

COUNTY OF COLE, MISSOURI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2014

Prepared by:

Auditor's Office
Kristen Berhorst
County Auditor

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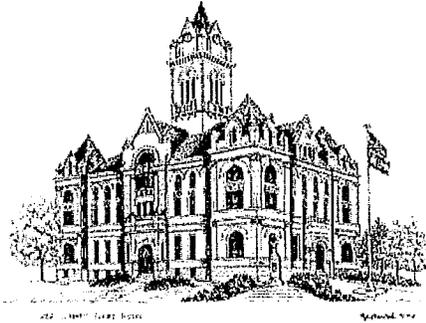
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INTRODUCTION SECTION

**Office of the Auditor
Cole County**

KRISTEN BERHORST
AUDITOR

DANIELLE PATTERSON
DEPUTY AUDITOR



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June 24, 2015

To the Citizens of the County of Cole, Missouri:

The Comprehensive Annual Financial Report of Cole County for the fiscal year ended December 31, 2014, 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.

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 2014. I am happy to report that Williams Keepers et al issued an unmodified opinion on the County's financial reports for the fiscal year 2014. 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. In area, the County is made up of more than 400 square miles of space situated in Central Missouri and serves a population of approximately 76,362.

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, which consists of a Presiding Commissioner, an Eastern and Western District Commissioner. The Presiding Commissioner is elected at large and the two Associate Commissioners are each elected from within their respective districts. In addition to the County Commissioners, other elected officials elected on a county-wide basis to a four-year term include: the Assessor, Auditor, Collector of Revenue, County Clerk, Recorder of Deeds, Prosecuting Attorney, Sheriff, Treasurer, and Public Administrator. The 19th Judicial Circuit Court operations are administered by an elected Circuit Clerk, three Circuit Court Judges and one Associate Court Judge.

The County of Cole provides a full range of services, including judicial services, public safety, roads and bridges, and health and welfare. Judicial services include the operation of the 19th Judicial Circuit Courts. Public safety services include the Prosecuting Attorney's Office, the Juvenile Office and Detention Center, the Cole County Jail, law enforcement services in the unincorporated areas of the County, and civil process service for the entire County. The County also has a Road and Bridge department that maintains all County roads, a Health Department that runs the County Health Center and the general government services which include the collection of property taxes, assessment of county property, voter registration and election services, and various other public services.

The annual budget serves as the foundation for the County of Cole's financial planning and control. The County's fiscal year is the calendar year and the annual budgetary process and timetable is governed by state statute. 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.

Cole County's statutory elective form of government differs significantly from a charter form of government. Independent elected officials are directly accountable to the citizens of Cole County to perform the statutory functions of their offices. The County Commission has no authority to impose its will on the other elected officials except through the adoption of the annual budget and through its exclusive control of County property.

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, one Internal Service Fund and 18 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 at least 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.

The County has a small but stable economic base. Population currently totals approximately 76,362. 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 slightly 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.

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 County also houses two large hospitals which are both in the process of expanding. The service industry includes major retail centers. The downtown and strip retail facilities also offer regional attraction. Slightly over 25% of County workers hold state government jobs. The County's varied economic base contributes to economic and employment stability. The unemployment rate in Cole County has remained below that of state and national averages and continues to drop since the beginning of the recession in 2009.

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 State government budget was approved in May 2015; we are starting to see small growth in the budget but there remains some instability in the revenue projections and some funds were withheld by the Governor. The County will continue to monitor the State budget closely in the future.

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 has been from sales tax since 2008. The Law Enforcement Fund initiated in 2008 and the Ambulance Fund initiated in 2009 are both sales tax dependent. Sales tax revenue is inherently volatile with annual growth rates for sales tax ranging from no growth to 5% growth over the last 15 years. In 2014 over 62% of the County's operating revenues are derived from local sales tax.

Long Term Planning and 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.

In 2007, the County incurred obligation to service \$10 million of long term financing to construct the new jail. In 2009, it incurred obligation to service an additional \$25 million in long term financing also to be used for construction of the new jail. The annual charge for the \$35 million in long term financing was about \$3.1 million per year to be paid from the ½ cent Law Enforcement Sales tax. 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. In 2014, the County elected to refund the second issuance of COPs, saving an additional \$650,000 through lower interest rates. In connection with the refunding of COPs in 2014, the County obtained a rating from Moody's Investors Service of Aa2 to the County's credit. Moody's cited several factors for the Aa2 rating including "a growing tax base benefiting from the institutional presence of the state capital, well managed financial operations characterized by sound reserves, and a modest debt burden with no future borrowing expected."

The County of Cole is operating under the terms of a depository agreement executed in July of 2013 with Central Trust Bank of Jefferson City to manage "county" money - general and special revenue funds. Under this agreement, the County is paid a 2.55% fixed rate on the first \$15 million and receives 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 \$15 million. When the balance exceeds \$15 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.

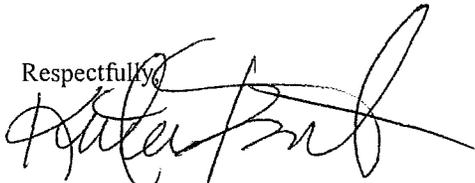
All County employees are covered by worker's compensation. There were no major claims under the policy during 2014. The County promotes accident avoidance, including training, to minimize losses. The County reestablished a Safety Committee to identify and make recommendations to avoid accidents and injury. 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 2014 award.

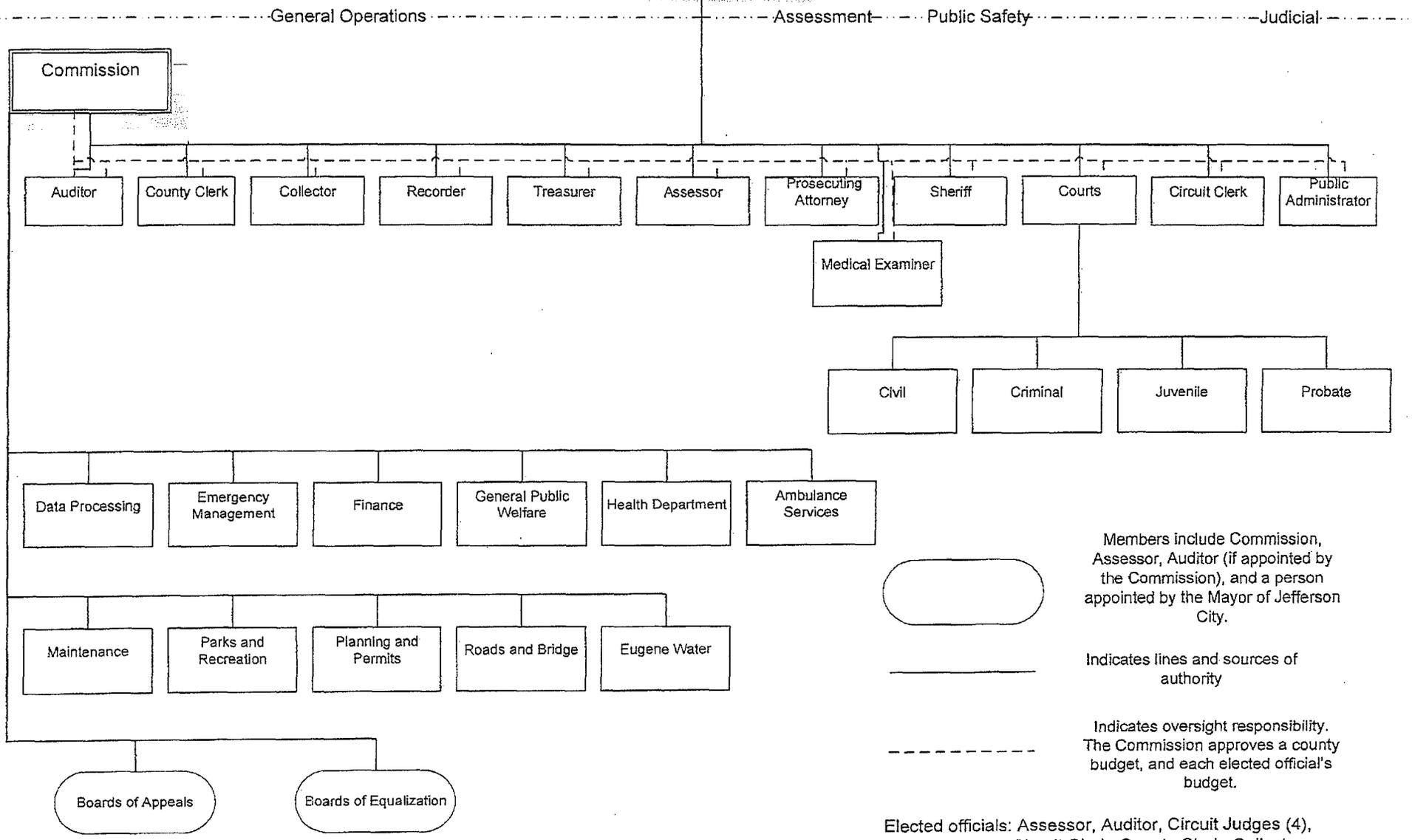
Preparing a comprehensive annual financial report to meet the standard of the Government Finance Officers Association is a challenging goal. As is usually the case, many people contribute to the accomplishment of a challenging goal. In this instance, the following played very critical roles: the County 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. Danielle Patterson, the County's Deputy County Auditor, manages 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,

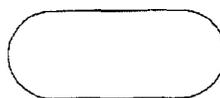


Kristen Bernhorst
Cole County Auditor

Missouri State Authority



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



Indicates lines and sources of authority



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



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

**County of Cole Missouri
Principal Officials
For Year Ended December 31, 2014**

County Commission:

Presiding Commissioner.....	Marc Ellinger
Western District.....	Kris Scheperle
Eastern District.....	Jeff Hoelscher
Assessor.....	Christopher Estes
Auditor.....	Dr. James LePage, CPA
Collector.....	Larry Vincent
Circuit Clerk.....	Dawnel Davidson
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



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
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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, 2014, and the related notes to the financial statements, 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 County'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, 2014, 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 June 24, 2015, 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.

Williams Keepers LLC

June 24, 2015

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, 2014, 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 2014 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 \$83.3 million at year-end 2014, an increase of about \$3.3 million from prior year
- The County's primary source of revenue is taxes. During 2014, total taxes collected from all sources amounted to almost \$26.9 million. In addition, the County collected over \$10.5 million in charges and grants referred to as "Program Revenues", including fees of \$8.4 million and grants of \$2.2 million.
- Expenses were approximately \$34.9 million, with the largest portion being spent on highways, streets and bridges, followed by public safety.
- In 2014, the County decided to partially self fund the employee health insurance costs; as such, the County created an internal service fund to account for the activity of the self-insured health plan.

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 21 different funds organized into 43 departments. Seven of the funds are major funds; eleven are non-major funds, two are proprietary funds and one internal service fund. Four of the seven major funds and all the non-major funds are special revenue funds. The General Fund (largest of the major funds) contains 25 different budgets for the various elected officials and departments. Some funds have multiple departments, each with a budget, giving a total of 43 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).

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 21 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 21 individual funds are classified into seven "major" governmental funds, eleven small or "non-major" governmental funds, two proprietary funds and one internal service fund. Each major and non major fund is required by law and is designed to facilitate accounting for a special activity usually financed by a special revenue source. The major governmental funds are General Fund, Road and Bridge Fund, Sales Tax Fund, Law Enforcement Sales Tax Fund, Neighborhood Sinking Fund, Capital Improvement 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. In 2014, the County created a self-insured health insurance plan for employees, therefore set up an internal service fund to account for this activity. 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 three proprietary funds; two enterprise funds and one internal service fund. 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. The internal service fund is to account for the County self funding a portion of the employee health insurance costs. An individual fund statement is included for each of these services, which provides the same type of information as the government-wide statement, only in more detail. The proprietary 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 2014, the County had working capital of about \$33.1 million (current assets over current liabilities) with current accrued liabilities of over \$1.0 million. 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 2014 totaled over \$83.3 million (Table 1). Assets exceeded liabilities by this amount. Net investment in capital assets constitutes 62% of the County's combined net position and is 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 2014 was approximately \$105.5 million as compared to \$106.8 million in 2013. Total assets include all of the County's capital assets, including infrastructure assets, which increased in 2014 mostly due to the completion of infrastructure projects, building remodels and construction in progress on a large road project. Capital assets account for over half (68%) 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 \$34.1 million) exceeded short term liabilities (about \$1.0 million) by approximately \$33.1 million. Monthly expenses average about \$2.9 million. On an accrual basis, therefore, the County has sufficient working capital to cover expenses for almost one year assuming no loss in converting non-cash liquid assets to cash.

Liabilities

The majority of the County's 2014 liabilities (approximately \$24 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 2014 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 2013 and 2014. Current assets decreased by about \$3.9 million, while capital assets increased by about \$2.6 million, causing a net decrease of over \$1.3 million in total assets from the prior year. Most of the change in total assets was due to the refunding of a portion of the COPs in 2014 and the corresponding decrease in restricted investments being held. Deferred outflows of resources increased approximately \$1.4 million due to the COPS refunding that occurred in 2014. Liabilities also decreased about \$3.2 million from 2013 to 2014. The decrease in noncurrent liabilities was due to a debt service payment on the COPs of approximately \$3 million in 2013. The total net position changed approximately \$3.3 million between 2013 and 2014.

Table 1
County of Cole, Missouri
Statement of Net Position
For the Years Ended December 31, 2014 and 2013

	2014				2013			
	Governmental Activities	Business-type Activities	Total	Percent of Total Assets	Governmental Activities	Business-type Activities	Total	Percent of Total Assets
Current and other assets	\$ 32,513,607	\$ 1,596,266	\$ 34,109,873	32.3%	\$ 36,624,692	\$ 1,384,367	\$ 38,009,059	35.6%
Capital assets	70,407,353	985,202	71,392,555	67.7%	67,865,589	935,215	68,800,804	64.4%
Total assets	102,920,960	2,581,468	105,502,428	100.0%	104,490,281	2,319,582	106,809,863	100.0%
Deferred charge on refunding	1,903,842	-	1,903,842	1.8%	465,150	-	465,150	0.4%
Total deferred outflows of resources	1,903,842	-	1,903,842	1.8%	465,150	-	465,150	0.4%
Current liabilities	488,683	121,323	610,006	0.6%	755,695	138,062	893,757	0.8%
Accrued liabilities	61,907	-	61,907	0.1%	82,815	-	82,815	0.1%
Incurred but not reported claims	295,975	-	295,975	0.3%	-	-	-	0.0%
Due to other governments	41,514	-	41,514	0.0%	31,984	-	31,984	0.0%
Noncurrent liabilities:								
Due within one year	2,380,384	7,960	2,388,344	2.3%	2,291,590	2,544	2,294,134	2.1%
Due in more than one year	20,537,153	135,982	20,673,135	19.6%	23,795,934	145,759	23,941,693	22.4%
Total liabilities	23,805,616	265,265	24,070,881	22.8%	26,958,018	286,365	27,244,383	25.5%
Net investment in capital assets	50,733,013	985,202	51,718,215	49.0%	43,634,905	935,215	44,570,120	41.7%
Restricted	18,717,694	-	18,717,694	17.7%	23,983,896	-	23,983,896	22.5%
Unrestricted	11,568,479	1,331,001	12,899,480	12.2%	10,378,612	1,098,002	11,476,614	10.7%
Total net position	\$ 81,019,186	\$ 2,316,203	\$ 83,335,389	79.0%	\$ 77,997,413	\$ 2,033,217	\$ 80,030,630	74.9%

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 remaining 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 \$3.3 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 (\$38.2 million) increased by approximately \$859,000 in 2014. Program revenue decreased about \$159,000, and non-program revenue increased about \$1 million, reflecting approximately an \$859,000 change in overall revenue compared to 2013. The largest changes from 2013 to 2014 occurred in sales tax collections which increased over \$993,000. The County also had an increase in stock insurance collections in 2014 of about \$231,000. Capital grants and contributions increased from 2013 to 2014 by about \$235,000 due to a federal bridge project that was completed in 2014. Charges for services decreased by almost \$251,000 in 2014 as compared to 2013; this was mostly due to 2014 being a local election year and the County having to cover the cost of the elections instead of being able to charge the other jurisdictions.

Changes in Expenses

On an accrual basis, the County spent or incurred obligations to spend approximately \$34.9 million in 2014 compared to almost \$34 million in 2013 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. Total expenditures increased \$922,000 from 2013 to 2014.

