

COUNTY OF COLE, MISSOURI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2010

Prepared by:

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

**COUNTY OF COLE, MISSOURI
AUDITED FINANCIAL STATEMENTS
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INTRODUCTION SECTION

**Office of the Auditor
Cole County**

JAMES T. LePAGE, CPA
AUDITOR

KRISTEN BERHORST
DEPUTY AUDITOR



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June 27, 2011

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

The Comprehensive Annual Financial Report of Cole County for the fiscal year ended December 31, 2010 is submitted herewith. This report was prepared by the County Auditor's office in accordance with U.S. generally accepted accounting principles, state law, the Single Audit Act of 1984 and the requirements of Government Finance Officers' Association. Accordingly, this office is responsible for the accuracy, completeness, and fairness of the data and information presented. To the best of our knowledge, the data, as presented, are accurate in all material respects, and are presented in a fair and straight forward manner to reflect clearly the financial position and results of operations of the County as measured by the financial activity reflected in the various County funds. Moreover, all disclosures deemed necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

Independent Auditor's Report

Cole County is required by law to have its financial reports audited by an independent audit firm in accordance with generally accepted auditing standards. The Single Audit Act of 1984 imposes additional standards for reporting on internal control and financial reporting for recipients of \$500,000 or more in federal funds. The independent audit firm of Williams Keepers LLC, Certified Public Accountants and Consultants audited our financial statements for the year 2010. I am happy to report that Williams Keepers et al issued an unqualified opinion on the County's financial reports for the fiscal year 2010. The independent auditor's report is included in this report.

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

Profile of the Government

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

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

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

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

Factors Affecting the County's Financial Condition

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

Economic Base

The County of Cole's has a small but stable economic base. Population currently totals approximately 75,990. About half the County's population lives inside the city limits of Jefferson City. Population in both the City and County is expected to continue to grow over the next several years at its historical rate of about 300 per year depending upon how much state government and non-public industries expand. Both population and income have grown at healthy rates over the past 10 years and both are expected to continue to grow over the next five to 10 years depending upon the magnitude of the state government budget and potential economic problems. In area, the County is made up of more than 400 square miles of space situated in Central Missouri.

Cole County's economic base is considered diversified although dominated by government. As the center for state government, Cole County has a large number of government agencies and departments and a large number of private associations and organizations directly related to the legislative process. These groups as a whole employ several thousand workers. The light manufacturing industries represented in the County's economic base includes Scholastic and Unilever. The service industry includes two major Wal-Mart retail centers, the Capital Mall retail center with Sears, Dillards, and JCPennys as major anchors. The down town and strip retail facilities along Missouri Boulevard also offer regional attraction. Slightly over 25 percent of County workers hold state government jobs.

Although the light manufacturing components of the economic base of the County are small, they nevertheless have a history of stable growth. The State government budget basically has been contractive over the past year and will continue to contract in the next year or so. Because of economic stimulus money, the effect of the current recession that began in December 2007 on future years will not be clear until the State government budget is approved in May 2011.

Financing Requirements

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 will be about \$3.1 million per year to be paid from the ½ cent Law Enforcement Sales tax. In 2008, County voters approved a ½ cent sales tax to finance a County-wide ambulance service, which began in 2009. The tax is associated with a property tax roll back in the General Fund but should have little or no impact on the total revenue of the General Fund.

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

Major Initiatives

The County of Cole considers its primary mission to be that of protecting the lives and property of its citizens, providing a safe and effective infrastructure and public health services for the needy in order for its citizens to live and work to the

fullest of their potential. The County has adopted initiatives for each of the mission components. During the year 2004 the County began the process of developing a new jail and justice center. The new jail is currently under construction and should be completed and fully operational in 2011. Construction of the jail is financed through a lease-purchase agreement with a bank as the trustee. Under the agreement, the bank issues Certificates of Participation (COP) which are similar to long term bonds. The COPs are guaranteed by the revenue stream produced by the ½ cent Law Enforcement Sales Tax. The COPs will mature in the year 2022. At that time, the Law Enforcement Sales tax rate will drop from ½ cent to three-eighth cent, causing projected tax revenue to drop about \$1.5 million per year. The remainder of Law Enforcement Tax revenue after debt service is available for operating the Sheriff's Department.

The ½ cent sales tax to finance the County-wide ambulance service was approved by voters in November 2008. Under the measure, sixty percent of the tax revenue collected will be transferred to the General Fund to offset a property tax levy adjustment to achieve a property tax rollback of sixty percent of the total amount of sales tax revenue collected. The remaining sales tax revenue generated is restricted for use in funding of a countywide ambulance service and associated emergency treatment. By law, the tax became effective April 1, 2009. The County took over a county wide ambulance service on July 18, 2009 and the program is accounted for as an enterprise fund. In 2010 the County completed its first full year of operations of the new ambulance service.

Cash Management

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

The County of Cole is operating under the terms of a depository agreement executed in July of 2009 with Central Trust Bank of Jefferson City to manage "county" money - general and special revenue funds. Under this agreement the County is paid 3.25% fixed rate on the first \$10.0 million and the remaining balance will receive .25 basis points above the overnight Treasury Bill Coupon Equivalent Yield. The County is required to maintain an average balance in all its accounts of \$10 million. When the balance exceeds \$10 million, the County can bid the funds considered to be temporarily under separate agreements. All account balances are collateralized by repurchase agreements and treasury bills.

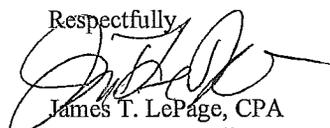
All County employees are covered by worker's compensation. During 2010 there were no major claims under the policy. The County promotes accident avoidance, including training, to minimize losses. The County reestablished a Safety Committee to identify and make recommendations to avoid accidents and injury. 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 2010 award.

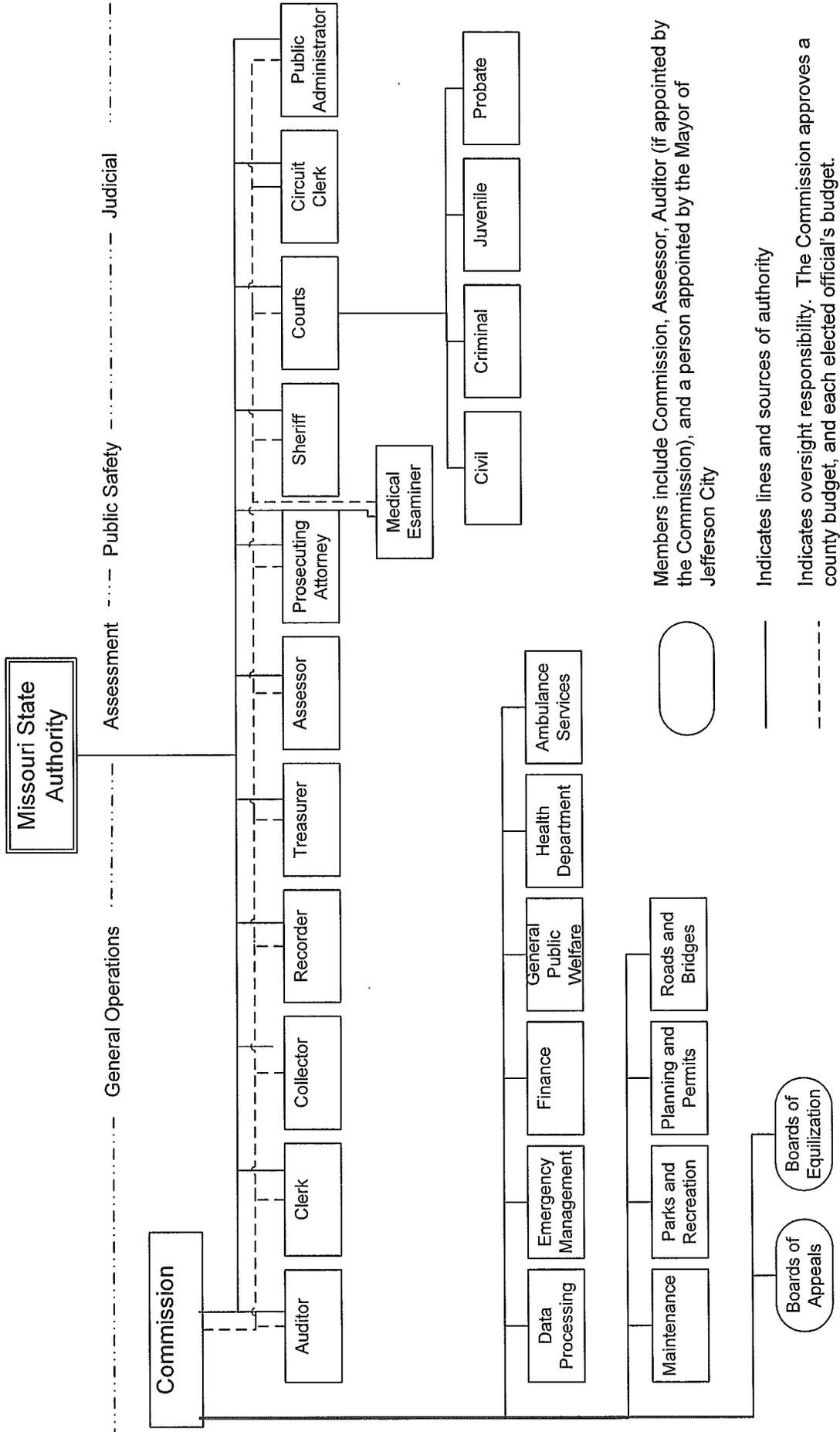
Preparing a comprehensive annual financial report to meet the standard of the Government Finance Officers Association is a challenging goal. As is usually the case, many people contribute to the accomplishment of a challenging goal. In this instance, the following played very critical roles: the County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

Respectfully



James T. LePage, CPA
Cole County Auditor

Functional Organization Chart for Cole County, Missouri



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

Indicates lines and sources of authority

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

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

**County of Cole Missouri
Principal Officials
For Year Ended December 31, 2010**

County Commission:

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

County Commission
County of Cole, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for County of Cole, Missouri (the County), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Williams Keepers LLC

June 27, 2011

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, 2010, based on currently known facts, decisions, and conditions. It should be studied in conjunction with the County's basic financial statements, including the footnotes, which follow the MD&A.

MANAGEMENT OF THE COUNTY'S PROGRAMS AND RESOURCES

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

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

ACCOUNTING AND INTERNAL CONTROL PROCEDURES

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENT PACKAGE

Management Discussion and Analysis (MD&A)

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

Consequently, county officials must rely on a variety of fees and taxes over which their control is limited to make up program revenue and cost differences. Likewise, their control over costs in some cases is limited. Thus, the primary challenge for county officials is managing costs.

County Wide Statements

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

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

Individual Fund Statements

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

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

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

The proprietary fund and fiduciary fund statements are prepared on the accrual basis of accounting, similar to that used in the government-wide statements. Prior to July 2009, Cole County did not engage in any activity that would normally be considered a business-type activity or a “component unit” of its general governmental activities, both of which would require additional reporting in the government-wide statements. In July 2009, the County acquired an ambulance service previously operated by Capital Region Medical Center. The Cole County Emergency Medical Services Fund, which is an enterprise fund, was created to account for this activity. The proprietary fund statements include a statement of net assets, a statement of revenues, expenses and changes in fund net assets, and a statement of cash flows.

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

BASIS OF ACCOUNTING

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

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

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

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

THE COUNTY AS TRUSTEE

The County acts as a trustee, or fiduciary, for a number of different political subdivisions in the County to facilitate tax collections and disbursements. All of the County's fiduciary activities are reported in a separate statement called the Statement of Fiduciary Net Assets. These activities are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County is

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

HIGHLIGHTS OF THE FINANCIAL STATEMENTS OF THE COUNTY AS A WHOLE

Financial reports reflect the County's performance in carrying out its mission of public service. Financial highlights point to the County's performance during 2010 in managing its financial resources while performing its functions and its ability to perform these activities in the future. Key financial highlights include:

- The County's net assets totaled over \$72 million at year-end 2010, an increase of about \$1.2 million from prior year
- The County's primary source of revenue is taxes. During 2010, total taxes collected from all sources amounted to \$25 million. In addition, the County collected over \$9.4 million in charges and grants referred to as "Program Revenues" including fees (\$7.3 million) and grants (\$2.1 million).
- Expenses were over \$34 million.
- The County collected the first full year of the half cent Emergency Services Sales tax that is used to help finance the new county wide ambulance service. Sixty percent of the tax revenue collected is transferred to the General Fund to rollback property taxes.

ANALYSIS OF THE FINANCIAL STATEMENTS OF THE COUNTY AS A WHOLE

The financial position of the County as a whole (including all funds) is shown in the Statement of Net Assets. At year end 2010, the County's had reserves of almost \$25 million, net of funds invested in capital assets. It had working capital of about \$37 million (current assets over current liabilities) with current and accrued liabilities of about \$3.1 million. By most standards, the financial position of the County is considered strong and its ability to carry on operations effectively and efficiently in the future is strong.

Total Net Assets

The County's combined net assets for 2010 totaled almost \$72 million (Table 1). Assets exceeded liabilities by this amount. From a financial position point of view, the County's assets would have to fall in value substantially before it would be in danger of a failure to meet its current financial obligations.

The total of all assets for both 2010 and 2009 was approximately \$107.5 million. Total assets include all of the County's capital assets including infrastructure assets. Capital assets account for over half (44%) of the County's total assets and most of this is infrastructure assets and construction in progress on the new jail.

Working Capital

As indicated above the County's financial statements are reported on a full accrual basis. Short term assets (about \$40.3 million) exceeded short term liabilities (about \$3.1 million) by approximately \$37 million. Monthly expenses average about \$2.5 million. On an accrual basis, therefore, the County has sufficient working capital to cover expenses for more than one year assuming no loss in converting non-cash liquid assets to cash.

The majority of the County's 2010 liabilities of about \$35 million were long term liabilities. Most were associated with jail financing, including a lease-purchase arrangement totaling \$35 million financed by Certificates of Participation (COPs) issued in 2007 and 2009. The COPs are similar to a bond, and in conjunction with the lease-purchase contract, is the method the County has chosen to finance the construction of the new jail. The COPs will be retired over a period of about 15 years (which started in 2007) with special tax proceeds. The remaining 2010 liabilities were related to normal operating obligations, which include compensated absences, a tax sharing agreement with the City of Jefferson, and the County's liability related to Neighborhood Improvement Districts.

Table 1
County of Cole, Missouri
Statement of Net Assets
For the Years Ended December 31, 2010 and 2009

	2010				2009			
	Governmental Activities	Business-type Activities	Total	Percent of Total Assets	Governmental Activities	Business-type Activities	Total	Percent of Total Assets
Current and other assets	\$ 39,149,101	\$ 1,134,998	\$ 40,284,099	37.5%	\$ 46,564,198	\$ 801,415	\$ 47,365,613	44.0%
Capital assets	66,661,013	604,863	67,265,876	62.5%	59,794,893	387,011	60,181,904	56.0%
Total assets	<u>105,810,114</u>	<u>1,739,861</u>	<u>107,549,975</u>	<u>100.0%</u>	<u>106,359,091</u>	<u>1,188,426</u>	<u>107,547,517</u>	<u>100.0%</u>
Current liabilities	2,926,884	66,306	2,993,190	2.8%	2,040,068	80,762	2,120,830	2.0%
Accrued liabilities	107,101	-	107,101	0.1%	110,590	-	110,590	0.1%
Noncurrent liabilities:								
Due to other governments	53,915	-	53,915	0.1%	350,866	-	350,866	0.3%
Due within one year	2,071,420	2,684	2,074,104	1.9%	2,004,502	2,000	2,006,502	1.9%
Due in more than one year	29,690,367	97,520	29,787,887	27.7%	31,618,167	65,865	31,684,032	29.5%
Total liabilities	<u>34,849,687</u>	<u>166,510</u>	<u>35,016,197</u>	<u>32.6%</u>	<u>36,124,193</u>	<u>148,627</u>	<u>36,272,820</u>	<u>33.7%</u>
Net assets:								
Invested in capital assets, net of related debt	46,931,749	604,863	47,536,612	44.2%	48,307,125	387,011	48,694,136	45.3%
Restricted	19,178,485	968,488	20,146,973	18.7%	17,786,392	-	17,786,392	16.5%
Unrestricted	4,850,193	-	4,850,193	4.5%	4,141,381	652,788	4,794,169	4.5%
Total net assets	<u>\$ 70,960,427</u>	<u>\$ 1,573,351</u>	<u>\$ 72,533,778</u>	<u>67.4%</u>	<u>\$ 70,234,898</u>	<u>\$ 1,039,799</u>	<u>\$ 71,274,697</u>	<u>66.3%</u>

The Statement of Net Assets indicates the financing position of the County did not change substantially between 2009 and 2010. Between 2009 and 2010, total assets stayed consistent. Current assets decreased by about \$7 million while capital assets increased by about \$7 million; therefore causing no significant change in net assets from prior year. Liabilities also did not see much change from 2009 to 2010. The County did not issue any more COP's in 2010, but did continue to pay on the debt service on the jail construction.

The relationship between revenue and expenditures is shown more clearly in Table 2 (Statement of Change in Net Assets) and discussed in more detail in following sections.

Statement of Changes in Net Assets

Activities of the County that incur expenses are classified (by law) and accounted for under different "programs" such as public safety, health, etc. The costs of these programs are financed both with fees and with tax revenue. Fees directly allocated to the program are called "program revenue." However, in most cases, program revenue (fees) is not sufficient to cover the cost of the program. The remainder cost is covered by tax revenue called "non-program revenue." The Statement of Change in Net Assets shows program and non-program revenue and the costs of the various programs. It also shows what caused the \$1.3 million increase in Net Assets. Normally, the County's net asset position increases as assets usually grow faster than liabilities.

Changes in Revenues

Total revenue collected by the County (\$35.4 million) increased by over \$1.9 million in 2010. Over \$1.8 million of this increase was due to the first full year of emergency services sales tax collections. Program revenue increased about \$586,000 and non-program revenue (other than sales taxes) decreased about \$488,000 due to a rollback of the general fund property tax levy that was promised when the emergency services sales tax passed. The change in net assets of about \$1.3 million in 2010 is substantially smaller than the increase in 2009 of about \$3.8 million (see Table 2).

Changes in Expenses

On an accrual basis, the County spent or incurred obligations to spend a little over \$34.2 million in 2010 compared to \$29.8 million in 2009 to provide the activities it is required by law to provide. Depreciation is included in the expenses of the various programs. For the County as a whole, expenses average about \$2.5 million per month.

