects that are paid for in this fund and timing of the completion of these projects.

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. In 2012, the tax accounted for

over 74% of the Fund's revenue. Most of the remainder came from fees and charges (slightly over 16%) and intergovernmental revenue (slightly over 8%).

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, 2012 and 2011

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 5,371,213	73.5%	\$ 5,235,500	76.4%
Licenses, fees and permits	1,194,639	16.3%	1,131,549	16.5%
Intergovernmental	602,880	8.2%	386,899	5.6%
Interest	50,739	0.7%	35,693	0.5%
Other	89,404	1.2%	61,226	0.9%
Total revenues	<u>7,308,875</u>	<u>100.0%</u>	<u>6,850,867</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Public safety	6,405,470	87.6%	6,142,277	89.7%
Total expenditures	<u>6,405,470</u>	<u>87.6%</u>	<u>6,142,277</u>	<u>89.7%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>903,405</u>	<u>12.4%</u>	<u>708,590</u>	<u>10.3%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,976,153	54.4%	2,040,000	29.8%
Transfers out	(1,824,807)	-25.0%	(3,066,739)	-44.8%
Sale of capital assets	6,766	0.1%	11,785	0.2%
Total other financing sources (uses)	<u>2,158,112</u>	<u>29.5%</u>	<u>(1,014,954)</u>	<u>-14.8%</u>
Net changes in fund balances	3,061,517	41.9%	(306,364)	-4.5%
Fund balances-beginning	1,877,223	25.7%	2,183,587	31.9%
Fund balances - ending	<u>\$ 4,938,740</u>	<u>67.6%</u>	<u>\$ 1,877,223</u>	<u>27.4%</u>

Revenue between 2011 and 2012 increased slightly, approximately \$458,000, due to increases in the line items of taxes, fees, and intergovernmental revenue. In 2012, the fund administered new grants, which caused a \$216,000 increase in intergovernmental revenue. Tax revenue increased approximately \$135,000.

Construction on the new jail began in 2008 with site development work and continued up until completion in 2011. The jail construction totaled about \$28 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. The expenditures in the Law Enforcement Fund increased in 2012 by about \$263,000, mostly due to the additional inmate population in the new facility and 2012 being the first full year of jail operations. There were no capital outlay expenditures in 2012 from the Law Enforcement Fund. The ending fund balance increased by about \$3 million in 2012, mostly due to the transfer of interest from the Capital Improvement Fund after the completion of the new facility. This transfer of interest represents a portion of the remaining debt proceeds that were not used for jail construction, but instead were eligible to be used to recoup some of the interest paid on the debt in prior years. The remaining debt proceeds were used to offset a portion of the debt service payments in 2012, which resulted in a decrease in transfers out.

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 medical services and a rollback of General Fund property taxes. The County acquired the county wide ambulance services in 2009 from Capital Region Medical Center.

The ballot language authorizing the sales tax requires that 60% 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 (EMS) enterprise fund.

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, 2012 and 2011

	2012		2011	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 5,368,772	99.7%	\$ 5,242,447	99.8%
Interest	14,901	0.3%	12,780	0.2%
Other	3,000	0.1%	-	0.0%
Total revenues	<u>5,386,673</u>	<u>100.0%</u>	<u>5,255,227</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Health & welfare	270,372	5.0%	464,150	8.8%
Capital outlay:				
Health & welfare	287,180	5.3%	126,545	2.4%
Total expenditures	<u>557,552</u>	<u>10.4%</u>	<u>590,695</u>	<u>11.2%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,829,121</u>	<u>89.6%</u>	<u>4,664,532</u>	<u>88.8%</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,415,781)	-82.0%	(4,374,568)	-83.2%
Total other financing sources (uses)	<u>(4,415,781)</u>	<u>-82.0%</u>	<u>(4,374,568)</u>	<u>-83.2%</u>
Net changes in fund balances	413,340	7.7%	289,964	5.5%
Fund balances-beginning	1,273,364	23.6%	983,400	18.7%
Fund balances - ending	<u>\$ 1,686,704</u>	<u>31.3%</u>	<u>\$ 1,273,364</u>	<u>24.2%</u>

In 2012, the County collected slightly more sales tax, an approximate \$126,000 increase from the prior year. Total expenditures in the current year decreased about \$33,000. Current expenditures decreased in 2012 by approximately \$194,000, mostly due to a final payment in 2011 to Capital Region Medical Center to cover cost of the ambulance service during the time of transition to the County. There was an increase in capital outlay as the County purchased two new ambulances in 2012 compared to only one in 2011. Overall, the revenue and expenditures in this fund stayed very stable with a change in fund balance of \$413,000 in 2012 as compared to \$290,000 in 2011.

CAPITAL IMPROVEMENT FUND

The County created a capital improvement fund in 2007 to account for construction of a new law enforcement center. Proceeds from COPs issued in prior years by the trustee and subsequent disbursements are included in this fund. The fund balance in the Capital Improvement Fund decreased in 2012 to \$3.3 million due to the completion of the law enforcement facility and the spend down of the COPs, including a transfer of interest payments. After the completion of the jail facility, the County had funds remaining in the project fund. Under the terms of the lease purchase agreement, the County could recoup some of the interest that was paid into the COPs in prior years. This reimbursement of interest payments can be seen as a transfer from the Capital Improvement Fund to the Law Enforcement Fund, which is where the interest was originally paid from. The remaining fund balance in the capital improvement fund will be used to meet debt service requirements on the COPs as these funds are restricted for use on the jail property. The County refunded the initial \$10 million COPs issuance in 2011 to take advantage of lower interest rates and to lower future debt service payments.

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, 2012 and 2011

	2012		2011	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Interest	\$ 558	100.0%	\$ 1,141	100.0%
Total revenues	558	100.0%	1,141	100.0%
EXPENDITURES				
Current:				
Public safety	66,389	11897.7%	84,873	7438.5%
Capital outlay:				
Public safety	-	0.0%	3,713,883	325493.7%
Debt service:				
Public safety	3,026,404	542366.3%	2,400,387	210375.7%
Total expenditures	3,092,793	554264.0%	6,199,143	543307.9%
Excess (deficiency) of revenues over (under) expenditures	(3,092,235)	-554164.0%	(6,198,002)	-543207.9%
OTHER FINANCING SOURCES (USES)				
Issuance of certificates of participation:				
Proceeds	-	0.0%	8,185,000	717353.2%
Discount	-	0.0%	(53,203)	-4662.8%
Payment to escrow agent	-	0.0%	(8,878,400)	-778124.5%
Transfers in	1,824,807	327026.3%	3,066,739	268776.4%
Transfers out	(1,984,031)	-355561.1%	-	0.0%
Total other financing sources (uses)	(159,224)	-28534.8%	2,320,136	203342.3%
Net changes in fund balances	(3,251,459)	-582698.7%	(3,877,866)	-339865.6%
Fund balances-beginning	6,570,326	1177477.8%	10,448,192	915704.8%
Fund balances - ending	\$ 3,318,867	594779.0%	\$ 6,570,326	575839.3%

During 2011, Cole County completed construction of the new law enforcement center. Construction costs of the new law enforcement center itself were approximately \$28 million, including site preparation costs, parking, furniture and equipment. With financing costs, the new jail will cost approximately \$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 1/8th after the COPs are retired in 2022.

NEIGHBORHOOD IMPROVEMENT DISTRICT SINKING FUND

The County has several neighborhood improvements districted (NIDs). Improvements to a NID are paid for by property owners through a special assessment to retire bonds used to finance the improvements. However, the County is required by law to fully back the bonds, making them a contingent liability for the County. Currently the outstanding debt recorded for NID is \$296,000.

Table 9
COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds- Neighborhood Sinking
For the Years Ended December 31, 2012 and 2011

	2012		2011	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Licenses, fees and permits	\$ 39,522	67.4%	\$ 36,954	61.1%
Interest	19,076	32.6%	23,545	38.9%
Total revenues	58,598	100.0%	60,499	100.0%
EXPENDITURES				
Debt service:				
General government	60,905	103.9%	61,440	101.6%
Total expenditures	60,905	103.9%	61,440	101.6%
Excess (deficiency) of revenues over (under) expenditures	(2,307)	-3.9%	(941)	-1.6%
Net changes in fund balances	(2,307)	-3.9%	(941)	-1.6%
Fund balances-beginning	70,554	120.4%	71,495	118.2%
Fund balances - ending	\$ 68,247	116.5%	\$ 70,554	116.6%

The fund's revenue is assessments collected to service the debt, and expenditures are for debt service. During 2012, revenue was approximately \$59,000 and expenditures approximately \$61,000 (Table 9). The activity in this fund is very consistent from year to year, which is reflected by the change in fund balance of approximately \$2,000 from 2011 to 2012.

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 position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

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.

Table 10
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, 2012 and 2011

	2012		2011	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
OPERATING REVENUES				
Charges for services	\$ 2,834,319	100.0%	\$ 2,937,738	100.0%
Total operating revenues	<u>2,834,319</u>	<u>100.0%</u>	<u>2,937,738</u>	<u>100.0%</u>
OPERATING EXPENSES				
Personnel services	2,838,574	100.2%	2,698,916	91.9%
Administrative	228,907	8.1%	462,579	15.7%
Other supplies and expenses	158,467	5.6%	164,835	5.6%
Repairs and maintenance	275,350	9.7%	272,467	9.3%
Insurance	30,881	1.1%	21,761	0.7%
Depreciation	183,163	6.5%	166,402	5.7%
Miscellaneous	974	0.0%	2,456	0.1%
Total operating expenses	<u>3,716,316</u>	<u>131.1%</u>	<u>3,789,416</u>	<u>129.0%</u>
Operating income	<u>(881,997)</u>	<u>-31.1%</u>	<u>(851,678)</u>	<u>-29.0%</u>
NONOPERATING REVENUE (EXPENSES)				
Miscellaneous	8,105	0.3%	13,331	0.5%
Gain/loss sale of fixed assets	(2,332)	-0.1%	-	0.0%
Interest and investment revenue	14,182	0.5%	11,397	0.4%
Total nonoperating revenue	<u>19,955</u>	<u>0.7%</u>	<u>24,728</u>	<u>0.8%</u>
Loss before contributions	(862,042)	-30.4%	(826,950)	-28.1%
Transfers in	850,000	30.0%	885,635	30.1%
Transfers out	(101,144)	-3.6%	(87,730)	-3.0%
Capital contributions	<u>287,180</u>	<u>10.1%</u>	<u>126,545</u>	<u>4.3%</u>
Change in net assets	173,994	6.1%	97,500	3.3%
Total net assets-beginning	<u>1,670,850</u>	<u>59.0%</u>	<u>1,573,351</u>	<u>53.6%</u>
Total net assets - ending	<u>\$ 1,844,844</u>	<u>65.1%</u>	<u>\$ 1,670,851</u>	<u>56.9%</u>

The County completed its third full year of operation of the county-wide ambulance service in 2012. The service is financed partly through a charge for services, which totaled \$2.8 million in 2012 as compared to \$2.9 million in 2011, and partly through a special revenue sales tax discussed previously. Total operating expenses totaled almost \$3.8 million in 2012, with only a slight change of \$45,000 from 2011. Most of the change is due to the fluctuating schedules of those employees that work for the ambulance service, which impacts salary expense. Net position of the Emergency Medical Services Fund at the end of 2012 totaled approximately \$1.8 million, compared to almost \$1.7 million in 2011.

INDIVIDUAL FUND BUDGET-TO-ACTUAL COMPARISON HIGHLIGHTS

The scope of the budget-to-actual analysis covers five of the seven 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 2012, with the continued uncertainty in the economy as a whole at the beginning of the year, 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

CAPITAL ASSETS

The County has capital assets of over \$68 million at the end of 2012. A large amount of this total (approximately \$28.7 million) consists of infrastructure. The County has almost \$30.9 million in buildings and over \$2.9 million in machinery and equipment. Additional information regarding Cole County's capital assets can be found in Note II and in Note 6 of this report.

Table 11
County of Cole, Missouri
Schedule of Capital Assets
For the Years Ended December 31, 2012 and 2011
 (net of depreciation)

	<u>2012</u>		<u>2011</u>	
	<u>Total</u>	<u>Percent of Total</u>	<u>Total</u>	<u>Percent of Total</u>
Land	\$ 4,848,959	7.1%	\$ 4,848,959	6.8%
Buildings	30,897,794	45.2%	31,826,491	44.4%
Machinery and equipment	2,907,047	4.3%	3,948,345	5.5%
Infrastructure	28,660,445	42.0%	28,610,954	39.9%
Construction in progress	983,864	1.4%	2,428,309	3.4%
Total	\$ 68,298,110	100.0%	\$ 71,663,058	100.0%

The most significant capital asset changes in 2012 were to equipment and construction in progress. The decrease in construction in progress of almost \$1.5 million was mainly due the completion of infrastructure projects. Most infrastructure projects for the County are multi-year projects and span more than one year. There was no significant change in infrastructure, due to annual depreciation expense offsetting the addition of new projects. There was an almost \$2 million decrease in machinery, equipment and buildings, due to no large purchases of equipment or buildings in 2012, but depreciation expense being recognized on current assets. The County capitalizes only those assets in excess of \$5,000.

DEBT

Special Assessment Bonds - Neighborhood Improvement District Projects

The County has a contingent liability for outstanding debt of \$296,000 in 2012 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 \$40,000 less in 2012 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 law enforcement facility, and \$10 million of COPs were issued by the trustee in December 2007. An additional \$25 million of COPs were issued in March 2009. In 2011, the first issuance of COPs was refunded to take advantage of the lower interest rates and to save the County slightly over \$450,000 over the remaining life of the capital lease arrangement. The agreements meet the definition of a capital lease and are recorded in the County's financial statements as debt.