Table 2
County of Cole, Missouri
Statement of Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	2014				2013			
	Governmental	Business-type	Total	Percent of Total Revenue	Governmental	Business-type	Total	Percent of Total Revenue
	Activities	Activities			Activities	Activities		
Revenues:								
Program Revenues:								
Charges for services	\$ 5,296,294	\$ 3,073,818	\$ 8,370,112	21.9%	\$ 5,524,679	\$ 3,096,256	\$ 8,620,935	23.1%
Operating grants and contributions	1,865,971	-	1,865,971	4.9%	2,008,912	-	2,008,912	5.4%
Capital grants and contributions	308,728	-	308,728	0.8%	3,527	70,400	73,927	0.2%
Non Program Revenues:								
Property taxes	5,941,766	-	5,941,766	15.6%	5,960,150	-	5,960,150	16.0%
Sales tax	17,195,436	-	17,195,436	45.1%	16,201,801	-	16,201,801	43.4%
Local use tax	1,352,521	-	1,352,521	3.5%	1,408,804	-	1,408,804	3.8%
Motor vehicle sales tax	322,892	-	322,892	0.8%	294,062	-	294,062	0.8%
Stock insurance	1,156,203	-	1,156,203	3.0%	925,286	-	925,286	2.5%
County aid road trust	820,683	-	820,683	2.2%	787,607	-	787,607	2.1%
Financial institution tax	100,184	-	100,184	0.3%	101,400	-	101,400	0.3%
Transfers	(1,349,677)	1,349,677	-	0.0%	(1,413,209)	1,413,209	-	0.0%
Other	703,486	24,311	727,797	1.9%	880,946	39,618	920,564	2.5%
Total revenues	33,714,487	4,447,806	38,162,293	100.0%	32,683,965	4,619,483	37,303,448	100.0%
Expenses:								
General government	4,866,681	-	4,866,681	12.8%	5,286,828	-	5,286,828	14.2%
Public safety	9,792,470	-	9,792,470	25.7%	9,936,342	-	9,936,342	26.6%
Highways, streets & bridges	11,278,690	-	11,278,690	29.6%	9,102,701	-	9,102,701	24.4%
Assessment costs	666,228	-	666,228	1.7%	691,522	-	691,522	1.9%
Judicial	964,492	-	964,492	2.5%	1,044,083	-	1,044,083	2.8%
Health & welfare	2,067,418	-	2,067,418	5.4%	2,040,940	-	2,040,940	5.5%
Parks & recreation	22,061	-	22,061	0.1%	10,037	-	10,037	0.0%
Emergency management	204,732	-	204,732	0.5%	322,367	-	322,367	0.9%
Interest and fiscal fees	829,942	-	829,942	2.2%	1,043,165	-	1,043,165	2.8%
Emergency medical services	-	4,144,626	4,144,626	10.9%	-	4,434,003	4,434,003	11.9%
Eugene water services	-	20,194	20,194	0.1%	-	23,184	23,184	0.1%
Total expenses	30,692,714	4,164,820	34,857,534	91.3%	29,477,985	4,457,187	33,935,172	91.0%
Increase in net position	3,021,773	282,986	3,304,759		3,205,980	162,296	3,368,276	
Net position - beginning	77,997,413	2,033,217	80,030,630		74,791,423	1,870,921	76,662,344	
Net position - ending	\$ 81,019,186	\$ 2,316,203	\$ 83,335,389		\$ 77,997,403	\$ 2,033,217	\$ 80,030,620	

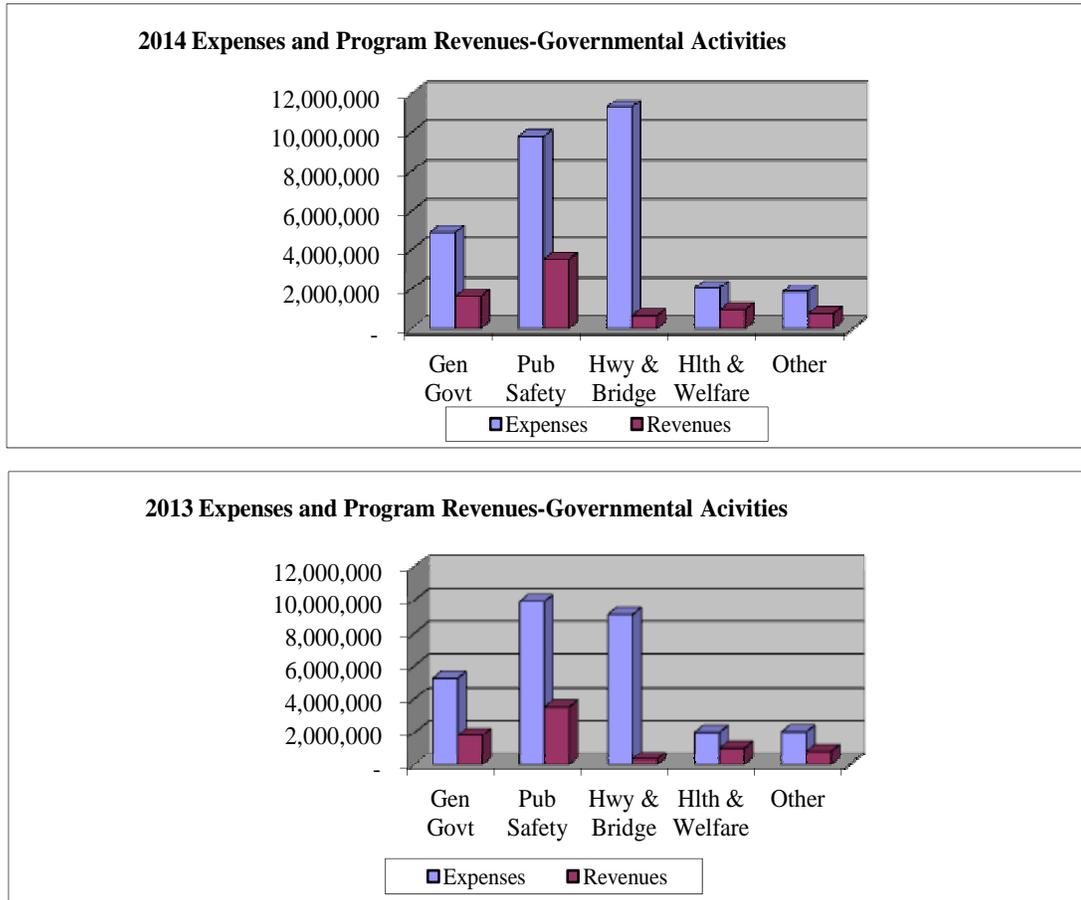
General government expenses decreased approximately \$420,000 in 2014 over 2013. Almost all of the decrease was due to the addition of the internal service fund to account for the partial self-funding of employee health insurance costs and the savings that it created for the County. Public safety expenses decreased in the current year by approximately \$144,000. During 2014, the new law enforcement facility has been open for 3 years and the County has been working to stabilize costs for the new facility. Highways, streets and bridges expenses increased by over \$2.1 million mostly due to the work on two joint road projects with the City of Jefferson, which become infrastructure assets of the City of Jefferson when completed and, therefore, are recorded as expenses by the County. The Emergency Medical Services Fund, which is a proprietary fund and accounts for the activity of the ambulance service, incurred approximately \$4.1 million in expenses in 2014 as compared to \$4.4 million in 2013.

The Emergency Medical Services Fund purchased three new ambulances in 2013 as compared to only two in 2014, which caused the decrease in expenses between years. The County added the Eugene Water Services Fund in July 2012. Eugene Water Services Fund completed its second full year of operations with the County in 2014 with expenses of approximately \$20,000 as compared to \$23,000 in 2013.

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



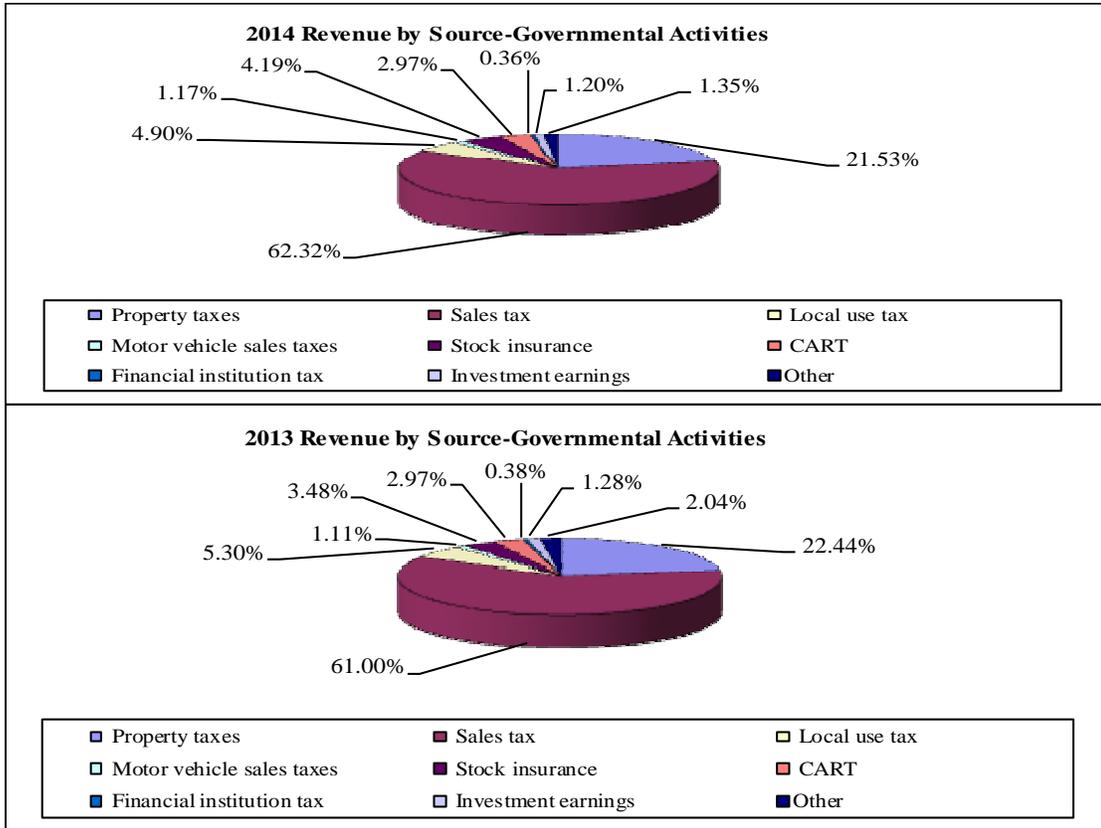
In the two major program areas – public safety and highways, streets and bridges – program revenue is substantially less than program expenses (see Chart I). Revenue from property tax and sales tax make up the difference. The excess of program costs over program revenue is highest in the Highways and Bridges category and relatively low in some other categories. For example, expenses for Highways and Bridges were over \$11.2 million in 2014 while program revenue was less than \$650,000.

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 \$4.9 million in 2014 – approximately 13% of the total expenses for all activities. In 2013, these expenses were about \$5.3 million and approximately 14% of total expenses. In most cases, the deficiency of program revenue for program expenses was larger in 2014 than in 2013. 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-third the cost of program activities. The remainder comes from tax revenue. In 2014, over 70% 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 2014, sales tax accounted for 62% of total revenue compared to almost 22% 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 22% 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 over \$1.1 million and \$100,000, respectively, in 2014.

ANALYSIS OF THE COUNTY'S INDIVIDUAL FUNDS STATEMENTS

In the short term, 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 is on short-term financial accountability as reflected primarily by revenue compared to expenses and reserves. 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 36% of the County's activities are accounted for in the General Fund. At the end of fiscal 2014, the General Fund had a reserve (fund balance) of almost \$10.9 million (Table 3) – about 36% of the County's total fund balance of \$30.4 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, 2014 and 2013

	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 4,129,531	49.8%	\$ 3,982,615	46.9%
Licenses, fees and permits	2,281,938	27.5%	2,423,274	28.6%
Intergovernmental	1,592,483	19.2%	1,792,580	21.1%
Interest	104,867	1.3%	91,518	1.1%
Other	185,311	2.2%	196,557	2.3%
Total revenues	<u>8,294,130</u>	<u>100.0%</u>	<u>8,486,544</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
General government	4,390,421	52.9%	4,152,142	48.9%
Public safety	2,798,179	33.7%	2,806,196	33.1%
Judicial	852,033	10.3%	883,252	10.4%
Health & welfare	1,682,236	20.3%	1,813,083	21.4%
Parks & recreation	14,008	0.2%	3,059	0.0%
Emergency management	152,139	1.8%	207,777	2.4%
Capital outlay:				
General government	-	0.0%	13,846	0.2%
Public safety	5,065	0.1%	16,539	0.2%
Health & welfare	-	0.0%	10,003	0.1%
Emergency management	16,700	0.2%	-	0.0%
Total expenditures	<u>9,910,781</u>	<u>119.5%</u>	<u>9,905,897</u>	<u>116.7%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,616,651)</u>	<u>-19.5%</u>	<u>(1,419,353)</u>	<u>-16.7%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,981,488	48.0%	3,797,758	44.8%
Transfers out	(2,014,100)	-24.3%	(2,130,775)	-25.1%
Sale of capital assets	549	0.0%	674	0.0%
Total other financing sources (uses)	<u>1,967,937</u>	<u>23.7%</u>	<u>1,667,657</u>	<u>19.7%</u>
Net changes in fund balances	351,286	4.2%	248,304	2.9%
Fund balances-beginning	10,575,746	127.5%	10,327,442	121.7%
Fund balances - ending	<u>\$ 10,927,032</u>	<u>131.7%</u>	<u>\$ 10,575,746</u>	<u>124.6%</u>

None of the General Fund's fund balance has any legal restrictions. Accordingly, as a measure of the General Fund's liquidity, it represents over 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 \$351,000 after inter-fund transfers.

General fund total revenue remained relatively consistent with 2013, with a decrease of \$192,000. Taxes account for almost half of General Fund revenue and increased about \$147,000 from 2013 to 2014, mostly due to the increase in stock insurance. The General Fund collects over 50 fees and licenses, fees, and permits decreased by about \$141,000 in 2014; however, there is not one significant factor that accounted for the decrease. Intergovernmental revenue decreased in 2014 by almost \$200,000 due several one-year grants that ended in 2013.

General government expenditures that include personnel costs, insurance, supplies, and miscellaneous expenses also remained relatively stable, with an increase of approximately \$238,000. Most of the increase in expenses in general government was due to 2014 being a local election year where the County had to pay for the local elections. Health and welfare expenses decreased by over \$130,000 in 2014, mostly due to a one time grant programs that ended in 2014. Total expenses in the General Fund increased in total only \$5,000 in 2014. Overall, the General Fund expenses were very consistent compared to 2013.

ROAD AND BRIDGE FUND

The County's Road and Bridge Fund is a special revenue fund used to account for activity associated with constructing and maintaining the County's transportation infrastructure. The main source of revenue is a special levy property tax. It also receives revenue from two other sources – County Aid Road Trust (CART), basically a tax on motor fuel, and an automobile sales tax. The Fund received revenue of over \$5.2 million in 2014, 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, 2014 and 2013

	2014		2013	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 4,934,252	93.4%	\$ 4,874,249	93.1%
Licenses, fees and permits	301,937	5.7%	309,618	5.9%
Intergovernmental	-	0.0%	-	0.0%
Interest	32,385	0.6%	31,094	0.6%
Other	13,788	0.3%	20,323	0.4%
Total revenues	<u>5,282,362</u>	<u>100.0%</u>	<u>5,235,284</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Highways, streets & bridges	4,969,173	94.1%	4,734,285	90.4%
Capital outlay:				
Highways, streets & bridges	-	0.0%	246,794	4.7%
Debt service:				
Highways, streets & bridges	-	0.0%	-	0.0%
Total expenditures	<u>4,969,173</u>	<u>94.1%</u>	<u>4,981,079</u>	<u>95.1%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>313,189</u>	<u>5.9%</u>	<u>254,205</u>	<u>4.9%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,320	1.0%	47,888	0.9%
Transfers out	(183,151)	-3.5%	(185,745)	-3.5%
Sale of capital assets	11,629	0.2%	-	0.0%
Total other financing sources (uses)	<u>(121,202)</u>	<u>-2.3%</u>	<u>(137,857)</u>	<u>-2.6%</u>
Net changes in fund balances	191,987	3.6%	116,348	2.2%
Fund balances-beginning	5,304,333	100.4%	5,187,985	99.1%
Fund balances - ending	<u>\$ 5,496,320</u>	<u>104.1%</u>	<u>\$ 5,304,333</u>	<u>101.3%</u>

Revenue between 2013 and 2014 increased slightly (about \$47,000), mostly due to an increase in taxes of about \$60,000. Expenses decreased approximately \$12,000, which is a very small change of less than 1% as compared to

2013. Most of the change in expenditures was between current and capital outlay for 2013 to 2014. Fund balance increased about \$192,000 after interfund transfers. 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 26 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, 2014 and 2013

	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 5,736,306	93.4%	\$ 5,401,971	87.9%
Licenses, fees and permits	31,224	0.5%	-	0.0%
Intergovernmental	296,493	4.8%	31,334	0.5%
Interest	67,858	1.1%	79,053	1.3%
Other	10,750	0.2%	85,017	1.4%
Total revenues	<u>6,142,631</u>	<u>100.0%</u>	<u>5,597,375</u>	<u>91.1%</u>
EXPENDITURES				
Current:				
General government	183,344	3.0%	38,131	0.6%
Highways, streets & bridges	2,283,968	37.2%	70,622	1.1%
Capital outlay:				
General government	535,442	8.7%	909,438	14.8%
Judicial	41,707	0.7%	-	0.0%
Highways, streets & bridges	6,185,455	100.7%	3,942,858	64.2%
Health and welfare	12,600	0.2%	-	0.0%
Total expenditures	<u>9,242,516</u>	<u>150.5%</u>	<u>4,961,049</u>	<u>80.8%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,099,885)</u>	<u>-50.5%</u>	<u>636,326</u>	<u>10.4%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	1.1%	-	0.0%
Transfers out	(303,166)	-4.9%	(162,449)	-2.6%
Total other financing sources (uses)	<u>(233,166)</u>	<u>-3.8%</u>	<u>(162,449)</u>	<u>-2.6%</u>
Net changes in fund balances	<u>(3,333,051)</u>	<u>-54.3%</u>	<u>473,877</u>	<u>7.7%</u>
Fund balances-beginning	<u>6,233,644</u>	<u>101.5%</u>	<u>5,759,767</u>	<u>93.8%</u>
Fund balances - ending	<u>\$ 2,900,593</u>	<u>47.2%</u>	<u>\$ 6,233,644</u>	<u>101.5%</u>

Total revenue in this fund was over \$6.1 million in 2014. Revenue increased from 2013 by about \$545,000, mostly due to an increase in sales tax collections of \$334,000. In 2014, the County also received about \$297,000 in intergovernmental revenue from BRO (Off System Bridge Replacement and Rehabilitation Program) funds.

Expenditures increased in 2014 by about \$4.3 million compared to 2013. Highway, streets and bridges current expenditures increased from 2013 to 2014 by over \$2.2 million, mostly due to the work on two joint road projects with the City of Jefferson, which become infrastructure assets of the City of Jefferson when completed. The two

projects during 2014 included an upgrade to Frog Hollow Road and improvements to Lafayette Street. Highway, streets and bridges capital outlay also increased from 2013 to 2014 by over \$2.2 million due to the work on several completed road upgrade projects, work on Business 50 West road upgrade project that was on-going as of year-end, and the purchase of a new street sweeper, new pick-up trucks and electronic messages boards to use during road 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 2014, the tax accounted for almost 70% of the Fund’s revenue. Most of the remainder came from fees and charges (slightly over 26%) and intergovernmental revenue (almost 3%).