Table 2
County of Cole, Missouri
Statement of Changes in Net Assets
For the Years Ended December 31, 2010 and 2009

	2010				2009			
	Governmental Activities	Business-type Activities	Total	Percent of Total Revenue	Governmental Activities	Business-type Activities	Total	Percent of Total Revenue
Revenues:								
Program Revenues:								
Charges for services	\$ 4,595,606	\$ 2,769,359	\$ 7,364,965	20.8%	\$ 5,371,232	\$ 1,545,688	\$ 6,916,920	20.6%
Operating grants and contributions	2,111,055	-	2,111,055	6.0%	1,967,698	-	1,967,698	5.9%
Capital grants and contributions	-	-	-	0.0%	5,243	-	5,243	0.0%
Non Program Revenues:								
Property taxes	6,174,484	-	6,174,484	17.4%	7,121,570	-	7,121,570	21.2%
Sales tax	15,534,859	-	15,534,859	43.8%	13,720,164	-	13,720,164	40.9%
Local use tax	1,184,170	-	1,184,170	3.3%	985,600	-	985,600	2.9%
Motor vehicle sales tax	248,597	-	248,597	0.7%	239,980	-	239,980	0.7%
Stock insurance	1,082,353	-	1,082,353	3.1%	978,150	-	978,150	2.9%
County aid road trust	814,559	-	814,559	2.3%	787,468	-	787,468	2.3%
Financial institution tax	34,082	-	34,082	0.1%	24,395	-	24,395	0.1%
Transfers	(1,223,280)	1,223,280	-	0.0%	(1,014,497)	1,014,497	-	0.0%
Other	896,065	10,088	906,153	2.6%	793,441	2,055	795,496	2.4%
Total revenues	31,452,550	4,002,727	35,455,277	100.0%	30,980,444	2,562,240	33,542,684	100.0%
Expenses:								
General government	4,546,191	-	4,546,191	12.8%	4,519,053	-	4,519,053	13.5%
Public safety	10,051,521	-	10,051,521	28.3%	8,964,258	-	8,964,258	26.7%
Highways, streets & bridges	11,249,797	-	11,249,797	31.7%	9,462,367	-	9,462,367	28.2%
Assessment costs	619,083	-	619,083	1.7%	817,567	-	817,567	2.4%
Judicial	751,879	-	751,879	2.1%	753,715	-	753,715	2.2%
Health & welfare	1,941,656	-	1,941,656	5.5%	2,196,749	-	2,196,749	6.5%
Parks & recreation	10,877	-	10,877	0.0%	10,677	-	10,677	0.0%
Emergency management	262,650	-	262,650	0.7%	329,185	-	329,185	1.0%
Interest and fiscal fees	1,293,367	-	1,293,367	3.6%	1,176,414	-	1,176,414	3.5%
Emergency medical services	-	3,469,175	3,469,175	9.8%	-	1,522,441	1,522,441	4.5%
Total expenses	30,727,021	3,469,175	34,196,196	96.4%	28,229,985	1,522,441	29,752,426	88.7%
Increase in net assets	725,529	533,552	1,259,081		2,750,459	1,039,799	3,790,258	
Net assets - beginning	70,234,898	1,039,799	71,274,697		67,484,439	-	67,484,439	
Net assets - ending	\$ 70,960,427	\$ 1,573,351	\$ 72,533,778		\$ 70,234,898	\$ 1,039,799	\$ 71,274,697	

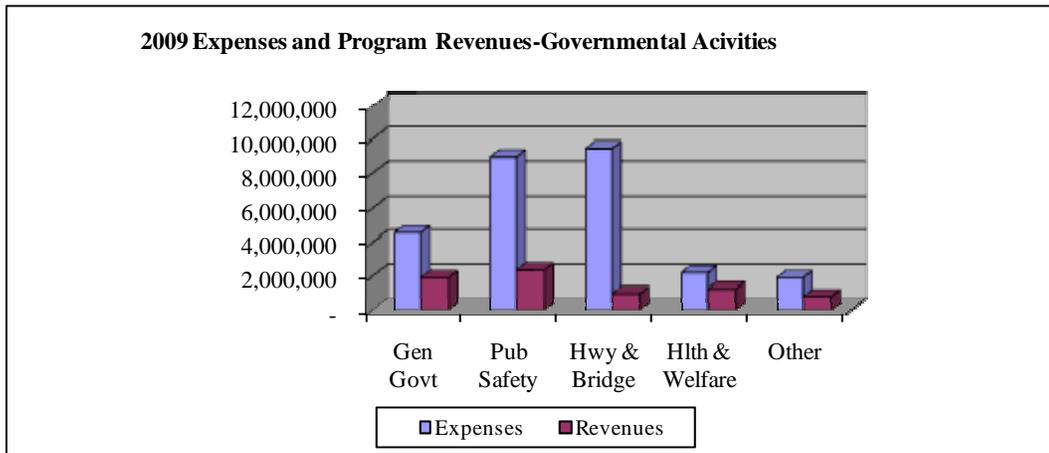
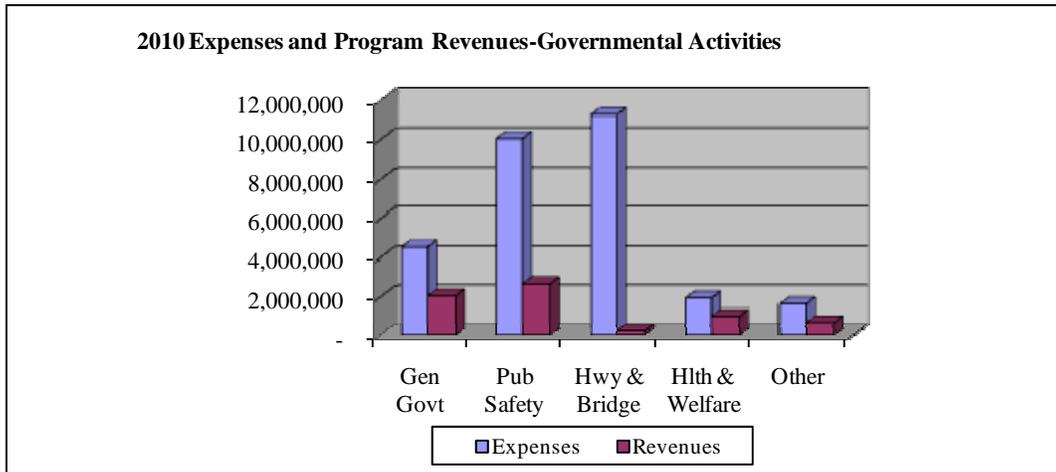
General government expenses stayed about the same in 2010 with only about a \$27,000 increase. Public safety expenses increased in the current year by approximately \$1.1 million due to the addition of new employees in the sheriff's department, non-capitalized costs related to the construction of the new law enforcement facility, and increase in certain operating expenses. Highways, streets and bridges expenses increased by \$1.8 million due to a joint City/County project. The County is completing two large road projects with the City of Jefferson, the East McCarty Street project and the Lafayette Street project. The County and City are sharing the cost of these two projects, although the infrastructure will become an asset of the City once completed. Health and welfare expenses decreased by about \$255,000 in 2010, mostly due to the H1N1 outbreak and the additional time and personnel needed to run the vaccine clinics in 2009 were not needed in 2010.

In 2009 the County added the Emergency Medical Services Fund, which is a proprietary fund and accounts for the activity of the ambulance service. In 2010, the County collected over \$2.7 million in charges for services and incurred over \$3.4 million in expenditures. 2010 represented the first full year of operating the ambulance service, therefore all revenues and expenditures increased over 2009 which included only half a year of operations. The Emergency Medical Services Fund is supplemented with the half cent Emergency Services Sales tax.

Program Revenue and Expenses

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

Chart I



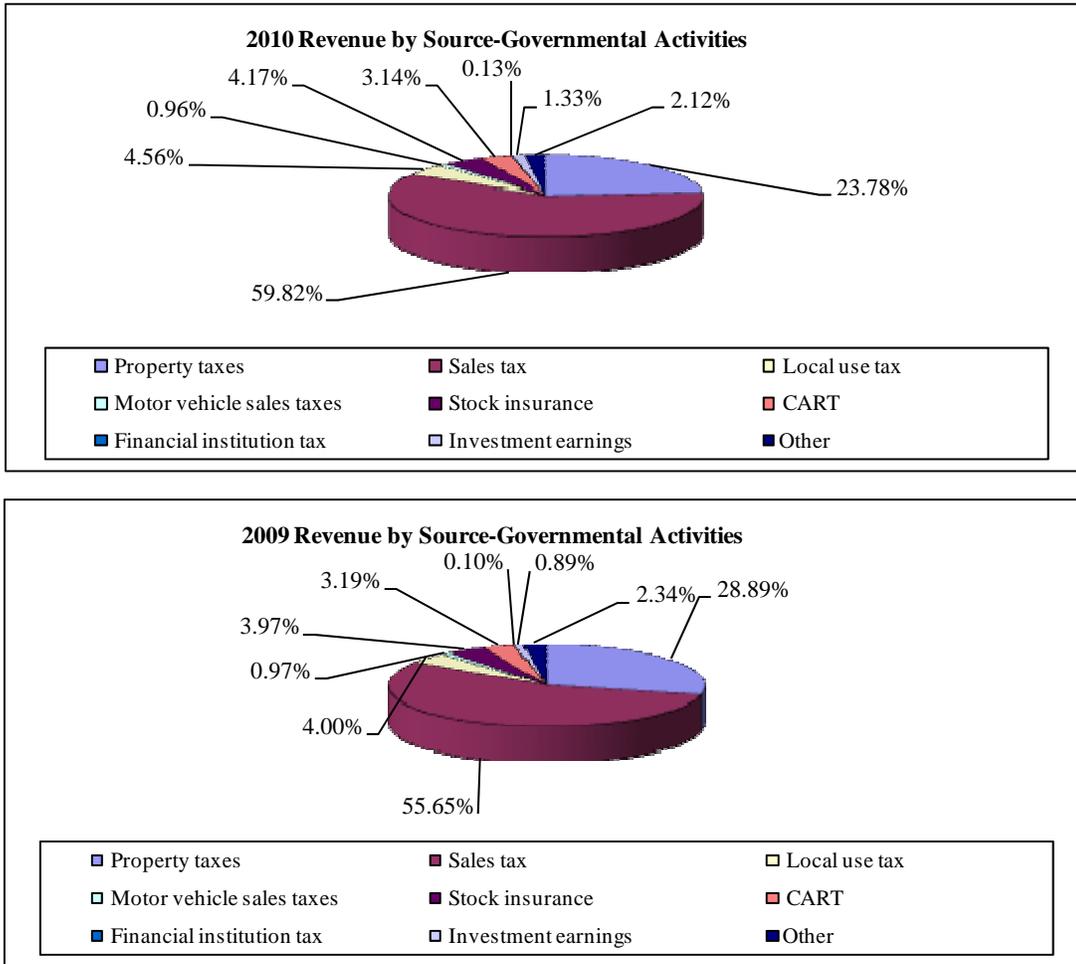
In the two major program areas – public safety and highways and bridges – program revenue is substantially less than program expenses (see Chart I). The difference is nearly \$7.5 million in the case of highways and bridges. Revenue from property tax and sales tax make up the difference. The excess of program costs over program revenue is highest in the Highways and Bridge category and relatively low in some other categories. For example, expenses for Highways and Bridges were over \$11 million in 2010 while program revenue was less than \$228,000.

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 \$4.5 million in 2010 – about 13 percent of the total expenses for all activities. In 2009, these expenses were about \$4.5 million and almost 13.5 percent of total expenses. In most cases the deficiency of program revenue for program expenses was larger in 2010 than in 2009. This has been a trend and most likely will continue, making revenue management critically important because in County government expenses generally are growing at a faster rate than revenues.

Sources of Revenue - Tax Revenue

As indicated above, program revenues in total make up about one-fourth the cost of program activities. The remainder comes from tax revenue. In 2010, over 75 percent 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. In 2010 sales tax accounted for almost 60 percent of total revenue compared to 24 percent from property tax revenue. Sales tax continued to grow with the first full year of collections of the emergency services sales tax in 2010; however, property taxes in the general fund dropped due to a roll back of the property tax levy.

Chart II



The County collects seven different taxes. Chart II shows the revenue the County collects from the different taxes. In total, about 24% 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 financial institutions in lieu of property taxes including a stock insurance tax on the assets of banks that totaled slightly over \$1 million in 2010 compared to about \$978,000 in 2009.

ANALYSIS OF THE COUNTY'S INDIVIDUAL FUNDS STATEMENTS

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

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

THE GENERAL FUND

About 24% of the County's activities are accounted for in the General Fund. At the end of fiscal 2010, the General Fund had a reserve (fund balance) of \$8.7 million (Table 3) – about 24 percent of the County's total fund balance of \$35.5 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, 2010 and 2009

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 4,166,318	46.9%	\$ 4,889,872	51.0%
Licenses, fees and permits	2,669,702	30.1%	2,639,837	27.5%
Intergovernmental	1,830,295	20.6%	1,675,563	17.5%
Interest	85,026	1.0%	32,190	0.3%
Other	132,052	1.5%	352,440	3.7%
Total revenues	<u>8,883,393</u>	<u>100.0%</u>	<u>9,589,902</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
General government	3,840,556	43.2%	3,751,809	39.1%
Public safety	2,737,211	30.8%	2,648,228	27.6%
Judicial	660,772	7.4%	674,762	7.0%
Health & welfare	1,702,303	19.2%	1,695,883	17.7%
Parks & recreation	1,766	0.0%	1,566	0.0%
Emergency management	81,589	0.9%	145,495	1.5%
Capital outlay:				
General government	11,948	0.1%	22,392	0.2%
Public safety	5,619	0.1%	-	0.0%
Judicial	-	0.0%	14,167	0.1%
Health & welfare	46,036	0.5%	19,726	0.2%
Emergency management	41,000	0.5%	-	0.0%
Total expenditures	<u>9,128,800</u>	<u>102.8%</u>	<u>8,974,028</u>	<u>93.6%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,407)</u>	<u>-2.8%</u>	<u>615,874</u>	<u>6.4%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,901,460	43.9%	3,082,614	32.1%
Transfers out	(2,292,185)	-25.8%	(3,124,388)	-32.6%
Sale of capital assets	4,330	0.0%	1,335	0.0%
Total other financing sources (uses)	<u>1,613,605</u>	<u>18.2%</u>	<u>(40,439)</u>	<u>-0.4%</u>
Net changes in fund balances	1,368,198	15.4%	575,435	6.0%
Fund balances-beginning	<u>7,315,900</u>	<u>82.4%</u>	<u>6,740,465</u>	<u>70.3%</u>
Fund balances - ending	<u>\$ 8,684,098</u>	<u>97.8%</u>	<u>\$ 7,315,900</u>	<u>76.3%</u>

None of the General Fund's fund balance has any legal restrictions. Accordingly, as a measure of the General Fund's liquidity, it represents over three-fourths of the General Fund total expenditures of about \$9.1 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 \$1.4 million after inter-fund transfers.

Taxes account for almost half of General Fund revenue and decreased by about \$724,000 in 2010, due to a rollback of the property tax levy that was promised with passing of the emergency services sales tax. Transfers in increased by over \$800,000 from prior year, mostly due to the transfer from emergency services sales tax to offset the tax rollback and the payback of a loan that was used as start up fund for the ambulance service. Transfers out decreased due to the Emergency Medical Services fund not requiring any start up funds in the current year. General government expenditures that include personnel costs, insurance, supplies, and miscellaneous expenses increased about \$155,000. There were no large capital expenditures budgeted or completed in 2010.

ROAD AND BRIDGE FUND

The County's Road and Bridge Fund is a special revenue fund used to account for activity associated with constructing and maintaining the County's transportation infrastructure. The main source of revenue is a special levy property tax. It also receives revenue from two other sources – County Aid Road Trust (CART), basically a tax on motor fuel, and an automobile sales tax. The Fund received revenue of over \$4.9 million (see Table 4) in 2010, of which over 96 percent was from special taxes that can only be used for construction and maintenance of road and bridge systems.

Table 4
COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds- Road and Bridge Fund
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 4,768,930	96.8%	\$ 4,645,960	96.6%
Licenses, fees and permits	103,778	2.1%	99,128	2.1%
Intergovernmental	-	0.0%	33,461	0.7%
Interest	35,856	0.7%	16,586	0.3%
Other	19,542	0.4%	12,719	0.3%
Total revenues	<u>4,928,106</u>	<u>100.0%</u>	<u>4,807,854</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Highways, streets & bridges	4,566,847	92.7%	4,360,810	90.7%
Capital outlay:				
Highways, streets & bridges	7,109	0.1%	112,963	2.3%
Debt service:				
Highways, streets & bridges	100,000	2.0%	100,000	2.1%
Total expenditures	<u>4,673,956</u>	<u>94.8%</u>	<u>4,573,773</u>	<u>95.1%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>254,150</u>	<u>5.2%</u>	<u>234,081</u>	<u>4.9%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	252,185	5.1%	239,888	5.0%
Transfers out	<u>(182,376)</u>	<u>-3.7%</u>	<u>(193,173)</u>	<u>-4.0%</u>
Total other financing sources (uses)	<u>69,809</u>	<u>1.4%</u>	<u>46,715</u>	<u>1.0%</u>
Net changes in fund balances	323,959	6.6%	280,796	5.8%
Fund balances-beginning	4,843,244	98.3%	4,562,448	94.9%
Fund balances - ending	<u>\$ 5,167,203</u>	<u>104.9%</u>	<u>\$ 4,843,244</u>	<u>100.7%</u>

Revenue between 2009 and 2010 increased slightly (about \$120,000), due mostly to an increase in taxes and interest. Basic revenue (taxes and fees) increased by about \$128,000, a relative increase of only about 1 percent. Expenses increased approximately \$100,000, or approximately 2 percent. Fund balance increased about \$324,000. Typically the fund balance is large in this fund as most of the revenue is collected near the end of the year and projects are frequently long term, multi-year projects.

SALES TAX FUND (Capital Improvement Sales Tax Fund)

The Sales Tax Fund is also a special revenue fund. The County has had a half-cent capital improvement sales tax for over 24 years. By law, the revenue must be spent on capital improvements. By County policy, 85 percent of the revenue is allocated to road and bridge capital improvement projects. The remaining 15 percent is allocated to capital improvements related to courthouse needs.

