

ST. FRANCOIS COUNTY, MISSOURI

FINANCIAL STATEMENTS

December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the County Commission and Officeholders of
St. Francois County, Missouri

We have audited the accompanying modified accrual basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting described in Note 1 (E); this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective modified accrual basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the primary government of St. Francois County, Missouri, as of December 31, 2016, and the respective changes in modified accrual basis financial position for the year then ended in accordance with the modified accrual basis of accounting described in Note 1 (E).

Basis of Accounting

We draw attention to Note 1 (E) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The combining and individual non-major fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary comparison schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Francois County, Missouri's basic financial statements. The Schedule of Changes in Net Pension Liability and Related Ratios (LAGERS), Schedule of Contributions (LAGERS), Schedule of the County's Proportionate Share of Net Pension Liability (CERF), and Schedule of Contributions CERF), which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017, on our consideration of St. Francois County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Francois County, Missouri's internal control over financial reporting and compliance.

Maloney, Wright & Robbins

Farmington, MO
June 27, 2017



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

To the County Commission and Officeholders of
St. Francois County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Francois County, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the St. Francois County, Missouri's basic financial statements, and have issued our report thereon dated June 27, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies (2016-001 and 2016-002)

Compliance and Other Matters

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

St. Francois County, Missouri's Response to Findings

St. Francois County, Missouri's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Maloney, Wright & Robbins

Farmington, MO
June 27, 2017

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF NET POSITION - MODIFIED ACCRUAL BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	December 31, 2016 Total Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 4,372,264
Restricted Cash	6,913,552
Investments	1,350,000
Total Current Assets	12,635,816
Noncurrent Assets:	
Capital Assets (net)	26,227,869
Total Noncurrent Assets	26,227,869
TOTAL ASSETS	\$ 38,863,685
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 267,498
Accrued Payroll Liabilities	(16,456)
Current Portion of Long Term Debt - Notes Payable	-
Current Portion of Long Term Debt - Capital Leases	44,236
Current Portion of Long Term Debt - Certificates of Participation	260,000
Total Current Liabilities	555,278
Noncurrent Liabilities:	
Notes Payable	-
Capital Lease Payable	44,236
Certificate of Participation - Series 2014	1,900,000
Less Current Portion of Long Term Debt	(555,278)
	1,388,958
TOTAL LIABILITIES	\$ 1,944,236
NET POSITION	
Net Investment in Capital Assets	\$ 24,283,633
Restricted	6,913,552
Unrestricted	5,722,264
TOTAL NET POSITION	36,919,449
TOTAL LIABILITIES & NET POSITION	\$ 38,863,685

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities
PRIMARY GOVERNMENT:					
General & Administration	\$ 6,273,077	\$ 2,872,262	\$ -	\$ -	\$ (3,400,815)
Property Valuation and Recording	1,580,321	-	132,347	-	(1,447,974)
Health & Welfare	660,587	-	-	-	(660,587)
Administration of Justice and Law Enforcement	6,544,884	2,044,028	-	-	(4,500,856)
Roads & Bridges	4,094,109	-	881,184	696,048	(2,516,877)
Interest and Fiscal Charges	49,223	-	-	-	(49,223)
TOTAL PRIMARY GOVERNMENT	\$ 19,202,201	\$ 4,916,290	\$ 1,013,531	\$ 696,048	(12,576,332)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	527,489
Property Taxes, Levied for Road & Bridge	1,767,954
Property Taxes, Levied for Senior Services	351,730
Property Taxes, Levied for Develop Disabled	655,631
Other Property Taxes	7,967
Sales Tax Levied for General Purposes	3,767,834
Sales Tax Levied for Road & Bridge	1,957,045
Sales Tax Levied for Law Enforcement	3,502,068
Other Sales Tax	723,000
Other taxes	430,148
Investment Income	51,451
Gain/(Loss) on Sale of Fixed Assets	(3,707)
Miscellaneous Revenue	1,059,484
Total General Revenues	14,798,094
 Change in Net Position	 2,221,763
 Net Position, Beginning of Year	 34,697,686
Net Position, End of Year	\$ 36,919,449