Revenue between 2013 and 2014 increased approximately \$358,000, mostly due to an increase in taxes of about \$332,000. Licenses, fees, and permits collected also increase by about \$169,000 due to an increase in the board of prisoner fees collected in 2014. There was a decrease in intergovernmental revenue of about \$75,000 due to a change in grant funding in 2014.

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, 2014 and 2013

	2014		2013	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 5,729,941	69.6%	\$ 5,397,453	68.5%
Licenses, fees and permits	2,181,370	26.5%	2,012,320	25.5%
Intergovernmental	220,561	2.7%	295,313	3.7%
Interest	73,132	0.9%	78,229	1.0%
Other	30,333	0.4%	94,490	1.2%
Total revenues	8,235,337	100.0%	7,877,805	100.0%
EXPENDITURES				
Current:				
Public safety	6,344,284	77.0%	6,503,962	82.6%
Capital outlay:				
Public safety	88,405	1.1%	236,470	3.0%
Total expenditures	6,432,689	78.1%	6,740,432	85.6%
Excess (deficiency) of revenues over (under) expenditures	1,802,648	21.9%	1,137,373	14.4%
OTHER FINANCING SOURCES (USES)				
Transfers in	2,115,308	25.7%	1,992,122	25.3%
Transfers out	(2,890,341)	-35.1%	(3,023,347)	-38.4%
Sale of capital assets	39,938	0.5%	14,498	0.2%
Total other financing sources (uses)	(735,095)	-8.9%	(1,016,727)	-12.9%
Net changes in fund balances	1,067,553	13.0%	120,646	1.5%
Fund balances-beginning	5,059,386	61.4%	4,938,740	62.7%
Fund balances - ending	\$ 6,126,939	74.4%	\$ 5,059,386	64.2%

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 decreased in 2014 by about \$308,000, mostly due to the additional capital outlay in 2013 to purchase new vehicles. In 2014, the County decided to lease vehicles for some law enforcement staff; as a result, there was only about \$88,000 in capital outlay expenditures in 2014 for the purchase of new vehicles. The ending fund balance increased by slightly over \$1.0 million in 2014 as compared to about \$120,000 in 2013.

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, 2014 and 2013

	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 5,729,189	99.3%	\$ 5,402,377	99.5%
Interest	20,074	0.3%	21,448	0.4%
Other	19,419	0.3%	4,315	0.1%
Total revenues	<u>5,768,682</u>	<u>100.0%</u>	<u>5,428,140</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Health & welfare	359,935	6.2%	222,771	4.1%
Capital outlay:				
General government	1,216,405	21.1%	-	0.0%
Health & welfare	371,638	6.4%	487,892	9.0%
Total expenditures	<u>1,947,978</u>	<u>33.8%</u>	<u>710,663</u>	<u>13.1%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,820,704</u>	<u>66.2%</u>	<u>4,717,477</u>	<u>86.9%</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,607,774)	-79.9%	(4,227,741)	-77.9%
Total other financing sources (uses)	<u>(4,607,774)</u>	<u>-79.9%</u>	<u>(4,227,741)</u>	<u>-77.9%</u>
Net changes in fund balances	(787,070)	-13.6%	489,736	9.0%
Fund balances-beginning	2,176,440	37.7%	1,686,704	31.1%
Fund balances - ending	<u>\$ 1,389,370</u>	<u>24.1%</u>	<u>\$ 2,176,440</u>	<u>40.1%</u>

In 2014, the County collected more sales tax, an approximate \$327,000 increase from the prior year. Total expenditures in the current year increased about \$1.2 million and almost all of the increase was to pay for a remodel of the ambulance bay and offices. Current expenditures increased in 2014 by approximately \$137,000. There was a decrease in health and welfare capital outlay as the County purchased three new ambulances in 2013 compared to only two in 2014. Overall, the revenue and expenditures (excluding the one-time remodel cost) in this fund stayed very stable with a change in fund balance of \$787,000 in 2014 as compared to \$489,000 in 2013.

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 2014 by \$2.5 million due to the refunding of the second issuance of COPs during the current year. There is no longer a restriction to hold a lease reserve account with the trustee for the new issuance of COPs. 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.

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, 2014 and 2013

	2014		2013	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Investment income (loss)	\$ (5,383)	100.0%	\$ 362	100.0%
Total revenues	<u>(5,383)</u>	<u>100.0%</u>	<u>362</u>	<u>100.0%</u>
EXPENDITURES				
Debt service:				
Public safety	3,110,940	-57791.9%	3,023,662	835265.7%
Total expenditures	<u>3,110,940</u>	<u>-57791.9%</u>	<u>3,023,662</u>	<u>835265.7%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,116,323)</u>	<u>57891.9%</u>	<u>(3,023,300)</u>	<u>-835165.7%</u>
OTHER FINANCING SOURCES (USES)				
Issuance of certificates of participation:				
Proceeds	16,305,000	-302898.0%	-	0.0%
Premium	997,506	-18530.7%	-	0.0%
Payment to escrow agent	(19,582,400)	363782.3%	-	0.0%
Transfers in	2,890,341	-53693.9%	3,023,347	835178.7%
Transfers out	-	0.0%	-	0.0%
Total other financing sources (uses)	<u>610,447</u>	<u>-11340.3%</u>	<u>3,023,347</u>	<u>835178.7%</u>
Net changes in fund balances	<u>(2,505,876)</u>	<u>46551.7%</u>	<u>47</u>	<u>13.0%</u>
Fund balances-beginning	<u>3,318,914</u>	<u>-61655.5%</u>	<u>3,318,867</u>	<u>916814.1%</u>
Fund balances - ending	<u>\$ 813,038</u>	<u>-15103.8%</u>	<u>\$ 3,318,914</u>	<u>916827.1%</u>

In 2014, the County refunded the 2009 issuance of COPs to take advantage of lower interest rates and to lower future debt service payments. The new proceeds amount is \$16.3 million. In 2013, this fund was only be used to meet the debt service requirements, therefore it was not considered a major fund for the County. The refunding activity in 2014 caused this fund to meet the requirements of a major fund in 2014.

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 \$213,000.

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, 2014 and 2013

	2014		2013	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Licenses, fees and permits	\$ 46,567	75.8%	\$ 38,590	68.8%
Interest	14,850	24.2%	17,478	31.2%
Total revenues	<u>61,417</u>	<u>100.0%</u>	<u>56,068</u>	<u>100.0%</u>
EXPENDITURES				
Debt service:				
General government	58,094	94.6%	59,547	106.2%
Total expenditures	<u>58,094</u>	<u>94.6%</u>	<u>59,547</u>	<u>106.2%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,323</u>	<u>5.4%</u>	<u>(3,479)</u>	<u>-6.2%</u>
Net changes in fund balances	3,323	5.4%	(3,479)	-6.2%
Fund balances-beginning	64,768	105.5%	68,247	121.7%
Fund balances - ending	<u>\$ 68,091</u>	<u>110.9%</u>	<u>\$ 64,768</u>	<u>115.5%</u>

The fund’s revenue is assessments collected to service the debt, and expenditures are for debt service. During 2014, revenue was approximately \$61,000 and expenditures approximately \$58,000. The activity in this fund is very consistent from year to year, which is reflected by the change in fund balance of approximately \$3,300 from 2013 to 2014.

ENTERPRISE FUNDS –EMERGENCY MEDICAL SERVICES, EUGENE WATER AND HEALTH INSURANCE FUND

The Emergency Medical Services Fund was created in 2009, when the County acquired the ambulance service previously operated by Capital Region Medical Center (CRMC), and is considered a business-type activity. The County added the Eugene Water Services Fund in July 2012. Eugene Water Services Fund completed its second full year of operations with the County in 2014 and is also a business-type activity. Business-type activities include services funded primarily through user charges. The activity for these funds 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.

EMERGENCY MEDICAL SERVICES

The Emergency Medical Services Fund is financed partly through charge for services, which totaled \$3.0 million in 2014 and 2013, and partly through a special revenue ½ cent sales tax discussed previously. Revenue from the special sales tax can be used only for emergency medical services and a rollback of General Fund property taxes.

Table 10
COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund- Emergency Medical Services Fund
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
OPERATING REVENUES				
Charges for services	\$ 3,046,744	100.0%	\$ 3,076,495	100.0%
Total operating revenues	3,046,744	100.0%	3,076,495	100.0%
OPERATING EXPENSES				
Personnel services	3,114,563	102.2%	3,023,394	98.3%
Administrative	299,378	9.8%	642,896	20.9%
Other supplies and expenses	194,679	6.4%	247,389	8.0%
Repairs and maintenance	190,605	6.3%	241,980	7.9%
Insurance	30,438	1.0%	32,368	1.1%
Depreciation	314,963	10.3%	243,104	7.9%
Miscellaneous	-	0.0%	2,872	0.1%
Total operating expenses	4,144,626	136.0%	4,434,003	144.1%
Operating income	(1,097,882)	-36.0%	(1,357,508)	-44.1%
NONOPERATING REVENUE (EXPENSES)				
Miscellaneous	9,884	0.3%	26,953	0.9%
Intergovernmental	-	0.0%	70,400	2.3%
Interest and investment revenue	13,783	0.5%	11,743	0.4%
Total nonoperating revenue	23,667	0.8%	109,096	3.5%
Loss before contributions	(1,074,215)	-35.3%	(1,248,412)	-40.6%
Transfers in	1,105,726	36.3%	950,919	30.9%
Transfers out	(109,580)	-3.6%	(109,700)	-3.6%
Capital contributions	371,638	12.2%	487,892	15.9%
Change in net assets	293,569	9.6%	80,699	2.6%
Total net position - beginning	1,925,543	63.2%	1,844,844	60.0%
Total net position - ending	\$ 2,219,112	72.8%	\$ 1,925,543	62.6%

Total operating expenses totaled almost \$4.1 million in 2014, with a decrease of about \$289,000 from 2013. Most of the change was due to the decrease in bad debt expense by the EMS fund, which includes amounts written off and sent to collections for non-payment. The Fund also experienced over a \$91,000 increase in personnel services due to the fluctuating schedules of those employees that work for the ambulance service, which impacts salary expense. Almost \$72,000 of the changes was due to an increase in depreciation expense. The EMS Fund also experienced slight decreases in supplies and repairs and maintenance expenses during 2014 for a total decrease of approximately \$104,000. Net position of the Emergency Medical Services Fund at the end of 2014 totaled approximately \$2.2 million, compared to almost \$1.9 million in 2013.

EUGENE WATER

The County added the Eugene Water Services Fund in July 2012. Eugene Water Services Fund completed its second full year of operations with the County in 2014 and is also a business-type activity.

Table 10
COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund- Eugene Water District
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
OPERATING REVENUES				
Charges for services	\$ 27,074	100.0%	\$ 19,761	100.0%
Total operating revenues	27,074	100.0%	19,761	100.0%
OPERATING EXPENSES				
Personnel services	7,340	27.1%	6,850	34.7%
Administrative	2,754	10.2%	3,326	16.8%
Other supplies and expenses	2,902	10.7%	4,628	23.4%
Repairs and maintenance	592	2.2%	413	2.1%
Insurance	132	0.5%	106	0.5%
Depreciation	6,186	22.8%	7,738	39.2%
Miscellaneous	288	1.1%	123	0.6%
Total operating expenses	20,194	74.6%	23,184	117.3%
Operating income (loss)	6,880	25.4%	(3,423)	-17.3%
NONOPERATING REVENUE (EXPENSES)				
Gain/loss sale of fixed assets	(500)	-1.8%	-	0.0%
Interest and investment revenue	1,144	4.2%	922	4.7%
Total nonoperating revenue	644	2.4%	922	4.7%
Loss before contributions	7,524	27.8%	(2,501)	-12.7%
Transfers in	-	0.0%	100,000	506.0%
Transfers out	(18,107)	-66.9%	(15,902)	-80.5%
Change in net assets	(10,583)	-39.1%	81,597	412.9%
Total net position - beginning	107,674	397.7%	26,077	132.0%
Total net position - ending	\$ 97,091	358.6%	\$ 107,674	544.9%

The Eugene Water Service has been slowing upgrading different parts of the system. In 2014, the County installed new meters that can be read electronically and began billing customers based on usage instead of a flat fee. Charges for services increased approximately \$7,000 from 2013, and expenses decreased approximately \$3,000. As part of the 2013 budget for the Eugene Water Fund, the Cole County Commission approved a \$100,000 loan to the fund from General Fund. The \$100,000 was to be used for needed repairs, maintenance and capital improvements to the water system. This loan is intended to be paid back over 15 years at \$6,666.67 a year. As the Eugene Water Fund is not currently self-sustaining, the County is unsure whether the fund will have sufficient resources to repay the General Fund. Due to this uncertainty, the \$100,000 transaction was reflected as a transfer in the prior year instead of an interfund loan. The Eugene water services serves approximately 50 customers.

HEALTH INSURANCE FUND

In 2014, the County decided to partially self fund the employee health insurance costs; as such, the County created an internal service fund to account for the activity of the self-insured health plan. The Health Insurance Fund received approximately \$2.4 million in employer and employee contributions during the year, and incurred expenses of approximately \$1.7 million. Operating income was approximately \$762,000 for fiscal year 2014.

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 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 2014, with the continued uncertainty in the economy as a whole since the recession in 2009, the County has taken a more conservative approach to budgeting and spending. As such, both revenues and expenditures were under budget in the General Fund and the Law Enforcement 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 almost \$71.4 million at the end of 2014. Over 80% of the \$71.4 million in capital assets is made up of \$26.3 million in infrastructure and almost \$31 million in buildings. The County also has over \$5 million in land and over \$4 million in machinery and equipment. Additional information regarding Cole County's capital assets can be found in Note 1I and in Note 6 of this report.

Table 11
County of Cole, Missouri
Schedule of Capital Assets
For the Years Ended December 31, 2014 and 2013
 (net of depreciation)

	2014		2013	
	<u>Total</u>	Percent of Total	<u>Total</u>	Percent of Total
Land	\$ 5,049,526	7.1%	\$ 4,857,001	6.8%
Buildings	30,975,142	43.4%	30,624,528	44.4%
Machinery and equipment	4,088,917	5.7%	4,271,376	5.5%
Infrastructure	26,325,117	36.9%	27,297,232	39.9%
Construction in progress	4,953,853	6.9%	1,750,667	3.4%
Total	<u>\$ 71,392,555</u>	<u>100.0%</u>	<u>\$ 68,800,804</u>	<u>100.0%</u>

The most significant capital asset changes in 2014 were to infrastructure and construction in progress. The increase in construction in progress of over \$3.2 million was due to the multi-year infrastructure project on Business 50 West that was started in 2011 but not yet completed. Most infrastructure projects for the County are multi-year projects, therefore span more than one year. Although there was a significant change in infrastructure, due to the completion of a couple road projects, the annual depreciation expense offset the addition of new projects.

There were also building improvements completed in 2014, including a remodel at the EMS building of \$1.2 million and a remodel of the Public Administrator's office of almost \$50,000, but depreciation expense being recognized on current assets offset most of the additions. In 2014, the County also purchased a vacant property adjacent to the Public Works building resulting in an addition to land of almost \$190,000. 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 \$213,000 in 2014 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 \$42,000 less in 2014 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 County refunded the second issuance of COPs in 2014 to save the County slightly over \$650,000 through lower interest rates. 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, 2014 and 2013

	2014	2013
Outstanding Debt:		
Special Assessment Bonds	\$ 213,000	\$ 255,000
Certificates of Participation (Capital Lease)	20,705,000	24,990,000
Total	\$ 20,918,000	\$ 25,245,000

At December 31, 2014, the County had approximately \$21 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 \$2,395,000 was made in 2014. 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 76,362 in 2014, a small decrease from 2013. 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. As such, County officials plan activities on the assumption that key economic events that drive revenue and expenses will grow slightly.