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, 2010 and 2009

	2010		2009	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 5,186,141	95.3%	\$ 5,034,719	83.2%
Licenses, fees and permits	123,796	2.3%	37,332	0.6%
Intergovernmental	47,546	0.9%	872,818	14.4%
Interest	84,352	1.5%	51,447	0.8%
Other	1,098	0.0%	57,583	1.0%
Total revenues	5,442,933	100.0%	6,053,899	100.0%
EXPENDITURES				
Current:				
General government	284,751	5.2%	331,201	5.5%
Highways, streets & bridges	2,176,966	40.0%	-	0.0%
Capital outlay:				
General government	71,116	1.3%	81,166	1.3%
Highways, streets & bridges	2,403,555	44.2%	4,098,164	67.7%
Emergency management	-	0.0%	25,808	0.4%
Total expenditures	4,936,388	90.7%	4,536,339	74.9%
Excess (deficiency) of revenues over (under) expenditures	506,545	9.3%	1,517,560	25.1%
OTHER FINANCING SOURCES (USES)				
Transfers in	-	0.0%	990,105	16.4%
Transfers out	(147,986)	-2.7%	(884,346)	-14.6%
Total other financing sources (uses)	(147,986)	-2.7%	105,759	1.7%
Net changes in fund balances	358,559	6.6%	1,623,319	26.8%
Fund balances-beginning	5,586,509	102.6%	3,963,190	65.5%
Fund balances - ending	\$ 5,945,068	109.2%	\$ 5,586,509	92.3%

Total revenue in this fund was slightly more than \$5.4 million in 2010. Revenue decreased from 2009 by about \$611,000, mostly due to the completion of a federal bridge project in 2009 in which the County received federal funds. Tax revenue increased by almost 3 percent (about \$151,000). Expenditures also increased in 2010 by about \$400,000 compared to 2009 and accounted for over 90 percent of the total revenue. The increase in expenditures is due to the multi-year projects that are paid for in this fund and timing of the completion of these projects. Transfer activity was much more significant in the prior year. In 2009, the property purchase for the

new law enforcement facility was reimbursed to the Sales Tax Fund from the Capital Improvement Fund. As part of the COPs issuance in 2009, \$600,000 was transferred to the Capital Improvement Fund.

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 2010, the tax accounted for over 76 percent of the Fund’s revenue. Most of the remainder came from fees and charges (slightly over 16%). In 2010, the Law Enforcement Fund added three new grants for the MUSTANG Task Force, which caused almost a \$218,000 increase in intergovernmental revenue.

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, 2010 and 2009

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent of Total Revenue</u>	<u>Amount</u>	<u>Percent of Total Revenue</u>
REVENUES				
Taxes	\$ 5,176,264	76.7%	\$ 5,048,783	80.2%
Licenses, fees and permits	1,087,588	16.1%	1,042,088	16.5%
Intergovernmental	337,304	5.0%	119,500	1.9%
Interest	59,130	0.9%	43,332	0.7%
Other	88,789	1.3%	44,910	0.7%
Total revenues	<u>6,749,075</u>	<u>100.0%</u>	<u>6,298,613</u>	<u>100.0%</u>
EXPENDITURES				
Current:				
Public safety	5,794,252	85.9%	4,906,005	77.9%
Capital outlay:				
Public safety	158,287	2.3%	187,627	3.0%
Total expenditures	<u>5,952,539</u>	<u>88.2%</u>	<u>5,093,632</u>	<u>80.9%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>796,536</u>	<u>11.8%</u>	<u>1,204,981</u>	<u>19.1%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,040,000	30.2%	2,040,000	32.4%
Transfers out	(3,068,822)	-45.5%	(3,329,073)	-52.9%
Sale of capital assets	3,830	0.1%	29,600	0.5%
Total other financing sources (uses)	<u>(1,024,992)</u>	<u>-15.2%</u>	<u>(1,259,473)</u>	<u>-20.0%</u>
Net changes in fund balances	<u>(228,456)</u>	<u>-3.4%</u>	<u>(54,492)</u>	<u>-0.9%</u>
Fund balances-beginning	2,396,127	35.5%	2,450,619	38.9%
Fund balances - ending	<u>\$ 2,167,671</u>	<u>32.1%</u>	<u>\$ 2,396,127</u>	<u>38.0%</u>

Construction on the new jail began in 2008 with site development work and continued in to 2010 with completion expected in 2011. The jail construction will total about \$35 million and is financed through a lease-purchase agreement with a bank as the trustee. The lease payments are recorded as transfers out in the Law Enforcement Fund. The expenditures in the Law Enforcement Fund increased in 2010 by about \$860,000, mostly due to the additional cost incurred for boarding prisoners in other counties until the completion of the new jail. In addition, new employees were hired in September and December 2010 to increase jail staffing up before the completion of the new jail. The ending fund balance decreased by about \$228,000 in 2010.

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 sixty percent of the tax collected by the emergency services sales tax is transferred to the General Fund to offset a property tax rollback. The rest of the tax collected in this fund is used to finance ambulance and emergency medical services. The balance of the tax after the rollback portion is required to supplement the ambulance service accounted for in the emergency medical services (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, 2010 and 2009

	2010		2009	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Taxes	\$ 5,172,454	99.8%	\$ 3,636,662	70.1%
Interest	11,726	0.2%	4,575	0.1%
Total revenues	<u>5,184,180</u>	<u>100.0%</u>	<u>3,641,237</u>	<u>70.2%</u>
EXPENDITURES				
Current:				
Health & welfare	219,964	4.2%	490,863	9.5%
Capital outlay:				
Health & welfare	357,860	6.9%	429,825	8.3%
Total expenditures	<u>577,824</u>	<u>11.1%</u>	<u>920,688</u>	<u>17.8%</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,606,356</u>	<u>88.9%</u>	<u>2,720,549</u>	<u>52.5%</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	0.0%	534,500	10.3%
Transfers out	(4,371,009)	-84.3%	(2,506,996)	-48.4%
Total other financing sources (uses)	<u>(4,371,009)</u>	<u>-84.3%</u>	<u>(1,972,496)</u>	<u>-38.0%</u>
Net changes in fund balances	235,347	4.5%	748,053	14.4%
Fund balances-beginning	748,053	14.4%	-	0.0%
Fund balances - ending	<u>\$ 983,400</u>	<u>19.0%</u>	<u>\$ 748,053</u>	<u>14.4%</u>

In 2010, the County collected its first full year of the emergency medical services sales tax. The statements reflect the increase in sales tax revenue and the transfers out, which account for the transfers to General fund for the rollback of property taxes and to the EMS enterprise fund for the operation of the ambulance service. Expenditures decreased compared to prior year as one-time start up costs were incurred in 2009.

CAPITAL IMPROVEMENT FUND

The County created a capital improvement fund in 2007 to account for construction of a new jail. Proceeds from COPs issued by the trustee and subsequent disbursements are included in this fund. The fund balance in the Capital Improvement Fund increased in 2009 to \$20.5 million due to a second issuance of COPs for \$25 million. In 2010, the fund balance decreased back down to \$10.4 million due to the continued jail construction and no new debt issuances.

During 2010, Cole County continued construction of the new jail. The County spent almost \$2 million for the initial site work and preparation for the construction of the new facility in 2008. Over \$14 million was expended in 2009. The jail construction continued in 2010 with an additional \$10 million expended.

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, 2010 and 2009

	2010		2009	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
REVENUES				
Interest	\$ 20,009	100.0%	\$ 31,629	100.0%
Total revenues	20,009	100.0%	31,629	100.0%
EXPENDITURES				
Current:				
General government	-	0.0%	84,699	267.8%
Public safety	953,385	4764.8%	16,255	51.4%
Capital outlay:				
Public safety	9,107,860	45518.8%	11,118,398	35152.5%
Debt service:				
Public safety	3,068,935	15337.8%	3,070,265	9707.1%
Total expenditures	13,130,180	65621.4%	14,289,617	45178.8%
Excess (deficiency) of revenues over (under) expenditures	(13,110,171)	-65521.4%	(14,257,988)	-45078.8%
OTHER FINANCING SOURCES (USES)				
Issuance of certificates of participation:				
Proceeds	-	0.0%	25,000,000	79041.4%
Discount	-	0.0%	(382,417)	-1209.1%
Transfers in	3,068,822	15337.2%	3,639,302	11506.2%
Transfers out	-	0.0%	(990,105)	-3130.4%
Total other financing sources (uses)	3,068,822	15337.2%	27,266,780	86208.2%
Net changes in fund balances	(10,041,349)	-50184.2%	13,008,792	41129.3%
Fund balances-beginning	20,489,541	102401.6%	7,480,749	23651.6%
Fund balances - ending	\$ 10,448,192	52217.5%	\$ 20,489,541	64780.9%

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

EMERGENCY MEDICAL SERVICES –ENTERPRISE FUND

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

In 2009, the County acquired the ambulance service previously operated by Capital Region Medical Center (CRMC). On July 18, 2009, the County hired staff and acquired assets, including eight ambulances and other special equipment, from CRMC. The County operated the service for about five and one-half months in 2009.

Table 9
COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund- Emergency Medical Services Fund
For the Years Ended December 31, 2010 and 2009

	2010		2009	
	Amount	Percent of Total Revenue	Amount	Percent of Total Revenue
OPERATING REVENUES				
Charges for services	\$ 2,769,359	100.0%	\$ 1,545,688	100.0%
Total operating revenues	<u>2,769,359</u>	<u>100.0%</u>	<u>1,545,688</u>	<u>100.0%</u>
OPERATING EXPENSES				
Personnel services	2,528,631	91.3%	1,050,066	67.9%
Administrative	348,419	12.6%	293,487	19.0%
Other supplies and expenses	196,791	7.1%	52,712	3.4%
Repairs and maintenance	231,828	8.4%	67,543	4.4%
Insurance	22,835	0.8%	11,487	0.7%
Depreciation	140,008	5.1%	42,813	2.8%
Miscellaneous	663	0.0%	4,333	0.3%
Total operating expenses	<u>3,469,175</u>	<u>125.3%</u>	<u>1,522,441</u>	<u>98.5%</u>
Operating income	<u>(699,816)</u>	<u>-25.3%</u>	<u>23,247</u>	<u>1.5%</u>
NONOPERATING REVENUE (EXPENSES)				
Miscellaneous	2,111	0.1%	1,283	0.1%
Interest and investment revenue	7,977	0.3%	772	0.0%
Total nonoperating revenue	<u>10,088</u>	<u>0.4%</u>	<u>2,055</u>	<u>0.1%</u>
Income before contributions	<u>(689,728)</u>	<u>-24.9%</u>	<u>25,302</u>	<u>1.6%</u>
Transfers in	986,037	35.6%	635,000	41.1%
Transfers out	(120,617)	-4.4%	(50,328)	-3.3%
Capital contributions	357,860	12.9%	429,825	27.8%
Change in net assets	533,552	19.3%	1,039,799	67.3%
Total net assets-beginning	<u>1,039,799</u>	<u>37.5%</u>	<u>-</u>	<u>0.0%</u>
Total net assets - ending	<u>\$ 1,573,351</u>	<u>56.8%</u>	<u>\$ 1,039,799</u>	<u>67.3%</u>

The County completed its first full year of operation of the county-wide ambulance service in 2010. The service is financed partly through a charge for services, which totaled \$2. million, and partly through a special revenue sales tax discussed previously. Net assets of the Emergency Medical Services Fund at the end of 2010 totaled approximately \$1.6 million compared to slightly over \$1 million in 2009.

INDIVIDUAL FUND BUDGET-TO-ACTUAL COMPARISON HIGHLIGHTS

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

revenues and expenses, planning and control are considered effective. The County prepares its budgets on the cash basis of accounting so that revenue is recorded when received rather than when earned and expenditures are recorded when paid rather than when incurred. The funds' modified accrual basis statements are converted to cash basis for the budget comparisons. The cash basis of accounting can cause variances if revenues are not received when anticipated and expenditures are incurred but not paid during the budget year.

The analysis shows that actual plans conformed substantially to budget and reserves were maintained at prudent levels. In 2010, with the continued down turn in the economy as a whole, the County took a more conservative approach to budgeting and spending. As such, both revenues and expenditures were under budget in the General Fund. In the Road and Bridge Fund and Capital Improvement Fund (Sales Tax Fund), projects are large and frequently multi-year. Generally, budgeting in these two funds must be done from a three to five year perspective rather than the next year. These two funds cause most of the difference in budget to actual numbers. A more detailed analysis of budget-to-actual amounts is shown in the Required Supplemental Information section.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The County has capital assets of over \$67 million at the end of 2010. Most of this (slightly over \$30 million) consists of infrastructure. The County has over \$5.7 million in buildings and over \$3 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 10
County of Cole, Missouri
Schedule of Capital Assets
For the Years Ended December 31, 2010 and 2009
 (net of depreciation)

	<u>2010</u>		<u>2009</u>	
	<u>Total</u>	<u>Percent of Total</u>	<u>Total</u>	<u>Percent of Total</u>
Land	\$ 4,600,931	6.8%	\$ 4,335,563	7.2%
Buildings	5,746,610	8.5%	5,887,001	9.8%
Machinery and equipment	3,043,697	4.5%	3,520,845	5.9%
Infrastructure	30,038,778	44.7%	32,857,576	54.6%
Construction in progress	23,835,859	35.4%	13,580,919	22.6%
Total	\$ 67,265,875	100.0%	\$ 60,181,904	100.0%

The largest increase in 2010 is in construction in progress due to the law enforcement facility construction that began in 2008 and is anticipated to be completed in 2011. 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 \$374,000 in 2010 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 \$37,000 less in 2010 due to retirement of bond principal, which was reimbursed by property owner assessment payments.

Capital Leases

In 2007, the County completed all necessary steps to enter into and finalize a capital lease arrangement to finance the construction of a new jail, and \$10 million of COPs were issued by the trustee in December 2007. An additional \$25 million of COPs were issued in March 2009. The agreements meet the definition of a capital lease and are recorded in the County's financial statements as debt.

Table 11
County of Cole, Missouri
Schedule of Outstanding Debt
Year Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Outstanding Debt:		
Special Assessment Bonds	\$ 374,000	\$ 411,000
Certificates of Participation (Capital Lease)	<u>30,625,000</u>	<u>32,460,000</u>
Total	<u>\$ 30,999,000</u>	<u>\$ 32,871,000</u>

At December 31, 2010, the County had about \$31 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 \$1,835,000 was made in 2010. 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 about 75,990 in 2010 and grew slightly from 2009. Prior to 2009, both personal income and commercial activity have grown at healthy rates over the past several years. However, both are expected to grow at much slower rates or decline somewhat as the economy experiences the contracting effects of the recession that began in December 2007. As such, County officials plan activities on the assumption that key economic events that drive revenue and expenses will grow at somewhat less than historical trend rates after adjustment for known or expected current conditions.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

COUNTY OF COLE, MISSOURI
Statement of Net Assets
December 31, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash investments	\$ 21,198,149	\$ 544,558	\$ 21,742,707
Investments	12,961,548	-	12,961,548
Receivables (net of allowance)	4,164,326	565,762	4,730,088
Due from agency fund	78,118	-	78,118
Bond issuance costs, net	14,538	-	14,538
Inventory	577,468	-	577,468
Prepaid insurance	154,954	24,678	179,632
Capital assets:			
Non-depreciable	28,436,791	-	28,436,791
Depreciable, net	38,224,222	604,863	38,829,085
Total assets	105,810,114	1,739,861	107,549,975
LIABILITIES:			
Accounts payable and other current liabilities	2,926,884	66,306	2,993,190
Accrued liabilities	107,101	-	107,101
Noncurrent liabilities:			
Due to other governments	53,915	-	53,915
Due within one year	2,071,420	2,684	2,074,104
Due in more than one year	29,690,367	97,520	29,787,887
Total liabilities	34,849,687	166,510	35,016,197
NET ASSETS:			
Invested in capital assets, net of related debt	46,931,749	604,863	47,536,612
Restricted for:			
Capital Projects	10,788,716	-	10,788,716
Highways, streets, and bridges	5,167,203	-	5,167,203
Public safety	2,167,671	-	2,167,671
Health and welfare	983,400	-	983,400
Debt service	71,495	-	71,495
Unrestricted	4,850,193	968,488	5,818,681
Total net assets	\$ 70,960,427	\$ 1,573,351	\$ 72,533,778

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 4,546,191	\$ 1,800,919	\$ 251,631	\$ -	\$ (2,493,641)	\$ -	\$ (2,493,641)
Public safety	10,051,521	1,965,511	716,349	-	(7,369,661)	-	(7,369,661)
Highways, streets and bridges	11,249,797	227,574	-	-	(11,022,223)	-	(11,022,223)
Assessment	619,083	149,884	-	-	(469,199)	-	(469,199)
Judicial	751,879	135,370	299,388	-	(317,121)	-	(317,121)
Health and welfare	1,941,656	316,348	724,446	-	(900,862)	-	(900,862)
Parks and recreation	10,877	-	-	-	(10,877)	-	(10,877)
Emergency management	262,650	-	119,241	-	(143,409)	-	(143,409)
Interest and fiscal fees	1,293,367	-	-	-	(1,293,367)	-	(1,293,367)
Total governmental activities	<u>30,727,021</u>	<u>4,595,606</u>	<u>2,111,055</u>	<u>-</u>	<u>(24,020,360)</u>	<u>-</u>	<u>(24,020,360)</u>
Business-type activities							
Emergency medical services	3,469,175	2,769,359	-	-	-	(699,816)	(699,816)
Total business-type activities	<u>3,469,175</u>	<u>2,769,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(699,816)</u>	<u>(699,816)</u>
Total primary government	<u>\$ 34,196,196</u>	<u>\$ 7,364,965</u>	<u>\$ 2,111,055</u>	<u>\$ -</u>	<u>(24,020,360)</u>	<u>\$ (699,816)</u>	<u>\$ (24,720,176)</u>
					\$ 6,174,484	\$ -	\$ 6,174,484
Property taxes					15,534,859	-	15,534,859
Sales tax					1,184,170	-	1,184,170
Local use tax					248,597	-	248,597
Motor vehicle sales taxes					1,082,353	-	1,082,353
Stock insurance					814,559	-	814,559
County Aid Road Trust					34,082	-	34,082
Financial institution tax					346,126	7,977	354,103
Unrestricted investment earnings					(1,223,280)	1,223,280	-
Transfers					549,939	2,111	552,050
Other							
Total general revenues and separate line items					<u>24,745,889</u>	<u>1,233,368</u>	<u>25,979,257</u>
Changes in net assets					725,529	533,552	1,259,081
Net assets - beginning					70,234,898	1,039,799	71,274,697
Net assets - ending					<u>\$ 70,960,427</u>	<u>\$ 1,573,351</u>	<u>\$ 72,533,778</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 Assets
Governmental Funds
December 31, 2010