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
COMBINED BALANCE SHEET - MODIFIED ACCRUAL BASIS -GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Major Funds				Total Governmental Funds	Memorandum Total Only
	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Funds		
ASSETS						
Cash and Cash Equivalents	\$ 4,202,944	\$ -	\$ -	\$ 169,320	\$ 4,372,264	\$ 4,372,264
Restricted Cash	189,332	1,938,231	1,177,660	3,608,329	6,913,552	6,913,552
Investments	1,350,000	-	-	-	1,350,000	1,350,000
Due From Other Funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 5,742,276	\$ 1,938,231	\$ 1,177,660	\$ 3,777,649	\$ 12,635,816	\$ 12,635,816
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 42,041	\$ 100,780	\$ 97,587	\$ 27,090	\$ 267,498	\$ 267,498
Accrued Payroll Liabilities	(2,076)	621	(2,846)	(12,155)	(16,456)	(16,456)
TOTAL LIABILITIES	39,965	101,401	94,741	14,935	251,042	251,042
FUND BALANCES:						
Restricted	189,332	1,836,830	1,082,919	3,594,329	6,703,410	6,703,410
Committed	-	-	-	1,604	1,604	1,604
Assigned	1,843,779	-	-	166,781	2,010,560	2,010,560
Unassigned	3,669,200	-	-	-	3,669,200	3,669,200
Total Fund Balances	5,702,311	1,836,830	1,082,919	3,762,714	12,384,774	12,384,774
TOTAL FUND BALANCES	\$ 5,742,276	\$ 1,938,231	\$ 1,177,660	\$ 3,777,649	\$ 12,635,816	\$ 12,635,816

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2016

Total Governmental Fund Balances	\$ 12,635,816
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,227,869
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,944,236)</u>
Net Position of Governmental Activities	\$ <u><u>36,919,449</u></u>

The accompanying notes are an integral part of the financial statements.

ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Major Funds					
	General	Road and Bridge	Law Enforcement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds	Memorandum Total Only
REVENUES:						
Property Tax	\$ 527,489	\$ 1,692,187	\$ -	\$ 1,091,095	\$ 3,310,771	\$ 3,310,771
Sales Tax	3,767,834	187,367	3,502,068	2,492,678	9,949,947	9,949,947
Telephone Tax	-	-	-	-	-	-
Intergovernmental Revenue	1,922,744	696,048	780,923	1,381,371	4,781,086	4,781,086
Charges for Services	125,524	-	-	669,356	794,880	794,880
Grants, Distributions and Reimbursements	-	881,184	-	-	881,184	881,184
Fees, Licenses and Permits	-	-	-	598,867	598,867	598,867
Interest	28,087	9,555	2,407	11,402	51,451	51,451
Other	54,299	85,626	16,640	902,919	1,059,484	1,059,484
Total Revenues	<u>6,425,977</u>	<u>3,551,967</u>	<u>4,302,038</u>	<u>7,147,688</u>	<u>21,427,670</u>	<u>21,427,670</u>
EXPENDITURES:						
Administration	4,123,374	-	-	1,468,142	5,591,516	5,591,516
Property Valuation and Recording	-	-	-	1,571,880	1,571,880	1,571,880
Administration of Justice and Law	270,288	-	4,699,518	995,666	5,965,472	5,965,472
Road & Bridge	-	1,919,660	-	707,599	2,627,259	2,627,259
Miscellaneous	-	-	-	1,546,706	1,546,706	1,546,706
Capital Outlay	49,487	2,164,021	210,335	1,032,183	3,456,026	3,456,026
Debt Service						
Principal Payments	-	45,412	-	565,000	610,412	610,412
Interest Payments	-	-	-	49,223	49,223	49,223
Fiscal Agent Fees	-	-	-	-	-	-
Debt Issuance Cost	-	-	-	-	-	-
Total Expenditures	<u>4,443,149</u>	<u>4,129,093</u>	<u>4,909,853</u>	<u>7,936,399</u>	<u>21,418,494</u>	<u>21,418,494</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,982,828	(577,126)	(607,815)	(788,711)	9,176	9,176
OTHER FINANCING SOURCES (USES):						
Issuance of Long Term Debt	-	-	-	-	-	-
Transfers in	131,000	-	932,936	1,263,237	2,327,173	2,327,173
Transfers out	(2,136,173)	(75,000)	-	(116,000)	(2,327,173)	(2,327,173)
Total Other Financing Sources (uses)	<u>(2,005,173)</u>	<u>(75,000)</u>	<u>932,936</u>	<u>1,147,237</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(22,345)	(652,126)	325,121	358,526	9,176	9,177
FUND BALANCE - BEGINNING OF YEAR	<u>5,764,621</u>	<u>2,590,357</u>	<u>852,539</u>	<u>3,419,123</u>	<u>12,626,640</u>	<u>12,626,640</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,742,276</u>	<u>\$ 1,938,231</u>	<u>\$ 1,177,660</u>	<u>\$ 3,777,649</u>	<u>\$ 12,635,816</u>	<u>\$ 12,635,816</u>