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, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and cash equivalents	\$ 14,522,830	\$ 973,727	\$ 15,496,557
Investments	11,998,751	-	11,998,751
Restricted investments	813,038	-	813,038
Receivables (net of allowance)	4,264,563	591,201	4,855,764
Due from agency fund	73,064	-	73,064
Inventory	562,522	-	562,522
Prepaid leases	88,887	-	88,887
Prepaid insurance	189,952	31,338	221,290
Capital assets:			
Non-depreciable	9,998,391	4,988	10,003,379
Depreciable, net	60,408,962	980,214	61,389,176
Total assets	102,920,960	2,581,468	105,502,428
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	1,903,842	-	1,903,842
Total deferred outflows of resources	1,903,842	-	1,903,842
LIABILITIES:			
Accounts payable and other current liabilities	488,683	121,323	610,006
Accrued liabilities	61,907	-	61,907
Incurred by not reported health claims	295,975	-	295,975
Due to other governments	41,514	-	41,514
Noncurrent liabilities:			
Due within one year	2,380,384	7,960	2,388,344
Due in more than one year	20,537,153	135,982	20,673,135
Total liabilities	23,805,616	265,265	24,070,881
NET POSITION:			
Net investment in capital assets	50,733,013	985,202	51,718,215
Restricted for:			
Capital improvement	3,713,631	-	3,713,631
Highways, streets, and bridges	4,907,503	-	4,907,503
Public safety	6,529,234	-	6,529,234
Emergency medical services	1,389,370	-	1,389,370
Assessment costs	1,664,571	-	1,664,571
Judicial	213,997	-	213,997
Recorder of deeds	31,635	-	31,635
Domestic violence	7,813	-	7,813
Tax maintenance	157,185	-	157,185
Election services	34,664	-	34,664
Debt service	68,091	-	68,091
Unrestricted	11,568,479	1,331,001	12,899,480
Total net position	\$ 81,019,186	\$ 2,316,203	\$ 83,335,389

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2014

	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	\$ 4,866,681	\$ 1,586,367	\$ 18,640	\$ -	\$ (3,261,674)	\$ -	\$ (3,261,674)
Public safety	9,792,470	2,837,433	680,184	1,740	(6,273,113)	-	(6,273,113)
Highways, streets and bridges	11,278,690	333,161	-	306,988	(10,638,541)	-	(10,638,541)
Assessment	666,228	148,348	-	-	(517,880)	-	(517,880)
Judicial	964,492	124,143	393,369	-	(446,980)	-	(446,980)
Health and welfare	2,067,418	266,842	679,677	-	(1,120,899)	-	(1,120,899)
Parks and recreation	22,061	-	-	-	(22,061)	-	(22,061)
Emergency management	204,732	-	94,101	-	(110,631)	-	(110,631)
Interest and fiscal fees	829,942	-	-	-	(829,942)	-	(829,942)
Total governmental activities	<u>30,692,714</u>	<u>5,296,294</u>	<u>1,865,971</u>	<u>308,728</u>	<u>(23,221,721)</u>	<u>-</u>	<u>(23,221,721)</u>
Business-type activities							
Emergency medical services	4,144,626	3,046,744	-	-	-	(1,097,882)	(1,097,882)
Water services	20,194	27,074	-	-	-	6,880	6,880
Total business-type activities	<u>4,164,820</u>	<u>3,073,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,091,002)</u>	<u>(1,091,002)</u>
Total primary government	<u>\$ 34,857,534</u>	<u>\$ 8,370,112</u>	<u>\$ 1,865,971</u>	<u>\$ 308,728</u>	<u>(23,221,721)</u>	<u>(1,091,002)</u>	<u>(24,312,723)</u>
					5,941,766	-	5,941,766
					17,195,436	-	17,195,436
					1,352,521	-	1,352,521
					322,892	-	322,892
					1,156,203	-	1,156,203
					820,683	-	820,683
					100,184	-	100,184
					331,269	14,927	346,196
					46,901	-	46,901
					(1,349,677)	1,349,677	-
					325,316	9,384	334,700
					<u>26,243,494</u>	<u>1,373,988</u>	<u>27,617,482</u>
					3,021,773	282,986	3,304,759
					77,997,413	2,033,217	80,030,630
					<u>\$ 81,019,186</u>	<u>\$ 2,316,203</u>	<u>\$ 83,335,389</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, 2014

	Major Funds							Non-Major Funds	Total Governmental Funds		
	Special Revenue			Law Enforcement		Emergency Services				Debt Service	
	General	Road & Bridge	Sales Tax	Sales Tax	Sales Tax	Neighborhood Sinking	Capital Improvement				
ASSETS											
Cash and cash equivalents	\$ 4,470,670	\$ 3,736,442	\$ 540,190	\$ 2,035,048	\$ 526,814	\$ 68,091	\$ -	\$ 2,134,132	\$ 13,511,387		
Investments	5,499,427	999,896	1,499,844	2,999,688	499,948	-	-	499,948	11,998,751		
Restricted investments	-	-	-	-	-	-	813,038	-	813,038		
Receivables (net of allowance)											
Intergovernmental	419,353	188,481	998,585	1,216,472	937,387	-	-	23,261	3,783,539		
Special assessments	-	-	-	-	-	173,984	-	-	173,984		
Property taxes	69,481	178,832	-	-	-	-	-	-	248,313		
Due from other funds	569,630	-	-	65,147	-	-	-	719	635,496		
Due from others	-	-	-	3,005	-	-	-	2,029	5,034		
Inventory	-	562,522	-	-	-	-	-	-	562,522		
Prepaid leases	-	-	-	88,887	-	-	-	-	88,887		
Prepaid insurance	107,425	26,295	-	50,069	-	-	-	6,163	189,952		
Total assets	\$ 11,135,986	\$ 5,692,468	\$ 3,038,619	\$ 6,458,316	\$ 1,964,149	\$ 242,075	\$ 813,038	\$ 2,666,252	\$ 32,010,903		
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 148,530	\$ 58,272	\$ 127,532	\$ 133,025	\$ 12,347	\$ -	\$ -	\$ 8,973	\$ 488,679		
Due to other funds	-	-	-	-	562,432	-	-	-	562,432		
Due to other governments	-	-	-	41,514	-	-	-	-	41,514		
Total liabilities	148,530	58,272	127,532	174,539	574,779	-	-	8,973	1,092,625		
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - property taxes	60,424	137,876	10,494	156,838	-	-	-	-	365,632		
Unavailable revenue - special assessments	-	-	-	-	-	173,984	-	-	173,984		
Total deferred inflows of resources	60,424	137,876	10,494	156,838	-	173,984	-	-	539,616		
FUND BALANCES											
Nonspendable:											
Prepaid items	107,425	26,295	-	138,956	-	-	-	6,163	278,839		
Inventory	-	562,522	-	-	-	-	-	-	562,522		
Restricted for:											
Capital improvements	-	-	2,900,593	-	-	-	813,038	-	3,713,631		
Law enforcement	-	-	-	5,987,983	-	-	-	78,686	6,066,669		
Emergency medical services	-	-	-	-	1,389,370	-	-	-	1,389,370		
Highways, streets & bridges	-	4,907,503	-	-	-	-	-	-	4,907,503		
Domestic violence	-	-	-	-	-	-	-	7,813	7,813		
Training costs	-	-	-	-	-	-	-	5,873	5,873		
Prosecuting attorney	-	-	-	-	-	-	-	456,692	456,692		
Assessment costs	-	-	-	-	-	-	-	1,664,571	1,664,571		
Judicial	-	-	-	-	-	-	-	213,997	213,997		
Recorder of deeds	-	-	-	-	-	-	-	31,635	31,635		
Tax maintenance	-	-	-	-	-	-	-	157,185	157,185		
Election services	-	-	-	-	-	-	-	34,664	34,664		
Debt service	-	-	-	-	-	68,091	-	-	68,091		
Unassigned:											
General Fund	10,819,607	-	-	-	-	-	-	-	10,819,607		
Total fund balances	10,927,032	5,496,320	2,900,593	6,126,939	1,389,370	68,091	813,038	2,657,279	30,378,662		
Total liabilities and fund balances	\$ 11,135,986	\$ 5,692,468	\$ 3,038,619	\$ 6,458,316	\$ 1,964,149	\$ 242,075	\$ 813,038	\$ 2,666,252	\$ 32,010,903		

Total fund balances - governmental funds \$ 30,378,662

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. 70,407,353

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. 539,616

Internal service funds are used by management to charge the costs of various items. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets 769,161

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	(7,769)	
Bonds payable	(213,000)	
Interest payable	(54,142)	
Certificates of Participation payable	(20,705,000)	
Less: Discount on certificates of participation to be amortized as interest expense	38,001	
Plus: Premium on certificates of participation to be amortized as interest expense	(911,183)	
Less: Deferred charge on refunding of certificates of participation to be amortized as interest expense	1,903,842	
	<u>(19,674,340)</u>	(19,674,340)

Compensated absences (1,126,355) (21,075,606)

Net position of governmental activities \$ 81,019,186

COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	Major Funds							Non-Major Funds	Total Governmental Funds		
	Special Revenue			Law		Emergency				Debt Service	
	General	Road & Bridge	Sales Tax	Enforcement Sales Tax	Services Sales Tax	Neighborhood Sinking	Capital Improvement				
REVENUES											
Taxes	\$ 4,129,531	\$ 4,934,252	\$ 5,736,306	\$ 5,729,941	\$ 5,729,189	\$ -	\$ -	\$ 624,098	\$ 26,883,317		
Licenses, fees and permits	2,281,938	301,937	31,224	2,181,370	-	46,567	-	594,321	5,437,357		
Intergovernmental	1,592,483	-	296,493	220,561	-	-	-	-	2,109,537		
Investment earnings (loss)	104,867	32,385	67,858	73,132	20,074	14,850	(5,383)	23,486	331,269		
Other	185,311	13,788	10,750	30,333	19,419	-	-	62,928	322,529		
Total revenues	8,294,130	5,282,362	6,142,631	8,235,337	5,768,682	61,417	(5,383)	1,304,833	35,084,009		
EXPENDITURES											
Current:											
General government	4,390,421	-	183,344	-	-	-	-	157,080	4,730,845		
Public safety	2,798,179	-	-	6,344,284	-	-	-	162,872	9,305,335		
Highways, streets & bridges	-	4,969,173	2,283,968	-	-	-	-	-	7,253,141		
Assessment costs	-	-	-	-	-	-	-	665,253	665,253		
Judicial	852,033	-	-	-	-	-	-	69,749	921,782		
Health & welfare	1,682,236	-	-	-	359,935	-	-	-	2,042,171		
Parks & recreation	14,008	-	-	-	-	-	-	-	14,008		
Emergency management	152,139	-	-	-	-	-	-	-	152,139		
Capital outlay:											
General government	-	-	535,442	-	1,216,405	-	-	-	1,751,847		
Public safety	5,065	-	-	88,405	-	-	-	-	93,470		
Judicial	-	-	41,707	-	-	-	-	-	41,707		
Health & welfare	-	-	12,600	-	371,638	-	-	-	384,238		
Highways, streets & bridges	-	-	6,185,455	-	-	-	-	-	6,185,455		
Emergency management	16,700	-	-	-	-	-	-	-	16,700		
Debt service:											
Principal	-	-	-	-	-	42,000	2,395,000	-	2,437,000		
Interest	-	-	-	-	-	16,094	498,162	-	514,256		
Issuance costs	-	-	-	-	-	-	217,778	-	217,778		
Total expenditures	9,910,781	4,969,173	9,242,516	6,432,689	1,947,978	58,094	3,110,940	1,054,954	36,727,125		
Excess (deficiency) of revenues over (under) expenditures	(1,616,651)	313,189	(3,099,885)	1,802,648	3,820,704	3,323	(3,116,323)	249,879	(1,643,116)		
OTHER FINANCING SOURCES (USES)											
Refunding bond proceeds	-	-	-	-	-	-	16,305,000	-	16,305,000		
Premium on bonds issued	-	-	-	-	-	-	997,506	-	997,506		
Payment to refunded bond escrow agent	-	-	-	-	-	-	(19,582,400)	-	(19,582,400)		
Transfers in	3,981,488	50,320	70,000	2,115,308	-	-	2,890,341	-	9,107,457		
Transfers out	(2,014,100)	(183,151)	(303,166)	(2,890,341)	(4,607,774)	-	-	(86,964)	(10,085,496)		
Sale of capital assets	549	11,629	-	39,938	-	-	-	-	52,116		
Total other financing sources (uses)	1,967,937	(121,202)	(233,166)	(735,095)	(4,607,774)	-	610,447	(86,964)	(3,205,817)		
Net changes in fund balances	351,286	191,987	(3,333,051)	1,067,553	(787,070)	3,323	(2,505,876)	162,915	(4,848,933)		
Fund balances-beginning	10,575,746	5,304,333	6,233,644	5,059,386	2,176,440	64,768	3,318,914	2,494,364	35,227,595		
Fund balances - ending	\$ 10,927,032	\$ 5,496,320	\$ 2,900,593	\$ 6,126,939	\$ 1,389,370	\$ 68,091	\$ 813,038	\$ 2,657,279	\$ 30,378,662		

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, 2014

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

Net change in fund balances - total governmental funds \$ (4,848,933)

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	8,438,403	
Depreciation expense	(5,522,575)	
Capital contribution to business-type activity	(371,638)	
Loss on sale of governmental fund capital assets	<u>(5,215)</u>	2,538,975

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

Grants	65,162	
Taxes	6,368	
Contributions	2,788	
Fees	<u>(141,069)</u>	(66,751)

Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue (expense) of the internal service fund is reported with the governmental activities.

769,161

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.

Issuance of certificates of participation	(16,305,000)	
Payment to refunded bond escrow agent	19,582,400	
Premium on certificates of participation	(997,506)	
Principal payments on Certificates of Participation	2,395,000	
Amortization expense on Certificates of Participation	(118,549)	
Change in interest payable	20,641	
Other principal payments	<u>42,000</u>	4,618,986

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>10,335</u>
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Change in net position of governmental activities

\$ 3,021,773

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2014

	<u>Enterprise Funds</u>			
	<u>Major Fund</u>	<u>Non-Major Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
	<u>Emergency Medical Services</u>	<u>Eugene Water District</u>		
ASSETS:				
Cash and cash equivalents	\$ 895,924	\$ 77,803	\$ 973,727	\$ 1,011,443
Receivables (net of allowance)	588,403	2,798	591,201	53,693
Prepaid insurance	31,338	-	31,338	-
Capital assets (net of accumulated depreciation):				
Land	-	4,988	4,988	-
Buildings	23,695	-	23,695	-
Equipment	944,457	12,062	956,519	-
Total assets	<u>2,483,817</u>	<u>97,651</u>	<u>2,581,468</u>	<u>1,065,136</u>
LIABILITIES:				
Accounts payable and other current liabilities	120,763	560	121,323	-
Incurred but not reported health claims	-	-	-	295,975
Noncurrent liabilities:				
Due within one year	7,960	-	7,960	-
Due in more than one year	135,982	-	135,982	-
Total liabilities	<u>264,705</u>	<u>560</u>	<u>265,265</u>	<u>295,975</u>
NET POSITION:				
Net investment in capital assets	968,152	17,050	985,202	-
Unrestricted	1,250,960	80,041	1,331,001	769,161
Total net position	<u>\$ 2,219,112</u>	<u>\$ 97,091</u>	<u>\$ 2,316,203</u>	<u>\$ 769,161</u>

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, 2014

	<u>Enterprise Funds</u>			
	<u>Major Fund</u>	<u>Non-Major Fund</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Emergency</u>	<u>Eugene Water</u>		
	<u>Medical Services</u>	<u>District</u>		<u>Fund</u>
OPERATING REVENUES				
Charges for services	\$ 3,046,744	\$ 27,074	\$ 3,073,818	\$ 2,424,682
Total operating revenues	<u>3,046,744</u>	<u>27,074</u>	<u>3,073,818</u>	<u>2,424,682</u>
OPERATING EXPENSES				
Personnel services	3,114,563	7,340	3,121,903	-
Administrative	299,378	2,754	302,132	-
Other supplies and expenses	194,679	2,902	197,581	-
Repairs and maintenance	190,605	592	191,197	-
Insurance	30,438	132	30,570	1,662,416
Depreciation	314,963	6,186	321,149	-
Miscellaneous	-	288	288	-
Total operating expenses	<u>4,144,626</u>	<u>20,194</u>	<u>4,164,820</u>	<u>1,662,416</u>
Operating income (loss)	<u>(1,097,882)</u>	<u>6,880</u>	<u>(1,091,002)</u>	<u>762,266</u>
NONOPERATING REVENUE (EXPENSE)				
Miscellaneous	9,884	-	9,884	-
Loss sale of fixed assets	-	(500)	(500)	-
Interest and investment revenue	13,783	1,144	14,927	6,895
Total nonoperating revenue	<u>23,667</u>	<u>644</u>	<u>24,311</u>	<u>6,895</u>
Income (loss) before contributions and transfers	(1,074,215)	7,524	(1,066,691)	769,161
Transfers in	1,105,726	-	1,105,726	-
Transfers out	(109,580)	(18,107)	(127,687)	-
Capital contributions	371,638	-	371,638	-
Change in net position	293,569	(10,583)	282,986	769,161
Total net position-beginning	<u>1,925,543</u>	<u>107,674</u>	<u>2,033,217</u>	<u>-</u>
Total net position - ending	<u>\$ 2,219,112</u>	<u>\$ 97,091</u>	<u>\$ 2,316,203</u>	<u>\$ 769,161</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, 2014

	<u>Enterprise Funds</u>			
	<u>Major Fund</u>	<u>Non-Major Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
	<u>Emergency Medical Services</u>	<u>Eugene Water District</u>		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,927,573	\$ 26,373	\$ 2,953,946	\$ 2,370,989
Payments to suppliers	(727,158)	(7,374)	(734,532)	(1,366,441)
Payments to employees	(3,122,274)	(7,340)	(3,129,614)	-
Other operating revenues	9,884	-	9,884	-
Net cash provided (used) by operating activities	<u>(911,975)</u>	<u>11,659</u>	<u>(900,316)</u>	<u>1,004,548</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	1,105,726	-	1,105,726	-
Operating subsidies and transfers to other funds	(109,580)	(18,107)	(127,687)	-
Net cash provided (used) by noncapital financing activities	<u>996,146</u>	<u>(18,107)</u>	<u>978,039</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	13,783	1,144	14,927	6,895
Net cash provided by investing activities	<u>13,783</u>	<u>1,144</u>	<u>14,927</u>	<u>6,895</u>
Net change in cash and cash equivalents	97,954	(5,304)	92,650	1,011,443
Cash balances-beginning	797,970	83,107	881,077	-
Cash balances-ending	<u>\$ 895,924</u>	<u>\$ 77,803</u>	<u>\$ 973,727</u>	<u>\$ 1,011,443</u>
NON-CASH ACTIVITY				
Capital contribution	<u>\$ 371,638</u>	<u>\$ -</u>	<u>\$ 371,638</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (1,097,882)	\$ 6,880	\$ (1,091,002)	\$ 762,266
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Miscellaneous revenue	9,884	-	9,884	-
Depreciation	314,963	6,186	321,149	-
Change in assets and liabilities:				
Receivables, net of allowance	(119,171)	(701)	(119,872)	(53,693)
Prepaid insurance	624	-	624	-
Accounts and other payables	(20,393)	(706)	(21,099)	-
Incurring but not reported health claims	-	-	-	295,975
Net cash provided (used) by operating activities	<u>\$ (911,975)</u>	<u>\$ 11,659</u>	<u>\$ (900,316)</u>	<u>\$ 1,004,548</u>

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 17,272,572
Investments	38,997,500
Property taxes receivable, net of allowance of \$304,677	3,336,000
Due from other funds	13,165
Due from others	67,663
Total assets	\$ 59,686,900
 LIABILITIES	
Due to other funds	\$ 86,229
Due to other governments	53,840,295
Due to others	5,760,281
Total liabilities	\$ 59,686,900

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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. 61, "The Financial Reporting Entity: Omnibus" (GASB 61). Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading if excluded. Based on the criteria of GASB 61, 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 are 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%.

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.

Capital Improvement Fund-The Capital Improvement Fund is a debt service fund used to account for proceeds from Certificates of Participation and subsequent debt service payments.

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.

The County reports the following major internal service fund:

Health Insurance Fund – The Health Insurance Fund is used to account for internal charges of premiums to the various County departments and for claims and administrative expenses of the County's self-insured health plan for employees.

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, Capital Improvement, 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, Prosecuting Attorney Administrative Handling Fee, and Neighborhood Improvement Sinking Funds.