	Major Funds						Non-Major Funds	Total Governmental Funds	
	Special Revenue			Law		Emergency			Capital Project
	General	Road & Bridge	Sales Tax	Enforcement Sales Tax	Services Sales Tax	Capital Improvement			
ASSETS									
Cash and cash investments	\$ 7,663,689	\$ 4,421,300	\$ 5,048,073	\$ 1,360,100	\$ 623,200	\$ -	\$ 2,081,787	\$ 21,198,149	
Restricted investments	-	-	-	-	-	12,961,548	-	12,961,548	
Receivables (net of allowance)									
Intergovernmental	543,885	171,928	904,437	977,366	900,499	-	-	3,498,115	
Special assessments	-	-	-	-	-	-	338,723	338,723	
Property taxes	122,684	204,804	-	-	-	-	-	327,488	
Due from other funds	540,299	-	-	78,118	-	-	-	618,417	
Inventory	-	577,468	-	-	-	-	-	577,468	
Prepaid insurance	86,203	22,379	-	40,218	-	-	6,154	154,954	
Total assets	<u>\$ 8,956,760</u>	<u>\$ 5,397,879</u>	<u>\$ 5,952,510</u>	<u>\$ 2,455,802</u>	<u>\$ 1,523,699</u>	<u>\$ 12,961,548</u>	<u>\$ 2,426,664</u>	<u>\$ 39,674,862</u>	
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 125,499	\$ 71,495	\$ 7,442	\$ 194,017	\$ -	\$ 2,513,356	\$ 20,654	\$ 2,932,463	
Due to other funds	-	-	-	-	540,299	-	-	540,299	
Due to other governments	-	-	-	53,915	-	-	-	53,915	
Deferred revenue	147,163	159,181	-	40,199	-	-	338,723	685,266	
Total liabilities	<u>272,662</u>	<u>230,676</u>	<u>7,442</u>	<u>288,131</u>	<u>540,299</u>	<u>2,513,356</u>	<u>359,377</u>	<u>4,211,943</u>	
Fund balances:									
Reserved for:									
Encumbrances	-	-	460,710	-	12,689	5,143,834	-	5,617,233	
Prepaid items	86,203	22,379	-	40,218	-	-	6,154	154,954	
Capital improvements	-	-	5,484,358	-	-	5,304,358	-	10,788,716	
Inventory	-	577,468	-	-	-	-	-	577,468	
Law enforcement	-	-	-	2,127,453	-	-	-	2,127,453	
Emergency medical services	-	-	-	-	970,711	-	-	970,711	
Unreserved, reported in:									
General Fund	8,597,895	-	-	-	-	-	-	8,597,895	
Special Revenue Funds	-	4,567,356	-	-	-	-	2,061,133	6,628,489	
Total fund balances	<u>8,684,098</u>	<u>5,167,203</u>	<u>5,945,068</u>	<u>2,167,671</u>	<u>983,400</u>	<u>10,448,192</u>	<u>2,067,287</u>	<u>35,462,919</u>	
Total liabilities and fund balances	<u>\$ 8,956,760</u>	<u>\$ 5,397,879</u>	<u>\$ 5,952,510</u>	<u>\$ 2,455,802</u>	<u>\$ 1,523,699</u>	<u>\$ 12,961,548</u>	<u>\$ 2,426,664</u>	<u>\$ 39,674,862</u>	
Total fund balances - governmental funds								\$ 35,462,919	
Amounts reported for governmental activities in the statement of net assets are different because:									
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.								66,661,013	
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.								685,266	
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported in the fund financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported on the government-wide statement of net assets.									
Interest payable								(7,762)	
Bonds payable								(374,000)	
Less: Bond issue costs to be amortized as interest expense								14,538	
								<u>(359,462)</u>	
Interest payable								(99,342)	
Certificates of Participation payable								(30,625,000)	
Less: Discount on certificates of participation to be amortized								447,544	
								<u>(30,177,456)</u>	
Payable to City of Jefferson								(194,420)	
Compensated absences								<u>(1,010,329)</u>	
Net assets of governmental activities								<u>\$ 70,960,427</u>	

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	Major Funds							Total Governmental Funds
	Special Revenue			Capital Project		Non-Major Funds	Total Governmental Funds	
	General	Road & Bridge	Sales Tax	Law Enforcement Sales Tax	Emergency Services Sales Tax			
REVENUES								
Taxes	\$ 4,166,318	\$ 4,768,930	\$ 5,186,141	\$ 5,176,264	\$ 5,172,454	\$ -	\$ -	\$ 25,117,493
Licenses, fees and permits	2,669,702	103,778	123,796	1,087,588	-	-	-	4,630,644
Intergovernmental	1,830,295	-	47,546	337,304	-	-	-	2,215,145
Interest	85,026	35,856	84,352	59,130	11,726	20,009	50,027	346,126
Other	132,052	19,542	1,098	88,789	-	-	40,509	281,990
Total revenues	8,883,393	4,928,106	5,442,933	6,749,075	5,184,180	20,009	1,383,702	32,591,398
EXPENDITURES								
Current:								
General government	3,840,556	-	284,751	-	-	-	197,331	4,322,638
Public safety	2,737,211	-	-	5,794,252	-	953,385	257,349	9,742,197
Highways, streets & bridges	-	4,566,847	2,176,966	-	-	-	-	6,743,813
Assessment costs	-	-	-	-	-	-	611,949	611,949
Judicial	660,772	-	-	-	-	-	28,878	689,650
Health & welfare	1,702,303	-	-	-	219,964	-	-	1,922,267
Parks & recreation	1,766	-	-	-	-	-	-	1,766
Emergency management	81,589	-	-	-	-	-	-	81,589
Capital outlay:								
General government	11,948	-	71,116	-	-	-	-	83,064
Public safety	5,619	-	-	158,287	-	9,107,860	-	9,271,766
Health & welfare	46,036	-	-	-	357,860	-	-	403,896
Highways, streets & bridges	-	7,109	2,403,555	-	-	-	-	2,410,664
Emergency management	41,000	-	-	-	-	-	-	41,000
Debt service:								
General government	-	-	-	-	-	-	63,364	63,364
Public safety	-	-	-	-	-	3,068,935	-	3,068,935
Highways, streets & bridges	-	100,000	-	-	-	-	-	100,000
Total expenditures	9,128,800	4,673,956	4,936,388	5,952,539	5,777,824	13,130,180	1,158,871	39,558,558
Excess (deficiency) of revenues over (under) expenditures	(245,407)	254,150	506,545	796,536	4,606,356	(13,110,171)	224,831	(6,967,160)
OTHER FINANCING SOURCES (USES)								
Transfers in	3,901,460	252,185	-	2,040,000	-	3,068,822	-	9,262,467
Transfers out	(2,292,185)	(182,376)	(147,986)	(3,068,822)	(4,371,009)	-	(65,509)	(10,127,887)
Sale of capital assets	4,330	-	-	3,830	-	-	-	8,160
Total other financing sources (uses)	1,613,605	69,809	(147,986)	(1,024,992)	(4,371,009)	3,068,822	(65,509)	(857,260)
Net changes in fund balances	1,368,198	323,959	358,559	(228,456)	235,347	(10,041,349)	159,322	(7,824,420)
Fund balances-beginning	7,315,900	4,843,244	5,586,509	2,396,127	748,053	20,489,541	1,907,965	43,287,339
Fund balances - ending	\$ 8,684,098	\$ 5,167,203	\$ 5,945,068	\$ 2,167,671	\$ 983,400	\$ 10,448,192	\$ 2,067,287	\$ 35,462,919

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, 2010

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

Net change in fund balances - total governmental funds \$ (7,824,420)

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	12,211,237	
Depreciation expense	(5,235,403)	
Capital contribution to business-type activity	(357,860)	
Loss on sale of governmental fund capital assets	<u>(15,726)</u>	6,602,248

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

Grants	(104,091)	
Taxes	(44,388)	
Contributions	263,868	
Fees	<u>(34,552)</u>	80,837

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

Principal payments on Certificates of Participation	1,835,000	
Amortization expense on Certificates of Participation	(35,147)	
Change in interest payable	3,486	
Other principal payments	137,000	
Amortization expense for Neighborhood Improvement bonds	<u>(1,407)</u>	1,938,932

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	(75,969)	
City of Jefferson expense	<u>3,901</u>	<u>(72,068)</u>

Change in net assets of governmental activities \$ 725,529

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Business-type Activities- Enterprise Funds
	Emergency Medical Services
ASSETS:	
Cash and cash investments	\$ 544,558
Receivables (net of allowance)	565,762
Prepaid insurance	24,678
Capital assets (net of accumulated depreciation):	
Buildings	44,376
Equipment	560,487
Total assets	1,739,861
LIABILITIES:	
Accounts payable and other current liabilities	66,306
Noncurrent liabilities:	
Due within one year	2,684
Due in more than one year	97,520
Total liabilities	166,510
NET ASSETS:	
Invested in capital assets, net of related debt	604,863
Unrestricted	968,488
Total net assets	\$ 1,573,351

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities- Enterprise Funds
	Emergency Medical Services
OPERATING REVENUES	
Charges for services	\$ 2,769,359
Total operating revenues	2,769,359
OPERATING EXPENSES	
Personnel services	2,528,631
Administrative	348,419
Other supplies and expenses	196,791
Repairs and maintenance	231,828
Insurance	22,835
Depreciation	140,008
Miscellaneous	663
Total operating expenses	3,469,175
Operating loss	(699,816)
NONOPERATING REVENUE	
Miscellaneous	2,111
Interest and investment revenue	7,977
Total nonoperating revenue	10,088
Loss before contributions and transfers	(689,728)
Transfers in	986,037
Transfers out	(120,617)
Capital contributions	357,860
Change in net assets	533,552
Total net assets-beginning	1,039,799
Total net assets - ending	\$ 1,573,351

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities- Enterprise Funds
	Emergency Medical Services
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,862,178
Payments to suppliers	(788,481)
Payments to employees	(2,528,631)
Other operating revenues	2,111
	(452,823)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating subsidies and transfers from other funds	986,037
Operating subsidies and transfers to other funds	(120,617)
	865,420
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	7,977
	7,977
Net decrease in cash and cash equivalents	420,574
Balances-beginning	123,984
Balances-ending	\$ 544,558
NON CASH ACTIVITY	
Capital contribution	\$ 357,860
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (699,816)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Miscellaneous revenue	2,111
Depreciation	140,008
Change in assets and liabilities:	
Receivables, net of allowance	92,819
Prepaid insurance	(5,828)
Accounts and other payables	17,883
	(452,823)
Net cash used by operating activities	\$ (452,823)

See accompanying notes to the basic financial statements

COUNTY OF COLE, MISSOURI
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash investments	\$ 50,744,478
Property taxes receivable, net of allowance of \$251,722	3,847,774
Due from others	1,470,287
Total assets	\$ 56,062,539
 LIABILITIES	
Due to other funds	\$ 78,118
Due to other governments	49,306,544
Due to others	6,677,877
Total liabilities	\$ 56,062,539

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

The County uses funds to report its financial position and results of its operations in the fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary and fiduciary.

The County reports the following major governmental funds:

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

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

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

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

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, 2011, and expenditures from such collections for improvements to roads and bridges and the repair, renovation and acquisition of County facilities.

The County reports the following major proprietary fund:

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

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

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

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

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

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

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

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

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

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

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

D. Budgets

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

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

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances totaled \$5,617,233 at December 31, 2010.

E. Cash and Cash Equivalents

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

F. Short-Term Interfund Receivables/Payables

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

G. Receivables

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

H. Inventories

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

I. Capital Assets

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

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

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

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

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

J. Amortization of Debt Issue Costs

In the government-wide financial statements, debt issue costs totaling \$33,930 related to the special assessment debt are deferred and being amortized by the straight-line method over the repayment period of the related debt. As of December 31, 2010, accumulated amortization amounted to \$14,538. In the governmental fund statements, these issuance costs were recognized as expenses when paid in a previous year.

K. Compensated Absences

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

L. Long-Term Obligations

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

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

M. Fund Equity

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

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

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

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

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

Governmental Accounting Standards Board Statement No. 54 (“GASB 54”), *Fund Balance Reporting and Governmental Fund Type Definitions*, will be implemented by the County during the year ending December 31, 2011. The objective of GASB 54 is to focus on the extent to which a government entity is bound to honor constraints on the specific purposes for which amounts in its funds can be spent. To accomplish this, the categories and terminology used to describe the components of total fund balance have been substantially altered. The County is assessing how GASB 54 will affect the classifications and disclosures for fund balances in its 2011 governmental funds financial statements.

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 \$1,906,516 for the year ended December 31, 2010.

O. Estimates

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

b2. LEGAL COMPLIANCE - BUDGET

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

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

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

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

3. CASH AND INVESTMENTS

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, 2010.

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2010:

Bank balance	
Insured by FDIC	\$ 355,878
Collateralized with securities pledged by the financial institution	66,022,734
	<u>\$ 66,378,612</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	\$ 21,742,707
Fiduciary Funds Statement of Net Assets	50,744,478
	<u>\$ 72,487,185</u>

Investments

The County had the following investments as of December 31:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Restricted - Money Market Funds:					
Federated Treasury					
Obligations Funds	<u>\$ 12,961,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,961,548</u>	<u>\$ 12,961,548</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.

Custodial credit risk – investments – For an investment, this is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The County does not have any custodial risk in investments.

4. PROPERTY TAXES

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

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

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

The County is permitted by the Missouri State Constitution to levy taxes up to \$0.50 per \$100 of assessed valuation for general governmental services. The County's assessed valuations and tax levies per \$100 assessed valuation of those properties for the 2010 calendar year are as follows:

Assessed valuation:

Real estate	\$ 998,271,500
Personal property	233,814,945
Railroad and utilities	76,114,823
	<hr/>
	\$ 1,308,201,268
	<hr/> <hr/>

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

Tax rates per \$100 assessed valuation:

General fund	\$ 0.1176
Road and bridge fund	0.2700
Library fund	0.1956
Cole County Special Services (Senate Bill 40)	0.0881
State of Missouri (certain pension funds)	0.0300
	<hr/>
	\$ 0.7013
	<hr/> <hr/>

5. RECEIVABLES

Receivables are composed of the following as of December 31, 2010:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Receivables:			
Property taxes	\$ 371,217	\$ -	\$ 371,217
Accounts receivable	-	828,605	828,605
Intergovernmental	3,498,114	-	3,498,114
Special assessments	338,723	-	338,723
	<u>4,208,054</u>	<u>828,605</u>	<u>5,036,659</u>
Less allowance for estimated uncollectible amounts	<u>(43,728)</u>	<u>(262,843)</u>	<u>-</u>
Net receivables	<u>\$ 4,164,326</u>	<u>\$ 565,762</u>	<u>\$ 4,730,088</u>

Interfund receivable and payable balances at December 31, 2010, in the fund financial statements resulting from interfund transfers and interfund loans were as follows:

	Receivable	Payable
Governmental Funds:		
Major:		
General Fund	\$ 540,299	\$ -
Law Enforcement Sales Tax Fund	78,118	-
Emergency Services Sales Tax Fund	-	540,299
Subtotal Governmental	<u>618,417</u>	<u>540,299</u>
Agency Funds:		
Sheriff Fund	-	78,118
Subtotal Agency	<u>-</u>	<u>78,118</u>
Total	<u>\$ 618,417</u>	<u>\$ 618,417</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, 2010. 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, 2010.

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning	Increases	Decreases	Ending
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,335,563	\$ 270,868	\$ (5,500)	\$ 4,600,931
Construction in progress	13,580,919	11,512,264	(1,257,323)	23,835,860
Total capital assets not being depreciated	<u>17,916,482</u>	<u>11,783,132</u>	<u>(1,262,823)</u>	<u>28,436,791</u>
Capital assets being depreciated:				
Buildings and improvements	8,937,057	88,578	-	9,025,635
Machinery and equipment	8,819,554	305,956	(206,107)	8,919,403
Infrastructure	97,047,346	1,239,861	-	98,287,207
Total capital assets being depreciated	<u>114,803,957</u>	<u>1,634,395</u>	<u>(206,107)</u>	<u>116,232,245</u>
Accumulated depreciation:				
Buildings and improvements	(3,099,602)	(223,799)	-	(3,323,401)
Machinery and equipment	(5,636,175)	(952,945)	152,927	(6,436,193)
Infrastructure	(64,189,770)	(4,058,659)	-	(68,248,429)
Total accumulated depreciation	<u>(72,925,547)</u>	<u>(5,235,403)</u>	<u>152,927</u>	<u>(78,008,023)</u>
Net capital assets being depreciated	<u>41,878,410</u>	<u>(3,601,008)</u>	<u>(53,180)</u>	<u>38,224,222</u>
Capital assets, net	<u>\$ 59,794,892</u>	<u>\$ 8,182,124</u>	<u>\$ (1,316,003)</u>	<u>\$ 66,661,013</u>
	Beginning	Increases	Decreases	Ending
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 51,700	\$ -	\$ -	\$ 51,700
Machinery and equipment	378,124	357,860	-	735,984
Total capital assets being depreciated	<u>429,824</u>	<u>357,860</u>	<u>-</u>	<u>787,684</u>
Accumulated depreciation:				
Buildings and improvements	(2,154)	(5,170)	-	(7,324)
Machinery and equipment	(40,659)	(134,838)	-	(175,497)
Total accumulated depreciation	<u>(42,813)</u>	<u>(140,008)</u>	<u>-</u>	<u>(182,821)</u>
Net capital assets being depreciated	<u>387,011</u>	<u>217,852</u>	<u>-</u>	<u>604,863</u>
Capital assets, net	<u>\$ 387,011</u>	<u>\$ 217,852</u>	<u>\$ -</u>	<u>\$ 604,863</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 211,407
Public safety	254,171
Highway, streets and bridges	4,494,563
Health and welfare	26,652
Assessment	2,517
Judicial	57,859
Parks and recreation	9,111
Emergency management	179,123
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 5,235,403</u>

Business-type activities:

Emergency medical services	<u>\$ 140,008</u>
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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, 2010				Due within one year
	Beginning	Additions	Retirements	Ending	
Governmental Funds					
Special assessment debt	\$ 411,000	\$ -	\$ 37,000	\$ 374,000	\$ 38,000
Certificates of Participation	32,460,000	-	1,835,000	30,625,000	1,875,000
Less: Unamortized discount	(482,691)	-	35,147	(447,544)	
Settlement to City of Jefferson	300,000	-	100,000	200,000	100,000
Compensated absences	934,360	132,687	56,718	1,010,329	58,420
Enterprise Fund					
Compensated absences	67,865	34,945	2,606	100,204	2,684
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 33,690,534</u>	<u>\$ 167,632</u>	<u>\$ 2,066,471</u>	<u>\$ 31,861,989</u>	<u>\$ 2,074,104</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	\$ 91,000
Maturing 3/1/2001 to 3/1/2020	9/15/2000	5% to 6%	93,000	59,000
Maturing 3/1/2002 to 3/1/2020	02/15/2000	5.25% to 6.625%	267,000	180,000
Maturing 3/1/2003 to 3/1/2022	11/01/2002	4.25% to 5.25%	60,000	44,000
			<hr/>	<hr/>
			<u>\$ 685,000</u>	<u>\$ 374,000</u>

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

In addition, the County signed an intergovernmental agreement, which automatically renews July 1 of each year, with the City of Jefferson where the County will remit monies obligated under Section 137.556 RSMo to the City. In return, the County will perform, on behalf of the City, repairs and improvements of roads, streets and bridges within the City's boundaries sufficient to cover the County's obligation under Section 137.556 RSMo. Amounts paid under this agreement for 2010 total \$563,027.