See accompanying notes to the financial statements

ST. FRANCOIS COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES

For the Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds	\$	9,176
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized		3,456,025
Depreciation expense		(1,850,143)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) to increase (decrease) net position		(3,707)
		1,602,175

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments.		610,412
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Debt Issued:

Certificates of Participation		-
Capital Leases		-
		-

Change in Net Position of Governmental Activities	\$	2,221,763
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The accompanying notes are an integral part of the financial statements.

**ST. FRANCOIS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED ACCRUAL BASIS - AGENCY FUNDS**

DECEMBER 31, 2016

ASSETS	
Restricted Cash	\$ 31,502,622
Investments	100,204
Taxes Receivable	<u>4,079,674</u>
TOTAL ASSETS	<u><u>\$ 35,682,500</u></u>
LIABILITIES	
Accounts Payable	\$ 11,526
Accrued Payroll Liabilities	351
Due to Other Funds	<u>35,670,623</u>
TOTAL LIABILITIES	<u><u>\$ 35,682,500</u></u>

See accompanying notes to financial statements

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Francois County, Missouri became a first class county on January 1, 2013. It is a political subdivision, organized and existing under the laws of the State of Missouri. The County is approximately 451 square miles in area. St. Francois County is governed by a three-member board of commissioners. In addition to the three County Commissioners, there are twelve (12) elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder of Deeds, Collector, Treasurer, Auditor, Coroner, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

A. Financial Reporting Entity

The County's operations include tax assessments and collections, state/county courts administration, county recorder, public safety and 911, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official.

The financial statements referred to above include the primary government of St. Francois County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity.

Component units are organizations for which the County is financially accountable and all other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the County appoints a voting majority of the Component Unit's governing board and is either able to impose its will on that Component Unit or there is a potential for the Component Unit to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the County.

The decision to include a potential component unit in the County's reporting entity is based on the criteria set forth in governmental accounting standards. Criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability as the primary government, but not the only criteria for inclusion. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, there are no component units included within these financial statements. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. Accounting principles generally accepted in the United States of America require the component unit information to be reported with the financial data of the County's primary government.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Related Organizations

The juvenile office and detention center, located in St. Francois County, is an entity separate and distinct from St. Francois County. It is an entity operating at the circuit level to provide services to four counties: St. Francois, Madison, Washington, and Ste. Genevieve. The budgeting process for the office includes all four county commissions and the circuit court judge. Based upon budget adoption, tax authority and funding, the juvenile office is not controlled by or dependent upon St. Francois County. Missouri Statutes do not provide for cash management by juvenile offices. Accordingly, St. Francois County acts in a fiduciary capacity to maintain a depository account and disburse funds for the office as directed and authorized by the circuit court judge. The County has established a separate agency fund, the juvenile fund, to account for these cash inflows and outflows. This fund is custodial in nature and does not purport to represent a measurement of the results of operations of the juvenile office. The County also acts in a fiduciary capacity with the Circuit Court.

C. Basis of Presentation - Fund Accounting

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. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Funds

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Funds

Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported based on the economic resources measurement focus and the modified accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the County Collector and other agency operations.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Basis of Presentation - Fund Accounting (Continued)

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about the County as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any such activities.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General, Road and Bridge, and Law Enforcement Sales Tax are major governmental funds. All other governmental funds are reported in two columns labeled "Non-major Governmental Funds" and "Non-major Governmental Funds (Special Revenue Funds)". If applicable, the total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Basis of Presentation - Fund Accounting (Continued)

Governmental Fund Types (Continued)

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The County defines *available* for purposes of revenue recognition in the fund financial statements when received, not earned.

The following are the County's governmental major funds:

General Fund - The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund - A Special Revenue Fund used to account for receipts of the County-wide \$.2447 property tax levy and related expenditures for road maintenance and improvement of the County's infrastructure.

Law Enforcement Sales Tax Fund - A Special Revenue Fund used to record the County-wide revenue of two, one-fourth (1/4) percent sales tax receipts and related expenditures to support law enforcement.