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 \$525,878 at December 31, 2014.

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, water usage charges, and reinsurance reimbursements. 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. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this

category, which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and special assessments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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 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 expensed in all statements as incurred.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Principal repayments 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:

Net investment in capital assets – 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 \$1,873,785 for the year ended December 31, 2014.

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, liability for incurred but not reported health claims, 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 any 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, 2014.

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2014:

Bank balance	
Insured by FDIC	\$ 505,175
Collateralized with securities pledged by the financial institution	73,919,888
	<u>\$ 74,425,063</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	\$ 15,496,557
Fiduciary Funds Statement of Net Assets	17,272,572
	<u>\$ 32,769,129</u>

Investments

The County had the following investments as of December 31, 2014:

	<u>Investment Maturities (in years)</u>			<u>Fair Value</u>	<u>Carrying Value</u>
	<u>Less than 1</u>	<u>1-5</u>	<u>Over 5</u>		
Unrestricted:					
U.S. Treasury Bills	\$ 51,805,645	\$ -	\$ -	\$ 51,805,645	\$ 51,805,645
Restricted - Money Market Funds:					
Federated Treasury Obligations Funds	3,644	-	-	3,644	3,644
	<u>\$ 51,809,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,809,289</u>	<u>\$ 51,809,289</u>

Investments of \$813,038 are restricted in the Capital Improvement Fund for bond requirements.

A reconciliation of investments as shown in the financial statements is as follows:

Carrying value

Government-wide Statement of Net Assets	\$ 12,811,789
Fiduciary Funds Statement of Net Assets	<u>38,997,500</u>
	<u>\$ 51,809,289</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 unearned 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 2014 calendar year are as follows:

Assessed valuation:

Real estate	\$ 1,051,275,940
Personal property	229,343,735
Railroad and utilities	<u>65,706,925</u>
	<u><u>\$ 1,346,326,600</u></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	\$ 0.1000
Road and Bridge Fund	0.2700
Library Fund	0.2000
Cole County Special Services (Senate Bill 40)	0.0901
State of Missouri (certain pension funds)	<u>0.0300</u>
	<u><u>\$ 0.6901</u></u>

5. RECEIVABLES

Receivables are composed of the following as of December 31, 2014:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Receivables:			
Property taxes	\$ 278,005	\$ -	\$ 278,005
Accounts receivable	-	1,298,350	1,298,350
Intergovernmental	3,842,266	-	3,842,266
Special assessments	173,984	-	173,984
	<u>4,294,255</u>	<u>1,298,350</u>	<u>5,592,605</u>
Less allowance for estimated uncollectible amounts	<u>(29,692)</u>	<u>(707,149)</u>	<u>(736,841)</u>
Net receivables	<u>\$ 4,264,563</u>	<u>\$ 591,201</u>	<u>\$ 4,855,764</u>

Interfund receivable and payable balances at December 31, 2014, in the fund financial statements resulting from interfund transfers and interfund loans were as follows:

	Receivable	Payable
Governmental Funds:		
Major:		
General Fund	\$ 569,630	\$ -
Law Enforcement Sales Tax Fund	65,147	-
Emergency Services Sales Tax Fund	-	562,432
Non-Major:		
Domestic Violence Fund	396	-
Training Fund	323	-
Subtotal Governmental	<u>635,496</u>	<u>562,432</u>
Agency Funds:		
Sheriff Fund	-	57,731
Circuit Clerk Fund	-	28,498
School Fund	13,165	-
Subtotal Agency	<u>13,165</u>	<u>86,229</u>
Total	<u>\$ 648,661</u>	<u>\$ 648,661</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, 2014. 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, 2014.

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,852,013	\$ 192,525	\$ -	\$ -	\$ 5,044,538
Construction in progress	1,750,667	5,907,176	-	(2,703,990)	4,953,853
Total capital assets not being depreciated	<u>6,602,680</u>	<u>6,099,701</u>	<u>-</u>	<u>(2,703,990)</u>	<u>9,998,391</u>
Capital assets being depreciated:					
Buildings and improvements	36,156,777	1,305,085	(7,818)	-	37,454,044
Machinery and equipment	11,535,056	1,036,405	(963,461)	12,600	11,620,600
Infrastructure	107,427,720	-	-	2,691,390	110,119,110
Total capital assets being depreciated	<u>155,119,553</u>	<u>2,341,490</u>	<u>(971,279)</u>	<u>2,703,990</u>	<u>159,193,754</u>
Accumulated depreciation:					
Buildings and improvements	(5,566,285)	(936,313)	-	-	(6,502,598)
Machinery and equipment	(8,159,871)	(922,757)	594,427	-	(8,488,201)
Infrastructure	(80,130,488)	(3,663,505)	-	-	(83,793,993)
Total accumulated depreciation	<u>(93,856,644)</u>	<u>(5,522,575)</u>	<u>594,427</u>	<u>-</u>	<u>(98,784,792)</u>
Net capital assets being depreciated	<u>61,262,909</u>	<u>(3,181,085)</u>	<u>(376,852)</u>	<u>2,703,990</u>	<u>60,408,962</u>
Capital assets, net	<u>\$ 67,865,589</u>	<u>\$ 2,918,616</u>	<u>\$ (376,852)</u>	<u>\$ -</u>	<u>\$ 70,407,353</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 4,988	\$ -	\$ -	\$ -	\$ 4,988
Total capital assets not being depreciated	<u>4,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,988</u>
Capital assets being depreciated:					
Buildings and improvements	51,700	-	-	-	51,700
Machinery and equipment	1,555,893	371,637	(3,000)	-	1,924,530
Total capital assets being depreciated	<u>1,607,593</u>	<u>371,637</u>	<u>(3,000)</u>	<u>-</u>	<u>1,976,230</u>
Accumulated depreciation:					
Buildings and improvements	(22,834)	(5,170)	-	-	(28,004)
Machinery and equipment	(654,532)	(315,979)	2,499	-	(968,012)
Total accumulated depreciation	<u>(677,366)</u>	<u>(321,149)</u>	<u>2,499</u>	<u>-</u>	<u>(996,016)</u>
Net capital assets being depreciated	<u>930,227</u>	<u>50,488</u>	<u>(501)</u>	<u>-</u>	<u>980,214</u>
Capital assets, net	<u>\$ 935,215</u>	<u>\$ 50,488</u>	<u>\$ (501)</u>	<u>\$ -</u>	<u>\$ 985,202</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 918,318
Public safety	476,085
Highway, streets and bridges	3,998,274
Health and welfare	22,604
Assessment	1,899
Judicial	44,728
Parks and recreation	8,053
Emergency management	52,614
	<u>52,614</u>
Total depreciation expense - governmental activities	<u>\$ 5,522,575</u>
Business-type activities:	
Emergency medical services	\$ 314,963
Eugene water district	6,186
	<u>6,186</u>
Total depreciation expense - business-type activities	<u>\$ 321,149</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, 2014				Due within one year
	Beginning	Additions	Retirements	Ending	
Governmental Funds					
Special assessment debt	\$ 255,000	\$ -	\$ 42,000	\$ 213,000	\$ 45,000
Certificates of Participation	24,990,000	16,305,000	20,590,000	20,705,000	2,240,000
Less: Unamortized discount	(294,166)	-	256,165	(38,001)	
Add: Unamortized premium	-	997,506	(86,323)	911,183	
Compensated absences	1,136,690	82,271	92,606	1,126,355	95,384
Enterprise Fund					
Compensated absences	148,303	3,368	7,729	143,942	7,960
	<u>\$ 26,235,827</u>	<u>\$ 17,388,145</u>	<u>\$ 20,902,177</u>	<u>\$ 23,061,479</u>	<u>\$ 2,388,344</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	\$ 21,000
Maturing 3/1/2001 to 3/1/2020	9/15/2000	5% to 6%	93,000	40,000
Maturing 3/1/2002 to 3/1/2020	02/15/2000	5.25% to 6.625%	267,000	120,000
Maturing 3/1/2003 to 3/1/2022	11/01/2002	4.25% to 5.25%	60,000	32,000
			<u>\$ 685,000</u>	<u>\$ 213,000</u>

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. In March 2014, an advanced refunding occurred related to the December 2009 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 \$2,893,162 and \$5,729,941, 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, 2014, 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 \$2,119,597 as of December 31, 2014.

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, 2014, restricted investments totaled \$813,038.

Advanced Refundings: 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 County issued \$16,305,000 of 2014 Certificates of Participation to advance refund \$19,582,400 of outstanding 2009 Certificates of Participation. The net proceeds of \$19,802,505 (after payment of \$217,778 in issuance costs) plus an additional \$2,500,000 in sinking fund moneys, were used to purchase U.S. Government State and Local Government Series securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009 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 assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,638,764. This amount is being netted against the new debt and amortized over the life of the new debt. The advance refunding was undertaken to reduce the total debt service payments over the next 9 years by \$1,216,263 and resulted in an economic gain of \$679,020.

The annual requirements to amortize all debt outstanding as of December 31, 2014, including interest payments, are as follows:

	Special Assessment		Certificates of Participation		Total Payments
	Principal	Interest	Principal	Interest	
Year Ending December 31:					
2015	45,000	11,894	2,240,000	649,733	2,946,627
2016	29,000	9,597	2,280,000	610,370	2,928,967
2017	30,000	7,729	2,355,000	537,545	2,930,274
2018	31,000	5,804	2,435,000	460,108	2,931,912
2019	31,000	3,849	2,515,000	377,430	2,927,279
2020 through 2023	47,000	2,223	8,880,000	599,350	9,528,573
Total debt payments	<u>\$ 213,000</u>	<u>\$ 41,096</u>	<u>\$ 20,705,000</u>	<u>\$ 3,234,536</u>	<u>\$ 24,193,632</u>

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

Fund	Obligation	Amount
General Fund	Compensated absences	\$ 781,949
Road and Bridge Fund	Compensated absences	310,878
Assessment Fund	Compensated absences	33,528
Neighborhood Improvement District Fund	Special assessment debt	213,000
Capital Improvement Fund	Certificates of participation	21,578,182
Emergency Services Fund	Compensated absences	143,942
		<u>\$ 23,061,479</u>

8. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2014, follows:

	Transferred from:								Total
	Governmental Funds					Enterprise Funds			
	General Fund	Road & Bridge Fund	Sales Tax Fund	Law Enforcement Sales Tax Fund	Emergency Services Sales Tax Fund	Nonmajor Funds	Emergency Medical Services Fund	Eugene Water District	
Transferred to:									
Governmental Funds:									
General Fund	\$ -	\$ 183,151	\$ 163,078	\$ -	\$ 3,502,048	\$ 16,964	\$ 109,580	6,667	\$ 3,981,488
Road & Bridge Fund	38,880	-	-	-	-	-	-	11,440	50,320
Sales Tax Fund	-	-	-	-	-	70,000	-	-	70,000
Law Enforcement Sales Tax Fund	1,975,220	-	140,088	-	-	-	-	-	2,115,308
Capital Improvement Fund	-	-	-	2,890,341	-	-	-	-	2,890,341
	<u>2,014,100</u>	<u>183,151</u>	<u>303,166</u>	<u>2,890,341</u>	<u>3,502,048</u>	<u>86,964</u>	<u>109,580</u>	<u>18,107</u>	<u>9,107,457</u>
Enterprise Fund:									
Emergency Services Fund	-	-	-	-	1,105,726	-	-	-	1,105,726
	<u>\$ 2,014,100</u>	<u>\$ 183,151</u>	<u>\$ 303,166</u>	<u>\$ 2,890,341</u>	<u>\$ 4,607,774</u>	<u>\$ 86,964</u>	<u>\$ 109,580</u>	<u>\$ 18,107</u>	<u>\$ 10,213,183</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, 2014, is shown as a restricted fund balance on the governmental fund Balance Sheet.

The transfer of \$1,975,220 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.

All other are 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, 2014, the County has entered into contracts in process totaling \$4,639,015 for the construction of buildings, roads and other infrastructure. As of December 31, 2014, billings on these contracts totaled \$4,547,182, leaving a remaining contract liability of \$91,833.

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. 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 repairs and improvement of existing road, etc. from which the money accrued. 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 2014 total \$549,618.

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, 2014.

D. Litigation

The County is a defendant in a number of claims, lawsuits, and disputes regarding the assessed valuation of property. The County Attorney has reviewed these claims, lawsuits, and disputes 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 resolutions 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, lawsuits, or disputes regarding the assessed valuation of property.

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.

F. Health Insurance Plan

The County maintains a self-funded health insurance program with claims processed by a third party administrator on behalf of the County. A separate insurance fund (an internal service fund) was created to account for and finance the health insurance program.

All funds of the County from which employees' salaries are paid participate in the health insurance program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Total contributions and transfers to the program during 2014 were \$2,424,682. An estimate of the liability for claims outstanding at the end of the fiscal year has been reported in the Health Insurance Fund.

Changes in the Health Insurance Fund's claims liability amount for the last fiscal year were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year		Balance at Fiscal Year End
		Claims and Changes In Estimates	Less Claim Payments	
2014	\$ -	\$ 1,958,391	\$ (1,662,416)	\$ 295,975

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, 2014, was \$11,524,608 and total County payroll was \$12,612,141. The County's contribution to LAGERS for the year ended December 31, 2014, was \$969,121, which represents 8.4% 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 8.4% (general) and 10.9% (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, 2014, the County's annual pension cost and net pension obligation for the current year were as follows:

Annual Required Contribution	\$ 968,496
Interest on net pension obligation	12,359
Adjustment to annual required contribution	<u>(9,405)</u>
Annual pension cost	971,450
Actual contributions	<u>968,496</u>
Increase in NPO	2,954
NPO beginning of year	<u>170,470</u>
NPO end of year	<u><u>\$ 173,424</u></u>

The County has elected not to record the net pension obligation as of December 31, 2014, 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 29, 2012 and February 28, 2013 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 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

29, 2012 was 3 years for general and 15 years for police. The amortization period as of February 28, 2013 was 13 years for general and 16 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 June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 905,532	92%	\$ 106,248
2013	1,007,991	94%	170,470
2014	971,450	100%	173,424

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
2/28/2014	\$ 18,333,173	\$ 17,103,846	\$ (1,229,327)	107%	\$ 10,864,871	(11%)

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 City, 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 2014 was \$563,394. 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 2014 and 2013, Cole County collected and remitted to CERF employee contributions of \$13,166 and \$13,994; employer contributions of \$219,954 and \$271,880 and statutory charges of \$311,962 and \$364,683, 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, 2014

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, Prosecuting Attorney Administrative Handling Fee, 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 any 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, 2014

	<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	\$ 4,117,028	\$ 4,117,028	\$ 4,154,125	\$ (24,594)	\$ 4,129,531
Licenses, fees and permits	2,213,800	2,213,800	2,110,667	171,271	2,281,938
Intergovernmental	1,735,938	1,969,330	1,662,085	(69,602)	1,592,483
Interest	80,000	80,000	104,867	-	104,867
Other	495,833	500,332	519,085	(333,774)	185,311
Total revenues	<u>8,642,599</u>	<u>8,880,490</u>	<u>8,550,829</u>	<u>(256,699)</u>	<u>8,294,130</u>
EXPENDITURES					
Current:					
General government	12,115,623	12,037,610	4,798,180	(407,759)	4,390,421
Public safety	2,980,266	3,014,258	2,805,382	(2,138)	2,803,244
Judicial	904,787	1,120,504	855,438	(3,405)	852,033
Health and welfare	1,850,184	1,895,384	1,676,129	6,107	1,682,236
Parks and recreation	13,315	14,310	13,891	117	14,008
Emergency management	171,181	191,181	162,424	6,415	168,839
Total expenditures	<u>18,035,356</u>	<u>18,273,247</u>	<u>10,311,444</u>	<u>(400,663)</u>	<u>9,910,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,392,757)</u>	<u>(9,392,757)</u>	<u>(1,760,615)</u>	<u>143,964</u>	<u>(1,616,651)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,770,730	3,770,730	3,925,679	55,809	3,981,488
Transfers out	(2,014,100)	(2,014,100)	(2,014,100)	-	(2,014,100)
Sale of capital assets	-	-	549	-	549
Total other financing sources	<u>1,756,630</u>	<u>1,756,630</u>	<u>1,912,128</u>	<u>55,809</u>	<u>1,967,937</u>
Net changes in fund balances	<u>(7,636,127)</u>	<u>(7,636,127)</u>	<u>151,513</u>	<u>199,773</u>	<u>351,286</u>
Fund balances - beginning	<u>7,636,127</u>	<u>7,636,127</u>	<u>10,457,695</u>	<u>118,051</u>	<u>10,575,746</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,609,208</u>	<u>\$ 317,824</u>	<u>\$ 10,927,032</u>

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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 4,792,053	\$ 4,792,053	\$ 4,966,856	\$ (32,604)	\$ 4,934,252
Licenses, fees and permits	-	-	301,213	724	301,937
Interest	35,000	35,000	32,385	-	32,385
Other	310,000	310,000	13,765	23	13,788
Total revenues	<u>5,137,053</u>	<u>5,137,053</u>	<u>5,314,219</u>	<u>(31,857)</u>	<u>5,282,362</u>
EXPENDITURES					
Current:					
Highways, streets and bridges	6,085,462	6,085,462	4,967,091	2,082	4,969,173
Capital outlay:					
Highways, streets and bridges	215,664	227,241	94,089	(94,089)	-
Total expenditures	<u>6,301,126</u>	<u>6,312,703</u>	<u>5,061,180</u>	<u>(92,007)</u>	<u>4,969,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,164,073)</u>	<u>(1,175,650)</u>	<u>253,039</u>	<u>60,150</u>	<u>313,189</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	38,880	38,880	50,320	-	50,320
Transfers out	(183,151)	(183,151)	(183,151)	-	(183,151)
Sale of capital assets	-	11,577	11,629	-	11,629
Total other financing (uses)	<u>(144,271)</u>	<u>(132,694)</u>	<u>(121,202)</u>	<u>-</u>	<u>(121,202)</u>
Net changes in fund balances	(1,308,344)	(1,308,344)	131,837	60,150	191,987
Fund balances - beginning	<u>1,308,344</u>	<u>1,308,344</u>	<u>4,783,333</u>	<u>521,000</u>	<u>5,304,333</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,915,170</u>	<u>\$ 581,150</u>	<u>\$ 5,496,320</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, 2014