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

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

Incremental sales taxes are projected to produce more than 100% of the debt service requirements over the life of the bond as the sales tax will also be used to fund jail operations. The Certificates bear interest at rates of 1.2% to 4.5%. Principal and interest payments are due annually and semi-annually, respectively, through December 1, 2022. For the current year, principal and interest paid and total law enforcement sales tax revenues for the Certificates are \$3,068,935 and \$5,176,264, 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, 2010, improvements of \$21,643,198 have been made and are included in Construction in Progress on the Statement of Net Assets.

As a result of the lease/purchase agreements, the County is required to have certain funds held in trust at UMB in various accounts for reserve and other requirements. At December 31, 2010, restricted investments totaled \$12,961,548.

The annual requirements to amortize all debt outstanding as of December 31, 2010, including interest payments, are as follows:

	Special Assessment		City of Jefferson		Certificates of Participation		Total Payments
	Principal	Interest	Principal	Interest	Principal	Interest	
Year Ending December 31:							
2011	\$ 38,000	\$ 21,913	\$ 100,000	\$ -	\$ 1,875,000	\$ 1,192,105	\$ 3,227,018
2012	40,000	19,555	100,000	-	1,925,000	1,143,138	3,227,693
2013	41,000	17,093	-	-	1,980,000	1,087,531	3,125,624
2014	42,000	14,552	-	-	2,045,000	1,026,260	3,127,812
2015	45,000	11,894	-	-	2,110,000	959,478	3,126,372
2016 through 2020	158,000	28,677	-	-	11,825,000	3,522,003	15,533,680
2021 through 2024	10,000	525	-	-	8,865,000	673,445	9,548,970
Total debt payments	<u>\$ 374,000</u>	<u>\$ 114,209</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 30,625,000</u>	<u>\$ 9,603,960</u>	<u>\$ 40,917,169</u>

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

Fund	Obligation	Amount
General Fund	Compensated absences	\$ 662,642
Road and Bridge Fund	Compensated absences	315,740
Road and Bridge Fund	City of Jefferson	200,000
Assessment Fund	Compensated absences	31,947
Neighborhood Improvement District Fund	Special assessment debt	374,000
Capital Improvement Fund	Certificates of participation	30,177,456
Emergency Services Fund	Compensated absences	100,204
		<u>\$ 31,861,989</u>

8. INTERFUND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2010, follows:

	Governmental Funds						Enterprise Fund	Total
	General Fund	Road & Bridge Fund	Sales Tax Fund	Law Enforcement Sales Tax Fund	Emergency Services Sales Tax Fund	Nonmajor Funds	Emergency Medical Services Fund	
Transferred to:								
Governmental Funds:								
General Fund	\$ -	\$ 182,376	\$ 147,986	\$ -	\$ 3,384,972	\$ 65,509	\$ 120,617	\$ 3,901,460
Road & Bridge Fund	252,185	-	-	-	-	-	-	252,185
Law Enforcement Sales Tax Fund	2,040,000	-	-	-	-	-	-	2,040,000
Capital Improvement Fund	-	-	-	3,068,822	-	-	-	3,068,822
	<u>2,292,185</u>	<u>182,376</u>	<u>147,986</u>	<u>3,068,822</u>	<u>3,384,972</u>	<u>65,509</u>	<u>120,617</u>	<u>9,262,467</u>
Enterprise Fund:								
Emergency Services Fund	-	-	-	-	986,037	-	-	986,037
	<u>\$ 2,292,185</u>	<u>\$ 182,376</u>	<u>\$ 147,986</u>	<u>\$ 3,068,822</u>	<u>\$ 4,371,009</u>	<u>\$ 65,509</u>	<u>\$ 120,617</u>	<u>\$ 10,248,504</u>

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Proceeds from the emergency medical services sales tax are first received by the Emergency Services Sales Tax Fund. Forty percent of sales tax collections are then transferred to the General Fund as required to support the rollback of property taxes that was part of the sales tax issuance. The remaining sixty percent is to fund emergency medical services and 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, 2010, is shown as a restricted fund balance on the governmental fund Balance Sheet. The transfer of \$2,040,000 from the General Fund to the Law Enforcement Sales Tax Fund is to subsidize law enforcement operations and was promised to the taxpayers during the original law enforcement sales tax issuance.

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

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

9. COMMITMENTS AND CONTINGENCIES

A. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has obtained coverage from commercial insurance companies for these risks of losses. There were no significant reductions in insurance coverage from the prior year. In addition, no settlements have exceeded insurance coverage in the previous three fiscal years.

B. Contracts for Construction

The County has entered into contracts totaling \$2,689,099 for the construction of buildings, roads and other infrastructure. As of December 31, 2010, billings on these contracts totaled \$2,213,779, leaving a remaining contract liability of \$475,320.

The County has entered into contracts totaling \$23,259,239 for the construction of the new jail facility. As of December 31, 2010, billings on these contracts totaled \$18,536,202, leaving a remaining contract liability of \$4,723,037.

C. Lease Commitment

The County entered into an operating lease agreement for the Scheppers building on May 31, 2009 at an annual cost of \$160,320. The County has the option to renew the lease for ten one-year periods or to purchase the property at any given time. The current one year term ended on May 31, 2011, at which time the County exercised its purchase option. Capital improvement sales tax funds were used to purchase the building for approximately \$1,308,000.

Total rent expense for the period ended December 31, 2010, totaled \$160,320.

D. Intergovernmental Revenue

The County receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the County as of December 31, 2010.

E. Joint City County Agreement

In November 2009, the County entered into an agreement setting forth procedures for the Joint City and County Capital Improvement Sales Tax Projects. This agreement with the City of Jefferson identifies two projects, to be constructed in the 2010 and 2011 fiscal years, that the City and County will complete as cooperative City/County projects utilizing the Capital Improvement Sales Tax. This agreement includes a schedule that will be followed in order to fund these projects. In 2010, the City and County each contributed a total of \$3 million towards the completion of Phase I of both projects. Subsequent to year end, the City and County each contributed an additional \$1 million toward completion of Phase II of these projects.

F. Litigation

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

G. 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. During 2010, several districts that were underpaid requested from the County the additional funds that were not originally distributed properly. In order to meet this request, the County has requested a refund of the overpayments made to other districts. The County proposed a settlement to all affected entities, which was accepted by all but one affected entity. As a result, the City of Jefferson City, Missouri, filed suit against the County as well as certain County officials and certain entities. The suit is currently in the discovery phase. The County anticipates no liability regarding the surtax repayments, but settlement of the situation is still pending.

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, 2010, was \$10,550,340 and total County payroll was \$11,289,048. The County's contribution to LAGERS for the year ended December 31, 2010, was \$610,659, which represents 5.7% of covered payroll.

Funding Status

The County's full-time employees do not contribute to the pension plan. The County is required to contribute at an actuarially determined rate; the current rate is 5.4% (general) and 8.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of each participating political subdivision. The contribution provisions of political subdivisions participating in the plan are established by state statute.

Annual Pension Cost

For 2010, the County's annual required contribution was \$537,698 while the actual contribution was \$523,180, resulting in a net pension obligation of \$14,518.

The required contribution was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2008 was 15 years for general and 15 years for police. The amortization period as of February 28, 2009 was 1 year for general and 30 years for police.

Trend Information

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

Three-Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 451,590	100%	\$ -
6/30/2009	443,891	100%	-
6/30/2010	537,698	97%	14,518

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
2/28/2010	\$ 12,543,999	\$ 13,077,113	\$ 533,114	96%	\$ 9,477,735	5.6%

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

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

B. County Employee Retirement Fund

Plan Description

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

The plan covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. All benefits vest after 8 years of creditable service.

Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

Funding Status and Contributions

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

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

The total of these fees collected by Cole County and remitted to CERF for 2010 was \$377,136. 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 2010 and 2009, Cole County collected and remitted to CERF employee contributions of \$22,766 and \$185,437; employer contributions of \$216,449 and \$1,076 and statutory charges of \$377,136 and \$373,571, respectively. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

C. Deferred Compensation Plan

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

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF COLE, MISSOURI
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2010

	<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	\$ 4,703,679	\$ 4,703,679	\$ 5,190,321	\$ (1,024,003)	\$ 4,166,318
Licenses, fees and permits	2,332,002	2,337,368	2,455,154	214,548	2,669,702
Intergovernmental	2,100,981	2,238,095	1,806,065	24,230	1,830,295
Interest	45,000	45,000	85,026	-	85,026
Other	498,144	498,144	461,088	(329,036)	132,052
Total revenues	9,679,806	9,822,286	9,997,654	(1,114,261)	8,883,393
EXPENDITURES					
Current:					
General government	8,024,296	8,012,026	5,103,675	(1,251,171)	3,852,504
Public safety	2,812,933	2,854,033	2,740,725	2,105	2,742,830
Judicial	696,203	696,203	660,819	(47)	660,772
Health and welfare	1,932,499	2,024,209	1,752,351	(4,012)	1,748,339
Parks and recreation	1,650	1,753	1,752	14	1,766
Emergency management	154,214	176,051	121,749	840	122,589
Total expenditures	13,621,795	13,764,275	10,381,071	(1,252,271)	9,128,800
Excess (deficiency) of revenues over (under) expenditures	(3,941,989)	(3,941,989)	(383,417)	138,010	(245,407)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,901,460	3,901,460	3,901,460	-	3,901,460
Transfers out	(2,292,185)	(2,292,185)	(2,292,185)	-	(2,292,185)
Sale of capital assets	2,000	2,000	4,330	-	4,330
Total other financing sources (uses)	1,611,275	1,611,275	1,613,605	-	1,613,605
Net changes in fund balances	(2,330,714)	(2,330,714)	1,230,188	138,010	1,368,198
Fund balances - beginning	2,330,714	2,330,714	7,096,484	219,416	7,315,900
Fund balances - ending	\$ -	\$ -	\$ 8,326,672	\$ 357,426	\$ 8,684,098

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, 2010

	<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	\$ 4,605,510	\$ 4,605,510	\$ 4,873,123	\$ (104,193)	\$ 4,768,930
Licenses, fees and permits	125,600	125,600	103,778	-	103,778
Interest	25,000	25,000	35,856	-	35,856
Other	10,200	24,674	19,542	-	19,542
Total revenues	<u>4,766,310</u>	<u>4,780,784</u>	<u>5,032,299</u>	<u>(104,193)</u>	<u>4,928,106</u>
EXPENDITURES					
Current:					
Highways, streets and bridges	5,754,068	5,764,772	4,741,573	(174,726)	4,566,847
Capital outlay:					
Highways, streets and bridges	7,750	11,520	10,351	(3,242)	7,109
Debt service:					
Highways, streets and bridges	100,000	100,000	100,000	-	100,000
Total expenditures	<u>5,861,818</u>	<u>5,876,292</u>	<u>4,851,924</u>	<u>(177,968)</u>	<u>4,673,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,095,508)</u>	<u>(1,095,508)</u>	<u>180,375</u>	<u>73,775</u>	<u>254,150</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	252,185	252,185	252,185	-	252,185
Transfers out	<u>(182,376)</u>	<u>(182,376)</u>	<u>(182,376)</u>	<u>-</u>	<u>(182,376)</u>
Total other financing sources (uses)	<u>69,809</u>	<u>69,809</u>	<u>69,809</u>	<u>-</u>	<u>69,809</u>
Net changes in fund balances	<u>(1,025,699)</u>	<u>(1,025,699)</u>	<u>250,184</u>	<u>73,775</u>	<u>323,959</u>
Fund balances - beginning	<u>1,025,699</u>	<u>1,025,699</u>	<u>4,375,920</u>	<u>467,324</u>	<u>4,843,244</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,626,104</u>	<u>\$ 541,099</u>	<u>\$ 5,167,203</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, 2010

	<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	\$ 4,820,268	\$ 4,820,268	\$ 5,135,437	\$ 50,704	\$ 5,186,141
Licenses, fees and permits	2,000,000	2,083,196	123,796		123,796
Intergovernmental	39,575	39,575	45,846	1,700	47,546
Interest	73,000	73,000	64,698	19,654	84,352
Other	-	-	1,098	-	1,098
Total revenues	<u>6,932,843</u>	<u>7,016,039</u>	<u>5,370,875</u>	<u>72,058</u>	<u>5,442,933</u>
EXPENDITURES					
Current:					
General government and other	202,798	109,582	158,072	126,679	284,751
Highways, streets and bridges	2,000,000	2,000,000	2,176,966	-	2,176,966
Capital outlay:					
General government and other	1,794,561	1,887,777	208,366	(137,250)	71,116
Highways, streets and bridges	<u>7,555,865</u>	<u>7,639,061</u>	<u>2,399,779</u>	<u>3,776</u>	<u>2,403,555</u>
Total expenditures	<u>11,553,224</u>	<u>11,636,420</u>	<u>4,943,183</u>	<u>(6,795)</u>	<u>4,936,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,620,381)</u>	<u>(4,620,381)</u>	<u>427,692</u>	<u>78,853</u>	<u>506,545</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(147,986)</u>	<u>(147,986)</u>	<u>(147,986)</u>	<u>-</u>	<u>(147,986)</u>
Total other financing sources (uses)	<u>(147,986)</u>	<u>(147,986)</u>	<u>(147,986)</u>	<u>-</u>	<u>(147,986)</u>
Net changes in fund balances	<u>(4,768,367)</u>	<u>(4,768,367)</u>	<u>279,706</u>	<u>78,853</u>	<u>358,559</u>
Fund balances - beginning	<u>4,768,367</u>	<u>4,768,367</u>	<u>4,768,367</u>	<u>818,142</u>	<u>5,586,509</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,048,073</u>	<u>\$ 896,995</u>	<u>\$ 5,945,068</u>

COUNTY OF COLE, MISSOURI
Law Enforcement Sales Tax
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES					
Taxes	\$ 4,813,268	\$ 4,813,268	\$ 5,129,295	\$ 46,969	\$ 5,176,264
Licenses, fees and permits	1,413,980	1,413,980	1,305,538	(217,950)	1,087,588
Intergovernmental	1,753,058	1,761,506	302,592	34,712	337,304
Interest	25,000	25,000	59,130	-	59,130
Other	23,936	55,908	72,772	16,017	88,789
Total revenues	<u>8,029,242</u>	<u>8,069,662</u>	<u>6,869,327</u>	<u>(120,252)</u>	<u>6,749,075</u>
EXPENDITURES					
Current:					
Public safety	8,342,008	8,383,155	6,184,762	(390,510)	5,794,252
Capital outlay:					
Public safety	190,742	190,015	158,287	-	158,287
Total expenditures	<u>8,532,750</u>	<u>8,573,170</u>	<u>6,343,049</u>	<u>(390,510)</u>	<u>5,952,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(503,508)</u>	<u>(503,508)</u>	<u>526,278</u>	<u>270,258</u>	<u>796,536</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,040,000	2,040,000	2,040,000	-	2,040,000
Transfers out	(3,370,850)	(3,370,850)	(3,068,822)	-	(3,068,822)
Sale of capital assets	12,000	12,000	3,830	-	3,830
Total other financing sources (uses)	<u>(1,318,850)</u>	<u>(1,318,850)</u>	<u>(1,024,992)</u>	<u>-</u>	<u>(1,024,992)</u>
Net changes in fund balances	<u>(1,822,358)</u>	<u>(1,822,358)</u>	<u>(498,714)</u>	<u>270,258</u>	<u>(228,456)</u>
Fund balances - beginning	<u>1,822,358</u>	<u>1,822,358</u>	<u>1,858,814</u>	<u>537,313</u>	<u>2,396,127</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,360,100</u>	<u>\$ 807,571</u>	<u>\$ 2,167,671</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, 2010

	Budgeted Amounts		Actual Amounts Budget Basis	Budget to GAAP Differences	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Taxes	\$ 4,813,268	\$ 4,813,268	\$ 5,122,530	\$ 49,924	\$ 5,172,454
Interest	8,084	8,084	11,726	-	11,726
Total revenues	4,821,352	4,821,352	5,134,256	49,924	5,184,180
EXPENDITURES					
Current:					
Health and welfare	772,204	733,817	219,964	-	219,964
Capital outlay:					
Health and welfare	319,473	357,860	357,860	-	357,860
Total expenditures	1,091,677	1,091,677	577,824	-	577,824
Excess (deficiency) of revenues over (under) expenditures	3,729,675	3,729,675	4,556,432	49,924	4,606,356
OTHER FINANCING SOURCES (USES)					
Transfers out	(4,137,498)	(4,137,498)	(4,341,055)	(29,954)	(4,371,009)
Total other financing sources (uses)	(4,137,498)	(4,137,498)	(4,341,055)	(29,954)	(4,371,009)
Net changes in fund balances	(407,823)	(407,823)	215,377	19,970	235,347
Fund balances - beginning	407,823	407,823	407,823	-	748,053
Fund balances - ending	\$ -	\$ -	\$ 623,200	\$ 19,970	\$ 983,400

COLE COUNTY

**Required Supplementary Information
Pension Plan – Trend Information
December 31, 2010**

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
2/29/2008	\$ 13,762,978	\$ 10,872,895	\$ (2,890,083)	127%	\$ 7,025,869	(41%)
2/28/2009	11,533,586	11,779,976	246,390	98%	7,944,996	3.1%
2/28/2010	12,543,999	13,077,113	533,114	96%	9,477,735	5.6%

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

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

COLE COUNTY, MISSOURI SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF COLE, MISSOURI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Domestic Shelter	Recorder of Deeds	Assessment	Training	Circuit Clerk	Delinquent Tax	Election Services	Tax Maintenance	Sheriff Revolving	Bad Check Fees	Neighborhood Sinking	Total Nonmajor Governmental Funds
ASSETS												
Cash and cash investments	\$ 7,850	\$ 13,434	\$ 1,259,560	\$ 15,385	\$ 115,290	\$ 417,719	\$ 14,383	\$ 75,737	\$ 15,916	\$ 75,018	\$ 71,495	\$ 2,081,787
Special assessments	-	-	-	-	-	-	-	-	-	-	338,723	338,723
Prepaid insurance	-	-	6,154	-	-	-	-	-	-	-	-	6,154
Total assets	\$ 7,850	\$ 13,434	\$ 1,265,714	\$ 15,385	\$ 115,290	\$ 417,719	\$ 14,383	\$ 75,737	\$ 15,916	\$ 75,018	\$ 410,218	\$ 2,426,664
LIABILITIES												
Accounts and contracts payable	\$ 7,850	\$ 3,102	\$ 5,676	\$ 3,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342	\$ -	\$ 20,654
Deferred revenue	-	-	-	-	-	-	-	-	-	-	338,723	338,723
Total liabilities	7,850	3,102	5,676	3,684	-	-	-	-	-	342	338,723	359,377
FUND BALANCES												
Reserved for prepaid items	-	-	6,154	-	-	-	-	-	-	-	-	6,154
Unreserved, designated	-	10,332	1,253,884	11,701	115,290	417,719	14,383	75,737	15,916	74,676	71,495	2,061,133
Total fund balances	-	10,332	1,260,038	11,701	115,290	417,719	14,383	75,737	15,916	74,676	71,495	2,067,287
Total liabilities and fund balances	\$ 7,850	\$ 13,434	\$ 1,265,714	\$ 15,385	\$ 115,290	\$ 417,719	\$ 14,383	\$ 75,737	\$ 15,916	\$ 75,018	\$ 410,218	\$ 2,426,664