Debt Service Fund - Financial resources restricted for payment of Certificates of Participation. Financial resources are accumulated for principal and interest payments.

Other governmental funds of the county are considered non-major funds, including various special revenue funds which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. **Measurement Focus and Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are reported on 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The fund financial statements are also reported using the modified accrual basis of accounting.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements.

E. **Cash and Investments**

For the purpose of financial reporting, deposits and investments are stated at cost, which approximates market. Cash balances for all of the County Treasurer funds are pooled and invested to the extent possible to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Restricted Cash and Investments

The Certificates of Participation used to finance the construction of the annex to the courthouse, and the Certificates of Participation issued to fund energy efficiency retrofit to the Jail, Annex, Courthouse, and Bridge replacements require the County to establish and maintain prescribed amounts of reserves that can be used only to service the Certificates.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial useful life of at least one year and a historical cost meeting the dollar threshold below. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets and capitalization dollar threshold are as follows:

Asset	Years	Threshold
Land	N/A	\$25,000
Land Improvements - Structure	20	12,500
Land Improvements - Ground	30	12,500
Land Improvements - Building Site	N/A	12,500
Easements	N/A	5,000
Buildings	40	50,000
HVAC	20	5,000
Roofing	20	5,000
Carpet Replacement	7	5,000
Electrical/Plumbing	30	5,000
Building Improvements	15	25,000
Office Furniture	7	2,500
Office Equipment	5	2,500
Equipment-Radio/Highway	10	5,000/15,000
Radio Towers	20	15,000
Grounds Equipment	15	10,000
Vehicles	5	5,000
Bridge Replacement	70	250,000
Bridge Slab	30	250,000
Bridge Prestress	40	250,000
Highways/Roads		
Concrete	40	250,000
Blacktop	40	500,000
Gravel	40	5,000
Tunnels/Drainage Systems	50	500,000
CIP	N/A	N/A

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of the net position.

- 2) Restricted Net Position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- 3) Unrestricted Net Position - All other net position asset that do not meet the definition of restricted or net investment in capital assets. It is the County's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Governmental Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees' Retirement Fund (CERF) and additions to/deductions from CERF's fiduciary net position have been determined on the same basis as they are reported by CERF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. Post-Employment Benefits (Continued)

The County does not provide post-employment benefits, except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

K. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and mailed to residents in November, and are payable on or before December 31 of that year. All unpaid taxes then become delinquent as of January 1st of the following year. Property tax revenues are recognized when earned.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2016, for purposes of taxation was:

Real Estate	\$489,141,560
Personal Property	<u>152,413,120</u>
	<u><u>\$641,554,680</u></u>

L. Use of Estimates

The preparation of financial statements in conformity with the modified accrual basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

M. Revenues

The County includes in its program revenues the following income: Fines and Circuit Court Fees; Licenses, Permits, and Fees; County Vehicle Sticker Income; Property Tax, and Gasoline Tax and Motor Vehicle Fees.

N. Accounts Receivable

The County records accounts receivable for property taxes due from the County Collector at December 31, 2016, which operates as an agency fund.

O. Budgets and Budgetary Accounting

In accordance with Missouri Statutes, the County adopts a formal budget at the beginning of the fiscal year. Budgets are prepared and adopted on the modified accrual basis of accounting that is consistent with the basis of accounting used in the presentation of the fund financial statements. The level of budgetary responsibility for an individual fund is by total appropriations.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Budgets and Budgetary Accounting (Continued)

Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. A budgetary amendment was approved by the County Commission in December 2016 in accordance with state statutes. The Road and Bridge Fund had expenditures in excess of appropriations.

P. Fund Equity – Governmental Funds

The following classifications of fund balance describe the relative strength of the spending constraints and provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

- Nonspendable fund balance – Amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commission or County Executive.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commission and Elected Officials are the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by a court order or passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Fund Equity – Governmental Funds (Continued)

As discussed in Note 1, restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

The County has adopted, per State Statute, an Emergency Fund to accumulate an amount equal to not less than three percent of the total estimated general fund revenues appropriated each year as an emergency fund.