	Budgeted Amounts		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Taxes	\$ 5,377,925	\$ 5,377,925	\$ 5,641,521	\$ 94,785	\$ 5,736,306
Licenses, fees and permits	1,061,918	1,637,918	1,681,869	-	31,224
Intergovernmental	-	-	-	296,493	296,493
Interest	58,000	58,000	67,858	-	67,858
Other	-	-	80,750	-	10,750
Total revenues	6,497,843	7,073,843	7,471,998	391,278	6,142,631
EXPENDITURES					
Current:					
General government and other	1,372,692	1,372,692	960,610	(777,266)	183,344
Highways, streets and bridges	10,495,573	11,071,573	9,701,688	(7,417,720)	2,283,968
Capital outlay:					
General government and other	-	-	-	589,749	589,749
Highways, streets and bridges	-	-	-	6,185,455	6,185,455
Total expenditures	11,868,265	12,444,265	10,662,298	(1,419,782)	9,242,516
Excess (deficiency) of revenues over (under) expenditures	(5,370,422)	(5,370,422)	(3,190,300)	1,811,060	(3,099,885)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	70,000	70,000
Transfers out	(163,078)	(163,078)	(303,166)	-	(303,166)
Total other financing sources (uses)	(163,078)	(163,078)	(303,166)	70,000	(233,166)
Net changes in fund balances	(5,533,500)	(5,533,500)	(3,493,466)	1,881,060	(3,333,051)
Fund balances - beginning	5,533,500	5,533,500	5,533,500	700,144	6,233,644
Fund balances - ending	\$ -	\$ -	\$ 2,040,034	\$ 2,581,204	\$ 2,900,593

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, 2014

	<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	\$ 5,377,925	\$ 5,377,925	\$ 5,635,301	\$ 94,640	\$ 5,729,941
Licenses, fees and permits	2,152,026	2,152,026	2,440,894	(259,524)	2,181,370
Intergovernmental	252,130	353,024	236,525	(15,964)	220,561
Interest	75,000	75,000	73,132	-	73,132
Other	13,000	154,076	155,624	(125,291)	30,333
Total revenues	<u>7,870,081</u>	<u>8,112,051</u>	<u>8,541,476</u>	<u>(306,139)</u>	<u>8,235,337</u>
EXPENDITURES					
Current:					
Public safety	10,872,007	10,973,889	6,484,287	(140,003)	6,344,284
Capital outlay:					
Public safety	<u>193,500</u>	<u>333,588</u>	<u>274,176</u>	<u>(185,771)</u>	<u>88,405</u>
Total expenditures	<u>11,065,507</u>	<u>11,307,477</u>	<u>6,758,463</u>	<u>(325,774)</u>	<u>6,432,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,195,426)</u>	<u>(3,195,426)</u>	<u>1,783,013</u>	<u>19,635</u>	<u>1,802,648</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,975,220	1,975,220	1,975,220	140,088	2,115,308
Transfers out	(2,890,341)	(2,890,341)	(2,890,341)	-	(2,890,341)
Sale of capital assets	<u>8,000</u>	<u>8,000</u>	<u>36,933</u>	<u>-</u>	<u>39,938</u>
Total other financing sources (uses)	<u>(907,121)</u>	<u>(907,121)</u>	<u>(878,188)</u>	<u>140,088</u>	<u>(735,095)</u>
Net changes in fund balances	(4,102,547)	(4,102,547)	904,825	159,723	1,067,553
Fund balances - beginning	<u>4,102,547</u>	<u>4,102,547</u>	<u>4,129,911</u>	<u>929,475</u>	<u>5,059,386</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,034,736</u>	<u>\$ 1,089,198</u>	<u>\$ 6,126,939</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, 2014

	Budgeted Amounts		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Taxes	\$ 5,377,925	\$ 5,377,925	\$ 5,634,507	\$ 94,682	\$ 5,729,189
Interest	18,000	18,000	20,074	-	20,074
Other	-	21,008	19,419	-	19,419
Total revenues	5,395,925	5,416,933	5,674,000	94,682	5,768,682
EXPENDITURES					
Current:					
Health and welfare	1,485,075	864,495	1,782,439	(1,422,504)	359,935
Capital outlay:					
General government	-	-	-	1,216,405	1,216,405
Health and welfare	1,200,000	1,687,638	-	371,638	371,638
Total expenditures	2,685,075	2,552,133	1,782,439	165,539	1,947,978
Excess (deficiency) of revenues over (under) expenditures	2,710,850	2,864,800	3,891,561	(70,857)	3,820,704
OTHER FINANCING SOURCES (USES)					
Transfers out	(4,550,965)	(4,704,915)	(4,704,914)	(29,954)	(4,607,774)
Total other financing sources (uses)	(4,550,965)	(4,704,915)	(4,704,914)	(29,954)	(4,607,774)
Net changes in fund balances	(1,840,115)	(1,840,115)	(813,353)	(100,811)	(787,070)
Fund balances - beginning	1,840,115	1,840,115	1,840,115	336,325	2,176,440
Fund balances - ending	\$ -	\$ -	\$ 1,026,762	\$ 235,514	\$ 1,389,370

COLE COUNTY

**Required Supplementary Information
Pension Plan – Trend Information
December 31, 2014**

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	\$ 15,410,212	\$ 387,501	97%	\$ 10,735,020	3.6%
2/28/2013	16,054,046	16,071,342	17,296	100%	10,864,866	.2%
2/28/2014	18,333,173	17,103,846	(1,229,327)	107%	10,864,871	(11%)

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.

Sheriff Revolving Fund - This fund is established and governed by RSMo 50.535. It accounts for fees collected to process applications for concealed carry endorsements and renewals. The Cole County Sheriff approves the budget and administers this 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.

Prosecuting Attorney Administrative Handling Fee Fund - This fund is established and governed by RSMo 559.100. It accounts for revenues derived from Prosecuting Attorney Fees for the collection an administrative handling cost on the collection of restitution funds. The Prosecuting Attorney approves the budget and administers the fund.

COUNTY OF COLE, MISSOURI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Domestic Violence Fund	Record Preservation Fund	Assessment Fund	Training Fund	Circuit Clerk Fund	Prosecuting Attorney Tax Collection Fund	Election Services Fund	Tax Maintenance Fund	Sheriff Revolving Fund	Bad Check Fund	Prosecuting Attorney Administrative Handling Fee	Total Nonmajor Governmental Funds
ASSETS												
Cash and cash investments	\$ 7,217	\$ 33,597	\$ 1,148,370	\$ 5,300	\$ 213,997	\$ 425,883	\$ 34,664	\$ 157,185	\$ 76,657	\$ 30,302	\$ 960	\$ 2,134,132
Investments	-	-	499,948	-	-	-	-	-	-	-	-	499,948
Due from other governments	200	-	22,811	250	-	-	-	-	-	-	-	23,261
Due from other funds	396	-	-	323	-	-	-	-	-	-	-	719
Due from others	-	-	-	-	-	-	-	-	2,029	-	-	2,029
Prepaid insurance	-	-	6,163	-	-	-	-	-	-	-	-	6,163
Total assets	\$ 7,813	\$ 33,597	\$ 1,677,292	\$ 5,873	\$ 213,997	\$ 425,883	\$ 34,664	\$ 157,185	\$ 78,686	\$ 30,302	\$ 960	\$ 2,666,252
LIABILITIES												
Accounts and contracts payable	\$ -	\$ 1,962	\$ 6,558	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -	\$ 378	\$ -	\$ 8,973
Total liabilities	-	1,962	6,558	-	-	75	-	-	-	378	-	8,973
FUND BALANCES												
Nonspendable:												
Prepaid items	-	-	6,163	-	-	-	-	-	-	-	-	6,163
Restricted for:												
Domestic violence	7,813	-	-	-	-	-	-	-	-	-	-	7,813
Training costs	-	-	-	5,873	-	-	-	-	-	-	-	5,873
Prosecuting attorney	-	-	-	-	-	425,808	-	-	-	29,924	960	456,692
Assessment costs	-	-	1,664,571	-	-	-	-	-	-	-	-	1,664,571
Judicial	-	-	-	-	213,997	-	-	-	-	-	-	213,997
Law enforcement	-	-	-	-	-	-	-	-	78,686	-	-	78,686
Recorder of deeds	-	31,635	-	-	-	-	-	-	-	-	-	31,635
Tax maintenance	-	-	-	-	-	-	-	157,185	-	-	-	157,185
Election services	-	-	-	-	-	-	34,664	-	-	-	-	34,664
Total fund balances	7,813	31,635	1,670,734	5,873	213,997	425,808	34,664	157,185	78,686	29,924	960	2,657,279
Total liabilities and fund balances	\$ 7,813	\$ 33,597	\$ 1,677,292	\$ 5,873	\$ 213,997	\$ 425,883	\$ 34,664	\$ 157,185	\$ 78,686	\$ 30,302	\$ 960	\$ 2,666,252

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, 2014

	Domestic Violence Fund		Record Preservation Fund		Assessment Fund		Training Fund		Circuit Clerk Fund
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 624,098	\$ 550,000	\$ -	\$ -	\$ -
Licenses, fees and permits	14,395	15,000	72,428	88,000	148,348	147,500	10,826	11,100	-
Interest	65	50	260	200	15,939	14,000	62	30	-
Other	-	-	-	-	627	500	-	-	61,792
Total revenues	14,460	15,050	72,688	88,200	789,012	712,000	10,888	11,130	61,792
EXPENDITURES									
Current:									
General government	7,315	22,234	48,282	97,149	-	-	-	-	-
Public safety	-	-	-	-	-	-	10,651	16,148	-
Assessment costs	-	-	-	-	665,253	1,703,594	-	-	-
Judicial	-	-	-	-	-	-	-	-	69,749
Total expenditures	7,315	22,234	48,282	97,149	665,253	1,703,594	10,651	16,148	69,749
Excess (deficiency) of revenues over (under) expenditures	7,145	(7,184)	24,406	(8,949)	123,759	(991,594)	237	(5,018)	(7,957)
OTHER FINANCING SOURCES (USES)									
Transfers out	-	-	-	-	(31,964)	(16,964)	-	-	(15,000)
Total other financing (uses)	-	-	-	-	(31,964)	(16,964)	-	-	(15,000)
Net changes in fund balances	7,145	(7,184)	24,406	(8,949)	91,795	(1,008,558)	237	(5,018)	(22,957)
Fund balances - beginning	668	7,184	7,229	8,949	1,578,939	1,008,558	5,636	5,018	236,954
Fund balances - ending	\$ 7,813	\$ -	\$ 31,635	\$ -	\$ 1,670,734	\$ -	\$ 5,873	\$ -	\$ 213,997

(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, 2014

	Prosecuting Attorney Tax Collection Fund	Election Services Fund		Tax Maintenance Fund		Sheriff Revolving Fund	Bad Check Fund		Prosecuting Attorney Administrative Handling Fee	Total
	Actual	Actual	Budget	Actual	Budget	Actual	Actual	Budget	Actual	Actual
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,098
Licenses, fees and permits	146,231	20,893	25,000	89,712	95,000	61,423	29,110	36,000	955	594,321
Interest	5,857	400	350	-	-	545	353	400	5	23,486
Other	120	-	-	-	-	-	389	-	-	62,928
Total revenues	152,208	21,293	25,350	89,712	95,000	61,968	29,852	36,400	960	1,304,833
EXPENDITURES										
Current:										
General government	-	24,611	63,332	76,872	250,571	-	-	-	-	157,080
Public safety	132,742	-	-	-	-	-	19,479	56,482	-	162,872
Assessment costs	-	-	-	-	-	-	-	-	-	665,253
Judicial	-	-	-	-	-	-	-	-	-	69,749
Total expenditures	132,742	24,611	63,332	76,872	250,571	-	19,479	56,482	-	1,054,954
Excess (deficiency) of revenues over (under) expenditures	19,466	(3,318)	(37,982)	12,840	(155,571)	61,968	10,373	(20,082)	960	249,879
OTHER FINANCING SOURCES (USES)										
Transfers out	(20,000)	-	-	(20,000)	-	-	-	-	-	(86,964)
Total other financing sources (uses)	(20,000)	-	-	(20,000)	-	-	-	-	-	(86,964)
Net changes in fund balances	(534)	(3,318)	(37,982)	(7,160)	(155,571)	61,968	10,373	(20,082)	960	162,915
Fund balances - beginning	426,342	37,982	37,982	164,345	155,571	16,718	19,551	20,082	-	2,494,364
Fund balances - ending	\$ 425,808	\$ 34,664	\$ -	\$ 157,185	\$ -	\$ 78,686	\$ 29,924	\$ -	\$ 960	\$ 2,657,279

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, 2014

	Special Taxing Districts	Circuit Clerk	Tax Collector	Other	Total
ASSETS					
Cash and cash investments	\$ 888,199	\$ 825,619	\$ 14,888,131	\$ 670,623	\$ 17,272,572
Investments	-	-	38,997,500	-	38,997,500
Property taxes receivable, net of allowance	-	-	3,336,000	-	3,336,000
Due from other funds	13,165	-	-	-	13,165
Due from others	7,147	-	368	60,148	67,663
Total assets	<u>\$ 908,511</u>	<u>\$ 825,619</u>	<u>\$ 57,221,999</u>	<u>\$ 730,771</u>	<u>\$ 59,686,900</u>
LIABILITIES					
Accounts payable	\$ 95	\$ -	\$ -	\$ -	\$ 95
Due to other funds	-	28,498	-	57,731	86,229
Due to other governments	-	-	53,840,295	-	53,840,295
Due to others	908,416	797,121	3,381,704	673,040	5,760,281
Total liabilities	<u>\$ 908,511</u>	<u>\$ 825,619</u>	<u>\$ 57,221,999</u>	<u>\$ 730,771</u>	<u>\$ 59,686,900</u>

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities
Agency Funds
December 31, 2014

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 12,636,600	\$ 90,460,286	\$ 85,824,314	\$ 17,272,572
Investments	40,996,979	-	1,999,479	38,997,500
Property taxes receivable, net of allowance	3,888,276	-	552,276	3,336,000
Due from other funds	10,636	2,529	-	13,165
Due from others	3,057,257	4,044	2,993,638	67,663
Total assets	\$ 60,589,748	\$ 90,466,859	\$ 91,369,707	\$ 59,686,900
Liabilities				
Accounts payable	\$ -	\$ 95	\$ -	\$ 95
Due to other funds	80,166	22,091	16,028	86,229
Due to other governments	51,610,557	2,229,738	-	53,840,295
Due to others	8,899,025	117,937	3,256,681	5,760,281
Total liabilities	\$ 60,589,748	\$ 2,369,861	\$ 3,272,709	\$ 59,686,900
SPECIAL TAXING DISTRICTS				
Assets				
Cash and cash investments	\$ 522,052	\$ 3,536,945	\$ 3,170,798	\$ 888,199
Due from other funds	10,636	2,529	-	13,165
Due from others	2,354,193	-	2,347,046	7,147
Total assets	\$ 2,886,881	\$ 3,539,474	\$ 5,517,844	\$ 908,511
Liabilities				
Accounts payable	\$ -	\$ 95	\$ -	\$ 95
Due to others	2,886,881	22,382	2,000,847	908,416
Total liabilities	\$ 2,886,881	\$ 22,477	\$ 2,000,847	\$ 908,511
CIRCUIT CLERK				
Assets				
Cash and cash investments	\$ 754,334	\$ 3,499,152	\$ 3,427,868	\$ 825,618
Total assets	\$ 754,334	\$ 3,499,152	\$ 3,427,868	\$ 825,618
Liabilities				
Due to other funds	44,526	-	16,028	28,498
Due to others	\$ 709,808	\$ 87,312	\$ -	\$ 797,120
Total liabilities	\$ 754,334	\$ 87,312	\$ 16,028	\$ 825,618

(Continued on next page)

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
December 31, 2014

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
TAX COLLECTOR				
Assets				
Cash and cash investments	\$ 10,691,865	\$ 77,186,603	\$ 72,990,337	\$ 14,888,131
Investments	40,996,979	-	1,999,479	38,997,500
Property taxes receivable, net of allowance	3,888,276	-	552,276	3,336,000
Due from others	646,960	-	646,592	368
Total assets	<u>\$ 56,224,080</u>	<u>\$ 77,186,603</u>	<u>\$ 76,188,684</u>	<u>\$ 57,221,999</u>
Liabilities				
Due to other governments	\$ 51,610,557	\$ 2,229,738	\$ -	\$ 53,840,295
Due to others	4,613,523	-	1,231,819	3,381,704
Total liabilities	<u>\$ 56,224,080</u>	<u>\$ 2,229,738</u>	<u>\$ 1,231,819</u>	<u>\$ 57,221,999</u>
OTHER AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 668,349	\$ 6,237,585	\$ 6,235,311	\$ 670,623
Due from others	56,104	4,044	-	60,148
Total assets	<u>\$ 724,453</u>	<u>\$ 6,241,629</u>	<u>\$ 6,235,311</u>	<u>\$ 730,771</u>
Liabilities				
Due to other funds	\$ 35,640	\$ 22,091	\$ -	\$ 57,731
Due to others	688,813	8,242	24,015	673,040
Total liabilities	<u>\$ 724,453</u>	<u>\$ 30,333</u>	<u>\$ 24,015</u>	<u>\$ 730,771</u>