Table 12
County of Cole, Missouri
Schedule of Outstanding Debt
Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Outstanding Debt:		
Special Assessment Bonds	\$ 296,000	\$ 336,000
Certificates of Participation (Capital Lease)	<u>27,070,000</u>	<u>29,095,000</u>
Total	<u>\$ 27,366,000</u>	<u>\$ 29,431,000</u>

At December 31, 2012, the County had slightly over \$27.3 million in outstanding debt, almost all of which represents COPs. 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 2012. Additional information regarding Cole County's long term debt can be found in Note 7 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 approximately 76,363 in 2012, a small decrease from 2011. In 2009, both personal income and commercial activity started to grow at much slower rates or decline somewhat as the economy experienced the contracting effects of the recession that began in December 2007. In 2012, the personal income and other economic activity started to turn around from the effect of the recession but are still growing at a very slow rate. As such, County officials plan activities on the assumption that key economic events that drive revenue and expenses will grow slightly but still not at the same rates as before the recession hit, 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 Position
December 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 14,605,808	\$ 791,063	\$ 15,396,871
Investments	11,998,322	-	11,998,322
Restricted investments	3,318,867	-	3,318,867
Receivables (net of allowance)	4,000,684	599,186	4,599,870
Due from agency fund	43,830	-	43,830
Bond issuance costs (net of accumulated amortization)	70,372	-	70,372
Inventory	558,967	-	558,967
Prepaid insurance	162,851	27,418	190,269
Capital assets:			
Non-depreciable	5,832,824	4,988	5,837,812
Depreciable, net	62,465,286	674,746	63,140,032
Total assets	<u>103,057,811</u>	<u>2,097,401</u>	<u>105,155,212</u>
LIABILITIES:			
Accounts payable and other current liabilities	440,890	103,928	544,818
Accrued liabilities	86,401	-	86,401
Noncurrent liabilities:			
Due to other governments	39,736	-	39,736
Due within one year	2,190,613	1,308	2,191,921
Due in more than one year	25,438,377	121,244	25,559,621
Total liabilities	<u>28,196,017</u>	<u>226,480</u>	<u>28,422,497</u>
NET POSITION:			
Invested in capital assets, net of related debt	42,072,233	679,734	42,751,967
Restricted for:			
Capital improvement	9,078,634	-	9,078,634
Highways, streets, and bridges	4,604,503	-	4,604,503
Public safety	5,349,462	-	5,349,462
Emergency medical services	1,686,704	-	1,686,704
Assessment costs	1,500,282	-	1,500,282
Judicial	190,106	-	190,106
Recorder of deeds	11,599	-	11,599
Tax maintenance	121,479	-	121,479
Election services	35,832	-	35,832
Debt service	68,247	-	68,247
Unrestricted	10,142,713	1,191,187	11,333,900
Total net position	<u>\$ 74,861,794</u>	<u>\$ 1,870,921</u>	<u>\$ 76,732,715</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2012

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 5,709,420	\$ 1,930,240	\$ 76,070	\$ -	\$ (3,703,110)	\$ -	\$ (3,703,110)
Public safety	10,055,696	1,929,001	738,726	289,130	(7,098,839)	-	(7,098,839)
Highways, streets and bridges	10,143,743	278,406	-	-	(9,865,337)	-	(9,865,337)
Assessment	648,417	147,793	-	-	(500,624)	-	(500,624)
Judicial	900,409	130,184	408,497	-	(361,728)	-	(361,728)
Health and welfare	1,920,835	258,716	616,915	-	(1,045,204)	-	(1,045,204)
Parks and recreation	10,861	-	-	-	(10,861)	-	(10,861)
Emergency management	222,227	-	152,870	-	(69,357)	-	(69,357)
Interest and fiscal fees	1,108,119	-	-	-	(1,108,119)	-	(1,108,119)
Total governmental activities	<u>30,719,727</u>	<u>4,674,340</u>	<u>1,993,078</u>	<u>289,130</u>	<u>(23,763,179)</u>	<u>-</u>	<u>(23,763,179)</u>
Business-type activities							
Emergency medical services	3,716,316	2,834,319	-	-	-	(881,997)	(881,997)
Water services	11,109	5,130	-	31,988	-	26,009	26,009
Total business-type activities	<u>3,727,425</u>	<u>2,839,449</u>	<u>-</u>	<u>31,988</u>	<u>-</u>	<u>(855,988)</u>	<u>(855,988)</u>
Total primary government	<u>\$ 34,447,152</u>	<u>\$ 7,513,789</u>	<u>\$ 1,993,078</u>	<u>\$ 321,118</u>	<u>(23,763,179)</u>	<u>\$ (855,988)</u>	<u>\$ (24,619,167)</u>
					6,037,446	-	6,037,446
					16,112,800	-	16,112,800
					1,506,676	-	1,506,676
					279,708	-	279,708
					859,463	-	859,463
					788,881	-	788,881
					71,009	-	71,009
					298,379	14,250	312,629
					(1,036,036)	1,036,036	-
					465,258	5,773	471,031
					<u>25,383,584</u>	<u>1,056,059</u>	<u>26,439,643</u>
						1,620,405	1,820,476
					73,241,389	1,670,850	74,912,239
					<u>\$ 74,861,794</u>	<u>\$ 1,870,921</u>	<u>\$ 76,732,715</u>

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 Position
Governmental Funds
December 31, 2012

	Major Funds							Non-Major Funds	Total Governmental Funds
	Special Revenue				Debt Service	Capital Project			
	General	Road & Bridge	Sales Tax	Law Enforcement Sales Tax					
ASSETS									
Cash and cash equivalents	\$ 3,242,848	\$ 3,969,458	\$ 2,031,189	\$ 2,121,147	\$ 1,357,677	\$ 68,247	\$ -	\$ 1,815,242	\$ 14,605,808
Investments	5,999,161	499,930	2,999,581	1,999,720	-	-	-	499,930	11,998,322
Restricted investments	-	-	-	-	-	-	3,318,867	-	3,318,867
Receivables (net of allowance)									
Intergovernmental	577,967	171,264	823,800	950,565	822,568	-	-	11,341	3,357,505
Special assessments	-	-	-	-	-	262,247	-	-	262,247
Property taxes	126,946	253,986	-	-	-	-	-	-	380,932
Due from other funds	493,541	-	-	43,830	-	-	-	-	537,371
Inventory	-	558,967	-	-	-	-	-	-	558,967
Prepaid insurance	90,188	24,515	-	42,367	-	-	-	5,781	162,851
Total assets	\$ 10,530,651	\$ 5,478,120	\$ 5,854,570	\$ 5,157,629	\$ 2,180,245	\$ 330,494	\$ 3,318,867	\$ 2,332,294	\$ 35,182,870
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 129,036	\$ 104,090	\$ 94,803	\$ 98,832	\$ -	\$ -	\$ -	\$ 14,126	\$ 440,887
Due to other funds	-	-	-	-	493,541	-	-	-	493,541
Due to other governments	-	-	-	39,736	-	-	-	-	39,736
Deferred revenue	74,173	186,045	-	80,321	-	262,247	-	-	602,786
Total liabilities	203,209	290,135	94,803	218,889	493,541	262,247	-	14,126	1,576,950
Fund balances:									
Nonspendable:									
Prepaid items	90,188	24,515	-	42,367	-	-	-	5,781	162,851
Inventory	-	558,967	-	-	-	-	-	-	558,967
Restricted for:									
Capital improvements	-	-	5,759,767	-	-	-	3,318,867	-	9,078,634
Law enforcement	-	-	-	4,896,373	-	-	-	-	4,896,373
Emergency medical services	-	-	-	-	1,686,704	-	-	-	1,686,704
Highways, streets & bridges	-	4,604,503	-	-	-	-	-	-	4,604,503
Training costs	-	-	-	-	-	-	-	3,072	3,072
Prosecuting attorney	-	-	-	-	-	-	-	450,017	450,017
Assessment costs	-	-	-	-	-	-	-	1,500,282	1,500,282
Judicial	-	-	-	-	-	-	-	190,106	190,106
Recorder of deeds	-	-	-	-	-	-	-	11,599	11,599
Tax maintenance	-	-	-	-	-	-	-	121,479	121,479
Election services	-	-	-	-	-	-	-	35,832	35,832
Debt service	-	-	-	-	-	68,247	-	-	68,247
Unassigned:									
General Fund	10,237,254	-	-	-	-	-	-	-	10,237,254
Total fund balances	10,327,442	5,187,985	5,759,767	4,938,740	1,686,704	68,247	3,318,867	2,318,168	33,605,920
Total liabilities and fund balances	\$ 10,530,651	\$ 5,478,120	\$ 5,854,570	\$ 5,157,629	\$ 2,180,245	\$ 330,494	\$ 3,318,867	\$ 2,332,294	\$ 35,182,870

Total fund balances - governmental funds \$ 33,605,920

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 68,298,110

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. 602,786

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		(7,765)
Bonds payable	(296,000)	
Less: Bond issue costs to be amortized as interest expense	11,724	
	<u>(284,276)</u>	(284,276)
Interest payable		(78,639)
Certificates of Participation payable	(27,070,000)	
Less: Discount on certificates of participation to be amortized as interest expense	326,896	
Less: Deferred charge on refunding of certificates of participation to be amortized as interest expense	517,227	
Less: Cost of issuance on certificates of participation to be amortized as interest expense	58,648	
	<u>(26,167,229)</u>	(26,167,229)
Compensated absences		(1,107,113)
		<u>(27,645,022)</u>
Net position of governmental activities		<u>\$ 74,861,794</u>

COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	Major Funds							Non-Major Funds	Total Governmental Funds
	Special Revenue			Debt Service		Capital Project			
	General	Road & Bridge	Sales Tax	Law Enforcement Sales Tax	Emergency Services Sales Tax	Neighborhood Sinking	Capital Improvement		
REVENUES									
Taxes	\$ 4,126,804	\$ 4,818,921	\$ 5,372,816	\$ 5,371,213	\$ 5,368,772	\$ -	\$ -	\$ 551,471	\$ 25,609,997
Licenses, fees and permits	2,600,584	278,406	-	1,194,639	-	39,522	-	596,409	4,709,560
Intergovernmental	1,585,590	31,268	-	602,880	-	-	-	-	2,219,738
Interest	98,327	29,602	62,983	50,739	14,901	19,076	558	22,193	298,379
Other	306,478	13,823	1,814	89,404	3,000	-	-	70,216	484,735
Total revenues	<u>8,717,783</u>	<u>5,172,020</u>	<u>5,437,613</u>	<u>7,308,875</u>	<u>5,386,673</u>	<u>58,598</u>	<u>558</u>	<u>1,240,289</u>	<u>33,322,409</u>
EXPENDITURES									
Current:									
General government	4,178,982	-	485,515	-	-	-	-	188,351	4,852,848
Public safety	2,847,380	-	-	6,405,470	-	-	66,389	308,228	9,627,467
Highways, streets & bridges	-	4,697,439	983,971	-	-	-	-	-	5,681,410
Assessment costs	-	-	-	-	-	-	-	639,776	639,776
Judicial	811,700	-	-	-	-	-	-	29,706	841,406
Health & welfare	1,611,872	-	-	-	270,372	-	-	-	1,882,244
Parks & recreation	2,532	-	-	-	-	-	-	-	2,532
Emergency management	63,983	-	-	-	-	-	-	-	63,983
Capital outlay:									
General government	215,148	-	-	-	-	-	-	-	215,148
Public safety	31,200	-	108,022	-	-	-	-	-	139,222
Health & welfare	-	-	-	-	287,180	-	-	-	287,180
Highways, streets & bridges	-	205,945	2,511,151	-	-	-	-	-	2,717,096
Emergency management	157,377	-	-	-	-	-	-	-	157,377
Debt service:									
Principal	-	100,000	-	-	-	40,000	2,025,000	-	2,165,000
Interest	-	-	-	-	-	20,905	1,001,404	-	1,022,309
Total expenditures	<u>9,920,174</u>	<u>5,003,384</u>	<u>4,088,659</u>	<u>6,405,470</u>	<u>557,552</u>	<u>60,905</u>	<u>3,092,793</u>	<u>1,166,061</u>	<u>30,294,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,202,391)</u>	<u>168,636</u>	<u>1,348,954</u>	<u>903,405</u>	<u>4,829,121</u>	<u>(2,307)</u>	<u>(3,092,235)</u>	<u>74,228</u>	<u>3,027,411</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	4,020,511	265,594	-	3,976,153	-	-	1,824,807	-	10,087,065
Transfers out	(2,257,716)	(193,800)	(159,786)	(1,824,807)	(4,415,781)	-	(1,984,031)	-	(10,835,921)
Sale of capital assets	69	20	-	6,766	-	-	-	-	6,855
Total other financing sources (uses)	<u>1,762,864</u>	<u>71,814</u>	<u>(159,786)</u>	<u>2,158,112</u>	<u>(4,415,781)</u>	<u>-</u>	<u>(159,224)</u>	<u>-</u>	<u>(742,001)</u>
Net changes in fund balances	<u>560,473</u>	<u>240,450</u>	<u>1,189,168</u>	<u>3,061,517</u>	<u>413,340</u>	<u>(2,307)</u>	<u>(3,251,459)</u>	<u>74,228</u>	<u>2,285,410</u>
Fund balances-beginning	<u>9,766,969</u>	<u>4,947,535</u>	<u>4,570,599</u>	<u>1,877,223</u>	<u>1,273,364</u>	<u>70,554</u>	<u>6,570,326</u>	<u>2,243,940</u>	<u>31,320,510</u>
Fund balances - ending	<u>\$ 10,327,442</u>	<u>\$ 5,187,985</u>	<u>\$ 5,759,767</u>	<u>\$ 4,938,740</u>	<u>\$ 1,686,704</u>	<u>\$ 68,247</u>	<u>\$ 3,318,867</u>	<u>\$ 2,318,168</u>	<u>\$ 33,605,920</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2012

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

Net change in fund balances - total governmental funds \$ 2,285,410

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	3,516,023	
Depreciation expense	(6,002,453)	
Capital contribution to business-type activity	(287,180)	
Loss on sale of governmental fund capital assets	<u>(26,331)</u>	(2,799,941)

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

Grants	66,772	
Taxes	45,987	
Fees	<u>(39,522)</u>	73,237

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 position. 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.