Q. Internal and Interfund Balances and Activities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due From Other Funds” or “Due To Other Funds” on the Balance Sheet of the Governmental Funds. Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. In the process of aggregating the financial information for the government-wide Statement Net Assets and Statement of Activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

NOTE 2 **DEPOSITS AND INVESTMENTS**

Cash and Time Deposits include all funds held in checking accounts, money market accounts, cash on hand and certificates of deposit with original maturities of less than three months. Deposits and investments are stated at cost, which approximates market. Restricted cash includes amounts held in trust as required by certain bond covenants. The County does not have a deposit and investment policy that limits the allowable deposits or investments.

Missouri Statutes require that all funds of the County on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. The County’s bank deposits were secured by letters of credit by FHLB in the amount of \$30,000,000 and securities pledged by First State Community Bank of \$15,105,553. At December 31, 2016 the deposits and investments of the County were fully insured or collateralized by securities held in the County’s name. Deposits and investments were categorized as follows at December 31, 2016:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 **DEPOSITS AND INVESTMENTS (Continued)**

Type	Cost
Deposits-Governmental Funds:	
Checking and Savings	\$11,285,717
Cash on Hand	99
Escrowed Funds	-
	\$11,285,816
Deposits-Fiduciary Funds:	
Checking and Savings	\$31,602,426
Cash on Hand	400
	31,602,826
	\$44,238,642

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2016, the County was exposed to custodial credit risk. The County's investments earn interest based on variable interest rates.

NOTE 3 **INVESTMENTS**

Investments were categorized as follows at December 31, 2016:

<u>Investment</u>	<u>CD#</u>	<u>Maturity Date</u>	<u>Total</u>
Certificate of Deposit	105317	09/11/18	\$ 200,000
Certificate of Deposit	105318	09/11/18	200,000
Certificate of Deposit	105319	05/11/17	100,000
Certificate of Deposit	105320	05/11/17	250,000
Certificate of Deposit	105321	05/11/17	250,000
Certificate of Deposit	105322	12/11/17	250,000
Certificate of Deposit	105323	06/11/17	100,000
Total			\$ 1,350,000

NOTE 4 **RESTRICTED NET POSITION**

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

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 4 **RESTRICTED NET POSITION (Continued)**

Governmental Major Funds:

General Revenue	\$ 189,332
Road and Bridge	1,938,231
Law Enforcement Sales Tax	1,177,660
	<u>\$ 3,305,223</u>

Governmental Non-Major Funds:

Tax Increment Financing	\$ 612,825
Assessment Fund	719,327
Senior Citizens Service Fund	131,614
Road Improvement Tax Fund	839,161
Sheriff's Revolving Fund	342,543
County Law Enforcement Fund	50,253
Law Enforcement Training Fund	10,316
Inmate Security	28,760
Sheriff Civil Fees	89,757
Equitable Sharing Fund	5,892
Recorder's User Fee Fund	75,210
Surplus Tax Sale Fund	102,541
Tax Maintenance Fund	211,631
Juvenile Electronics	587
Juvenile DFS Crisis	949
Fines Fund	99,194
Election Services	49,506
Prosecuting Attorney Delinquent Tax	6,190
Prosecutor Training Fund	5,793
Prosecuting Attorney Handling Cost	73,450
Victims Violence Fund	7,283
Insurance Maintenance	11,801
Recorder User Fee Fund	43,532
Sheriff (Commissary)	76,053
Sheriff	8,788
Sheriff (D.A.R.E.)	5,323
County Clerk	50
	<u>\$ 3,608,329</u>

Agency Funds:

Collector of Revenue Fund	\$ 30,964,045
Circuit Clerk Banner Fund	459,434
Juvenile Fund	179,347
	<u>\$ 31,602,826</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 5 GENERAL FIXED ASSETS

Changes in fixed assets are as follows for the year ended December 31, 2016:

Governmental Activities	
Beginning Balance	\$ 70,993,250
Additions	5,338,833
Retirements	<u>(2,232,660)</u>
Ending Balance	74,099,423
Accumulated Depreciation	<u>(47,276,856)</u>
Net Book Value	<u><u>\$ 26,822,567</u></u>