COUNTY OF COLE, MISSOURI
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<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>								
ASSETS										
Cash and cash investments	\$ 806,574	\$ 81,625	\$ 825,619	\$ 632,859	\$ 18,649	\$ 19,115	\$ 1,290,255	\$ 13,597,876	\$ -	\$ 17,272,572
Investments	-	-	-	-	-	-	-	38,997,500	-	38,997,500
Property taxes receivable, net of allowance	-	-	-	-	-	-	-	3,336,000	-	3,336,000
Due from other funds	13,165	-	-	-	-	-	-	-	-	13,165
Due from others	7,147	-	-	-	-	60,148	-	368	-	67,663
Total assets	<u>826,886</u>	<u>81,625</u>	<u>825,619</u>	<u>632,859</u>	<u>18,649</u>	<u>79,263</u>	<u>1,290,255</u>	<u>55,931,744</u>	<u>-</u>	<u>59,686,900</u>
LIABILITIES										
Accounts payable	\$ 95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95
Due to other funds	-	-	28,498	57,731	-	-	-	-	-	86,229
Due to other governments	-	-	-	-	-	-	1,290,255	52,550,040	-	53,840,295
Due to others	826,791	81,625	797,121	575,128	18,649	79,263	-	3,381,704	-	5,760,281
Total liabilities	<u>\$ 826,886</u>	<u>\$ 81,625</u>	<u>\$ 825,619</u>	<u>\$ 632,859</u>	<u>\$ 18,649</u>	<u>\$ 79,263</u>	<u>\$ 1,290,255</u>	<u>\$ 55,931,744</u>	<u>\$ -</u>	<u>\$ 59,686,900</u>

COUNTY OF COLE, MISSOURI
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2014

	Special Taxing Districts			Other			Tax Collector		Financial Institution	Total
	General School Fund	Tax Overplus	Circuit Clerk	Sheriff	Prosecuting Attorney	Employees Retirement	Protest Tax	Tax Collector	Tax	
ADDITIONS										
Taxes	\$ 332,186	\$ 29,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,539,857	\$ -	\$ 68,901,793
Licenses, fees and permits	816,133	-	3,498,323	4,297,221	1,356,310	358,032	707,561	-	-	11,033,580
Interest	14,359	-	-	-	-	229	-	-	-	14,588
Other	-	-	-	-	-	205,133	-	-	69,715	274,848
Total additions	<u>1,162,678</u>	<u>29,750</u>	<u>3,498,323</u>	<u>4,297,221</u>	<u>1,356,310</u>	<u>563,394</u>	<u>707,561</u>	<u>68,539,857</u>	<u>69,715</u>	<u>80,224,809</u>
DEDUCTIONS										
General government	<u>1,162,678</u>	<u>29,750</u>	<u>3,498,323</u>	<u>4,297,221</u>	<u>1,356,310</u>	<u>563,394</u>	<u>707,561</u>	<u>68,539,857</u>	<u>69,715</u>	<u>80,224,809</u>
Total deductions	<u>1,162,678</u>	<u>29,750</u>	<u>3,498,323</u>	<u>4,297,221</u>	<u>1,356,310</u>	<u>563,394</u>	<u>707,561</u>	<u>68,539,857</u>	<u>69,715</u>	<u>80,224,809</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>

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 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 24,422,688	\$ 27,293,931	\$ 49,125,358	\$ 48,778,941	\$ 48,307,125	\$ 46,931,749	\$ 42,355,969	\$ 42,072,233	\$ 43,634,905	\$ 50,733,013
Restricted for:										
Highways, streets and bridges	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203	4,363,283	4,604,503	4,693,456	4,907,503
Capital improvement	-	-	13,034,818	8,324,067	12,119,777	10,788,716	11,140,925	9,078,634	9,552,558	3,713,631
Emergency medical services	-	-	-	-	748,053	983,400	1,273,364	1,686,704	2,176,440	1,389,370
Debt Service	76,410	171,179	73,859	74,195	75,318	71,495	70,554	68,247	64,768	68,091
Public safety	-	-	-	2,425,207	2,366,374	2,167,671	2,377,643	5,349,462	5,477,388	6,529,234
Assessment costs	-	-	-	-	-	-	1,425,442	1,500,282	1,572,776	1,664,571
Judicial	-	-	-	-	-	-	153,706	190,106	236,954	213,997
Recorder of deeds	-	-	-	-	-	-	7,544	11,599	7,229	31,635
Domestic Violence	-	-	-	-	-	-	-	-	-	7,813
Tax maintenance	-	-	-	-	-	-	93,484	121,479	164,345	157,185
Election services	-	-	-	-	-	-	19,257	35,832	37,982	34,664
Unrestricted	8,632,728	9,465,524	2,752,521	3,319,581	1,775,007	4,850,193	9,960,218	10,142,713	10,378,612	11,568,479
Total net position	37,992,712	42,007,929	64,986,556	67,484,439	70,234,898	70,960,427	73,241,389	74,861,794	77,997,413	81,019,186
Business-type activities										
Net investment in capital assets	-	-	-	-	387,011	604,863	565,007	679,734	935,215	985,202
Unrestricted	-	-	-	-	652,788	968,488	1,105,843	1,191,187	1,098,002	1,331,001
Total net position	-	-	-	-	1,039,799	1,573,351	1,670,850	1,870,921	2,033,217	2,316,203
Primary government										
Net investment in capital assets	24,422,688	27,293,931	49,125,358	48,778,941	48,694,136	47,536,612	42,920,976	42,751,967	44,570,120	51,718,215
Restricted for:										
Highways, streets and bridges	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203	4,363,283	4,604,503	4,693,456	4,907,503
Capital projects	-	-	13,034,818	8,324,067	12,119,777	10,788,716	11,140,925	9,078,634	9,552,558	3,713,631
Emergency medical services	-	-	-	-	748,053	983,400	1,273,364	1,686,704	2,176,440	1,389,370
Debt Service	76,410	171,179	73,859	74,195	75,318	71,495	70,554	68,247	64,768	68,091
Public safety	-	-	-	2,425,207	2,366,374	2,167,671	2,377,643	5,349,462	5,477,388	6,529,234
Assessment costs	-	-	-	-	-	-	1,425,442	1,500,282	1,572,776	1,664,571
Judicial	-	-	-	-	-	-	153,706	190,106	236,954	213,997
Recorder of deeds	-	-	-	-	-	-	7,544	11,599	7,229	31,635
Domestic Violence	-	-	-	-	-	-	-	-	-	7,813
Tax maintenance	-	-	-	-	-	-	93,484	121,479	164,345	157,185
Election services	-	-	-	-	-	-	19,257	35,832	37,982	34,664
Unrestricted	8,632,728	9,465,524	2,752,521	5,744,788	2,427,795	5,818,681	11,066,061	11,333,900	11,476,614	12,899,480
Total net position	\$ 37,992,712	\$ 42,007,929	\$ 64,986,556	\$ 67,484,439	\$ 71,274,697	\$ 72,533,778	\$ 74,912,239	\$ 76,732,715	\$ 80,030,630	\$ 83,335,389

Data Source

Statement of Net Position

Note: Government-wide statements: This is the tenth 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 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 3,592,907	\$ 4,280,528	\$ 3,766,827	\$ 4,397,489	\$ 4,519,053	\$ 4,546,191	\$ 4,737,321	\$ 5,709,420	\$ 5,286,828	\$ 4,866,681
Public safety	5,616,435	5,814,014	6,048,027	7,540,692	8,964,258	10,051,521	8,155,050	10,055,696	9,936,342	9,792,470
Highways, streets & bridges	5,537,640	6,043,638	10,020,529	10,934,724	9,462,367	11,249,797	11,691,480	10,143,743	9,102,701	11,278,690
Assessment	591,493	637,377	647,930	537,689	817,567	619,083	646,327	648,417	691,522	666,228
Judicial	688,027	652,086	653,231	743,324	753,715	751,879	825,797	900,409	1,044,073	964,492
Health & welfare	1,779,970	1,774,871	1,685,018	1,690,600	2,196,749	1,941,656	2,141,565	1,920,835	2,040,940	2,067,418
Parks & recreation	2,303	4,588	39,170	10,695	10,677	10,877	11,547	10,861	10,037	22,061
Emergency management	329,549	93,340	405,194	354,989	329,185	262,650	293,589	222,227	322,367	204,732
Interest and fiscal fees	35950	34033	32,461	458,092	1,176,414	1,293,367	1,081,503	1,108,119	1,043,165	829,942
Total governmental activities expenses:	18,194,274	19,334,475	23,298,387	26,668,294	28,229,985	30,727,021	29,584,179	30,719,727	29,477,975	30,692,714
Business-type activities:										
Emergency medical services	-	-	-	-	1,522,441	3,469,175	3,789,417	3,716,316	4,434,003	4,144,626
Eugene water services	-	-	-	-	-	-	-	11,109	23,184	20,194
Total business-type activities expenses:	-	-	-	-	1,522,441	3,469,175	3,789,417	3,727,425	4,457,187	4,164,820
Total primary government expenses	\$ 18,194,274	\$ 19,334,475	\$ 23,298,387	\$ 26,668,294	\$ 29,752,426	\$ 34,196,196	\$ 33,373,596	\$ 34,447,152	\$ 33,935,162	\$ 34,857,534
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,669,013	\$ 1,709,048	\$ 1,698,779	\$ 1,828,094	\$ 1,790,513	\$ 1,800,919	\$ 1,721,407	\$ 1,930,240	\$ 1,804,887	\$ 1,586,367
Public safety	1,283,461	1,397,684	1,566,672	1,847,877	1,860,706	1,965,511	2,018,347	1,929,001	2,901,838	2,837,433
Highways, streets & bridges	123,291	79,902	146,332	205,358	998,205	227,574	359,101	278,406	309,618	333,161
Assessment	239,297	311,601	257,180	231,526	223,147	149,884	209,990	147,793	147,761	148,348
Judicial	123,238	117,969	117,695	128,211	133,411	135,370	115,406	130,184	127,595	124,143
Health & welfare	313,170	391,020	296,569	412,920	365,250	316,348	244,354	258,716	232,980	266,842
Operating grants and contributions:	1,926,592	2,231,054	2,155,563	1,890,181	1,967,698	2,111,055	2,069,133	1,993,078	2,008,912	1,865,971
Capital grants and contributions:	158,014	41,000	179,086	28,088	5,243	-	-	289,130	3,527	308,728
Total governmental activities program revenue	5,836,076	6,279,278	6,417,876	6,572,255	7,344,173	6,706,661	6,737,738	6,956,548	7,537,118	7,470,993
Business-type activities:										
Charges for services:										
Emergency medical services	-	-	-	-	1,545,688	2,769,359	2,937,738	2,834,319	3,076,495	3,046,744
Eugene water services	-	-	-	-	-	-	-	5,130	19,761	27,074
Capital grants and contributions:	-	-	-	-	-	-	-	31,988	70,400	-
Total business-type activities program revenue	-	-	-	-	1,545,688	2,769,359	2,937,738	2,871,437	3,166,656	3,073,818
Total primary government program revenue	\$ 5,836,076	\$ 6,279,278	\$ 6,417,876	\$ 6,572,255	\$ 8,889,861	\$ 9,476,020	\$ 9,675,476	\$ 9,827,985	\$ 10,703,774	\$ 10,544,811
Net (expense) revenue										
Governmental activities	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,885,812)	\$ (24,020,360)	\$ (22,846,441)	\$ (23,763,179)	\$ (21,940,857)	\$ (23,221,721)
Business-type activities	-	-	-	-	23,247	(699,816)	(851,679)	(855,988)	(1,290,531)	(1,091,002)
Total primary government net expense	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,862,565)	\$ (24,720,176)	\$ (23,698,120)	\$ (24,619,167)	\$ (23,231,388)	\$ (24,312,723)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 7,669,706	\$ 7,867,071	\$ 8,211,669	\$ 8,870,255	\$ 7,121,570	\$ 6,174,484	\$ 6,138,124	\$ 6,037,446	\$ 5,960,150	\$ 5,941,766
Sales tax	5,088,702	5,288,518	5,434,669	10,103,217	13,720,164	15,534,859	15,718,088	16,112,800	16,201,801	17,195,436
Local use tax	680,470	537,110	466,639	756,827	985,600	1,184,170	1,079,931	1,506,676	1,408,804	1,352,521
Motor vehicle sales taxes	311,818	349,832	319,631	241,036	239,980	248,597	256,176	279,708	294,062	322,892
Stock insurance	629,725	948,954	1,054,646	813,279	978,150	1,082,353	1,242,305	859,463	925,286	1,156,203
County Aid Road Trust (CART)	854,285	852,205	873,614	806,626	787,468	814,559	788,667	788,881	787,607	820,683
Financial institution tax	50,337	57,076	28,714	25,625	24,395	34,082	63,522	71,009	101,400	100,184
Unrestricted investment earnings	296,155	475,965	576,968	339,147	219,056	346,126	289,595	298,379	340,327	331,269
Gain (loss) on sale of capital assets	-	9,069	(37,399)	(11,527)	(22,845)	(15,723)	6,537	6,855	43,207	46,901
Transfers	-	-	-	-	(1,014,497)	(1,223,280)	(924,450)	(1,036,036)	(1,413,209)	(1,349,677)
Other	536,808	684,613	554,807	649,437	597,230	565,662	468,908	458,403	497,412	325,316
Total governmental activities:	16,118,006	17,070,413	17,483,958	22,593,922	23,636,271	24,745,889	25,127,403	25,383,584	25,146,847	26,243,494
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	772	7,977	11,397	14,250	12,665	14,927
Transfers	-	-	-	-	1,014,497	1,223,280	924,450	1,036,036	1,413,209	1,349,677
Other	-	-	-	-	1,283	2,111	13,331	5,773	26,953	9,384
Total business-type activities:	-	-	-	-	1,016,552	1,233,368	949,178	1,056,059	1,452,827	1,373,988
Total primary government	\$ 16,118,006	\$ 17,070,413	\$ 17,483,958	\$ 22,593,922	\$ 24,652,823	\$ 25,979,257	\$ 26,076,581	\$ 26,439,643	\$ 26,599,674	\$ 27,617,482
Change in Net Position										
Governmental activities	\$ 3,759,808	\$ 40,152,117	\$ 603,447	\$ 2,497,883	\$ 2,750,459	\$ 725,529	\$ 2,280,962	\$ 1,620,405	\$ 3,205,990	\$ 3,021,773
Business-type activities	-	-	-	-	1,039,799	533,552	97,499	200,071	162,296	282,986
Total primary government	\$ 3,759,808	\$ 40,152,117	\$ 603,447	\$ 2,497,883	\$ 3,790,258	\$ 1,259,081	\$ 2,378,461	\$ 1,820,476	\$ 3,368,286	\$ 3,304,759

COUNTY OF COLE, MISSOURI
General Governmental Tax Revenues by Source
Last Ten Fiscal Years 2005 - 2014

Fiscal Year	Property Tax	Sales Tax	Local Use Tax	Motor Vehicle Sales Tax	Stock Insurance	CART	Financial Institution Tax	Total
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	6,037,449	16,112,800	1,506,676	279,708	859,463	788,881	71,009	25,655,986
2013	5,960,150	16,201,801	1,408,804	294,062	925,286	787,607	101,400	25,679,110
2014	\$ 5,941,766	\$ 17,195,436	\$ 1,352,521	\$ 322,892	\$ 1,156,203	\$ 820,683	\$ 100,184	\$ 26,889,685

Data Source

Statement of Activities

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

COUNTY OF COLE, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years 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 requirements.

COUNTY OF COLE, MISSOURI
Fund Balances of Governmental Funds
Last Four Fiscal Years 2011 - 2014