Principal payments on Certificates of Participation	2,025,000	
Amortization expense on Certificates of Participation	(90,722)	
Change in interest payable	6,321	
Other principal payments	140,000	
Amortization expense for Neighborhood Improvement bonds	<u>(1,408)</u>	2,079,191

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		<u>(17,492)</u>
------------------------------	--	-----------------

Change in net position of governmental activities \$ 1,620,405

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-type Activities-Enterprise Funds		
	Major Fund	Non-Major Fund	
	Emergency Medical Services	Eugene Water District	Total
ASSETS:			
Cash and cash equivalents	\$ 775,761	\$ 15,302	\$ 791,063
Receivables (net of allowance)	598,563	623	599,186
Prepaid insurance	27,418	-	27,418
Capital assets (net of accumulated depreciation):			
Land	-	4,988	4,988
Buildings	34,036	-	34,036
Equipment	632,654	8,056	640,710
Total assets	2,068,432	28,969	2,097,401
LIABILITIES:			
Accounts payable and other current liabilities	101,036	2,892	103,928
Noncurrent liabilities:			
Due within one year	1,308	-	1,308
Due in more than one year	121,244	-	121,244
Total liabilities	223,588	2,892	226,480
NET POSITION:			
Invested in capital assets, net of related debt	666,690	13,044	679,734
Unrestricted	1,178,154	13,033	1,191,187
Total net position	\$ 1,844,844	\$ 26,077	\$ 1,870,921

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities-Enterprise Funds		
	Major Fund	Non-Major Fund	Total
	Emergency Medical Services	Eugene Water District	
OPERATING REVENUES			
Charges for services	\$ 2,834,319	\$ 5,130	\$ 2,839,449
Total operating revenues	<u>2,834,319</u>	<u>5,130</u>	<u>2,839,449</u>
OPERATING EXPENSES			
Personnel services	2,838,574	4,609	2,843,183
Administrative	228,907	1,892	230,799
Other supplies and expenses	158,467	-	158,467
Repairs and maintenance	275,350	2,664	278,014
Insurance	30,881	-	30,881
Depreciation	183,163	1,944	185,107
Miscellaneous	974	-	974
Total operating expenses	<u>3,716,316</u>	<u>11,109</u>	<u>3,727,425</u>
Operating loss	<u>(881,997)</u>	<u>(5,979)</u>	<u>(887,976)</u>
NONOPERATING REVENUE			
Miscellaneous	8,105	-	8,105
Gain (loss) sale of fixed assets	(2,332)	-	(2,332)
Interest and investment revenue	14,182	68	14,250
Total nonoperating revenue	<u>19,955</u>	<u>68</u>	<u>20,023</u>
Loss before contributions and transfers	(862,042)	(5,911)	(867,953)
Transfers in	850,000	-	850,000
Transfers out	(101,144)	-	(101,144)
Capital contributions	<u>287,180</u>	<u>31,988</u>	<u>319,168</u>
Change in net position	173,994	26,077	200,071
Total net position-beginning	<u>1,670,850</u>	<u>-</u>	<u>1,670,850</u>
Total net position - ending	<u>\$ 1,844,844</u>	<u>\$ 26,077</u>	<u>\$ 1,870,921</u>

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Emergency Medical Services</u>	<u>Eugene Water District</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,726,917	\$ 4,507	\$ 2,731,424
Payments to suppliers	(683,117)	(1,664)	(684,781)
Payments to employees	(2,860,453)	(4,609)	(2,865,062)
Other operating revenues	8,105	-	8,105
Net cash (used) by operating activities	<u>(808,548)</u>	<u>(1,766)</u>	<u>(810,314)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers from other funds	850,000	-	850,000
Operating subsidies and transfers to other funds	(101,144)	-	(101,144)
Contributions	-	17,000	17,000
Net cash provided by noncapital financing activities	<u>748,856</u>	<u>17,000</u>	<u>765,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	14,182	68	14,250
Net cash provided by investing activities	<u>14,182</u>	<u>68</u>	<u>14,250</u>
Net change in cash and cash equivalents	(45,510)	15,302	(30,208)
Balances-beginning	821,271	-	821,271
Balances-ending	<u>\$ 775,761</u>	<u>\$ 15,302</u>	<u>\$ 791,063</u>
NON CASH ACTIVITY			
Capital contribution	<u>\$ 287,180</u>	<u>\$ 31,988</u>	<u>\$ 319,168</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (881,997)	\$ (5,979)	\$ (887,976)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Miscellaneous revenue	8,105	-	8,105
Depreciation	183,163	1,944	185,107
Change in assets and liabilities:			
Receivables, net of allowance	(107,402)	(623)	(108,025)
Prepaid insurance	(2,626)	-	(2,626)
Accounts and other payables	(7,791)	2,892	(4,899)
Net cash (used) by operating activities	<u>\$ (808,548)</u>	<u>\$ (1,766)</u>	<u>\$ (810,314)</u>

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 14,536,960
Investments	34,998,111
Property taxes receivable, net of allowance of \$304,677	4,715,245
Due from others	1,995,682
Total assets	\$ 56,245,998
 LIABILITIES	
Due to other funds	\$ 43,830
Due to other governments	46,945,679
Due to others	9,256,489
Total liabilities	\$ 56,245,998

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2012

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 position and the statement of changes in net position) 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, Neighborhood Sinking 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 position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position 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.

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 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.

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.

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, 2016, and expenditures from such collections for improvements to roads and bridges and the repair, renovation and acquisition of County facilities.

Neighborhood Sinking Fund – The Neighborhood Sinking Fund is a debt service fund established to account 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 improvements.

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.

The County's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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 \$854,378 at December 31, 2012.

E. Cash and Investments

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.

Investments are stated at fair value, determined by quoted market prices.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

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, emergency medical services charges, and water usage 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
Water district equipment	3 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 \$92,578 related to the special assessment debt and certificates of participation are deferred and being amortized by the straight-line method over the repayment period of the related debt. As of December 31, 2012, accumulated amortization amounted to \$29,106. In the governmental fund statements, these issuance costs were recognized as expenses when paid.

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 position. 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. Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable - This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed - This consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (the County Commission) by the end of the fiscal year. The County Commission can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned - This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Commission can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

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 amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of amounts 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 \$1,676,939 for the year ended December 31, 2012.

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 1st, 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

Cash

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, 2012.

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2012:

Bank balance	
Insured by FDIC	\$ 3,065,269
Collateralized with securities pledged by the financial institution	<u>65,600,067</u>
	<u><u>\$ 68,665,336</u></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	\$ 15,396,871
Fiduciary Funds Statement of Net Assets	<u>14,536,960</u>
	<u><u>\$ 29,933,831</u></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		
Unrestricted:					
U.S. Treasury Bills	\$ 46,996,433	\$ -	\$ -	\$ 46,996,433	\$ 46,996,433
Restricted - Money Market Funds:					
Federated Treasury Obligations Funds	3,318,867	-	-	3,318,867	3,318,867
	<u>\$ 50,315,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,315,300</u>	<u>\$ 50,315,300</u>

Investments of \$3,381,867 are restricted in the Capital Improvement Fund for bond requirements.

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

Carrying value	
Government-wide Statement of Net Assets	\$ 15,317,189
Fiduciary Funds Statement of Net Assets	34,998,111
	<u>\$ 50,315,300</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 2012 calendar year are as follows:

Assessed valuation:	
Real estate	\$ 1,017,855,580
Personal property	225,463,839
Railroad and utilities	<u>81,080,931</u>
	<u>\$ 1,324,400,350</u>

In addition to the tax levies described below, various independent taxing districts within the County, including school, 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	\$ 0.1096
Road and bridge fund	0.2700
Library fund	0.1984
Cole County Special Services (Senate Bill 40)	0.0893
State of Missouri (certain pension funds)	<u>0.0300</u>
	<u>\$ 0.6973</u>

5. RECEIVABLES

Receivables are composed of the following as of December 31, 2012:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Receivables:			
Property taxes	\$ 412,986	\$ -	\$ 412,986
Accounts receivable	-	1,001,461	1,001,461
Intergovernmental	3,357,505	-	3,357,505
Special assessments	262,247	-	262,247
	<u>4,032,738</u>	<u>1,001,461</u>	<u>5,034,199</u>
Less allowance for estimated uncollectible amounts	<u>(32,054)</u>	<u>(402,275)</u>	<u>-</u>
Net receivables	<u>\$ 4,000,684</u>	<u>\$ 599,186</u>	<u>\$ 4,599,870</u>

Interfund receivable and payable balances at December 31, 2012, in the fund financial statements resulting from interfund transfers and interfund loans were as follows:

	Receivable	Payable
Governmental Funds:		
Major:		
General Fund	\$ 493,541	\$ -
Law Enforcement Sales Tax Fund	43,830	-
Emergency Services Sales Tax Fund	-	493,541
Subtotal Governmental	<u>537,371</u>	<u>493,541</u>
Agency Funds:		
Sheriff Fund	-	43,830
Subtotal Agency	<u>-</u>	<u>43,830</u>
Total	<u>\$ 537,371</u>	<u>\$ 537,371</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, 2012. 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, 2012.

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning	Increases	Decreases	Transfers	Ending
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,848,959	\$ -	\$ -	\$ -	\$ 4,848,959
Construction in progress	2,428,309	2,713,892	-	(4,158,336)	983,865
Total capital assets not being depreciated	<u>7,277,268</u>	<u>2,713,892</u>	<u>-</u>	<u>(4,158,336)</u>	<u>5,832,824</u>
Capital assets being depreciated:					
Buildings and improvements	35,564,758	-	-	-	35,564,758
Machinery and equipment	10,429,387	802,131	(511,955)	-	10,719,563
Infrastructure	100,680,322	-	-	4,158,336	104,838,658
Total capital assets being depreciated	<u>146,674,467</u>	<u>802,131</u>	<u>(511,955)</u>	<u>4,158,336</u>	<u>151,122,979</u>
Accumulated depreciation:					
Buildings and improvements	(3,777,473)	(889,491)	-	-	(4,666,964)
Machinery and equipment	(7,006,843)	(1,004,116)	198,444	-	(7,812,515)
Infrastructure	(72,069,368)	(4,108,846)	-	-	(76,178,214)
Total accumulated depreciation	<u>(82,853,684)</u>	<u>(6,002,453)</u>	<u>198,444</u>	<u>-</u>	<u>(88,657,693)</u>
Net capital assets being depreciated	<u>63,820,783</u>	<u>(5,200,322)</u>	<u>(313,511)</u>	<u>4,158,336</u>	<u>62,465,286</u>
Capital assets, net	<u>\$ 71,098,051</u>	<u>\$ (2,486,430)</u>	<u>\$ (313,511)</u>	<u>\$ -</u>	<u>\$ 68,298,110</u>

	Beginning	Increases	Decreases	Ending
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ 4,988	\$ -	\$ 4,988
Total capital assets not being depreciated	<u>-</u>	<u>4,988</u>	<u>-</u>	<u>4,988</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 51,700	\$ -	\$ -	\$ 51,700
Machinery and equipment	862,530	297,180	(40,500)	1,119,210
Total capital assets being depreciated	<u>914,230</u>	<u>297,180</u>	<u>(40,500)</u>	<u>1,170,910</u>
Accumulated depreciation:				
Buildings and improvements	(12,494)	(5,170)	-	(17,664)
Machinery and equipment	(336,729)	(179,937)	38,166	(478,500)
Total accumulated depreciation	<u>(349,223)</u>	<u>(185,107)</u>	<u>38,166</u>	<u>(496,164)</u>
Net capital assets being depreciated	<u>565,007</u>	<u>112,073</u>	<u>(2,334)</u>	<u>674,746</u>
Capital assets, net	<u>\$ 565,007</u>	<u>\$ 117,061</u>	<u>\$ (2,334)</u>	<u>\$ 679,734</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 830,914
Public safety	438,557
Highway, streets and bridges	4,478,800
Health and welfare	28,825
Assessment	1,289
Judicial	56,989
Parks and recreation	8,329
Emergency management	158,750
Total depreciation expense - governmental activities	<u>\$ 6,002,453</u>
Business-type activities:	
Emergency medical services	\$ 183,163
Eugene water district	1,944
Total depreciation expense - business-type activities	<u>\$ 185,107</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, 2012				Due within one year
	Beginning	Additions	Retirements	Ending	
Governmental Funds					
Special assessment debt	\$ 336,000	\$ -	\$ 40,000	\$ 296,000	\$ 41,000
Certificates of Participation	29,095,000	-	2,025,000	27,070,000	2,080,000
Less: Unamortized discount	(359,626)	-	32,730	(326,896)	
Less: Deferral on refunding	(569,307)	-	52,080	(517,227)	
Settlement to City of Jefferson	100,000	-	100,000	-	-
Compensated absences	1,089,624	85,074	67,585	1,107,113	69,613
Enterprise Fund					
Compensated absences	117,351	6,471	1,270	122,552	1,308
	<u>\$ 29,809,042</u>	<u>\$ 91,545</u>	<u>\$ 2,318,665</u>	<u>\$ 27,751,542</u>	<u>\$ 2,191,921</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	\$ 58,000
Maturing 3/1/2001 to 3/1/2020	9/15/2000	5% to 6%	93,000	50,000
Maturing 3/1/2002 to 3/1/2020	02/15/2000	5.25% to 6.625%	267,000	150,000
Maturing 3/1/2003 to 3/1/2022	11/01/2002	4.25% to 5.25%	60,000	38,000
			<u>\$ 685,000</u>	<u>\$ 296,000</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. The last payment was made during fiscal year 2012.

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 City will perform 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 2012 total \$673,562.

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. In October 2011, an advanced refunding occurred related to the December 2007 Certificates of Participation.

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 .7% 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 \$3,026,404 and \$5,371,213, 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, 2012, improvements of \$25,435,167 have been made and are included in building and improvements on the Statement of Net Position. Accumulated depreciation for these assets was \$847,839 as of December 31, 2012.

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, 2012, restricted investments totaled \$3,318,867.

Advanced Refunding: The County issued \$8,878,400 of 2011 Certificates of Participation to advance refund \$8,185,000 of outstanding 2007 Certificates of Participation. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 Certificates of Participation. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$585,792. This amount is being netted against the new debt and amortized over the life of the new debt.