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, 2010

	Domestic Shelter		Recorder of Deeds		Assessment		Training		Circuit Clerk		Delinquent Tax		Election Services	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 647,386	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	15,270	20,000	84,239	97,000	149,884	182,973	12,221	11,600	-	-	193,879	13,027	16,000	16,000
Interest	92	60	271	100	14,594	8,000	151	100	-	-	7,646	572	200	200
Other	-	-	-	-	1,485	500	-	-	38,942	-	-	-	-	-
Total revenues	15,362	20,060	84,510	97,100	813,349	841,473	12,372	11,700	38,942	11,700	201,525	13,599	16,200	16,200
EXPENDITURES														
Current:														
General government	15,362	28,565	79,317	104,669	-	-	-	-	-	-	-	34,758	51,741	51,741
Public safety	-	-	-	-	-	-	5,874	16,905	-	-	197,255	-	-	-
Assessment costs	-	-	-	-	611,949	1,358,319	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	28,878	-	-	-	-	-
Debt service:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	15,362	28,565	79,317	104,669	611,949	1,358,319	5,874	16,905	28,878	16,905	197,255	34,758	51,741	51,741
Excess (deficiency) of revenues over (under) expenditures	-	(8,505)	5,193	(7,569)	201,400	(516,846)	6,498	(5,205)	10,064	(5,205)	4,270	(21,159)	(35,541)	(35,541)
Transfers out	-	-	-	-	(65,509)	(65,509)	-	-	-	-	-	-	-	-
Net changes in fund balances	-	(8,505)	5,193	(7,569)	135,891	(582,355)	6,498	(5,205)	10,064	(5,205)	4,270	(21,159)	(35,541)	(35,541)
Fund balances - beginning	-	8,505	5,139	7,569	1,124,147	582,355	5,203	5,205	105,226	5,205	413,449	35,542	35,541	35,541
Fund balances - ending	\$ -	\$ -	\$ 10,332	\$ -	\$ 1,260,038	\$ -	\$ 11,701	\$ -	\$ 115,290	\$ -	\$ 417,719	\$ 14,383	\$ -	\$ -

(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, 2010

	Tax Maintenance		Sheriff Revolving		Bad Check Fees		Neighborhood Sinking		Total Actual
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,386
Licenses, fees and permits	82,292	-	-	60,416	71,000	34,552	24,989	50,027	645,780
Interest	-	-	327	1,385	500	-	-	-	40,509
Other	-	-	-	82	-	-	-	-	-
Total revenues	82,292	-	327	61,883	71,500	59,541	-	-	1,383,702
EXPENDITURES									
Current:									
General government	67,894	-	-	-	-	-	-	-	197,331
Public safety	-	-	-	54,220	140,561	-	-	-	257,349
Assessment costs	-	-	-	-	-	-	-	-	611,949
Judicial	-	-	-	-	-	-	-	-	28,878
Debt service:									
General government	-	-	-	-	-	63,364	-	-	63,364
Total expenditures	67,894	-	-	54,220	140,561	63,364	-	-	1,158,871
Excess (deficiency) of revenues over (under) expenditures	14,398	-	327	7,663	(69,061)	(3,823)	-	-	224,831
Transfers out	-	-	-	-	-	-	-	-	(65,509)
Net changes in fund balances	14,398	-	327	7,663	(69,061)	(3,823)	-	-	159,322
Fund balances - beginning	61,339	-	15,589	67,013	69,061	75,318	-	-	1,907,965
Fund balances - ending	\$ 75,737	\$ -	\$ 15,916	\$ 74,676	\$ -	\$ 71,495	\$ -	\$ -	\$ 2,067,287

FIDUCIARY FUNDS

**COLE COUNTY, MISSOURI
FIDUCIARY FUNDS**

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF COLE, MISSOURI
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	<u>Special Taxing</u>				
	<u>Districts</u>	<u>Circuit Clerk</u>	<u>Tax Collector</u>	<u>Other</u>	<u>Total</u>
ASSETS					
Cash and cash investments	\$ 313,455	\$ 552,019	\$ 49,215,981	\$ 663,023	\$ 50,744,478
Property taxes receivable, net of allowance	-	-	3,847,774	-	3,847,774
Due from others	1,425,885	-	368	44,034	1,470,287
Total assets	<u>\$ 1,739,340</u>	<u>\$ 552,019</u>	<u>\$ 53,064,123</u>	<u>\$ 707,057</u>	<u>\$ 56,062,539</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 78,118	\$ 78,118
Due to other governments	-	-	49,306,544	-	49,306,544
Due to others	1,739,340	552,019	3,757,579	628,939	6,677,877
Total liabilities	<u>\$ 1,739,340</u>	<u>\$ 552,019</u>	<u>\$ 53,064,123</u>	<u>\$ 707,057</u>	<u>\$ 56,062,539</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities
Agency Funds
December 31, 2010

	<u>Balance December 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 52,718,404	\$ 80,860,843	\$ 82,834,769	\$ 50,744,478
Property taxes receivable, net of allowance	4,203,172	-	355,398	3,847,774
Due from other funds	870,070	-	870,070	-
Due from others	1,820,210	-	349,923	1,470,287
Total assets	<u>\$ 59,611,856</u>	<u>\$ 80,860,843</u>	<u>\$ 84,410,160</u>	<u>\$ 56,062,539</u>
Liabilities				
Due to other funds	\$ 904,870	\$ 78,118	\$ 904,870	\$ 78,118
Due to other governments	50,834,221	69,688,879	71,216,556	49,306,544
Due to others	7,872,765	11,093,846	12,288,734	6,677,877
Total liabilities	<u>\$ 59,611,856</u>	<u>\$ 80,860,843</u>	<u>\$ 84,410,160</u>	<u>\$ 56,062,539</u>
SPECIAL TAXING DISTRICTS				
Assets				
Cash and cash investments	\$ 462,368	\$ 2,224,755	\$ 2,373,668	\$ 313,455
Due from others	1,763,146	-	337,261	1,425,885
Total assets	<u>\$ 2,225,514</u>	<u>\$ 2,224,755</u>	<u>\$ 2,710,929</u>	<u>\$ 1,739,340</u>
Liabilities				
Due to others	\$ 2,225,514	\$ 2,224,755	\$ 2,710,929	\$ 1,739,340
Total liabilities	<u>\$ 2,225,514</u>	<u>\$ 2,224,755</u>	<u>\$ 2,710,929</u>	<u>\$ 1,739,340</u>
CIRCUIT CLERK				
Assets				
Cash and cash investments	\$ 862,129	\$ 2,855,941	\$ 3,166,051	\$ 552,019
Total assets	<u>\$ 862,129</u>	<u>\$ 2,855,941</u>	<u>\$ 3,166,051</u>	<u>\$ 552,019</u>
Liabilities				
Due to others	\$ 862,129	\$ 2,855,941	\$ 3,166,051	\$ 552,019
Total liabilities	<u>\$ 862,129</u>	<u>\$ 2,855,941</u>	<u>\$ 3,166,051</u>	<u>\$ 552,019</u>

(Continued on next page)

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
December 31, 2010

	<u>Balance December 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
TAX COLLECTOR				
Assets				
Cash and cash investments	\$ 50,850,927	\$ 69,688,879	\$ 71,323,825	\$ 49,215,981
Property taxes receivable, net of allowance	4,203,172	-	355,398	3,847,774
Due from other funds	870,070	-	870,070	-
Due from others	368	-	-	368
Total assets	<u>\$ 55,924,537</u>	<u>\$ 69,688,879</u>	<u>\$ 72,549,293</u>	<u>\$ 53,064,123</u>
Liabilities				
Due to other funds	\$ 870,070	\$ -	\$ 870,070	\$ -
Due to other governments	50,834,221	69,688,879	71,216,556	49,306,544
Due to others	4,220,246	-	462,667	3,757,579
Total liabilities	<u>\$ 55,924,537</u>	<u>\$ 69,688,879</u>	<u>\$ 72,549,293</u>	<u>\$ 53,064,123</u>
OTHER AGENCY FUNDS				
Assets				
Cash and cash investments	\$ 542,980	\$ 6,091,268	\$ 5,971,225	\$ 663,023
Due from others	56,696	-	12,662	44,034
Total assets	<u>\$ 599,676</u>	<u>\$ 6,091,268</u>	<u>\$ 5,983,887</u>	<u>\$ 707,057</u>
Liabilities				
Due to other funds	\$ 34,800	\$ 78,118	\$ 34,800	\$ 78,118
Due to others	564,876	6,013,150	5,949,087	628,939
Total liabilities	<u>\$ 599,676</u>	<u>\$ 6,091,268</u>	<u>\$ 5,983,887</u>	<u>\$ 707,057</u>

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	Unclaimed Fees	General School Fund	Tax Overplus	Circuit Clerk	Sheriff	Prosecuting Attorney	Employees Retirement	Protest Tax	Tax Collector	Financial Institution Tax	Total
ASSETS											
Cash and cash investments	\$ 43,765	\$ 307,508	\$ 5,947	\$ 552,019	\$ 574,676	\$ 10,551	\$ 34,031	\$ 1,283,320	\$ 47,932,661	\$ -	\$ 50,744,478
Property taxes receivable, net of allowance	-	-	-	-	-	-	-	-	3,847,774	-	3,847,774
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from others	-	1,425,885	-	-	-	-	44,034	-	368	-	1,470,287
Total assets	43,765	1,733,393	5,947	552,019	574,676	10,551	78,065	1,283,320	51,780,803	-	56,062,539
LIABILITIES											
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 78,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,118
Due to other governments	-	-	-	-	-	-	-	1,282,952	48,023,592	-	49,306,544
Due to others	43,765	1,733,393	5,947	552,019	496,558	10,551	78,065	368	3,757,211	-	6,677,877
Total liabilities	\$ 43,765	\$ 1,733,393	\$ 5,947	\$ 552,019	\$ 574,676	\$ 10,551	\$ 78,065	\$ 1,283,320	\$ 51,780,803	\$ -	\$ 56,062,539

See accompanying notes to the basic financial statements.

COUNTY OF COLE, MISSOURI
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2010

	Unclaimed Fees	General School Fund	Tax Overplus	Circuit Clerk	Sheriff	Prosecuting Attorney	Employees Retirement	Protest Tax	Tax Collector	Financial Institution Tax	Total
ADDITIONS											
Taxes	\$ -	\$ 1,555,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,084,335	\$ -	\$ 67,640,045
Licenses, fees and permits	-	320,395	-	2,855,941	3,835,848	1,628,581	375,131	1,055,302	-	-	10,071,198
Interest	-	11,324	-	-	-	-	390	-	-	-	11,714
Other	-	-	65	-	-	-	238,656	-	-	23,556	262,277
Total additions	-	1,887,429	65	2,855,941	3,835,848	1,628,581	614,177	1,055,302	66,084,335	23,556	77,985,234
DEDUCTIONS											
General government	-	1,887,429	65	2,855,941	3,835,848	1,628,581	614,177	1,055,302	66,084,335	23,556	77,985,234
Total deductions	-	1,887,429	65	2,855,941	3,835,848	1,628,581	614,177	1,055,302	66,084,335	23,556	77,985,234
Change in net assets	-	-	-	-	-	-	-	-	-	-	-
Net assets - beginning	-	-	-	-	-	-	-	-	-	-	-
Net assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.

STATISTICAL SECTION

COLE COUNTY, MISSOURI STATISTICAL SECTION

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

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

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

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

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

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

COUNTY OF COLE, MISSOURI
Net Assets by Component
Last Ten Fiscal Years 2001 - 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 13,562,257	\$ 21,212,641	\$ 24,422,688	\$ 27,293,931	\$ 49,125,358	\$ 48,778,941	\$ 48,307,125	\$ 46,931,749
Restricted for:										
Highways, streets and bridges	-	-	2,086,010	4,736,021	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203
Capital projects	-	-	-	-	-	-	13,034,818	8,324,067	12,119,777	10,788,716
Health and welfare	-	-	-	-	-	-	-	-	748,053	983,400
Debt service	-	-	80,886	75,655	76,410	171,179	73,859	74,195	75,318	71,495
Public safety	-	-	-	-	-	-	-	2,425,207	2,366,374	2,167,671
Unrestricted	-	-	5,171,053	8,208,587	8,632,728	9,465,524	2,752,521	3,319,581	1,775,007	4,850,193
Total net assets	-	-	20,900,206	34,232,904	37,992,712	42,007,929	64,986,556	67,484,439	70,234,898	70,960,427
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	387,011	604,863
Unrestricted	-	-	-	-	-	-	-	-	652,788	968,488
Total net assets	-	-	-	-	-	-	-	-	1,039,799	1,573,351
Primary government										
Invested in capital assets, net of related debt	-	-	13,562,257	21,212,641	24,422,688	27,293,931	49,125,358	48,778,941	48,694,136	47,536,612
Restricted for:										
Highways, streets and bridges	-	-	2,086,010	4,736,021	4,860,886	5,077,295	-	4,562,448	4,843,244	5,167,203
Capital projects	-	-	-	-	-	-	13,034,818	8,324,067	12,119,777	10,788,716
Health and welfare	-	-	-	-	-	-	-	-	748,053	983,400
Debt service	-	-	80,886	75,655	76,410	171,179	73,859	74,195	75,318	71,495
Public safety	-	-	-	-	-	-	-	2,425,207	2,366,374	2,167,671
Unrestricted	-	-	5,171,053	8,208,587	8,632,728	9,465,524	2,752,521	5,744,788	2,427,795	5,818,681
Total net assets	\$ -	\$ -	\$ 20,900,206	\$ 34,232,904	\$ 37,992,712	\$ 42,007,929	\$ 64,986,556	\$ 67,484,439	\$ 71,274,697	\$ 72,533,778

Data Source

Statement of Net Assets

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

COUNTY OF COLE, MISSOURI
Changes in Net Assets
Last Ten Fiscal Years 2001 - 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses										
Governmental activities:										
General government	\$ -	\$ -	\$ 3,519,668	\$ 3,525,868	\$ 3,592,907	\$ 4,280,528	\$ 3,766,827	\$ 4,397,489	\$ 4,519,053	\$ 4,546,191
Public safety	-	-	3,056,787	5,120,719	5,616,435	5,814,014	6,048,027	7,540,692	8,964,258	10,051,521
Highways, streets & bridges	-	-	7,401,364	5,518,942	5,557,640	6,043,638	10,020,529	10,934,724	9,462,367	11,249,797
Assessment	-	-	511,720	507,824	591,493	637,377	647,930	537,689	817,567	619,083
Judicial	-	-	525,817	641,184	688,027	652,086	653,231	743,324	753,715	751,879
Health & welfare	-	-	1,719,818	1,739,520	1,779,970	1,774,871	1,685,018	1,690,600	2,196,749	1,941,656
Parks & recreation	-	-	17,814	2,798	2,303	4,388	39,170	10,695	10,677	10,877
Emergency management	-	-	171,711	134,660	329,549	93,340	405,194	354,989	329,185	262,650
Interest and fiscal fees	-	-	-	40,111	35,950	34,033	32,461	458,092	1,176,414	1,293,367
Total governmental activities expenses:	-	-	18,924,699	17,231,626	18,194,274	19,334,475	23,298,387	26,668,294	28,229,985	30,727,021
Business-type activities:										
Emergency medical services	-	-	\$18,924,699	\$17,231,626	\$18,194,274	\$19,334,475	\$23,298,387	\$26,668,294	\$28,229,985	\$30,727,021
Total primary government expenses	\$ -	\$ -	\$18,924,699	\$17,231,626	\$18,194,274	\$19,334,475	\$23,298,387	\$26,668,294	\$28,229,985	\$30,727,021
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ -	\$ 2,165,268	\$ 1,662,674	\$ 1,669,013	\$ 1,709,048	\$ 1,698,779	\$ 1,828,094	\$ 1,790,513	\$ 1,800,919
Public safety	-	-	1,451,133	1,521,412	1,283,461	1,397,684	1,566,672	1,847,877	1,860,706	1,965,511
Highways, streets & bridges	-	-	178,264	35,684	125,291	79,902	146,332	205,358	998,205	227,574
Assessment	-	-	705	-	239,297	311,601	257,180	231,526	223,147	149,884
Judicial	-	-	272,855	125,111	123,238	117,969	117,695	128,211	133,411	135,370
Health & welfare	-	-	81,579	422,532	313,170	391,020	296,569	412,920	365,250	316,348
Emergency management	-	-	14,800	4,519	-	-	-	-	-	-
Opening grants and contributions:	-	-	3,006,120	2,031,032	1,926,592	2,231,054	2,155,563	1,890,181	1,967,698	2,111,055
Capital grants and contributions:	-	-	1,778,982	17,216	158,014	41,000	179,086	28,088	5,243	-
Total governmental activities program revenue	-	-	8,947,706	5,820,200	5,836,076	6,279,278	6,417,876	6,572,255	7,344,173	6,706,661
Business-type activities:										
Charges for services:										
Emergency medical services	-	-	\$8,947,706	\$5,820,200	\$5,836,076	\$6,279,278	\$6,417,876	\$6,572,255	\$7,344,173	\$6,706,661
Total primary government program revenue	\$ -	\$ -	\$8,947,706	\$5,820,200	\$5,836,076	\$6,279,278	\$6,417,876	\$6,572,255	\$7,344,173	\$6,706,661
Net (expense) revenue	\$ -	\$ -	\$ (9,976,993)	\$ (1,411,426)	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,885,812)	\$ (24,020,360)
Governmental activities										
Business-type activities	\$ -	\$ -	\$ (9,976,993)	\$ (1,411,426)	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,885,812)	\$ (24,020,360)
Total primary government net expense	\$ -	\$ -	\$ (9,976,993)	\$ (1,411,426)	\$ (12,358,198)	\$ (13,055,197)	\$ (16,880,511)	\$ (20,096,039)	\$ (20,885,812)	\$ (24,020,360)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ -	\$ -	\$ 6,381,313	\$ 7,100,277	\$ 7,669,706	\$ 7,867,071	\$ 8,211,669	\$ 8,870,255	\$ 7,121,570	\$ 6,174,484
Sales tax	-	-	4,762,355	4,944,501	5,088,702	5,288,518	5,434,669	10,103,217	13,720,164	15,534,859
Local use tax	-	-	392,276	382,861	680,470	557,110	466,639	756,827	985,600	1,184,170
Motor vehicle sales taxes	-	-	306,081	327,509	311,818	349,832	319,631	241,036	239,980	248,597
Stock insurance	-	-	754,488	911,558	629,725	948,954	1,054,646	813,279	978,150	1,082,353
County Aid Road Trust (CART)	-	-	843,132	889,294	854,285	852,205	873,614	806,626	787,468	814,559
Financial institution tax	-	-	55,424	51,179	50,337	57,076	28,714	25,625	24,395	34,082
Unrestricted investment earnings	-	-	142,094	149,257	296,155	475,965	576,968	339,147	219,056	346,126
Gain (loss) on sale of capital assets	-	-	4,874	(88,828)	9,069	(37,399)	(11,527)	(1,014,497)	(22,845)	(15,723)
Transfers	-	-	-	-	-	649,437	554,807	649,437	597,230	565,662
Other	-	-	-	530,775	536,808	684,613	554,807	649,437	597,230	565,662
Total governmental activities:	-	-	13,642,057	15,198,383	16,118,006	17,070,413	17,483,558	22,593,922	23,656,271	24,745,889
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	7,977
Transfers	-	-	-	-	-	-	-	-	1,014,497	1,223,280
Other	-	-	-	-	-	-	-	-	1,283	2,111
Total business-type activities:	-	-	-	-	-	-	-	-	1,016,552	1,233,368
Total primary government	\$ -	\$ -	\$13,642,057	\$15,198,383	\$16,118,006	\$17,070,413	\$17,483,558	\$22,593,922	\$24,652,823	\$25,979,257
Change in Net Assets										
Governmental activities	\$ -	\$ -	\$ 3,665,064	\$ 3,786,957	\$ 3,759,808	\$ 4,015,217	\$ 603,447	\$ 2,497,883	\$ 2,750,459	\$ 725,529
Business-type activities	-	-	-	-	-	-	-	-	1,039,799	533,552
Total primary government	\$ -	\$ -	\$ 3,665,064	\$ 3,786,957	\$ 3,759,808	\$ 4,015,217	\$ 603,447	\$ 2,497,883	\$ 3,790,258	\$ 1,259,081