	2011	2012	2013	2014
General Fund				
Nonspendable:				
Prepaid items	\$ 85,606	\$ 90,188	\$ 111,838	\$ 107,425
Unassigned	9,681,363	10,237,254	10,463,908	10,819,607
Total General Fund	<u>9,766,969</u>	<u>10,327,442</u>	<u>10,575,746</u>	<u>10,927,032</u>
Road and Bridge				
Nonspendable:				
Prepaid items	22,926	24,515	25,703	26,295
Inventory	561,326	558,967	585,174	562,522
Restricted for:				
Highways, streets and bridges	4,363,283	4,604,503	4,693,456	4,907,503
Total Road and Bridge	<u>4,947,535</u>	<u>5,187,985</u>	<u>5,304,333</u>	<u>5,496,320</u>
Sales Tax				
Restricted for:				
Capital improvements	4,570,599	5,759,767	6,233,644	2,900,593
Total Sales Tax	<u>4,570,599</u>	<u>5,759,767</u>	<u>6,233,644</u>	<u>2,900,593</u>
Neighborhood Sinking				
Restricted for:				
Debt service	70,554	68,247	64,768	68,091
Total Neighborhood Sinking	<u>70,554</u>	<u>68,247</u>	<u>64,768</u>	<u>68,091</u>
Emergency Services Sales Tax				
Restricted for:				
Emergency medical services	1,273,364	1,686,704	2,176,440	1,389,370
Total Emergency Services Sales Tax	<u>1,273,364</u>	<u>1,686,704</u>	<u>2,176,440</u>	<u>1,389,370</u>
Law Enforcement Sales Tax				
Nonspendable:				
Prepaid items	38,812	42,367	50,245	138,956
Restricted for:				
Law enforcement	1,838,411	4,896,373	5,009,141	5,987,983
Total Law Enforcement Sales Tax	<u>1,877,223</u>	<u>4,938,740</u>	<u>5,059,386</u>	<u>6,126,939</u>
Capital Improvement				
Restricted for:				
Capital Improvement	6,570,326	3,318,867	3,318,914	813,038
Total Capital Improvement	<u>6,570,326</u>	<u>3,318,867</u>	<u>3,318,914</u>	<u>813,038</u>
Non Major Funds				
Nonspendable:				
Prepaid items	5,275	5,781	6,163	6,163
Restricted for:				
Domestic violence	-	-	668	7,813
Training costs	6,349	3,072	5,636	5,873
Prosecuting attorney	532,883	450,017	445,893	456,692
Assessment costs	1,425,442	1,500,282	1,572,776	1,664,571
Judicial	153,706	190,106	236,954	213,997
Law enforcement	-	-	16,718	78,686
Recorder of deeds	7,544	11,599	7,229	31,635
Tax maintenance	93,484	121,479	164,345	157,185
Election services	19,257	35,832	37,982	34,664
Total Non Major Funds	<u>\$ 2,243,940</u>	<u>\$ 2,318,168</u>	<u>\$ 2,494,364</u>	<u>\$ 2,657,279</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 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 15,242,509	\$ 15,878,292	\$ 16,352,428	\$ 21,635,621	\$ 23,899,824	\$ 25,117,493	\$ 25,329,196	\$ 25,609,997	\$ 25,721,876	\$ 26,883,317
Licenses, fees and permits	3,776,075	3,722,123	4,111,277	4,684,512	5,403,539	4,630,644	4,705,559	4,709,560	5,368,751	5,437,357
Intergovernmental	2,016,837	2,603,665	2,319,753	2,049,081	1,839,597	2,215,145	2,145,513	2,219,738	2,119,227	2,109,537
Interest	296,155	475,966	576,968	339,147	219,056	346,126	289,595	298,379	340,327	331,269
Other	541,775	689,440	486,143	605,673	507,352	281,990	348,981	484,735	562,546	322,529
Total revenues	21,876,048	23,369,486	23,846,569	29,314,034	31,869,368	32,591,398	32,818,844	33,322,409	34,112,727	35,084,009
Expenditures										
Current:										
General government	3,380,716	4,022,898	3,489,030	4,349,405	4,382,935	4,322,638	4,317,014	4,852,848	4,383,974	4,730,845
Public safety	5,432,123	5,659,474	5,893,361	7,107,533	7,757,928	9,742,197	9,218,514	9,627,467	9,507,021	9,305,335
Highways, streets & bridges	4,150,170	4,164,766	4,885,398	6,449,247	4,360,810	6,743,813	6,982,004	5,681,410	4,804,907	7,253,141
Assessment costs	590,783	631,665	643,608	540,599	812,986	611,949	640,494	639,776	691,425	665,253
Judicial	629,358	598,302	598,552	688,706	701,284	689,650	766,068	841,406	993,593	921,782
Health & welfare	1,758,467	1,795,445	1,678,174	1,651,018	2,186,746	1,922,267	2,121,914	1,882,244	2,035,854	2,042,171
Parks & recreation	870	2,737	31,799	1,584	1,566	1,766	2,957	2,532	3,059	14,008
Emergency management	254,862	12,022	263,919	151,178	145,495	81,589	142,764	63,983	207,777	152,139
Capital outlay:										
General government	431,874	409,406	1,695,774	448,253	103,558	83,064	1,232,056	215,148	929,532	1,751,847
Public safety	194,237	82,846	119,902	2,165,785	11,306,025	9,271,766	3,825,073	139,222	253,009	93,470
Judicial	38,617	22,265	39,728	10,464	14,167	-	-	-	-	41,707
Highways, streets & bridges	4,310,624	4,093,712	3,222,439	4,045,816	4,211,127	2,410,664	3,392,992	2,717,096	4,189,652	6,185,455
Health & welfare	5,421	34,538	54,830	-	449,551	403,896	142,038	287,180	497,895	384,238
Emergency management	68,889	669,894	40,018	11,570	25,808	41,000	86,859	157,377	-	16,700
Debt service:										
Principal	-	-	-	-	-	-	1,448,000	2,165,000	2,121,000	2,437,000
Interest and fees	-	-	-	-	-	-	1,048,279	1,022,309	962,209	514,256
Issuance costs	-	-	-	-	-	-	65,548	-	-	217,778
General government	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	100,000	100,000	100,000	100,000	100,000	100,000	-	-	-	-
Total expenditures	21,410,061	22,359,596	22,816,586	28,682,583	39,688,209	39,558,558	35,432,574	30,294,998	31,580,907	36,727,125
Excess (deficiency) of revenues over (under) expenditures	465,987	1,009,890	1,029,983	631,451	(7,818,841)	(6,967,160)	(2,613,730)	3,027,411	2,531,820	(1,643,116)
Other financing sources (uses)										
COPS issuance	-	-	10,000,000	-	25,000,000	-	-	-	-	-
Refunding on COPS proceeds	-	-	-	-	-	-	8,185,000	-	-	16,305,000
Premium (discount) on COPS issuance	-	-	(140,490)	-	(382,417)	-	(53,203)	-	-	997,506
Payment to refunded bond escrow agent	-	-	-	-	-	-	(8,878,400)	-	-	(19,582,400)
Transfers in (out)	-	-	-	-	(584,672)	(865,420)	(797,905)	(748,856)	(925,317)	(978,039)
Sale of capital assets	-	69,614	6,845	6,232	30,935	8,160	15,829	6,855	15,172	52,116
Total other financing sources (uses)	-	69,614	9,866,355	6,232	24,063,846	(857,260)	(1,528,679)	(742,001)	(910,145)	(3,205,817)
Net changes in fund balances	\$ 465,987	\$ 1,079,504	\$ 10,896,338	\$ 637,683	\$ 16,245,005	\$ (7,824,420)	\$ (4,142,409)	\$ 2,285,410	\$ 1,621,675	\$ (4,848,933)

COUNTY OF COLE, MISSOURI
General Governmental Revenues by Source
Last Ten Fiscal Years 2005 - 2014

Fiscal Year	Taxes	Licenses Fees and Permits	Inter-governmental	Interest	Special Assessment	Other	Total
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
2013	25,721,876	5,368,751	2,119,227	340,327	-	562,546	34,112,727
2014	\$ 26,883,317	\$ 5,437,357	\$ 2,109,537	\$ 331,269	\$ -	\$ 322,529	\$ 35,084,009

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 2005 - 2014

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		
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%
2013	0.500%	0.500%	0.500%	1.500%	1.000%	0.500%	0.500%	2.000%	4.225%	7.725%
2014	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 2005 - 2014
(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	
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%
2013	1,093,206	4,902,009	241,141	1,081,292	1,334,347	5,983,301	22.30%
2014	\$ 1,100,175	\$ 4,933,258	\$ 246,152	\$ 1,103,762	\$ 1,346,327	\$ 6,037,021	22.30%

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI
Property Tax Rates (Per \$100 Assess Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years 2005 - 2014

County of Cole

Fiscal Year	General Revenue	Road and Bridge	Library	Home for Handicapped	State	Total County	City of Jefferson	School District	Total
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
2013	0.1000	0.2700	0.1994	0.0897	0.0300	0.6891	0.5561	3.8024	5.0476
2014	\$ 0.1000	\$ 0.2700	\$ 0.2000	\$ 0.0901	\$ 0.0300	\$ 0.6901	\$ 0.5561	\$ 3.7862	\$ 5.0324

Data Source
Cole County Assessor

COUNTY OF COLE, MISSOURI
Principal Real Estate Property Taxpayers
December 31, 2014

Taxpayer	Type of Business	2014			2005		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Union Electric Company	Gas Distribution	\$ 14,279,870	1	1.06%			
Atrium Finance I	Hotel	3,680,000	8	0.27%			
Jefferson City Medical Group	Medical center	5,708,380	2	0.42%	4,992,740	1	0.51%
Scholastic, Inc.	Publishing company	4,752,000	3	0.35%	6,969,150	2	0.78%
Wildwood Crossing Shopping Center	Shopping mall	4,640,000	4	0.34%	4,571,360	4	0.45%
Wal-Mart Real Estate Business Trust	Discount store	4,512,000	5	0.34%			
Menard Inc.	Discount store	4,151,940	7	0.31%			
Wal-Mart Real Estate Business	Discount store	4,320,000	6	0.32%	4,059,900	6	0.35%
Von Hoffmann Press, Inc.	Publishing company	3,604,740	9	0.27%	3,604,740	7	0.35%
Missouri American Water Co.	Water Company	3,276,420	10	0.24%			
Central Missouri Realty Co.	Realty Company				3,152,000	9	0.35%
GGP Limited Partnership	Shopping mall				4,896,000	3	0.49%
Lowes Home Centers Inc	Home improvement store				4,344,860	5	0.40%
Chesebrough-Ponds, Inc.	Cosmetic Manufacturer				2,791,360	10	0.00%
John Q Hammons Hotel LP	Hotel				3,158,340	8	0.31%
Totals		\$ 52,925,350		3.93%	\$ 42,540,450		3.65%

Data Source
Cole County Information Systems

COUNTY OF COLE, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years 2005 - 2014
(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
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%
2013	7,493	6,858	91.5%	263	7,121	95.0%	472	6.3%
2014	\$ 7,483	\$ 6,770	90.5%	\$ 262	\$ 7,032	94.0%	\$ 450	6.0%

Data Source
Cole County Collector

COUNTY OF COLE, MISSOURI
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
December 31, 2014

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Neighborhood Improvement District	\$ 213,000	100%	\$ 213,000
Certificates of Participation	20,705,000	100%	20,705,000
Overlapping:	-	100%	-
Total*	<u>\$ 20,918,000</u>	100%	<u>\$ 20,918,000</u>

Data Source

Cole County Clerk

*The total includes a capital lease obligation.

COUNTY OF COLE, MISSOURI
Legal Debt Margin
Last Ten Fiscal Years 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed valuations:										
Total assessed value	<u>\$ 1,136,043,788</u>	<u>\$ 1,167,840,956</u>	<u>\$ 1,240,391,934</u>	<u>\$ 1,283,862,799</u>	<u>\$ 1,294,015,087</u>	<u>\$ 1,308,201,268</u>	<u>\$ 1,313,064,701</u>	<u>\$ 1,324,400,350</u>	<u>\$ 1,334,347,441</u>	<u>\$ 1,346,326,600</u>
Legal debt margin										
Debt limitation - 10 percent of total assessed value	113,604,379	116,784,096	124,039,193	128,386,280	129,401,509	130,820,127	131,306,470	132,440,035	133,434,744	134,632,660
Less: Special assessment bonds	528,000	501,000	472,000	442,000	411,000	374,000	336,000	296,000	255,000	213,000
Total debt applicable to limitation	<u>528,000</u>	<u>501,000</u>	<u>472,000</u>	<u>442,000</u>	<u>411,000</u>	<u>374,000</u>	<u>336,000</u>	<u>296,000</u>	<u>255,000</u>	<u>213,000</u>
Legal debt margin	<u>\$ 113,076,379</u>	<u>\$ 116,283,096</u>	<u>\$ 123,567,193</u>	<u>\$ 127,944,280</u>	<u>\$ 128,990,509</u>	<u>\$ 130,446,127</u>	<u>\$ 130,970,470</u>	<u>\$ 132,144,035</u>	<u>\$ 133,179,744</u>	<u>\$ 134,419,660</u>

COUNTY OF COLE, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years 2005 - 2014

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Certificates of Participation			
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
2013	-	255,000	-	24,990,000	25,245,000	76,699	329
2014	\$ -	\$ 213,000	\$ -	\$ 20,705,000	\$ 20,918,000	76,362	274

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 2005 - 2014

<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>
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	-
2013	-	0.0%	76,699	-
2014	\$ -	0.0%	76,362	\$ -

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 2005 - 2014

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		
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
2013	7,877,805	6,740,432	1,137,373	2,080,000	943,663	3,023,663	0.38	5,397,453
2014	\$ 8,235,337	\$ 6,432,689	\$ 1,802,648	\$ 2,395,000	\$ 498,162	\$ 2,893,162	0.62	\$ 5,729,941

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 2005 - 2014

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
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%	41,243	3,149,402	39,395	5.3%	6.7%	8.1%
2013	6,044,171	0.37%	76,699	0.44%	43,560	3,341,002	39,542	5.2%	6.1%	7.5%
2014	6,063,589	0.32%	76,362	-0.44%	N/A	N/A	39,762	4.1%	5.4%	5.6%

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, 2014

Employer	2014		2005	
	# of Employees	Rank	# of Employees	Rank
State of Missouri	14,208	1	16,373	1
Jefferson City Public Schools	1,556	2	1,800	2
Scholastics	1,400	3	1,358	3
Capitol Region Medical Center	1,398	4	1,106	5
SSM Health - St. Mary's Hospital	1,070	5	1,203	4
Central Bancompany	918	6	515	10
ABB, Inc	653	7	704	7
Jefferson City Medical Goup	644	8	694	8
Wal-Mart Supercenter	631	9	559	9
City of Jefferson	580	10		
Quaker Window Products	541		786	6
Totals	<u>23,599</u>		<u>25,098</u>	

Data Source

Jefferson City Area Chamber of Commerce

COUNTY OF COLE, MISSOURI
Full-time Equivalent County Government Employee by Function
Last Ten Fiscal Years 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary government										
Governmental activities:										
General government										
Auditor	2	2	2	2	2	2	2	2	2	2
Collector	5	5	5	5	5	5	4	4	4	4
Treasurer	2	2	2	2	2	2	2	2	2	2
County Clerk	5	5	5	5	5	5	6	6	6	6
Commission	6	6	6	7	8	9	9	9	9	9
Recorder	6	6	6	6	6	6	6	6	6	6
GIS	-	-	-	1	1	1	1	1	1	1
Information Systems	2	2	2	2	2	2	1	1	1	1
Building Maintenance	4	4	4	4	5	5	5	7	7	7
County Planning	4	4	4	4	4	4	4	4	4	4
Public safety										
Juvenile Center	22	24	23	29	30	30	30	29	29	30
Prosecuting Attorney	15	14	15	15	15	15	15	15	15	15
Sheriff	47	50	51	64	64	79	79	80	80	80
Highways, streets & bridges										
Public Works	40	40	40	41	42	42	42	42	42	42
Assessment										
Assessor	10	11	11	11	11	11	11	11	11	11
Judicial										
Circuit Court	2	2	-	-	-	-	-	-	-	-
Circuit Court Bailiffs	3	3	3	4	4	4	4	4	4	4
Child Support	4	4	4	5	5	5	5	6	6	5
Health & welfare										
Health Department	33	28	27	28	27	27	25	25	25	24
Public Administrator	3	3	3	4	4	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>216</u>	<u>216</u>	<u>214</u>	<u>240</u>	<u>243</u>	<u>259</u>	<u>256</u>	<u>259</u>	<u>259</u>	<u>258</u>
Business-type activities:										
Health & welfare										
Emergency medical services	-	-	-	-	44	44	44	45	45	45
Total business-type activities FT Employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>45</u>	<u>45</u>	<u>45</u>
Total primary government FT Employees	<u>216</u>	<u>216</u>	<u>214</u>	<u>240</u>	<u>287</u>	<u>303</u>	<u>300</u>	<u>304</u>	<u>304</u>	<u>303</u>

COUNTY OF COLE, MISSOURI
Special Assessment Billings and Collections
Last Ten Fiscal Years 2005 - 2014

Fiscal Year	Special Assessment Billings	Special Assessment Collected
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
2013	60,347	58,529
2014	\$ 60,347	\$ 59,626

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI
General Governmental Expenditures by Function
Last Ten Fiscal Years 2005 - 2014
(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Highways Streets & Bridges	Assessment Costs	Judicial	Health & Welfare	Parks & Recreation	Emergency Mgmt	Total
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
2013	5,314	12,843	8,995	691	994	2,534	3	207	31,581
2014	\$ 4,867	\$ 9,792	\$ 11,279	\$ 666	\$ 964	\$ 2,067	\$ 22	\$ 205	\$ 29,862

SINGLE AUDIT REPORTS



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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**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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2015.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 24, 2015



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**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, 2014. 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, 2014.

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.

Williams Keepers LLC

June 24, 2015

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

	Federal CFDA Number	Pass Through Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Child Care Food Program	10.558	N/A	\$ 14,924
Passed Through Missouri Department of Health:			
Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557	ERS04514125	269,749
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BFPC	10.557	ERS04514125	14,563
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BF Friendly Clinic	10.557	ERS04514125	18,057
Passed Through Missouri Department of Health: Maternal and Child Health Services:			
Summer Food Program	10.559	ERS219-1325i	<u>90</u>
Total U.S. Department of Agriculture			<u><u>317,383</u></u>
U.S. Department of Health and Human Services:			
Passed Through Missouri Department of Social Services:			
Child Support Enforcement	93.563	ER10212SA10	321,486
Juvenile Court Diversion	93.667	ERS172-365	167,244
Passed Through Missouri Department of Health: Maternal and Child Health Services			
Public Health Emergency Preparedness	93.069	AOC12380100	45,985
Nursing Consultation to Child Care Facilities	93.575	DH140004013	8,928
Local Sanitation Inspections for Child Care Facilities	93.575	ERS220-11025	3,040
Breast and Cervical Cancer Wisewomen	93.919	ERS16114021	2,012
Show Me Healthy Women	93.919	ERS16114021	8,466
Maternal and Child Health Program	93.994	AOC12380052	<u>31,136</u>
Total U.S. Department of Health and Human Services			<u><u>588,297</u></u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Grant	16.607	N/A	2,705
Passed Through Missouri Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2012-DJ-BX-0195	7,391
JAG Program - Mustang Task Force	16.738	2012-JAG-004	104,947

(continued on next page)

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2014

	Federal CFDA Number	Pass Through Number	Expenditures
Drug Court Enhancement Grant	16.585	2011-DC-BX-0014	71,882
Drug Courts Program (Block Grant) JAC Division	16.585	N/A	28,247
COPS Secure Our Schools Grant	16.710	2010-CK-WX-0614	<u>56,693</u>
Total U.S. Department of Justice			<u>271,865</u>
U.S. Department of Transportation			
Passed Through Missouri Division of Highway Safety			
Highway Planning and Construction (BRO Funds)	20.205	BRO-NBIL-B026(22)	<u>306,988</u>
Total U.S. Department of Transportation			<u>306,988</u>
U.S. Election Assistance Commission:			
Passed Through Missouri Secretary of State's Office:			
Accessible & Second Chance Voting Systems (HAVA)	90.401	N/A	<u>9,470</u>
Total U.S. Election Assistance Commission			<u>9,470</u>
Department of Homeland Security:			
Passed Through Missouri Department of Public Safety:			
Emergency Management Assistance	97.042	EMW-2013-EP-00028-027-5587	47,844
FY 11 Citizen Corps Grant	97.053	EMW-2011-SS-00003	<u>2,480</u>
Total Department of Homeland Security			<u>50,324</u>
Total Expenditures of Federal Awards			<u>\$ 1,544,327</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, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the County.
2. No deficiencies relating to the audit of the financial statements are 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*."
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
Highway Planning and Construction (BRO Funds)	20.205
Child Support Enforcement	93.563

8. The dollar threshold used to distinguish between Type A and B programs, as described in Section 520(b) of OMB Circular A-133, was \$300,000.
9. Using the criteria as defined in Section 530 of OMB Circular A-133, the County qualified as a low-risk auditee for the year ended December 31, 2014.

B. FINDINGS--FINANCIAL STATEMENT AUDIT

None.

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

None.

COUNTY OF COLE, MISSOURI

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
For the Year Ended December 31, 2014**

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