The annual requirements to amortize all debt outstanding as of December 31, 2012, including interest payments, are as follows:

	Special Assessment		Certificates of Participation		Total Payments
	Principal	Interest	Principal	Interest	
Year Ending December 31:					
2013	41,000	17,093	2,080,000	943,663	3,081,756
2014	42,000	14,552	2,130,000	897,425	3,083,977
2015	45,000	11,894	2,180,000	846,045	3,082,939
2016	29,000	9,598	2,240,000	787,513	3,066,111
2017	30,000	7,729	2,305,000	720,050	3,062,779
2018 through 2022	109,000	11,876	16,135,000	2,307,928	18,563,804
Total debt payments	<u>\$ 296,000</u>	<u>\$ 72,742</u>	<u>\$ 27,070,000</u>	<u>\$ 6,502,624</u>	<u>\$ 33,941,366</u>

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

Fund	Obligation	Amount
General Fund	Compensated absences	\$ 752,164
Road and Bridge Fund	Compensated absences	312,620
Assessment Fund	Compensated absences	42,329
Neighborhood Improvement District Fund	Special assessment debt	296,000
Capital Improvement Fund	Certificates of participation	26,225,877
Emergency Services Fund	Compensated absences	122,552
		<u>\$ 27,751,542</u>

8. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2012, follows:

	Transferred from:						Enterprise Fund Emergency Medical Services Fund	Total
	Governmental Funds							
	General Fund	Road & Bridge Fund	Sales Tax Fund	Law Enforcement Sales Tax Fund	Emergency Services Sales Tax Fund	Capital Improvement Fund		
Transferred to:								
Governmental Funds:								
General Fund	\$ -	\$ 193,800	\$ 159,786	\$ -	\$ 3,565,781	\$ -	\$ 101,144	\$ 4,020,511
Road & Bridge Fund	265,594	-	-	-	-	-	-	265,594
Law Enforcement Sales Tax Fund	1,992,122	-	-	-	-	1,984,031	-	3,976,153
Capital Improvement Fund	-	-	-	1,824,807	-	-	-	1,824,807
	<u>2,257,716</u>	<u>193,800</u>	<u>159,786</u>	<u>1,824,807</u>	<u>3,565,781</u>	<u>1,984,031</u>	<u>101,144</u>	<u>10,087,065</u>
Enterprise Fund:								
Emergency Services Fund	-	-	-	-	850,000	-	-	850,000
	<u>\$ 2,257,716</u>	<u>\$ 193,800</u>	<u>\$ 159,786</u>	<u>\$ 1,824,807</u>	<u>\$ 4,415,781</u>	<u>\$ 1,984,031</u>	<u>\$ 101,144</u>	<u>\$ 10,937,065</u>

Proceeds from the emergency medical services sales tax are first received by the Emergency Services Sales Tax Fund. Sixty 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 forty percent is to fund emergency medical services and 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, 2012, is shown as a restricted fund balance on the governmental fund Balance Sheet. The transfer of \$1,992,122 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 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.

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

As of December 31, 2012, the County has entered into contracts in process totaling \$1,708,770 for the construction of buildings, roads and other infrastructure. As of December 31, 2012, billings on these contracts totaled \$803,619, leaving a remaining contract liability of \$905,151.

C. 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, 2012.

D. 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.

E. 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. Settlements were reached during 2012, with the agreement that all overpaid districts will reimburse the County, who will in turn reimburse the underpaid districts. The repayments and subsequent reimbursements will occur over a period of 15 years.

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, 2012, was \$11,663,698 and total County payroll was \$12,386,350. The County's contribution to LAGERS for the year ended December 31, 2012, was \$898,655, which represents 7.7% 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 7.4% (general) and 10.8% (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 (APC) and Net Pension Obligation (NPO)

For LAGERS fiscal year ended June 30, 2012, the County's annual pension cost and net pension obligation for the current year were as follows:

Annual Required Contribution	\$ 905,047
Interest on net pension obligation	2,484
Adjustment to annual required contribution	<u>(1,999)</u>
Annual pension cost	905,532
Actual contributions	<u>833,548</u>
Increase in NPO	71,984
NPO beginning of year	<u>34,264</u>
NPO end of year	<u>\$ 106,248</u>

The County has elected not to record the net pension obligation as of December 31, 2012, due to its immateriality to the County as a whole.

The above NPO is calculated by LAGERS under current accounting standards established by GASB and actuarial standards. However, the amount required to be paid by the County is established under state statute. Under state statute, the County's contribution required to be paid in any one year cannot exceed the rate paid in the previous year plus one percent (excluding the effects of any benefit changes). This contribution is not based on accounting or actuarial standards. As a result, the County paid the maximum amount allowed by state statute, which was less than the annual required contribution determined by accounting and actuarial standards and resulted in the above NPO. The NPO does not necessarily reflect a legal obligation requiring the County to make any additional payments above that required by state statute.

The required contribution was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 1 year for general and 30 years for police. The amortization period as of February 28, 2011 was 30 years for general and 27 years for police.

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 Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	537,698	97%	14,518
6/30/2011	694,408	97%	34,264
6/30/2012	905,532	92%	106,248

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded (Over funded) Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Over funded) Accrued Liability as a Percentage of Covered Payroll
2/29/2012	\$ 15,022,711	\$ 15,410,242	\$ 387,531	97%	\$ 10,735,020	3.6%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, 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 2012 was \$322,485. 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 2012 and 2011, Cole County collected and remitted to CERF employee contributions of \$9,996 and \$32,235; employer contributions of \$233,625 and \$246,360 and statutory charges of \$407,548 and \$332,485, 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

Cole County
Required Supplementary Information
Notes to the Budgetary Comparison Schedules

For The Year Ended December 31, 2012

Budgetary Information

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.

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 1st, 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.

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, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Taxes	\$ 3,960,345	\$ 3,960,345	\$ 4,071,577	\$ 55,227	\$ 4,126,804
Licenses, fees and permits	2,135,891	2,135,891	2,479,109	121,475	2,600,584
Intergovernmental	1,706,647	2,052,465	1,571,940	13,650	1,585,590
Interest	80,500	80,500	98,327	-	98,327
Other	1,807,686	1,887,522	850,927	(544,449)	306,478
Total revenues	9,691,069	10,116,723	9,071,880	(354,097)	8,717,783
EXPENDITURES					
Current:					
General government	11,391,723	11,487,486	4,768,195	(374,065)	4,394,130
Public safety	2,943,566	3,005,904	2,855,983	22,597	2,878,580
Judicial	805,317	1,005,334	790,640	21,060	811,700
Health and welfare	1,676,191	1,756,862	1,612,659	(787)	1,611,872
Parks and recreation	1,750	2,500	2,371	161	2,532
Emergency management	249,884	258,177	223,376	(2,016)	221,360
Total expenditures	17,068,431	17,516,263	10,253,224	(333,050)	9,920,174
Excess (deficiency) of revenues over (under) expenditures	(7,377,362)	(7,399,540)	(1,181,344)	(21,047)	(1,202,391)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,807,528	3,829,706	3,840,757	179,754	4,020,511
Transfers out	(2,257,716)	(2,257,716)	(2,257,716)	-	(2,257,716)
Sale of capital assets	2,000	2,000	69	-	69
Total other financing sources (uses)	1,551,812	1,573,990	1,583,110	179,754	1,762,864
Net changes in fund balances	(5,825,550)	(5,825,550)	401,766	158,707	560,473
Fund balances - beginning	5,825,550	5,825,550	9,460,730	306,239	9,766,969
Fund balances - ending	\$ -	\$ -	\$ 9,862,496	\$ 464,946	\$ 10,327,442

COUNTY OF COLE, MISSOURI
Road and Bridge Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budget Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amount GAAP Basis</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 4,694,947	\$ 4,694,947	\$ 4,880,571	\$ (61,650)	\$ 4,818,921
Licenses, fees and permits	308,784	308,784	278,406	-	278,406
Intergovernmental	-	-	31,268	-	31,268
Interest	30,000	30,000	29,602	-	29,602
Other	9,000	9,000	13,823	-	13,823
Total revenues	<u>5,042,731</u>	<u>5,042,731</u>	<u>5,233,670</u>	<u>(61,650)</u>	<u>5,172,020</u>
EXPENDITURES					
Current:					
Highways, streets and bridges	6,144,369	6,144,369	4,942,364	(244,925)	4,697,439
Capital outlay:					
Highways, streets and bridges	54,750	54,750	18,591	187,354	205,945
Debt service:					
Highways, streets and bridges	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>6,299,119</u>	<u>6,299,119</u>	<u>5,060,955</u>	<u>(57,571)</u>	<u>5,003,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,256,388)</u>	<u>(1,256,388)</u>	<u>172,715</u>	<u>(4,079)</u>	<u>168,636</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	265,594	265,594	265,594	-	265,594
Transfers out	(193,800)	(193,800)	(193,800)	-	(193,800)
Sale of capital assets	-	-	20	-	20
Total other financing sources (uses)	<u>71,794</u>	<u>71,794</u>	<u>71,814</u>	<u>-</u>	<u>71,814</u>
Net changes in fund balances	(1,184,594)	(1,184,594)	244,529	(4,079)	240,450
Fund balances - beginning	<u>1,184,594</u>	<u>1,184,594</u>	<u>4,478,845</u>	<u>468,690</u>	<u>4,947,535</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,723,374</u>	<u>\$ 464,611</u>	<u>\$ 5,187,985</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 5,331,193	\$ 5,331,193	\$ 5,356,986	\$ 15,830	\$ 5,372,816
Licenses, fees and permits	-	62,798	62,798		-
Interest	53,000	53,000	62,983	-	62,983
Other	-	-	1,814	-	1,814
Total revenues	<u>5,384,193</u>	<u>5,446,991</u>	<u>5,484,581</u>	<u>15,830</u>	<u>5,437,613</u>
EXPENDITURES					
Current:					
General government and other	443,500	443,500	304,914	180,601	485,515
Highways, streets and bridges	3,019,552	3,031,317	619,298	364,673	983,971
Capital outlay:					
General government and other	921,469	921,469	316,602	(208,580)	108,022
Highways, streets and bridges	4,809,470	4,860,503	3,023,319	(512,168)	2,511,151
Total expenditures	<u>9,193,991</u>	<u>9,256,789</u>	<u>4,264,133</u>	<u>(175,474)</u>	<u>4,088,659</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,809,798)</u>	<u>(3,809,798)</u>	<u>1,220,448</u>	<u>191,304</u>	<u>1,348,954</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(159,786)	(159,786)	(159,786)	-	(159,786)
Total other financing sources (uses)	<u>(159,786)</u>	<u>(159,786)</u>	<u>(159,786)</u>	<u>-</u>	<u>(159,786)</u>
Net changes in fund balances	(3,969,584)	(3,969,584)	1,060,662	191,304	1,189,168
Fund balances - beginning	3,969,584	3,969,584	3,970,108	600,491	4,570,599
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,030,770</u>	<u>\$ 791,795</u>	<u>\$ 5,759,767</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 5,273,194	\$ 5,273,194	\$ 5,355,328	\$ 15,885	\$ 5,371,213
Licenses, fees and permits	1,908,141	1,908,141	1,496,164	(301,525)	1,194,639
Intergovernmental	248,273	973,494	584,357	18,523	602,880
Interest	25,000	2,009,032	2,034,770	(1,984,031)	50,739
Other	23,080	62,022	73,498	15,906	89,404
Total revenues	<u>7,477,688</u>	<u>10,225,883</u>	<u>9,544,117</u>	<u>(2,235,242)</u>	<u>7,308,875</u>
EXPENDITURES					
Current:					
Public safety	<u>9,739,655</u>	<u>11,526,914</u>	<u>6,792,400</u>	<u>(386,930)</u>	<u>6,405,470</u>
Total expenditures	<u>9,739,655</u>	<u>11,526,914</u>	<u>6,792,400</u>	<u>(386,930)</u>	<u>6,405,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,261,967)</u>	<u>(1,301,031)</u>	<u>2,751,717</u>	<u>(1,848,312)</u>	<u>903,405</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,992,122	1,992,122	1,992,122	1,984,031	3,976,153
Transfers out	(863,000)	(1,828,579)	(1,828,569)	3,762	(1,824,807)
Sale of capital assets	-	4,643	6,766	-	6,766
Total other financing sources (uses)	<u>1,129,122</u>	<u>168,186</u>	<u>170,319</u>	<u>1,987,793</u>	<u>2,158,112</u>
Net changes in fund balances	(1,132,845)	(1,132,845)	2,922,036	139,481	3,061,517
Fund balances - beginning	<u>1,132,845</u>	<u>1,132,845</u>	<u>1,198,831</u>	<u>678,392</u>	<u>1,877,223</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120,867</u>	<u>\$ 817,873</u>	<u>\$ 4,938,740</u>

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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 5,273,194	\$ 5,273,194	\$ 5,356,969	\$ 11,803	\$ 5,368,772
Interest	8,000	8,000	14,901	-	14,901
Other	-	-	3,000	-	3,000
Total revenues	<u>5,281,194</u>	<u>5,281,194</u>	<u>5,374,870</u>	<u>11,803</u>	<u>5,386,673</u>
EXPENDITURES					
Current:					
Health and welfare	1,281,817	1,231,554	270,372	-	270,372
Capital outlay:					
Health and welfare	590,000	590,000	287,180	-	287,180
Total expenditures	<u>1,871,817</u>	<u>1,821,554</u>	<u>557,552</u>	<u>-</u>	<u>557,552</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,409,377</u>	<u>3,459,640</u>	<u>4,817,318</u>	<u>11,803</u>	<u>4,829,121</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(4,358,436)</u>	<u>(4,408,699)</u>	<u>(4,408,699)</u>	<u>(29,954)</u>	<u>(4,415,781)</u>
Total other financing sources (uses)	<u>(4,358,436)</u>	<u>(4,408,699)</u>	<u>(4,408,699)</u>	<u>(29,954)</u>	<u>(4,415,781)</u>
Net changes in fund balances	(949,059)	(949,059)	408,619	(18,151)	413,340
Fund balances - beginning	949,059	949,059	949,058	324,306	1,273,364
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,357,677</u>	<u>\$ 306,155</u>	<u>\$ 1,686,704</u>

COLE COUNTY

**Required Supplementary Information
Pension Plan – Trend Information
December 31, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded (Over funded) Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Over funded) Accrued Liability as a Percentage of Covered Payroll
2/28/2010	\$ 12,543,999	\$ 13,077,113	\$ 533,114	96%	\$ 9,477,735	5.6%
2/28/2011	13,549,238	14,260,866	711,628	95%	9,973,922	7.1%
2/28/2012	15,022,711	15,410,242	387,531	97%	10,735,020	3.6%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations.

SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

The other supplementary information contains data beyond that included in the basic financial statements. This data is presented to provide additional financial information in order to better inform the users of the basic financial statements.

NON-MAJOR GOVERNMENTAL FUNDS

**COLE COUNTY, MISSOURI
NON MAJOR GOVERNMENTAL FUNDS**

Domestic Violence 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.

Record Preservation 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.

Prosecuting Attorney Tax Collection 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.

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.

COUNTY OF COLE, MISSOURI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Domestic Violence Fund	Record Preservation Fund	Assessment Fund	Training Fund	Circuit Clerk Fund	Prosecuting Attorney Tax Collection Fund	Election Services Fund	Tax Maintenance Fund	Bad Check Fund	Total Nonmajor Governmental Funds
ASSETS										
Cash and cash investments	\$ 7,156	\$ 14,533	\$ 991,892	\$ 3,072	\$ 190,106	\$ 407,890	\$ 35,929	\$ 121,479	\$ 43,185	\$ 1,815,242
Investments	-	-	499,930	-	-	-	-	-	-	499,930
Due from other governments	-	-	11,341	-	-	-	-	-	-	11,341
Prepaid insurance	-	-	5,781	-	-	-	-	-	-	5,781
Total assets	\$ 7,156	\$ 14,533	\$ 1,508,944	\$ 3,072	\$ 190,106	\$ 407,890	\$ 35,929	\$ 121,479	\$ 43,185	\$ 2,332,294
LIABILITIES										
Accounts and contracts payable	\$ 7,156	\$ 2,934	\$ 2,881	\$ -	\$ -	\$ 480	\$ 97	\$ -	\$ 578	\$ 14,126
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	7,156	2,934	2,881	-	-	480	97	-	578	14,126
FUND BALANCES										
Restricted for:										
Prepaid items	-	-	5,781	-	-	-	-	-	-	5,781
Training costs	-	-	-	3,072	-	-	-	-	-	3,072
Prosecuting attorney	-	-	-	-	-	407,410	-	-	42,607	450,017
Assessment costs	-	-	1,500,282	-	-	-	-	-	-	1,500,282
Judicial	-	-	-	-	190,106	-	-	-	-	190,106
Recorder of deeds	-	11,599	-	-	-	-	-	-	-	11,599
Tax maintenance	-	-	-	-	-	-	121,479	-	-	121,479
Election services	-	-	-	-	-	-	35,832	-	-	35,832
Total fund balances	-	11,599	1,506,063	3,072	190,106	407,410	35,832	121,479	42,607	2,318,168
Total liabilities and fund balances	\$ 7,156	\$ 14,533	\$ 1,508,944	\$ 3,072	\$ 190,106	\$ 407,890	\$ 35,929	\$ 121,479	\$ 43,185	\$ 2,332,294

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, 2012

	Domestic Violence Fund		Record Preservation Fund		Assessment Fund		Training Fund		Circuit Clerk Fund
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 551,471	\$ 640,000	\$ -	\$ -	\$ -
Licenses, fees and permits	14,525	15,000	94,636	80,832	147,793	167,000	10,920	9,800	-
Interest	68	-	228	200	14,507	14,000	70	150	-
Other	-	-	-	-	1,351	500	-	-	66,106
Total revenues	<u>14,593</u>	<u>15,000</u>	<u>94,864</u>	<u>81,032</u>	<u>715,122</u>	<u>821,500</u>	<u>10,990</u>	<u>9,950</u>	<u>66,106</u>
EXPENDITURES									
Current:									
General government	14,593	22,330	90,809	90,736	-	-	-	-	-
Public safety	-	-	-	-	-	-	14,267	16,299	-
Assessment costs	-	-	-	-	639,776	1,679,028	-	-	-
Judicial	-	-	-	-	-	-	-	-	29,706
Total expenditures	<u>14,593</u>	<u>22,330</u>	<u>90,809</u>	<u>90,736</u>	<u>639,776</u>	<u>1,679,028</u>	<u>14,267</u>	<u>16,299</u>	<u>29,706</u>
Excess (deficiency) of revenues over (under) expenditures	-	(7,330)	4,055	(9,704)	75,346	(857,528)	(3,277)	(6,349)	36,400
Transfers out	-	-	-	-	-	(39,411)	-	-	-
Net changes in fund balances	-	(7,330)	4,055	(9,704)	75,346	(896,939)	(3,277)	(6,349)	36,400
Fund balances - beginning	-	655	7,544	(5,865)	1,430,717	(143,402)	6,349	(10,180)	153,706
Fund balances - ending	<u>\$ -</u>	<u>\$ (6,675)</u>	<u>\$ 11,599</u>	<u>\$ (15,569)</u>	<u>\$ 1,506,063</u>	<u>\$ (1,040,341)</u>	<u>\$ 3,072</u>	<u>\$ (16,529)</u>	<u>\$ 190,106</u>

(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, 2012

	Prosecuting Attorney Tax Collection Fund	Election Services Fund		Tax Maintenance Fund		Bad Check Fund		Total
	Actual	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,471
Licenses, fees and permits	159,364	31,820	20,000	95,430	85,000	41,921	53,000	596,409
Interest	6,221	269	250	-	-	830	1,000	22,193
Other	1,979	-	-	-	-	780	-	70,216
Total revenues	<u>167,564</u>	<u>32,089</u>	<u>20,250</u>	<u>95,430</u>	<u>85,000</u>	<u>43,531</u>	<u>54,000</u>	<u>1,240,289</u>
EXPENDITURES								
Current:								
General government	-	15,514	39,562	67,435	177,970	-	-	188,351
Public safety	238,364	-	-	-	-	55,597	117,107	308,228
Assessment costs	-	-	-	-	-	-	-	639,776
Judicial	-	-	-	-	-	-	-	29,706
Total expenditures	<u>238,364</u>	<u>15,514</u>	<u>39,562</u>	<u>67,435</u>	<u>177,970</u>	<u>55,597</u>	<u>117,107</u>	<u>1,166,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,800)</u>	<u>16,575</u>	<u>(19,312)</u>	<u>27,995</u>	<u>(92,970)</u>	<u>(12,066)</u>	<u>(63,107)</u>	<u>74,228</u>
Net changes in fund balances	(70,800)	16,575	(19,312)	27,995	(92,970)	(12,066)	(63,107)	74,228
Fund balances - beginning	<u>478,210</u>	<u>19,257</u>	<u>21,159</u>	<u>93,484</u>	<u>(72,548)</u>	<u>54,673</u>	<u>(5,957)</u>	<u>2,243,940</u>
Fund balances - ending	<u>\$ 407,410</u>	<u>\$ 35,832</u>	<u>\$ 1,847</u>	<u>\$ 121,479</u>	<u>\$ (165,518)</u>	<u>\$ 42,607</u>	<u>\$ (69,064)</u>	<u>\$ 2,318,168</u>

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.

Special Taxing Districts

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.

Other Funds

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.

Tax Collector Funds

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 all financial institution taxes collected in the County and the subsequent distribution to the various taxing entities.

COUNTY OF COLE, MISSOURI
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	Special Taxing Districts	Circuit Clerk	Tax Collector	Other	Total
ASSETS					
Cash and cash investments	\$ 755,873	\$ 916,770	\$ 12,188,981	\$ 675,336	\$ 14,536,960
Investments	-	-	34,998,111	-	34,998,111
Property taxes receivable, net of allowance	-	-	4,715,245	-	4,715,245
Due from others	1,943,214	-	368	52,100	1,995,682
Total assets	<u>\$ 2,699,087</u>	<u>\$ 916,770</u>	<u>\$ 51,902,705</u>	<u>\$ 727,436</u>	<u>\$ 56,245,998</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 43,830	\$ 43,830
Due to other governments	-	-	46,945,679	-	46,945,679
Due to others	2,699,087	916,770	4,957,026	683,606	9,256,489
Total liabilities	<u>\$ 2,699,087</u>	<u>\$ 916,770</u>	<u>\$ 51,902,705</u>	<u>\$ 727,436</u>	<u>\$ 56,245,998</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities
Agency Funds
December 31, 2012

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 64,573,370	\$ 84,974,135	\$ 135,010,545	\$ 14,536,960
Investments	-	34,998,111	-	34,998,111
Property taxes receivable, net of allowance	4,231,702	1,297,971	814,428	4,715,245
Due from others	2,045,167	1,139	50,624	1,995,682
Total assets	<u>\$ 70,850,239</u>	<u>\$ 121,271,356</u>	<u>\$ 135,875,597</u>	<u>\$ 56,245,998</u>
Liabilities				
Due to other funds	\$ 43,950	\$ 43,830	\$ 43,950	\$ 43,830
Due to other governments	48,181,489	-	1,235,810	46,945,679
Due to others	22,624,800	1,165,396	14,533,707	9,256,489
Total liabilities	<u>\$ 70,850,239</u>	<u>\$ 1,209,226</u>	<u>\$ 15,813,467</u>	<u>\$ 56,245,998</u>
SPECIAL TAXING DISTRICTS				
Assets				
Cash and cash investments	\$ 377,345	\$ 4,736,866	\$ 4,358,338	\$ 755,873
Due from others	1,993,838	-	50,624	1,943,214
Total assets	<u>\$ 2,371,183</u>	<u>\$ 4,736,866</u>	<u>\$ 4,408,962</u>	<u>\$ 2,699,087</u>
Liabilities				
Due to others	\$ 2,371,183	\$ 327,904	\$ -	\$ 2,699,087
Total liabilities	<u>\$ 2,371,183</u>	<u>\$ 327,904</u>	<u>\$ -</u>	<u>\$ 2,699,087</u>
CIRCUIT CLERK				
Assets				
Cash and cash investments	\$ 15,379,421	\$ 4,799,891	\$ 19,262,542	\$ 916,770
Total assets	<u>\$ 15,379,421</u>	<u>\$ 4,799,891</u>	<u>\$ 19,262,542</u>	<u>\$ 916,770</u>
Liabilities				
Due to others	\$ 15,379,421	\$ -	\$ 14,462,651	\$ 916,770
Total liabilities	<u>\$ 15,379,421</u>	<u>\$ -</u>	<u>\$ 14,462,651</u>	<u>\$ 916,770</u>

(Continued on next page)

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
December 31, 2012

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
TAX COLLECTOR				
Assets				
Cash and cash investments	\$ 48,223,280	\$ 68,951,550	\$ 104,985,849	\$ 12,188,981
Investments	-	34,998,111	-	34,998,111
Property taxes receivable, net of allowance	4,231,702	1,297,971	814,428	4,715,245
Due from others	368	-	-	368
Total assets	<u>\$ 52,455,350</u>	<u>\$ 105,247,632</u>	<u>\$ 105,800,277</u>	<u>\$ 51,902,705</u>
Liabilities				
Due to other governments	\$ 48,181,489	\$ -	\$ 1,235,810	\$ 46,945,679
Due to others	4,273,861	707,697	24,532	4,957,026
Total liabilities	<u>\$ 52,455,350</u>	<u>\$ 707,697</u>	<u>\$ 1,260,342</u>	<u>\$ 51,902,705</u>
OTHER AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 593,324	\$ 6,485,828	\$ 6,403,816	\$ 675,336
Due from others	50,961	1,139	-	52,100
Total assets	<u>\$ 644,285</u>	<u>\$ 6,486,967</u>	<u>\$ 6,403,816</u>	<u>\$ 727,436</u>
Liabilities				
Due to other funds	\$ 43,950	\$ 43,830	\$ 43,950	\$ 43,830
Due to others	600,335	129,795	46,524	683,606
Total liabilities	<u>\$ 644,285</u>	<u>\$ 173,625</u>	<u>\$ 90,474</u>	<u>\$ 727,436</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	<u>Special Taxing Districts</u>			<u>Other</u>			<u>Tax Collector</u>		<u>Financial</u>	<u>Total</u>
	<u>General School Fund</u>	<u>Tax Overplus</u>	<u>Circuit Clerk</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Employees Retirement</u>	<u>Protest Tax</u>	<u>Tax Collector</u>	<u>Tax</u>	
ASSETS										
Cash and cash investments	\$ 738,052	\$ 17,821	\$ 916,770	\$ 629,448	\$ 9,189	\$ 36,699	\$ 35,306	\$ 12,153,675	\$ -	\$ 14,536,960
Investments	-	-	-	-	-	-	-	34,998,111	-	34,998,111
Property taxes receivable, net of allowance	-	-	-	-	-	-	-	4,715,245	-	4,715,245
Due from others	1,943,214	-	-	-	-	52,100	-	368	-	1,995,682
Total assets	<u>2,681,266</u>	<u>17,821</u>	<u>916,770</u>	<u>629,448</u>	<u>9,189</u>	<u>88,799</u>	<u>35,306</u>	<u>51,867,399</u>	<u>-</u>	<u>56,245,998</u>
LIABILITIES										
Due to other funds	\$ -	\$ -	\$ -	\$ 43,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,830
Due to other governments	-	-	-	-	-	-	35,306	46,910,373	-	46,945,679
Due to others	2,681,266	17,821	916,770	585,618	9,189	88,799	-	4,957,026	-	9,256,489
Total liabilities	<u>\$ 2,681,266</u>	<u>\$ 17,821</u>	<u>\$ 916,770</u>	<u>\$ 629,448</u>	<u>\$ 9,189</u>	<u>\$ 88,799</u>	<u>\$ 35,306</u>	<u>\$ 51,867,399</u>	<u>\$ -</u>	<u>\$ 56,245,998</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2012