COUNTY OF COLE, MISSOURI
General Governmental Tax Revenues by Source
Last Ten Fiscal Years 2001 - 2010

Fiscal Year	Property Tax	Sales Tax	Local Use Tax	Motor Vehicle		Stock Insurance	C.A.R.T.	Financial Institution Tax	Total
				Sales Tax	Tax				
2001									
2002									
2003	\$ 6,381,313	\$ 4,762,355	\$ 392,276	\$ 306,081	\$ 754,488	\$ 843,152	\$ 55,424	\$ 13,495,089	
2004	7,100,277	4,944,501	382,861	327,509	911,558	889,294	51,179	14,607,179	
2005	7,669,706	5,088,702	680,470	311,818	629,725	854,285	50,337	15,285,043	
2006	7,867,071	5,288,518	537,110	349,832	948,954	852,205	57,076	15,900,766	
2007	8,211,669	5,434,669	466,639	319,631	1,054,646	873,614	28,714	16,389,582	
2008	8,870,255	10,103,217	756,827	241,036	813,279	806,626	25,625	21,616,865	
2009	7,121,570	13,720,164	985,600	239,980	978,150	787,468	24,395	23,857,327	
2010	\$ 6,174,484	\$ 15,534,859	\$ 1,184,170	\$ 248,597	\$ 1,082,353	\$ 814,559	\$ 34,082	\$ 25,073,104	

Data Source

Statement of Activities

Note: Government-wide Statements: This is the eighth 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 2001 - 2010

	2001	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	455,951	3,005,782	3,214,451	6,541,390	6,322,152	6,204,512	6,064,402	6,644,697	7,201,556	8,597,895
Total General Fund	455,951	3,059,808	3,214,451	6,598,834	6,385,321	6,270,089	6,190,434	6,740,465	7,315,900	8,684,098
Road and Bridge										
Reserved for:										
Prepaid items	-	16,094	-	18,147	404,351	19,589	19,108	17,898	19,389	22,379
Encumbrances	24,895	-	24,894	388,990	428,201	354,657	-	-	-	-
Inventory	300,902	306,623	-	328,628	385,553	377,585	434,892	489,397	530,408	577,468
Unreserved	933,369	1,594,509	2,061,116	4,000,256	3,642,781	4,325,464	4,664,423	4,055,153	4,293,447	4,567,356
Total Road and Bridge	1,259,166	1,917,226	2,086,010	4,736,021	4,860,886	5,077,295	5,118,423	4,562,448	4,843,244	5,167,203
Sales Tax										
Reserved for:										
Encumbrances	282,421	-	183,557	183,557	-	183,557	937,452	1,761,891	141,461	460,710
Capital Projects	3,148,883	3,216,341	2,750,255	1,725,396	2,412,856	3,080,815	3,208,917	2,201,299	5,445,048	5,484,358
Total Sales Tax	3,431,304	3,216,341	2,933,812	1,908,953	2,412,856	3,264,372	4,146,369	3,963,190	5,586,509	5,945,068
Neighborhood Sinking										
Unreserved	62,023	72,921	80,886	75,655	71,179	73,575	73,859	74,195	75,318	71,495
Total Neighborhood Sinking	62,023	72,921	80,886	75,655	71,179	73,575	73,859	74,195	75,318	71,495
Emergency Services Sales Tax										
Reserved for:										
Encumbrances	-	-	-	-	-	-	-	-	-	12,689
Emergency medical services	-	-	-	-	-	-	-	-	748,053	970,711
Total Law Enforcement Sales Tax	-	-	-	-	-	-	-	-	748,053	983,400
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	-	-	-	-	-	-	-	2,450,619	2,396,127	2,167,671
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	-	-	-	-	-	-	9,825,901	7,480,749	20,489,541	10,448,192
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	449,501	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	\$ 449,501	\$ 295,128	\$ 434,582	\$ 643,357	\$ 698,565	\$ 822,981	\$ 1,049,665	\$ 1,770,668	\$ 1,907,965	\$ 2,067,287

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

COUNTY OF COLE, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years 2001 - 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$12,892,426	\$13,028,173	\$13,489,902	\$14,586,674	\$15,242,509	\$15,878,292	\$16,352,428	\$21,635,621	\$23,899,824	\$25,117,493
Licenses, fees and permits	1,885,503	2,732,183	3,311,217	3,797,932	3,776,075	3,722,123	4,111,277	4,684,512	5,403,539	4,630,644
Intergovernmental	3,184,832	3,699,153	4,790,431	1,731,626	2,016,837	2,603,665	2,319,733	2,049,081	1,839,597	2,215,145
Interest	420,580	168,801	142,094	149,257	296,155	475,966	576,968	339,147	219,056	346,126
Special assessment	21,960	108,805	-	5,394	2,697	-	-	-	-	-
Unclaimed property	-	1,811,846	-	-	-	-	-	-	-	-
Other	1,347,569	960,738	863,374	531,231	541,775	689,440	486,143	605,673	507,352	281,990
Total revenues	19,752,870	22,509,699	22,597,018	20,802,114	21,876,048	23,369,486	23,846,569	29,314,034	31,869,368	32,591,398
Expenditures										
Current:										
General government	3,636,235	3,007,359	3,249,696	3,358,190	3,380,716	4,022,898	3,489,030	4,349,405	4,382,935	4,322,638
Public safety and judicial	5,326,409	5,726,446	-	-	-	-	-	-	-	-
Public safety	-	-	4,897,912	4,938,882	5,432,123	5,659,474	5,893,361	7,107,533	7,757,928	9,742,197
Highways, streets & bridges	7,173,719	8,120,832	5,741,179	4,531,955	4,150,170	4,164,766	4,885,398	6,449,247	4,360,810	6,743,813
Assessment costs	480,758	497,056	510,762	515,651	590,783	631,665	643,608	540,599	812,986	611,949
Building maintenance	330,144	334,963	-	-	-	-	-	-	-	-
Judicial	-	-	477,148	573,811	629,358	598,302	598,552	688,706	701,284	689,650
Health & welfare	1,441,731	1,601,533	1,698,808	1,707,636	1,758,467	1,795,445	1,678,174	1,651,018	2,186,746	1,922,267
Parks & recreation	10,981	13,812	15,869	1,365	870	2,737	31,799	1,584	1,566	1,766
Emergency management	-	-	147,639	96,481	254,862	12,022	263,919	151,178	145,495	81,589
Capital outlay:										
General government	-	-	6,647	86,865	431,874	409,406	1,695,774	448,253	103,558	83,064
Public safety	-	-	67,712	82,510	194,237	82,846	119,902	2,165,785	11,306,025	9,271,766
Judicial	-	-	96,435	16,140	38,617	22,265	39,728	10,464	14,167	-
Highways, streets & bridges	-	-	5,219,971	5,326,468	4,310,624	4,093,712	3,222,439	4,045,816	4,211,127	2,410,664
Health & welfare	-	-	-	-	5,421	34,538	54,830	-	449,551	403,896
Emergency management	-	-	92,587	291,787	68,889	669,894	40,018	11,570	25,808	41,000
Equipment	654,646	600,707	-	-	-	-	-	-	-	-
Property renovations/acquisitions	325,880	182,761	-	-	-	-	-	-	-	-
Debt service:										
Capital lease payments	73,578	88,563	-	-	-	-	-	-	-	-
Note principal	18,640	23,364	-	-	-	-	-	-	-	-
Interest and fees	44,741	34,787	-	-	-	-	-	-	-	-
Bond issuance costs	-	9,156	-	-	-	-	-	-	-	-
General government	-	-	182,492	57,211	63,050	59,626	60,054	59,222	57,958	63,364
Public safety	-	-	-	-	-	-	-	-	-	-
Highways, streets & bridges	-	-	8,717	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total expenditures	19,517,462	20,241,359	22,413,574	21,684,952	21,410,061	22,359,596	22,816,586	28,682,583	39,688,209	39,558,558
Excess (deficiency) of revenues over (under) expenditures	235,408	2,268,340	183,444	(882,838)	465,987	1,009,890	1,029,983	631,451	(7,818,841)	(6,967,160)
Other financing sources (uses)										
COPS issuance	-	-	-	-	-	-	10,000,000	-	25,000,000	-
Discount on COPS issuance	-	-	-	-	-	-	(140,490)	-	(382,417)	-
Transfers in (out)	-	-	-	-	-	-	-	-	(584,672)	(865,420)
Proceeds from bonds	-	60,000	-	-	-	-	-	-	-	-
Sale of capital assets	1,442	4,088	4,874	-	-	69,614	6,845	6,232	30,935	8,160
Total other financing sources (uses)	1,442	64,088	4,874	-	-	69,614	9,866,355	6,232	24,063,846	(857,260)
Net changes in fund balances	\$ 236,850	\$ 2,332,448	\$ 188,318	\$ (882,838)	\$ 465,987	\$ 1,079,504	\$ 10,896,338	\$ 637,683	\$ 16,245,005	\$ (7,824,420)

COUNTY OF COLE, MISSOURI
General Governmental Revenues by Source
Last Ten Fiscal Years 2001 - 2010

Fiscal Year	Taxes	Licenses Fees and Permits	Inter-governmental	Interest	Special Assessment	Other	Total
	\$	\$	\$	\$	\$	\$	\$
2001	12,892,426	1,885,503	3,184,832	420,580	21,960	1,347,569	19,752,870
2002	13,028,173	2,732,183	3,699,153	168,801	108,805	2,772,584	22,509,699
2003	13,489,902	3,311,217	4,790,431	142,094	-	863,374	22,597,018
2004	14,586,674	3,797,932	1,731,626	149,257	5,394	531,231	20,802,114
2005	15,242,509	3,776,075	2,016,837	296,155	2,697	541,775	21,876,048
2006	15,878,292	3,722,123	2,603,665	475,966	-	689,440	23,369,486
2007	16,352,428	4,111,277	2,319,753	576,968	-	486,143	23,846,569
2008	21,635,621	4,684,512	2,049,081	339,147	-	605,673	29,314,034
2009	23,899,824	5,403,539	1,839,597	219,056	-	507,352	31,869,368
2010	25,117,493	4,630,644	2,215,145	346,126	-	281,990	32,591,398

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 2001 - 2010

Fiscal Year	Cole County					City of Jefferson					Total Direct & Overlapping Rate
	Capital Improvement Rate	Law Enforcement Rate	Emergency Services Rate	Total County Rate	General Fund Rate	Capital Improvement Rate	Parks Rate	Total City Rate	State Rate		
2001	0.500%	-	-	0.500%	1.000%	0.500%	-	1.500%	4.225%	6.225%	
2002	0.500%	-	-	0.500%	1.000%	0.500%	-	1.500%	4.225%	6.225%	
2003	0.500%	-	-	0.500%	1.000%	0.500%	-	1.500%	4.225%	6.225%	
2004	0.500%	-	-	0.500%	1.000%	0.500%	-	1.500%	4.225%	6.225%	
2005	0.500%	-	-	0.500%	1.000%	0.500%	-	1.500%	4.225%	6.225%	
2006	0.500%	-	-	0.500%	1.000%	0.500%	0.500%	2.000%	4.225%	6.725%	
2007	0.500%	-	-	0.500%	1.000%	0.500%	0.500%	2.000%	4.225%	6.725%	
2008	0.500%	0.500%	-	1.000%	1.000%	0.500%	0.500%	2.000%	4.225%	7.225%	
2009	0.500%	0.500%	0.500%	1.500%	1.000%	0.500%	0.500%	2.000%	4.225%	7.725%	
2010	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 2001 - 2010
(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		
2001	\$ 680,852	\$ 3,104,444	\$ 237,882	\$ 792,147	\$ 918,734	23.58%
2002	703,105	3,205,912	244,922	815,590	948,028	23.57%
2003	780,703	3,559,729	247,119	822,905	1,027,822	23.45%
2004	811,153	3,698,569	242,903	808,865	1,054,055	23.38%
2005	895,406	4,082,739	240,638	722,637	1,136,044	23.26%
2006	919,090	4,190,729	248,751	747,000	1,167,841	23.27%
2007	984,864	4,490,635	255,528	767,351	1,240,392	23.22%
2008	1,009,731	4,604,020	274,131	823,216	1,283,862	21.93%
2009	1,037,333	4,729,875	256,682	770,817	1,294,015	21.93%
2010	\$ 1,054,818	\$ 4,809,601	\$ 253,383	\$ 760,910	\$ 1,308,201	23.48%

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI
Property Tax Rates (Per \$100 Assess Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years 2001 - 2010

County of Cole

Fiscal Year	General Revenue		Road and Bridge		Library		Home for Handicapped		State		Total County		City of Jefferson		School District		Total
	\$		\$		\$		\$		\$		\$		\$		\$		
2001	0.3400		0.2700		0.2000		0.0900		0.0300		0.9300		0.7200		3.1700		4.8200
2002	0.3400		0.2700		0.2000		0.0900		0.0300		0.9300		0.7200		3.4854		5.1354
2003	0.3384		0.2700		0.1934		0.0872		0.0300		0.9190		0.7373		3.7112		5.3675
2004	0.3384		0.2700		0.1945		0.0877		0.0300		0.9206		0.7373		3.7112		5.3691
2005	0.3355		0.2700		0.1917		0.0864		0.0300		0.9136		0.5760		3.6822		5.1718
2006	0.3355		0.2700		0.1921		0.0866		0.0300		0.9142		0.5560		3.6770		5.1472
2007	0.3347		0.2700		0.1913		0.0862		0.0300		0.9122		0.5553		3.6770		5.1445
2008	0.3347		0.2700		0.1913		0.0862		0.0300		0.9122		0.6353		3.6770		5.2245
2009	0.2054		0.2700		0.1938		0.0873		0.0300		0.7865		0.5561		3.6770		5.0196
2010	0.1176		0.2700		0.1956		0.0881		0.0300		0.7013		0.5561		3.8016		5.0590

Data Source
Cole County Assessor

COUNTY OF COLE, MISSOURI
Principal Real Estate Property Taxpayers
December 31, 2010

Taxpayer	Type of Business	2010			2001		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Real Estate Business Trust	Discount store	\$ 5,280,000	1	0.40%			0.00%
Jefferson City Medical Group	Medical center	4,992,740	2	0.38%	3,616,000	4	0.39%
Capital Mall LLC	Shopping mall	4,896,000	3	0.37%			0.00%
Scholastic, Inc.	Publishing company	4,752,000	4	0.36%	6,601,670	1	0.72%
Wildwood Crossing Shopping Center	Shopping mall	4,640,000	5	0.35%	1,846,400	10	0.20%
Menard Inc.	Discount store	4,416,000	6	0.34%			0.00%
Wal-Mart Real Estate Business	Discount store	4,320,000	7	0.33%	3,212,480	5	0.35%
Lowe's Home Centers Inc	Home improvement store	4,160,000	8	0.32%	4,344,860	3	0.47%
Von Hoffmann Press, Inc.	Publishing company	3,604,740	9	0.28%	2,977,280	6	0.32%
Atrium Finance I	Hotel	3,158,340	10	0.24%			0.00%
GGP Limited Partnership	Cosmetic Manufacturer				4,896,000	2	0.53%
Chesebrough-Ponds, Inc.	Hotel				2,576,960	7	0.28%
John Q Hammons Hotel LP	Hotel				2,555,200	8	0.28%
Florsheim Shoe Co.	Shoe Company				2,434,880	9	0.27%
Totals		\$ 44,219,820		3.38%	\$ 35,061,730		3.82%

Data Source
Cole County Information Systems

COUNTY OF COLE, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years 2001 - 2010
(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	
2001	\$	7,606	\$	6,851	90.1%	\$	354	\$	7,205	94.7%	\$	400	5.3%			
2002		7,862		7,091	90.2%		362		7,453	94.8%		409	5.2%			
2003		8,438		7,653	90.7%		346		7,999	94.8%		439	5.2%			
2004		8,689		7,880	90.7%		339		8,219	94.6%		469	5.4%			
2005		9,036		8,204	90.8%		391		8,595	95.1%		440	4.9%			
2006		9,355		8,420	90.0%		428		8,848	94.6%		507	5.4%			
2007		9,395		8,597	91.5%		502		9,099	96.8%		296	3.2%			
2008		10,492		9,405	89.6%		460		9,865	94.0%		627	6.0%			
2009		10,241		9,178	89.6%		440		9,618	93.9%		622	6.1%			
2010	\$	10,173	\$	9,106	89.5%	\$	450	\$	9,556	93.9%	\$	617	6.1%			

Data Source
Cole County Collector

COUNTY OF COLE, MISSOURI
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
December 31, 2010

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Neighborhood Improvement District	\$ 374,000	100%	\$ 374,000
Certificates of Participation	30,625,000	100%	30,625,000
Overlapping:			
Total*	\$ 30,999,000	100%	\$ 30,999,000

Data Source

Cole County Clerk

*The total includes a capital lease obligation.