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 1,220,219	\$ 169,956	\$ -	\$ 1,390,175
Building & Building Improvements	9,937,045	415,346	34,690	10,317,701
Land & Leasehold Improvements	236,083	276,458	-	512,541
Furniture & Fixtures	486,067	-	-	486,067
Office Equipment	1,351,216	24,751	-	1,375,967
Other Equipment	5,201,551	91,496	1,840	5,291,207
Motor Vehicles	3,052,946	355,157	403,262	3,004,841
Infrastructure	48,700,108	2,999,361	-	51,699,469
Construction in Progress	<u>808,015</u>	<u>1,006,308</u>	<u>1,792,868</u>	<u>21,455</u>
Total at Cost	70,993,250	5,338,833	2,232,660	74,099,423
Less: Accumulated Depreciation				
Land	-	-	-	-
Building & Building Improvements	6,518,899	224,278	34,690	6,708,487
Land & Leasehold Improvements	126,350	19,699	-	146,049
Furniture & Fixtures	485,174	-	-	485,174
Office Equipment	1,110,261	37,674	-	1,147,935
Other Equipment	4,277,780	275,372	276	4,552,876
Motor Vehicles	2,398,747	221,337	401,119	2,218,965
Infrastructure	30,875,551	1,142,082	263	32,017,370
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Depreciation	<u>45,792,762</u>	<u>1,920,442</u>	<u>436,348</u>	<u>47,276,856</u>
Capital Assets, Net	<u><u>\$ 25,200,488</u></u>	<u><u>\$ 3,418,391</u></u>	<u><u>\$ 1,796,312</u></u>	<u><u>\$ 26,822,567</u></u>

Included above are the capital assets for the Juvenile Fund, which is an agency fund. These assets have a net book value of \$594,704 and are not included in the government-wide financial statements.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 5 **GENERAL FIXED ASSETS (Continued)**

Depreciation expense is charged to functions as follows in the Statement of Activities:

Governmental Activities		
General and Administration	\$	820,699
Property Valuation and Recording		922
Administration of Justice and Law Enforcement		282,430
Health and Welfare		-
Roads and Bridges		601,416
Parks and Recreation		-
Community and Economic Development		-
Debt Service		-
Depreciation Expense	<u>\$</u>	<u>1,705,467</u>

Capitalized assets not being depreciated are Land and Construction in Progress of \$2,028,234.

NOTE 6 **RISK MANAGEMENT**

The County is exposed to a variety of risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to Missouri Statute Chapter 537.70. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workmen's Compensation and Insurance Fund. The County purchases Workmen's Compensation Insurance through this fund, a nonprofit corporation established for the purpose of providing insurance coverage for Missouri counties. The fund is self-insured up to \$250,000 per occurrence and is re-insured up to the statutory limit through excess insurance.

The County has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool or the self-insurance fund. These policies include reasonable deductible amounts. The portion of uninsured loss is not expected to be significant with respect to the financial position of the County.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7

PENSION

Plan Description

St. Francois County, Missouri's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. St. Francois County, Missouri participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2016 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefit terms:

	General	Police
Inactive employees or beneficiaries currently receiving benefits	77	23
Inactive employees entitled to but not yet receiving benefits	13	20
Active Employees	<u>113</u>	<u>57</u>
	<u>203</u>	<u>100</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7 **PENSION (Continued)**

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 9.1% (General), and 6.4% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

Actuarial assumptions

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Actuarial assumptions (Continued)

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7 **PENSION (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.730%

Discount rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

<u>General</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2015	\$19,148,646	\$20,082,580	\$ (933,934)
Changes for the year:			
Service Cost	487,116	-	487,116
Interest	1,376,434	-	1,376,434
Difference between expected and actual experience	188,203	-	188,203
Contributions – employer	-	392,288	(392,288)
Contributions – employee	-	171,496	(171,496)
Net Investment income	-	(32,855)	32,855
Benefit payments, including refunds	(819,639)	(819,639)	-
Administrative expense	-	(17,160)	17,160
Other changes	804,295	(48,167)	852,462
Net Changes	2,036,409	(354,037)	2,390,446
Balances at 6/30/2016	\$21,185,055	\$19,728,543	\$ 1,456,512

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7 PENSION (Continued)

Changes in the Net Pension Liability	Increase (Decrease)		
<u>Police</u>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2015	\$8,007,507	\$ 9,115,853	\$(1,108,346)
Changes for the year:			
Service Cost	263,681	-	263,681
Interest	579,273	-	579,273
Difference between expected and actual experience	(152,121)	-	(152,121)
Contributions – employer	-	147,753	(147,753)
Contributions – employee	-	84,248	(84,248)
Net Investment income	-	(5,242)	5,242
Benefit payments, including refunds	(299,376)	(299,376)	-
Administrative expense	-	(7,236)	7,236
Other changes	281,644	(34,026)	315,670
Net Changes	673,101	(113,879)	786,980
Balances at 6/30/2016	\$8,680,608	\$ 9,001,974	\$ (321,366)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
\$ 1,183,780	\$ (321,366)	\$ (1,534,004)