	<u>Special Taxing Districts</u>			<u>Other</u>			<u>Tax Collector</u>		<u>Financial</u>	<u>Total</u>
	<u>General</u>	<u>Tax</u>	<u>Circuit Clerk</u>	<u>Sheriff</u>	<u>Prosecuting</u>	<u>Employees</u>	<u>Protest Tax</u>	<u>Tax Collector</u>	<u>Institution</u>	
	<u>School Fund</u>	<u>Overplus</u>								
ADDITIONS										
Taxes	\$ 2,178,471	\$ 11,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,315,525	\$ -	\$ 70,505,042
Licenses, fees and permits	747,351	-	4,797,885	4,537,599	1,306,420	402,476	766,029	-	-	12,557,760
Interest	13,499	-	-	-	-	344	-	-	-	13,843
Other	-	-	-	-	-	237,559	-	-	53,679	291,238
Total additions	<u>2,939,321</u>	<u>11,046</u>	<u>4,797,885</u>	<u>4,537,599</u>	<u>1,306,420</u>	<u>640,379</u>	<u>766,029</u>	<u>68,315,525</u>	<u>53,679</u>	<u>83,367,883</u>
DEDUCTIONS										
General government	2,939,321	11,046	4,797,885	4,537,599	1,306,420	640,379	766,029	68,315,525	53,679	83,367,883
Total deductions	<u>2,939,321</u>	<u>11,046</u>	<u>4,797,885</u>	<u>4,537,599</u>	<u>1,306,420</u>	<u>640,379</u>	<u>766,029</u>	<u>68,315,525</u>	<u>53,679</u>	<u>83,367,883</u>
Change in net position	-	-	-	-	-	-	-	-	-	-
Net position - beginning	-	-	-	-	-	-	-	-	-	-
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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 Position by Component
Last Ten Fiscal Years 2003 - 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
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	\$ 46,931,749	\$ 42,355,969	\$ 42,072,233
Restricted for:										
Highways, streets and bridges	2,086,010	4,736,021	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203	4,363,283	4,604,503
Capital improvement	-	-	-	-	13,034,818	8,324,067	12,119,777	10,788,716	11,140,925	9,078,634
Emergency medical services	-	-	-	-	-	-	748,053	983,400	1,273,364	1,686,704
Debt Service	80,886	75,655	76,410	171,179	73,859	74,195	75,318	71,495	70,554	68,247
Public safety	-	-	-	-	-	2,425,207	2,366,374	2,167,671	2,377,643	5,349,462
Assessment costs	-	-	-	-	-	-	-	-	1,425,442	1,500,282
Judicial	-	-	-	-	-	-	-	-	153,706	190,106
Recorder of deeds	-	-	-	-	-	-	-	-	7,544	11,599
Tax maintenance	-	-	-	-	-	-	-	-	93,484	121,479
Election services	-	-	-	-	-	-	-	-	19,257	35,832
Unrestricted	5,171,053	8,208,587	8,632,728	9,465,524	2,752,521	3,319,581	1,775,007	4,850,193	9,960,218	10,142,713
Total net position	20,900,206	34,232,904	37,992,712	42,007,929	64,986,556	67,484,439	70,234,898	70,960,427	73,241,389	74,861,794
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	-	-	-	387,011	604,863	565,007	679,734
Unrestricted	-	-	-	-	-	-	652,788	968,488	1,105,843	1,191,187
Total net position	-	-	-	-	-	-	1,039,799	1,573,351	1,670,850	1,870,921
Primary government										
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	47,536,612	42,920,976	42,751,967
Restricted for:										
Highways, streets and bridges	2,086,010	4,736,021	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203	4,363,283	4,604,503
Capital projects	-	-	-	-	13,034,818	8,324,067	12,119,777	10,788,716	11,140,925	9,078,634
Emergency medical services	-	-	-	-	-	-	748,053	983,400	1,273,364	1,686,704
Debt Service	80,886	75,655	76,410	171,179	73,859	74,195	75,318	71,495	70,554	68,247
Public safety	-	-	-	-	-	2,425,207	2,366,374	2,167,671	2,377,643	5,349,462
Assessment costs	-	-	-	-	-	-	-	-	1,425,442	1,500,282
Judicial	-	-	-	-	-	-	-	-	153,706	190,106
Recorder of deeds	-	-	-	-	-	-	-	-	7,544	11,599
Tax maintenance	-	-	-	-	-	-	-	-	93,484	121,479
Election services	-	-	-	-	-	-	-	-	19,257	35,832
Unrestricted	5,171,053	8,208,587	8,632,728	9,465,524	2,752,521	5,744,788	2,427,795	5,818,681	11,066,061	11,333,900
Total net position	\$ 20,900,206	\$ 34,232,904	\$ 37,992,712	\$ 42,007,929	\$ 64,986,556	\$ 67,484,439	\$ 71,274,697	\$ 72,533,778	\$ 74,912,239	\$ 76,732,715

Data Source

Statement of Net Position

Note: Government-wide statements: This is the ninth 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 Position
Last Ten Fiscal Years 2003 - 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 3,519,668	\$ 3,525,868	\$ 3,592,907	\$ 4,280,528	\$ 3,766,827	\$ 4,397,489	\$ 4,519,053	\$ 4,546,191	\$ 4,737,321	\$ 5,709,420
Public safety	5,056,787	5,120,719	5,616,435	5,814,014	6,048,027	7,540,692	8,964,258	10,051,521	8,155,050	10,055,696
Highways, streets & bridges	7,401,364	5,518,942	5,557,640	6,043,638	10,020,529	10,934,724	9,462,367	11,249,797	11,691,480	10,143,743
Assessment	511,720	507,824	591,493	637,377	647,930	537,689	817,567	619,083	646,327	648,417
Judicial	525,817	641,184	688,027	652,086	653,231	743,324	753,715	751,879	825,797	900,409
Health & welfare	1,719,818	1,739,520	1,779,970	1,774,871	1,685,018	1,690,600	2,196,749	1,941,656	2,141,565	1,920,835
Parks & recreation	17,814	2,798	2,303	4,588	39,170	10,695	10,677	10,877	11,547	10,861
Emergency management	171,711	134,660	329,549	93,340	405,194	354,989	329,185	262,650	293,589	222,227
Interest and fiscal fees	-	40,111	35950	34033	32,461	458,092	1,176,414	1,293,367	1,081,503	1,108,119
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	30,727,021	29,584,179	30,719,727
Business-type activities:										
Emergency medical services	-	-	-	-	-	-	1,522,441	3,469,175	3,789,417	3,716,316
Eugene water services	-	-	-	-	-	-	-	-	-	11,109
Total business-type activities expenses:	-	-	-	-	-	-	1,522,441	3,469,175	3,789,417	3,727,425
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	\$ 34,196,196	\$ 33,373,596	\$ 34,447,152
Program Revenues										
Governmental activities:										
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	\$ 1,800,919	\$ 1,721,407	\$ 1,930,240
Public safety	1,451,133	1,521,412	1,283,461	1,397,684	1,566,672	1,847,877	1,860,706	1,965,511	2,018,347	1,929,001
Highways, streets & bridges	178,264	35,684	123,291	79,902	146,332	998,205	227,574	359,101	278,406	278,406
Assessment	705	-	239,297	311,601	257,180	231,526	223,147	149,884	209,990	147,793
Judicial	272,855	125,111	123,238	117,969	117,695	128,211	133,411	135,370	115,406	130,184
Health & welfare	81,579	422,552	313,170	391,020	296,569	412,920	365,250	316,348	244,354	258,716
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	2,111,055	2,069,133	1,993,078
Capital grants and contributions:	1,778,982	17,216	158,014	41,000	179,086	28,088	5,243	-	-	289,130
Total governmental activities program revenue	8,947,706	5,820,200	5,836,076	6,279,278	6,417,876	6,572,355	7,344,173	6,706,661	6,737,738	6,956,548
Business-type activities:										
Charges for services:										
Emergency medical services	-	-	-	-	-	-	1,545,688	2,769,359	2,937,738	2,834,319
Eugene water services	-	-	-	-	-	-	-	-	-	5,130
Capital grants and contributions:	-	-	-	-	-	-	-	-	-	31,988
Total business-type activities program revenue	-	-	-	-	-	-	1,545,688	2,769,359	2,937,738	2,871,437
Total primary government program revenue	\$ 8,947,706	\$ 5,820,200	\$ 5,836,076	\$ 6,279,278	\$ 6,417,876	\$ 6,572,355	\$ 8,889,861	\$ 9,476,020	\$ 9,675,476	\$ 9,827,985
Net (expense) revenue										
Governmental activities	\$ (9,976,993)	\$ (11,411,426)	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,885,812)	\$ (24,020,360)	\$ (22,846,441)	\$ (23,763,179)
Business-type activities	-	-	-	-	-	-	23,247	(699,816)	(851,679)	(855,988)
Total primary government net expense	\$ (9,976,993)	\$ (11,411,426)	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,862,565)	\$ (24,720,176)	\$ (23,698,120)	\$ (24,619,167)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,381,313	\$ 7,100,277	\$ 7,669,706	\$ 7,867,071	\$ 8,211,669	\$ 8,870,255	\$ 7,121,570	\$ 6,174,484	\$ 6,138,124	\$ 6,037,446
Sales tax	4,762,355	4,944,501	5,088,702	5,288,518	5,434,669	10,103,217	13,720,164	15,534,859	15,718,088	16,112,800
Local use tax	392,276	382,861	680,470	537,110	466,639	756,827	985,600	1,184,170	1,079,931	1,506,676
Motor vehicle sales taxes	306,081	327,509	311,818	349,832	319,631	241,036	239,980	248,597	256,176	279,708
Stock insurance	754,488	911,558	629,725	948,954	1,054,646	813,279	978,150	1,082,353	1,242,305	859,463
County Aid Road Trust (CART)	843,152	889,294	854,285	852,205	873,614	806,626	787,468	814,559	788,667	788,881
Financial institution tax	55,424	51,179	50,337	57,076	28,714	25,625	24,395	34,082	63,522	71,009
Unrestricted investment earnings	142,094	149,257	296,155	475,965	576,968	339,147	219,056	346,126	289,595	298,379
Gain (loss) on sale of capital assets	4,874	(88,828)	-	9,069	(37,399)	(11,527)	(22,845)	(15,723)	6,537	6,855
Transfers	-	-	-	-	-	-	(1,014,497)	(1,223,280)	(924,450)	(1,036,036)
Other	-	530,775	536,808	684,613	554,807	649,437	597,230	565,662	468,908	458,403
Total governmental activities:	13,642,057	15,198,383	16,118,006	17,070,413	17,483,958	22,593,922	23,636,271	24,745,889	25,127,403	25,383,584
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	772	7,977	11,397	14,250
Transfers	-	-	-	-	-	-	1,014,497	1,223,280	924,450	1,036,036
Other	-	-	-	-	-	-	1,283	2,111	13,331	5,773
Total business-type activities:	-	-	-	-	-	-	1,016,552	1,233,368	949,178	1,056,059
Total primary government	\$ 13,642,057	\$ 15,198,383	\$ 16,118,006	\$ 17,070,413	\$ 17,483,958	\$ 22,593,922	\$ 24,652,823	\$ 25,979,257	\$ 26,076,581	\$ 26,439,643
Change in Net Position										
Governmental activities	\$ 3,665,064	\$ 3,786,957	\$ 3,759,808	\$ 40,152,117	\$ 603,447	\$ 2,497,883	\$ 2,750,459	\$ 725,529	\$ 2,280,962	\$ 1,620,405
Business-type activities	-	-	-	-	-	-	1,039,799	533,552	97,499	200,071
Total primary government	\$ 3,665,064	\$ 3,786,957	\$ 3,759,808	\$ 40,152,117	\$ 603,447	\$ 2,497,883	\$ 3,790,258	\$ 1,259,081	\$ 2,378,461	\$ 1,820,476

COUNTY OF COLE, MISSOURI
General Governmental Tax Revenues by Source
Last Ten Fiscal Years 2003 - 2012

Fiscal Year	Property Tax	Sales Tax	Local Use Tax	Motor Vehicle Sales Tax	Stock Insurance	CART	Financial Institution Tax	Total
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
2010	6,174,484	15,534,859	1,184,170	248,597	1,082,353	814,559	34,082	25,073,104
2011	6,138,124	15,718,088	1,079,931	256,176	1,242,305	788,667	63,522	25,286,813
2012	\$ 6,037,446	\$ 16,112,800	\$ 1,506,676	\$ 279,708	\$ 859,463	\$ 788,881	\$ 71,009	\$ 25,655,983

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 GASE Statement No. 34.

COUNTY OF COLE, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years 2002 - 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved for:									
Prepaid items	\$ 54,026	\$ -	\$ 57,444	\$ 63,169	\$ 65,577	\$ 126,032	\$ 95,768	\$ 86,496	\$ 86,203
Encumbrances	-	-	-	-	-	-	-	27,848	-
Unreserved	3,005,782	3,214,451	6,541,390	6,322,152	6,204,512	6,064,402	6,644,697	7,201,556	8,597,895
Total General Fund	<u>3,059,808</u>	<u>3,214,451</u>	<u>6,598,834</u>	<u>6,385,321</u>	<u>6,270,089</u>	<u>6,190,434</u>	<u>6,740,465</u>	<u>7,315,900</u>	<u>8,684,098</u>
Road and Bridge									
Reserved for:									
Prepaid items	16,094	-	18,147	404,351	19,589	19,108	17,898	19,389	22,379
Encumbrances	-	24,894	388,990	428,201	354,657	-	-	-	-
Inventory	306,623	-	328,628	385,553	377,585	434,892	489,397	530,408	577,468
Unreserved	1,594,509	2,061,116	4,000,256	3,642,781	4,325,464	4,664,423	4,055,153	4,293,447	4,567,356
Total Road and Bridge	<u>1,917,226</u>	<u>2,086,010</u>	<u>4,736,021</u>	<u>4,860,886</u>	<u>5,077,295</u>	<u>5,118,423</u>	<u>4,562,448</u>	<u>4,843,244</u>	<u>5,167,203</u>
Sales Tax									
Reserved for:									
Encumbrances	-	183,557	183,557	-	183,557	937,452	1,761,891	141,461	460,710
Capital Projects	3,216,341	2,750,255	1,725,396	2,412,856	3,080,815	3,208,917	2,201,299	5,445,048	5,484,358
Total Sales Tax	<u>3,216,341</u>	<u>2,933,812</u>	<u>1,908,953</u>	<u>2,412,856</u>	<u>3,264,372</u>	<u>4,146,369</u>	<u>3,963,190</u>	<u>5,586,509</u>	<u>5,945,068</u>
Neighborhood Sinking									
Unreserved	72,921	80,886	75,655	71,179	73,575	73,859	74,195	75,318	71,495
Total Neighborhood Sinking	<u>72,921</u>	<u>80,886</u>	<u>75,655</u>	<u>71,179</u>	<u>73,575</u>	<u>73,859</u>	<u>74,195</u>	<u>75,318</u>	<u>71,495</u>
Emergency Services Sales Tax									
Reserved for:									
Encumbrances	-	-	-	-	-	-	-	-	12,689
Emergency medical services	-	-	-	-	-	-	-	748,053	970,711
Total Law Enforcement Sales Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>748,053</u>	<u>983,400</u>
Law Enforcement Sales Tax									
Reserved for:									
Prepaid items	-	-	-	-	-	-	25,412	29,753	40,218
Law Enforcement	-	-	-	-	-	-	2,425,207	2,366,374	2,127,453
Total Law Enforcement Sales Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450,619</u>	<u>2,396,127</u>	<u>2,167,671</u>
Capital Improvement									
Reserved for:									
Encumbrances	-	-	-	-	-	-	1,357,981	13,814,812	5,143,834
Capital Improvements	-	-	-	-	-	9,825,901	6,122,768	6,674,729	5,304,358
Total Capital Improvement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,825,901</u>	<u>7,480,749</u>	<u>20,489,541</u>	<u>10,448,192</u>
Non Major Funds									
Reserved for:									
Prepaid items	2,866	3,501	4,323	5,250	5,622	3,921	3,867	4,190	6,154
Unreserved	292,262	431,081	639,034	693,315	817,359	1,045,744	1,766,801	1,903,775	2,061,133
Total Non Major Funds	<u>\$ 295,128</u>	<u>\$ 434,582</u>	<u>\$ 643,357</u>	<u>\$ 698,565</u>	<u>\$ 822,981</u>	<u>\$ 1,049,665</u>	<u>\$ 1,770,668</u>	<u>\$ 1,907,965</u>	<u>\$ 2,067,287</u>

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

NOTE: GASB 54 became effective for the County for the year ended December 31, 2011. As such, a new schedule of Fund Balances of Governmental Funds was created for 2011 and subsequent years to reflect the new requirements.