COUNTY OF COLE, MISSOURI
Legal Debt Margin
Last Ten Fiscal Years 2001 - 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed valuations:										
Total assessed value	\$ 918,734,309	\$ 948,027,628	\$ 1,027,821,761	\$ 1,054,055,115	\$ 1,136,043,788	\$ 1,167,840,956	\$ 1,240,391,934	\$ 1,283,862,799	\$ 1,294,015,087	\$ 1,308,201,268
Legal debt margin	91,873,431	94,802,763	102,782,176	105,405,512	113,604,379	116,784,096	124,039,193	128,386,280	129,401,509	130,820,127
Debt limitation - 10 percent of total assessed value	-	-	-	-	-	-	-	-	-	-
Debt applicable to limitation:										
Less: Note payable	2,341	-	-	-	-	-	-	-	-	-
Less: Compensated absences	527,123	520,387	545,696	656,679	647,931	701,513	740,582	810,688	934,360	1,010,329
Less: Capital leases, general revenue	172,817	114,331	50,768	-	-	-	-	-	-	-
Less: Special assessment bonds	569,000	608,000	586,000	557,000	528,000	501,000	472,000	442,000	411,000	374,000
Total debt applicable to limitation	1,271,281	1,242,718	1,182,464	1,213,679	1,175,931	1,202,513	1,212,582	1,252,688	1,345,360	1,384,329
Legal debt margin	\$ 90,602,150	\$ 93,560,045	\$ 101,599,712	\$ 104,191,833	\$ 112,428,448	\$ 115,581,583	\$ 122,826,611	\$ 127,133,592	\$ 128,056,149	\$ 129,435,798

COUNTY OF COLE, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years 2001 - 2010

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Certificates of Participation			
2001	\$ -	\$ 569,000	\$ 172,817	\$ -	\$ 741,817	71,619	10
2002	-	608,000	114,331	-	722,331	72,062	10
2003	-	586,000	50,768	-	636,768	72,585	9
2004	-	557,000	-	-	557,000	72,195	8
2005	-	528,000	-	-	528,000	72,610	7
2006	-	501,000	-	-	501,000	73,208	7
2007	-	472,000	-	10,000,000	10,472,000	73,506	142
2008	-	442,000	-	9,485,000	9,927,000	74,313	134
2009	-	411,000	-	32,460,000	32,871,000	75,018	438
2010	\$ -	\$ 374,000	\$ -	\$ 30,625,000	\$ 30,999,000	75,990	408

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 2001 - 2010

<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>
2001	\$ -	0.0%	71,619	\$ -
2002	-	0.0%	72,062	-
2003	-	0.0%	72,585	-
2004	-	0.0%	72,195	-
2005	-	0.0%	72,610	-
2006	-	0.0%	73,208	-
2007	-	0.0%	73,506	-
2008	-	0.0%	74,313	-
2009	-	0.0%	75,018	-
2010	\$ -	0.0%	75,990	\$ -

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 2001 - 2010

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		
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
2002	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	6,206,105	4,567,096	1,639,009	515,000	387,203	902,203	1.82	4,935,027
2009	6,298,613	5,093,632	1,204,981	2,025,000	1,045,265	3,070,265	0.39	5,048,783
2010	\$ 6,749,075	\$ 5,952,539	\$ 796,536	\$ 1,835,000	\$ 1,233,935	\$ 3,068,935	0.26	\$ 5,176,264

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

COUNTY OF COLE, MISSOURI
Demographic Statistics
Last Ten Fiscal Years 2001 - 2010

Fiscal Year	Population	Per Capita Income	Wages and Salaries		Other Income	Total Labor Force	Unemployment Rate
			Salaries	and			
2001	71,619	29,580	1,629,365		483,690	40,205	3.4%
2002	72,062	30,149	1,650,180		514,309	39,412	3.8%
2003	72,585	31,215	1,712,156		553,596	40,007	3.9%
2004	72,195	32,499	1,769,284		576,962	40,073	4.0%
2005	72,610	34,108	1,811,855		664,722	40,179	4.1%
2006	73,208	35,278	1,882,396		700,225	40,054	3.8%
2007	73,506	36,223	1,945,218		717,396	40,353	3.9%
2008	74,313	N/A	N/A		N/A	40,349	4.5%
2009	75,018	N/A	N/A		N/A	40,536	6.8%
2010	75,990	N/A	N/A		N/A	40,315	6.9%

Data Sources
 Economic and Policy Research Center-
 University of Missouri-Columbia
 US Department of Labor
 Missouri Department of Economic Development

COUNTY OF COLE, MISSOURI
Principal Employers
December 31, 2010

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

Data Source

Jefferson City Area Chamber of Commerce

COUNTY OF COLE, MISSOURI
Full-time Equivalent County Government Employee by Function
Last Ten Fiscal Years 2001 - 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Primary government										
Governmental activities:										
General government										
Auditor	2	2	2	2	2	2	2	2	2	2
Collector	4	4	5	5	5	5	5	5	5	5
Treasurer	2	2	2	2	2	2	2	2	2	2
County Clerk	5	5	5	5	5	5	5	5	5	5
Commission	5	5	5	6	6	6	6	7	8	9
Recorder	5	5	5	5	6	6	6	6	6	6
GIS	-	-	-	-	-	-	-	1	1	1
Information Systems	2	2	2	2	2	2	2	2	2	2
Building Maintenance	4	4	4	4	4	4	4	4	5	5
Public safety										
Juvenile Center	26	25	24	24	22	24	23	29	30	30
Prosecuting Attorney	15	16	15	15	15	14	15	15	15	15
Sheriff	44	47	47	46	47	50	51	64	64	79
Highways, streets & bridges										
Public Works	46	47	43	44	44	44	44	45	46	46
Assessment										
Assessor	9	9	9	9	10	11	11	11	11	11
Judicial										
Circuit Court	-	-	-	2	2	2	-	-	-	-
Circuit Court Bailiffs	2	2	3	3	3	3	3	4	4	4
Child Support	4	4	4	4	4	4	4	5	5	5
Health & welfare										
Health Department	30	32	30	32	33	28	27	28	27	27
Public Administrator	3	3	3	3	3	3	3	4	4	4
Emergency management										
Emergency management	1	1	1	1	1	1	1	1	1	1
Total governmental activities FT Employees	209	215	209	214	216	216	214	240	243	259
Business-type activities:										
Health & welfare										
Emergency Medical Services	-	-	-	-	-	-	-	-	44	44
Total business-type activities FT Employees	-	-	-	-	-	-	-	-	44	44
Total primary government FT Employees	209	215	209	214	216	216	214	240	287	303

COUNTY OF COLE, MISSOURI
Special Assessment Billings and Collections
Last Ten Fiscal Years 2001 - 2010

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>
2001	\$ 61,887	\$ 61,344
2002	66,072	65,711
2003	66,072	64,754
2004	66,072	64,215
2005	63,072	61,393
2006	60,737	59,602
2007	60,347	58,880
2008	60,347	59,223
2009	60,347	59,981
2010	\$ 60,347	\$ 59,159

Data Source
Cole County Clerk

COUNTY OF COLE, MISSOURI¹
General Governmental Expenditures by Function
Last Ten Fiscal Years 2001 - 2010
(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety ²	Public Safety & Judicial ²	Highways Streets & Bridges ³	Capital Improvement ³	Debt Service ⁴	Assessment Costs	Judicial ²	Health & Welfare	Parts & Recreation	Emergency Mgmt ⁵	Total
2001	\$ 3,966	\$ -	\$ 5,236	\$ 7,174	\$ 981	\$ 137	\$ 481	\$ -	\$ 1,442	\$ 11	\$ -	\$ 19,428
2002	3,342	-	5,726	8,121	783	155	497	-	1,601	14	-	20,239
2003	3,439	4,966	-	10,969	-	-	511	574	1,699	16	240	22,414
2004	3,512	5,021	-	9,958	-	-	517	590	1,708	1	388	21,695
2005	3,876	5,626	-	8,561	-	-	591	668	1,764	-	324	21,410
2006	4,492	5,742	-	8,359	-	-	632	620	1,830	3	682	22,360
2007	5,245	6,013	-	8,208	-	-	644	638	1,733	32	303	22,816
2008	4,857	10,176	-	10,595	-	-	541	699	1,651	1	163	28,683
2009	4,487	19,064	-	8,572	-	-	813	716	2,636	1	171	36,460
2010	\$ 4,469	\$ 22,083	\$ -	\$ 9,254	\$ -	\$ -	\$ 612	\$ 690	\$ 2,326	\$ 2	\$ 123	\$ 39,559

¹Includes general, special revenue, capital projects fund and debt service.

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

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

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

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

SINGLE AUDIT REPORTS

**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 the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of County of Cole, Missouri (the County), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters that we reported to management of the County in a separate letter dated June 27, 2011.

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

Williams Keepers LLC

June 27, 2011



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the County Commissioners of the
County of Cole, Missouri

Compliance

We have audited the compliance of County of Cole, Missouri (the County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2010. 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. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in item 2010-01 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding proper monitoring of grant activity to ensure compliance with laws and regulations that are applicable to the ARRA JAG program – Mustang Recovery and High Intensity Drug Trafficking Area (HIDTA) grants. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

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

McClains Keepers LLC

June 27, 2011

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:		
Direct Program:		
Child Care Food Program	10.558	\$ 16,075
Passed Through Missouri Department of Health:		
Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557	261,939
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BFPC	10.557	13,636
Special Supplemental Food Program for Women, Infants, and Children (WIC) - Enhancement	10.557	5,000
Passed Through Missouri Department of Health: Maternal and Child Health Services:		
Summer Food Program	10.559	1,680
Passed Through Missouri Department of Health and Senior Services:		
Food and Nutrition Service Kids in Kitchen	10.574	<u>3,735</u>
Total U.S. Department of Agriculture		<u><u>302,065</u></u>
U.S. Department of Health and Human Services:		
Passed Through Missouri Department of Social Services:		
Child Support Enforcement	93.563	293,794
Deputy Juvenile Officer Program	93.667	45,356
Knowles Suspended Student Classroom	93.667	108,414
Passed Through Missouri Department of Health: Maternal and Child Health Services		
Public Health Emergency Preparedness	93.069	67,536
Regional Public Health Emergency Planning & Preparation	93.283	65,877
West Nile Virus Public Outreach	93.283	822
Nursing Consultation to Child Care Facilities	93.575	5,305
Local Sanitation Inspections for Child Care Facilities	93.575	2,610
Ryan White Title II Service Coordination	93.917	10,740
Breast and Cervical Cancer Control	93.919	14,233
Breast and Cervical Cancer Wisewomen	93.919	7,352
Breast and Cervical Cancer Early Detection	93.919	60,598

(continued on next page)

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2010

	Federal CFDA Number	Expenditures
Preventive Health & Services Block Grant	93.991	25,985
Maternal and Child Health Program	93.994	28,846
Passed Through Missouri Department of Health and Human Services:		
ARRA Supplemental Funding Immunization	93.712	4,904
ARRA Child Care Development Block Grant	93.713	1,198
Total U.S. Department of Health and Human Services		743,570
U.S. Department of Housing and Urban Development:		
Passed Through Missouri Department of Economic Development:		
Community Development Block Grant Program	14.228	47,546
Passed Through Missouri Department of Social Services:		
Emergency Shelter Grant Program	14.231	78,970
Total U.S. Department of Housing and Urban Development		126,516
U.S. Department of Justice:		
Passed Through Missouri Department of Public Safety:		
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	8,448
JAG Program - Mustang Task Force	16.738	70,071
ARRA JAG Program - Mustang Recovery	16.803	149,484
ARRA Domestic Violence Court Project	16.588	5,876
Passed Through the Office of Justice Program:		
Drug Courts Program (Block Grant) JAC Division	16.585	30,081
Total U.S. Department of Justice		263,960
U.S. Election Assistance Commission:		
Passed Through Missouri Secretary of State's Office:		
Accessible & Second Chance Voting Systems (HAVA)	90.401	11,139
EAID Polling Place Grant	93.617	2,250
Total U.S. Election Assistance Commission		13,389
Department of Homeland Security:		
Passed Through Missouri Department of Public Safety:		
Emergency Management Assistance	97.042	55,770
FY 07 Citizen Corps Grant	97.053	5,226
FY 07 Homeland Security Grant	97.067	11,467
FY 08 Homeland Security Grant	97.067	16,117

(continued on next page)

COUNTY OF COLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2010

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
FY 09 Citizen Corps Grant	97.067	<u>5,354</u>
Total Department of Homeland Security		<u>93,934</u>
General Services Administration		
Passed Through Secretary of State's Office Election Division		
Federal Voting Equipment Maintenance and Security Grant	39.011	<u>25,146</u>
Total General Services Administration		<u>25,146</u>
Office of National Drug Control Policy		
Passed Through Missouri State Highway Patrol		
High Intensity Drug Trafficking Area (HIDTA) Grant	95.001	<u>127,242</u>
Total Office of National Drug Control Policy		<u>127,242</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,695,822</u></u>

BASIS OF PRESENTATION:

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

COUNTY OF COLE, MISSOURI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the County.
2. No material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standard*."
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. A material weakness relating to the audit of the major federal award programs is reported in the "Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133." Finding 2010-01 is considered to be a material non-compliance.
5. The auditors' report on compliance for the major federal award programs for the County expresses a qualified opinion.
6. 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:

	<u>Federal CFDA Number</u>
Special Supplemental Food Program for Women, Infants, and Children (WIC)	10.557
Special Supplemental Food Program for Women, Infants, and Children (WIC) - BFPC	10.557
Special Supplemental Food Program for Women, Infants, and Children (WIC) - Enhancement	10.557
Child Support Enforcement	93.563
ARRA JAG Program - Mustang Recovery	16.803
High Intensity Drug Trafficking Area (HIDTA) Grant	95.001

8. The dollar threshold used to distinguish between Type A and B programs, as described in Section 520(b) of OMB Circular A-133, was \$300,000.
9. Using the criteria as defined in Section 530 of OMB Circular A-133, the County did not qualify as a low-risk auditee for the year ended December 31, 2010.

B. FINDINGS--FINANCIAL STATEMENT AUDIT

None.

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

Finding 2010-01: Grant Compliance Monitoring – ARRA JAG program – Mustang Recovery (16.803) and High Intensity Drug Trafficking Area (HIDTA) Grant (95.001) (material weakness)

Statement of Condition: During our testing of the Law Enforcement Fund's grants, we noted several significant issues related to the management of certain grant funds. Fiscal year 2010 was the first year the County's Sheriff Department administered these grants; they were previously administered by the City of Jefferson City, Missouri. We noted the same individual was responsible for every aspect of the HIDTA and Mustang grants, including setting and approving grant budgets, approving expenses for reimbursement, completing and submitting reimbursement requests, monitoring of reimbursement requests, and compliance with grant requirements. This individual was a new Sheriff employee not previously involved in grant management. The issues noted appeared to be isolated to the Sheriff's Department, as we did not note similar issues with the other major grant programs selected for testing.

Criteria: Internal controls should be adequate to prevent errors or fraud related to grant administration and compliance with grant requirements. These controls should include segregation of duties so that the responsibility for authorizing transactions, recording transactions and maintaining custody of assets is assigned to different people within the organization. To the extent preventative controls are impractical, compensating procedures should be adequate to identify errors or fraud in a timely manner. Individuals responsible for monitoring grant activity should be knowledgeable of all grant requirements and diligent in managing their responsibilities.

Effect of Condition: The following items were found due to the conditions described above:

- We noted numerous errors occurred on the reimbursement requests submitted by the Sheriff's Department to the granting agency. During its review, the granting agency found and corrected these errors each month and requested the County take more responsibility in reviewing reimbursement requests prior to submission. Several instances were noted where reimbursement was requested for items not allowed under the grant agreement.
- We noted several areas of non-compliance with grant requirements. These requirements include the following:
 - Failure to record all ARRA funds separately within the general ledger
 - Failure to verify vendors used to make grant purchases were not included on the procurement, suspension, and debarment listing
 - Failure to properly request and review grant matching requirements from subrecipients

Cause of Condition: There was a lack of segregation of duties in managing the grants, including a lack of an adequate review and approval process over grant activities and reporting. In addition, the individual responsible for grant administration did not have sufficient knowledge of grant requirements in order to manage the grants.

Recommendation: We recommend the grant coordinator become familiar with all grant requirements in order to properly administer the grants. In addition, the County should strengthen internal control over grant management, including segregation of duties where possible, and implement a review and approval processes to ensure compliance with these requirements.

Management Response: Management Response: We concur with the statement of condition, effect of condition, cause of condition, and the recommendation. We believe the situation leading to the condition was discovered in a timely manner (about the middle of 2010) by the Auditor's Office, but not in time to prevent the condition. The Auditor's office monitored the situation and made recommendations throughout 2010. However, we were unable to achieve implementation of our recommendations in light of the circumstances, including certain personnel constraints. However, there was no loss or misuse of grant funds as a result. As of the report date, the Sheriff's Department has made changes in the condition, including a change in personnel, which we believe will improve internal control over these grants.

This situation prompted the County Auditor's office to review the internal control related to federal grant administration in other departments within the County. We believe this situation is limited to the reported incident and that the internal control in other departments is sound; however, the Auditor's Office will continue to pursue opportunities to strengthen the internal control throughout the County. The Auditor's office will also recommend an adequate review and approval process is implemented by the Sheriff's Department.

COUNTY OF COLE, MISSOURI

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
For the Year Ended December 31, 2010**

Finding 2009-01: Identification of Federal Awards

Statement of Condition: The County failed to identify funds passed through the Missouri Department of Transportation as federal funds. Due to the failure to identify this grant as federally funded, approximately \$934,000 was excluded from the SEFA and DCF for the year ended December 31, 2009.

Recommendation: We recommended County departments and the County Commissioners carefully review all correspondence and signed agreements relating to grants or similar revenue sources for indication that funds are federal. This information should then be communicated to the Auditor's Office to ensure funds are appropriately included on the SEFA and DCF.

Status: This recommendation was implemented. It appears all federal awards have been identified by the County and are properly included on the SEFA and DCF for the year ended December 31, 2010.