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

For the year ended June 30, 2016 the employer recognized pension expense of \$360,505. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7 **PENSION (Continued)**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	General		Police	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences in experience	\$ 281,692	\$ -	\$ -	\$ -
Differences in assumptions	663,942	-	235,654	-
Excess (deficit) investment returns	1,810,556	-	812,083	-
Employer contributions subsequent to the measurement date*	-	-	-	-
Total	\$2,756,190	\$ -	\$1,047,737	\$ -

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending 12/31/16.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	General	Police
2017	\$ 709,160	\$217,567
2018	709,160	217,567
2019	709,159	217,565
2020	499,613	123,480
2021	129,098	17,800
Thereafter	-	2,623
Total	\$2,756,190	\$796,602

Payable to the Pension Plan

At December 31, 2016 the County's liability was \$66,108 for outstanding contributions to the pension plan required for the year ended December 31, 2016.

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

The following information is presented in accordance with Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The County Employees' Retirement Fund has opted to present the GASB 68 information with a year lag. Therefore, the county's allocations for 2015 are presented for purposes of this report.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

A. Plan Description

In addition to LAGERS, benefit eligible employees of the County are provided with pensions through County Employees' Retirement Fund (CERF) – a mandatory cost-sharing, multiple-employer defined benefit pension plan established in 1994. Laws governing CERF are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes. As such, it is CERF'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 is tax exempt. The responsibility for the operations and administration of CERF is vested in the Board of Directors consisting of eleven members. CERF issues a publicly available Annual Financial Report that can be obtained at www.mocerf.org.

Benefits Provided

CERF is a defined benefit plan providing retirement and death benefits to its members. 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. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. 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. Annual cost of living adjustments, not to exceed 1% are provided for eligible retirees of survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

Contributions

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 hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on 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, and
- Interest earned on investment of the above collections prior to remittance to CERF.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

The County's required contribution rate for the year ended December 31, 2015 was 4% of annual payroll. Contributions and statutory charges remitted to the pension plan from the County were \$312,048 and \$112,083 respectively, for the year ended December 31, 2015.

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

At December 31, 2015, the County reported a liability of \$3,021,565 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and was based on the most recent actuarial valuation by CERF's independent actuary as of December 31, 2014 projected forward to December 31, 2015, and financial information of the Plan as of December 31, 2015.

The County's proportion of the net pension liability was based on the County's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for CERF's plan year ended December 31, 2015. At December 31, 2015, the County's proportion was 1.56%, which decreased by .14% from the percentage used to allocate the liability as of December 31, 2014.

There were no changes in benefit terms during the CERF plan year ended December 31, 2015, that affected the measurement of total pension liability.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

For the year ended December 31, 2015, the County recognized pension expense of \$569,950. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between:		
Expected and actual experience	115,479	17,050
Projected and actual earnings on investments	549,922	-
Changes of assumptions	417,405	-
Changes in Proportionate Contributions subsequent to the measurement date*		139,028
	-	-
Total	\$1,082,806	\$ 156,078

Deferred outflows of resources related to pensions totaling \$152,595 resulting from County contributions subsequent to the measurement date through December 31, 2015 will be recognized as a reduction of the net pension liability in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the County's fiscal year following CERF's fiscal year as follows:

Year ended:	
2017	\$ 232,611
2018	232,611
2019	232,611
2020	228,890
2021	-
Total	\$ 926,723

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Compensation increases	2.5%, plus merit
Inflation	2.5%
Investment rate of return	7.5%

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Combined Mortality projected to 2010 using Scale AA.