COUNTY OF COLE, MISSOURI
Fund Balances of Governmental Funds
Last Two Fiscal Years 2011 - 2012

	<u>2011</u>	<u>2012</u>
General Fund		
Nonspendable:		
Prepaid items	\$ 85,606	\$ 90,188
Unassigned	9,681,363	10,237,254
Total General Fund	<u>9,766,969</u>	<u>10,327,442</u>
Road and Bridge		
Nonspendable:		
Prepaid items	22,926	24,515
Inventory	561,326	558,967
Restricted for:		
Highways, streets & bridges	4,363,283	4,604,503
Total Road and Bridge	<u>4,947,535</u>	<u>5,187,985</u>
Sales Tax		
Restricted for:		
Capital improvements	4,570,599	5,759,767
Total Sales Tax	<u>4,570,599</u>	<u>5,759,767</u>
Neighborhood Sinking		
Restricted for:		
Debt service	70,554	68,247
Total Neighborhood Sinking	<u>70,554</u>	<u>68,247</u>
Emergency Services Sales Tax		
Restricted for:		
Emergency medical services	1,273,364	1,686,704
Total Law Enforcement Sales Tax	<u>1,273,364</u>	<u>1,686,704</u>
Law Enforcement Sales Tax		
Nonspendable:		
Prepaid items	38,812	42,367
Restricted for:		
Law enforcement	1,838,411	4,896,373
Total Law Enforcement Sales Tax	<u>1,877,223</u>	<u>4,938,740</u>
Capital Improvement		
Restricted for:		
Capital improvements	6,570,326	3,318,867
Total Capital Improvement	<u>6,570,326</u>	<u>3,318,867</u>
Non Major Funds		
Nonspendable:		
Prepaid items	5,275	5,781
Restricted for:		
Training costs	6,349	3,072
Prosecuting attorney	532,883	450,017
Assessment costs	1,425,442	1,500,282
Judicial	153,706	190,106
Recorder of deeds	7,544	11,599
Tax maintenance	93,484	121,479
Election services	19,257	35,832
Total Non Major Funds	<u>\$ 2,243,940</u>	<u>\$ 2,318,168</u>

NOTE: GASB 54 became effective for the County for the year ended December 31, 2011. As such, a new schedule of Fund Balances of Governmental Funds was created for 2011 and subsequent years to reflect the new fund balance requirements.

COUNTY OF COLE, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years 2003 - 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 13,489,902	\$ 14,586,674	\$ 15,242,509	\$ 15,878,292	\$ 16,352,428	\$ 21,635,621	\$ 23,899,824	\$ 25,117,493	\$ 25,329,196	\$ 25,609,997
Licenses, fees and permits	3,311,217	3,797,932	3,776,075	3,722,123	4,111,277	4,684,512	5,403,539	4,630,644	4,705,559	4,709,560
Intergovernmental	4,790,431	1,731,626	2,016,837	2,603,665	2,319,753	2,049,081	1,839,597	2,215,145	2,145,513	2,219,738
Interest	142,094	149,257	296,155	475,966	576,968	339,147	219,056	346,126	289,595	298,379
Special assessment	-	5,394	2,697	-	-	-	-	-	-	-
Other	863,374	531,231	541,775	689,440	486,143	605,673	507,352	281,990	348,981	484,735
Total revenues	22,597,018	20,802,114	21,876,048	23,369,486	23,846,569	29,314,034	31,869,368	32,591,398	32,818,844	33,322,409
Expenditures										
Current:										
General government	3,249,696	3,358,190	3,380,716	4,022,898	3,489,030	4,349,405	4,382,935	4,322,638	4,317,014	4,852,848
Public safety	4,897,912	4,938,882	5,432,123	5,659,474	5,893,361	7,107,533	7,757,928	9,742,197	9,218,514	9,627,467
Highways, streets & bridges	5,741,179	4,531,955	4,150,170	4,164,766	4,885,398	6,449,247	4,360,810	6,743,813	6,982,004	5,681,410
Assessment costs	510,762	515,651	590,783	631,665	643,608	540,599	812,986	611,949	640,494	639,776
Judicial	477,148	573,811	629,358	598,302	598,552	688,706	701,284	689,650	766,068	841,406
Health & welfare	1,698,808	1,707,636	1,758,467	1,795,445	1,678,174	1,651,018	2,186,746	1,922,267	2,121,914	1,882,244
Parks & recreation	15,869	1,365	870	2,737	31,799	1,584	1,566	1,766	2,957	2,532
Emergency management	147,639	96,481	254,862	12,022	263,919	151,178	145,495	81,589	142,764	63,983
Capital outlay:										
General government	6,647	86,865	431,874	409,406	1,695,774	448,253	103,558	83,064	1,232,056	215,148
Public safety	67,712	82,510	194,237	82,846	119,902	2,165,785	11,306,025	9,271,766	3,825,073	139,222
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	2,410,664	3,392,992	2,717,096
Health & welfare	-	-	5,421	34,538	54,830	-	449,551	403,896	142,038	287,180
Emergency management	92,587	291,787	68,889	669,894	40,018	11,570	25,808	41,000	86,859	157,377
Debt service:										
Principal	-	-	-	-	-	-	-	-	1,448,000	2,165,000
Interest and fees	-	-	-	-	-	-	-	-	1,048,279	1,022,309
Issuance costs	-	-	-	-	-	-	-	-	65,548	-
General government	182,492	57,211	63,050	59,626	60,054	59,222	57,958	63,364	-	-
Public safety	-	-	-	-	-	902,203	3,070,265	3,068,935	-	-
Highways, streets & bridges	8,717	100,000	100,000	100,000	100,000	100,000	100,000	100,000	-	-
Total expenditures	22,413,574	21,684,952	21,410,061	22,359,596	22,816,586	28,682,583	39,688,209	39,558,558	35,432,574	30,294,998
Excess (deficiency) of revenues over (under) expenditures	183,444	(882,838)	465,987	1,009,890	1,029,983	631,451	(7,818,841)	(6,967,160)	(2,613,730)	3,027,411
Other financing sources (uses)										
COPS issuance	-	-	-	-	10,000,000	-	25,000,000	-	-	-
Refunding on COPS proceeds	-	-	-	-	-	-	-	-	8,185,000	-
Discount on COPS issuance	-	-	-	-	(140,490)	-	(382,417)	-	(53,203)	-
Payment to refunded bond escrow ages	-	-	-	-	-	-	-	-	(8,878,400)	-
Transfers in (out)	-	-	-	-	-	-	(584,672)	(865,420)	(797,905)	(748,856)
Proceeds from bonds	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	4,874	-	-	69,614	6,845	6,232	30,935	8,160	15,829	6,855
Total other financing sources (uses)	4,874	-	-	69,614	9,866,355	6,232	24,063,846	(857,260)	(1,528,679)	(742,001)
Net changes in fund balances	\$ 188,318	\$ (882,838)	\$ 465,987	\$ 1,079,504	\$ 10,896,338	\$ 637,683	\$ 16,245,005	\$ (7,824,420)	\$ (4,142,409)	\$ 2,285,410

COUNTY OF COLE, MISSOURI
General Governmental Revenues by Source
Last Ten Fiscal Years 2003 - 2012

Fiscal Year	Taxes	Licenses Fees and Permits	Inter-governmental	Interest	Special Assessment	Other	Total
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
2010	25,117,493	4,630,644	2,215,145	346,126	-	281,990	32,591,398
2011	25,329,196	4,705,559	2,145,513	289,595	-	348,981	32,818,844
2012	\$ 25,609,997	\$ 4,709,560	\$ 2,219,738	\$ 298,379	\$ -	\$ 484,735	\$ 33,322,409

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 2003 - 2012

Fiscal Year	Cole County				City of Jefferson				State Rate	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		
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%
2010	0.500%	0.500%	0.500%	1.500%	1.000%	0.500%	0.500%	2.000%	4.225%	7.725%
2011	0.500%	0.500%	0.500%	1.500%	1.000%	0.500%	0.500%	2.000%	4.225%	7.725%
2012	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 2003 - 2012
(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	Assessed Value	Estimated Actual Value	
2003	\$ 780,703	\$ 3,559,729	\$ 247,119	\$ 822,905	\$ 1,027,822	\$ 4,382,634	23.45%
2004	811,153	3,698,569	242,903	808,865	1,054,055	4,507,433	23.38%
2005	895,406	4,082,739	240,638	722,637	1,136,044	4,884,061	23.26%
2006	919,090	4,190,729	248,751	747,000	1,167,841	5,019,069	23.27%
2007	984,864	4,490,635	255,528	767,351	1,240,392	5,341,542	23.22%
2008	1,009,731	4,604,020	274,131	823,216	1,283,862	5,853,961	21.93%
2009	1,037,333	4,729,875	256,682	770,817	1,294,015	5,900,255	21.93%
2010	1,054,818	4,729,875	253,383	760,910	1,308,201	5,490,785	23.83%
2011	1,070,727	4,801,212	242,338	727,742	1,313,065	5,528,954	23.75%
2012	\$ 1,079,962	\$ 4,842,622	\$ 244,438	\$ 734,048	\$ 1,324,400	\$ 5,576,670	23.75%

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI
Property Tax Rates (Per \$100 Assess Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years 2003 - 2012

County of Cole

Fiscal Year	General Revenue	Road and Bridge	Library	Home for Handicapped	State	Total County	City of Jefferson	School District	Total
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
2010	0.1176	0.2700	0.1956	0.0881	0.0300	0.7013	0.5561	3.8016	5.0590
2011	0.1151	0.2700	0.1977	0.0890	0.0300	0.7018	0.5561	3.8063	5.0642
2012	\$ 0.1096	\$ 0.2700	\$ 0.1984	\$ 0.0893	\$ 0.0300	\$ 0.6973	\$ 0.5561	\$ 3.8116	\$ 5.0650

Data Source
Cole County Assessor

COUNTY OF COLE, MISSOURI
Principal Real Estate Property Taxpayers
December 31, 2012

Taxpayer	Type of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Atrium Finance I	Hotel	\$ 5,820,450	1	0.38%			
Jefferson City Medical Group	Medical center	4,992,740	2	0.36%	3,616,000	4	0.27%
Scholastic, Inc.	Publishing company	4,752,000	3	0.35%	6,721,120	1	0.51%
Wildwood Crossing Shopping Center	Shopping mall	4,640,000	4	0.34%			
Wal-Mart Real Estate Business Trust	Discount store	4,512,000	5	0.33%			
Menard Inc.	Discount store	4,416,000	6	0.33%			
Wal-Mart Real Estate Business	Discount store	4,320,000	7	0.31%	3,212,480	6	0.24%
Lowes Home Centers Inc	Home improvement store	4,160,000	8	0.27%	4,344,860	3	0.33%
Von Hoffmann Press, Inc.	Publishing company	3,604,740	9	0.44%	3,604,740	5	0.27%
Central Missouri Reality Co.	Reality Company	3,152,000	10	0.24%			
GGP Limited Partnership	Shopping mall				4,896,000	2	0.37%
Chesebrough-Ponds, Inc.	Cosmetic Manufacturer				2,608,450	7	0.20%
John Q Hammons Hotel LP	Hotel				2,555,200	8	0.19%
Southwest Plaza Shopping Center LLC	Shopping Mall				2,240,000	9	0.17%
Missouri American Water Co.	Water Company				2,208,990	10	0.17%
Totals		\$ 44,369,930		3.35%	\$ 36,007,840		2.72%

Data Source
Cole County Information Systems

COUNTY OF COLE, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years 2003 - 2012
(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	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2003	\$ 8,438	\$ 7,653	90.7%	\$ 346	\$ 7,999	94.8%	\$ 439	5.2%
2004	8,689	7,880	90.7%	339	8,219	94.6%	469	5.4%
2005	9,202	8,355	90.8%	399	8,754	95.1%	449	4.9%
2006	9,545	8,591	90.0%	437	9,028	94.6%	518	5.4%
2007	9,525	8,716	91.5%	509	9,225	96.9%	300	3.1%
2008	10,466	9,381	89.6%	460	9,841	94.0%	626	6.0%
2009	8,760	7,850	89.6%	376	8,226	93.9%	533	6.1%
2010	7,586	6,790	89.5%	335	7,125	93.9%	460	6.1%
2011	7,610	6,853	90.1%	316	7,169	94.2%	440	5.8%
2012	\$ 7,584	\$ 6,786	89.5%	\$ 364	\$ 7,150	94.3%	\$ 433	5.7%

Data Source
Cole County Collector

COUNTY OF COLE, MISSOURI
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
December 31, 2012

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Neighborhood Improvement District	\$ 296,000	100%	\$ 296,000
Certificates of Participation	<u>27,070,000</u>	100%	<u>27,070,000</u>
Overlapping:			
Total*	<u>\$ 27,366,000</u>	100%	<u>\$ 27,366,000</u>

Data Source

Cole County Clerk

*The total includes a capital lease obligation.

COUNTY OF COLE, MISSOURI
Legal Debt Margin
Last Ten Fiscal Years 2003 - 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed valuations:										
Total assessed value	\$ 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	\$ 1,308,201,268	\$ 1,313,064,701	\$ 1,324,400,350
Legal debt margin										
Debt limitation - 10 percent of total assessed value	102,782,176	105,405,512	113,604,379	116,784,096	124,039,193	128,386,280	129,401,509	130,820,127	131,306,470	132,440,035
Debt applicable to limitation:	-	-	-	-	-	-	-	-	-	-
Less: Compensated absences	545,696	656,679	647,931	701,513	740,582	810,688	934,360	1,010,329	1,089,624	1,107,113
Less: Capital leases, general revenue	50,768	-	-	-	-	-	-	-	-	-
Less: Special assessment bonds	586,000	557,000	528,000	501,000	472,000	442,000	411,000	374,000	336,000	296,000
Total debt applicable to limitation	1,182,464	1,213,679	1,175,931	1,202,513	1,212,582	1,252,688	1,345,360	1,384,329	1,425,624	1,403,113
Legal debt margin	\$ 101,599,712	\$ 104,191,833	\$ 112,428,448	\$ 115,581,583	\$ 122,826,611	\$ 127,133,592	\$ 128,056,149	\$ 129,435,798	\$ 129,880,846	\$ 131,036,922

COUNTY OF COLE, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years 2003 - 2012

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Certificates of Participation			
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
2010	-	374,000	-	30,625,000	30,999,000	75,990	408
2011	-	336,000	-	29,095,000	29,431,000	76,792	383
2012	\$ -	\$ 296,000	\$ -	\$ 27,070,000	\$ 27,366,000	76,363	358

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 2003 - 2012

<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>
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	-
2010	-	0.0%	75,990	-
2011	-	0.0%	76,792	-
2012	\$ -	0.0%	76,363	\$ -

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 2003 - 2012

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		
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
2004	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	6,206,105	4,567,096	1,639,009	515,000	387,203	902,203	1.82	4,935,027
2009	6,298,613	5,093,632	1,204,981	2,025,000	1,045,265	3,070,265	0.39	5,048,783
2010	6,749,075	5,952,539	796,536	1,835,000	1,233,935	3,068,935	0.26	5,176,264
2011	6,850,867	6,142,277	708,590	1,310,000	857,573	2,167,573	0.33	5,235,500
2012	\$ 7,308,875	\$ 6,405,470	\$ 903,405	\$ 2,025,000	\$ 1,001,404	\$ 3,026,404	0.30	\$ 5,371,213

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 and Economic Statistics
Last Ten Fiscal Years 2003 - 2012

Fiscal Year	State of Missouri		Cole County			Unemployment Rate				
	Population	Percentage of Growth	Population	Percentage of Growth	Per Capita Personal Income	Personal Income (thousands)	Total Labor Force	Cole County	State of Missouri	USA
2003	5,718,717	0.66%	72,728	0.81%	32,229	2,343,937	40,007	3.9%	5.6%	6.0%
2004	5,759,532	0.71%	72,427	-0.42%	33,542	2,429,319	40,101	4.0%	5.8%	5.5%
2005	5,800,310	0.70%	72,948	0.71%	34,506	2,517,161	40,179	4.1%	5.4%	5.1%
2006	5,842,713	0.73%	73,509	0.76%	36,013	2,647,245	40,076	3.8%	4.8%	4.6%
2007	5,878,415	0.61%	73,977	0.63%	37,643	2,784,753	40,331	3.9%	5.0%	4.6%
2008	5,911,605	0.56%	74,760	1.05%	40,184	3,004,149	40,447	4.3%	5.9%	5.8%
2009	5,987,580	1.27%	75,408	0.86%	39,060	2,945,459	40,825	6.9%	9.4%	9.3%
2010	5,988,927	0.02%	76,120	0.94%	39,755	3,026,181	40,492	6.8%	9.4%	9.6%
2011	6,010,688	0.36%	76,792	0.88%	40,147	3,069,148	40,532	6.4%	8.6%	8.9%
2012	6,021,988	0.19%	76,363	-0.56%	N/A	N/A	39,395	5.3%	6.7%	8.1%

Data Sources

US Department of Labor-Bureau of Labor Statistics

Missouri Department of Economic Development

US Department of Commerce-Bureau of Economic Analysis

COUNTY OF COLE, MISSOURI

Principal Employers

December 31, 2012

<u>Employer</u>	<u>2012</u>		<u>2005*</u>	
	<u># of Employees</u>	<u>Rank</u>	<u># of Employees</u>	<u>Rank</u>
State of Missouri	14,466	1	\$ 16,373	1
Scholastic, Inc.	2,182	2	1,800	2
Capitol Region Medical Center	1,430	3	1,358	3
Jefferson City Public Schools	1,337	4	1,106	5
St. Mary's Health Center	1,022	5	1,203	4
Walmart Supercenter	955	6	515	10
Central Bank	862	7	704	7
City of Jefferson	800	8	694	8
ABB Power T&D Company	680	9	559	9
Jefferson City Medical Goup	583	10		
Learfield Communications			786	6
Totals	<u>24,317</u>		<u>\$ 25,098</u>	

Data Source

Jefferson City Area Chamber of Commerce

*2003 Principal Employers data unavailable. 2005 is the earliest data available.

COUNTY OF COLE, MISSOURI
Full-time Equivalent County Government Employee by Function
Last Ten Fiscal Years 2003 - 2012

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Primary government										
Governmental activities:										
General government										
Auditor	2	2	2	2	2	2	2	2	2	2
Collector	5	5	5	5	5	5	5	5	4	4
Treasurer	2	2	2	2	2	2	2	2	2	2
County Clerk	5	5	5	5	5	5	5	5	6	6
Commission	5	6	6	6	6	7	8	9	9	9
Recorder	5	5	6	6	6	6	6	6	6	6
GIS	-	-	-	-	-	1	1	1	1	1
Information Systems	2	2	2	2	2	2	2	2	1	1
Building Maintenance	4	4	4	4	4	4	5	5	5	7
Public safety										
Juvenile Center	24	24	22	24	23	29	30	30	30	29
Prosecuting Attorney	15	15	15	14	15	15	15	15	15	15
Sheriff	47	46	47	50	51	64	64	79	79	80
Highways, streets & bridges										
Public Works	43	44	44	44	44	45	46	46	46	46
Assessment										
Assessor	9	9	10	11	11	11	11	11	11	11
Judicial										
Circuit Court	-	2	2	2	-	-	-	-	-	-
Circuit Court Bailiffs	3	3	3	3	3	4	4	4	4	4
Child Support	4	4	4	4	4	5	5	5	5	6
Health & welfare										
Health Department	30	32	33	28	27	28	27	27	25	25
Public Administrator	3	3	3	3	3	4	4	4	4	4
Emergency management										
Emergency management	1	1	1	1	1	1	1	1	1	1
Total governmental activities FT Employees	<u>209</u>	<u>214</u>	<u>216</u>	<u>216</u>	<u>214</u>	<u>240</u>	<u>243</u>	<u>259</u>	<u>256</u>	<u>259</u>
Business-type activities:										
Health & welfare										
Emergency medical services	-	-	-	-	-	-	44	44	44	45
Total business-type activities FT Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>45</u>
Total primary government FT Employees	<u>209</u>	<u>214</u>	<u>216</u>	<u>216</u>	<u>214</u>	<u>240</u>	<u>287</u>	<u>303</u>	<u>300</u>	<u>304</u>

COUNTY OF COLE, MISSOURI
Special Assessment Billings and Collections
Last Ten Fiscal Years 2003 - 2012

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>
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
2010	60,347	59,159
2011	60,347	59,034
2012	\$ 60,347	\$ 58,904

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI
General Governmental Expenditures by Function
Last Ten Fiscal Years 2003 - 2012
(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Highways Streets & Bridges	Assessment Costs	Judicial	Health & Welfare	Parks & Recreation	Emergency Mgmt	Total
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
2010	4,469	22,083	9,254	612	690	2,326	2	123	39,559
2011	5,610	15,445	10,475	640	766	2,264	3	230	35,433
2012	\$ 5,129	\$ 12,793	\$ 8,499	\$ 640	\$ 841	\$ 2,169	\$ 3	\$ 221	\$ 30,295

SINGLE AUDIT REPORTS



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

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

To the County Commissioners of the
County of Cole, Missouri

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Cole, Missouri (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 22, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 12-01, that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

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

County's Response to Finding

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

Purpose of this Report

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

Williams Keepers LLC

May 22, 2013



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

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

To the County Commissioners of the
County of Cole, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Cole, Missouri (the County's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

William's Keepers LLC

May 22, 2013

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

	Federal CFDA Number	Expenditures
U.S. Department of Agriculture:		
Direct Program:		
Child Care Food Program	10.558	\$ 13,996
Passed Through Missouri Department of Health:		
Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557	274,803
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BFPC	10.557	22,041
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BF Friendly Clinic	10.557	17,495
Passed Through Missouri Department of Health: Maternal and Child Health Services:		
Summer Food Program	10.559	90
Total U.S. Department of Agriculture		328,425
U.S. Department of Health and Human Services:		
Passed Through Missouri Department of Social Services:		
Child Support Enforcement	93.563	354,005
Juvenile Court Diversion	93.667	138,695
Passed Through Missouri Department of Health: Maternal and Child Health Services		
Regional Public Health Emergency Planning & Preparation	93.283	52,094
Nursing Consultation to Child Care Facilities	93.575	9,369
Local Sanitation Inspections for Child Care Facilities	93.575	3,980
Breast and Cervical Cancer Control	93.919	14,567
Breast and Cervical Cancer Wisewomen	93.919	10,351
Maternal and Child Health Program	93.994	28,922
Total U.S. Department of Health and Human Services		611,983
U.S. Department of Justice:		
Direct Program:		
Bulletproof Vest Grant	16.607	11,613
Passed Through Missouri Department of Public Safety:		
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	17,853
JAG Program - Mustang Task Force	16.738	175,711

(continued on next page)

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2012

	Federal CFDA Number	Expenditures
ARRA JAG Program - Mustang Recovery	16.803	74,096
Passed Through the Office of Justice Program:		
Drug Court Enhancement Grant	16.585	54,491
Drug Courts Program (Block Grant) JAC Division	16.585	20,978
COPS Secure Our Schools Grant	16.710	51,065
Total U.S. Department of Justice		<u>405,807</u>
U.S. Election Assistance Commission:		
Passed Through Missouri Secretary of State's Office:		
Accessible & Second Chance Voting Systems (HAVA)	90.401	16,279
EAID Polling Place Grant	93.617	22,835
Total U.S. Election Assistance Commission		<u>39,114</u>
Department of Homeland Security:		
Passed Through Missouri Department of Public Safety:		
Emergency Management Assistance	97.042	48,981
FY 09 Citizen Corps Grant	97.053	2,343
FY 10 Citizen Corps Grant	97.053	15,509
FY 11 Citizen Corps Grant	97.053	5,769
FY 08 Homeland Security Grant	97.067	885
FY 09 Homeland Security Grant	97.067	5,111
FY 10 Homeland Security Grant (MOSCAP)	97.067	277,517
FY 10 Homeland Security Regional Response System Grant	97.067	46,884
Total Department of Homeland Security		<u>402,999</u>
General Services Administration		
Passed Through Secretary of State's Office Election Division		
Federal Voting Equipment Maintenance and Security Grant	39.011	12,573
Total General Services Administration		<u>12,573</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,800,901</u></u>

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, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the County.
2. A significant deficiency relating to the audit of the financial statements is reported in the "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." Finding 12-01 is not considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs is reported in the "Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by OMB Circular A-133."
5. The auditors' report on compliance for the major federal award programs for the County expresses an unmodified 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 CFDA Number
Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BFPC	10.557
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BF Friendly Clinic	10.557
Child Support Enforcement	93.563
FY 09 Citizen Corps Grant	97.053
FY 10 Citizen Corps Grant	97.053
FY 11 Citizen Corps Grant	97.067
FY 08 Homeland Security Grant	97.067
FY 09 Homeland Security Grant	97.067
FY 10 Homeland Security Grant (MOSCAP)	97.067
FY 10 Homeland Security Regional Response System Grant	97.067

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 did not qualify as a low-risk auditee for the year ended December 31, 2012.

B. FINDINGS--FINANCIAL STATEMENT AUDIT

12-01: Segregation of Duties – Eugene Water District

Statement of Condition: During 2012, the same individual was responsible for performing the billing function, collecting payments, and maintaining the general ledger for the Eugene Water District.

Criteria: Adequate segregation of duties should exist so that one employee does not have custodial and record keeping responsibilities for the same asset.

Effect of Condition: The lack of segregation of duties related to the Eugene Water District processes increases the risk that fraudulent activity or errors could occur and not be detected in a timely manner.

Cause of Condition: The County obtained the Eugene Water District in mid-2012, and elected to have the same individual who had previously handled all accounting functions for the District to continue to do so until the County could establish its own processes in 2013.

Recommendation: We recommend the County consider ways to segregate these duties, such as having an individual independent of the billing function and general ledger maintenance collect cash receipts.

Management's response: The County has reviewed the job functions of the employees working with the Eugene Water District and has implemented additional review and oversight procedures by supervisors in order to help ensure errors or fraud are caught in a timely manner. All the financial procedures were reviewed, and, where the duties could not be segregated, there is now additional review and approval by a third person.

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, 2012**

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