The following actuarial assumptions and methods were changed for the actuarial valuation used for the reporting period: a) compensation increases were changed from inflation plus an age-graded allowance for merit, promotion, and seniority (total average increases, including inflation, were approximately 5.3% to 2.5%, plus merit, as indicated above; b) inflation was reduced from 3% to 2.5%, as indicated above; c) the investment rate of return was reduced from 8% to 7.5% as indicated above; and mortality rates were changed from the RP-2000 Separate Mortality projected to 2010 to the RP-2000 Combined Mortality projected to 2010, as indicated above.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and tuition) are developed from each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in CERF target asset allocation as of December 31, 2015 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus	15.00%	2.66%
Absolute Return	15.00%	4.18%
U.S. Large Cap Equity	25.00%	6.38%
U.S. Small Cap Equity	10.00%	6.96%
Non-U.S. Equity	15.00%	6.58%
Long/Short Equity	10.00%	6.85%
Private Equity	5.00%	7.34%
Core Real Estate	5.00%	5.10%

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 8 **PENSION PLAN - County Employees' Retirement Fund (CERF)**

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the Plan's current revenue sources (various fees and penalties collected by the counties). Such revenue was assumed to increase at the rate of 1% per year. This increase assumption has been used by the Plan in prior funding status projections. Historically, revenue increases have averaged more than 1% per year. Based on the assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the Plan's investments was applied to projected benefit payments.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

County's proportionate share of the net pension liability

1% Decrease	Current Single Discount	1% Increase
6.5%	Rate Assumption	8.5%
7.5%		
\$ 4,297,544	\$ 3,021,565	\$ 1,958,678

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERF Annual Financial Report.

Payable to the Pension Plan

At December 31, 2016, the County had a payable of \$11,942 for the outstanding amount of contributions and statutory charges to the pension plan required for the year then ended.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 9 **CAPITAL LEASE OBLIGATIONS**

Note Payable (Capital Lease) – John Deere Financial

Note Payable dated July 1, 2014 in the amount of \$180,473 for the purchase of two (2) utility tractors and two (2) side shift mowers. Payable in annual installments of \$45,412 including principal and interest for 36 months. At the end of the term, the equipment becomes property of the County. The note is secured by the equipment.

Balance at December 31, 2016	\$	44,236
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The following is a schedule, by year, of future minimum lease payments under capital leases, together with the present value of net minimum lease payments at December 31, 2016:

<u>Year Ended Dec 31,</u>	<u>Future Minimum Lease Payment</u>
2016	\$ 44,236
2017	-
2018	-
2019	-
2020	-
2021-2025	-
Present value of future minimum payments	<u>\$ 44,236</u>

The total interest expense for December 31, 2016 was \$-0-. Amortization expense has been included in depreciation expense.

NOTE 10 **CONDUIT DEBT**

Certificates of Participation - 2005

On February 1, 2005, the County issued \$4,000,000 in Series 2005 Certificates of Participation with interest rates ranging from 2.2% to 5%. The certificates were issued to provide funds for the construction of an annex to the St. Francois County Courthouse. The building houses the administrative offices of the County. The certificates mature on February 1, 2017 with term certificates due on February 1, 2020 and February 1, 2025. Interest is payable semi-annually on each August 1 and February 1st. The following reserve accounts were established as required by the certificate issuance:

Rental Payment - Accrued interest on certificates and any remaining funds from the construction fund are deposited in this account. Funds will be disbursed solely for the payment of principal and interest of outstanding certificates. This account is restricted for debt payments.

Debt Service Reserve - Established pursuant to the Indenture and was required to be initially funded from other available moneys provided by the County in an amount equal to \$305,000. Funds held in this account are restricted for the payment of the principal portion and interest portion of the rental payments represented by the Certificates if sufficient moneys are not available in the rental payment fund.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 10 CONDUIT DEBT (Continued)

Certificates of Participation – 2005 (Continued)

During fiscal year 2014, the County issued \$2,160,000 of Refunding Certificates of Participation. These proceeds, along with the above mentioned debt service reserve, were used to retire the Series 2005 Certificates of Participation. There was no outstanding balance for the Series 2005 Certificates of Participation at December 31, 2016.

Certificates of Participation - 2010

On June 29, 2010, the County issued \$410,000 Series 2010 Recovery Zone Economic Development Lease Certificates of Participation with interest rates ranging from 4.0% to 5.5%. The County is entitled to receive a tax credit payable by the Secretary of the Treasury equal to forty-five percent (45%) of the interest payable on the Certificates. The certificates were issued to fund capital projects for repairs to the Jail, Annex, Courthouse, and for bridge replacements. The payments include an interest component, payable semiannually on October 1, and April 1 and a principal component with payments beginning on April 1, 2013. Payments are calculated based on the following:

\$105,000 Aggregate Principal Amount 4.00% Term Certificates due April 1, 2015
\$120,000 Aggregate Principal Amount 5.00% Term Certificates due April 1, 2018
\$185,000 Aggregate Principal Amount 5.50% Term Certificates due April 1, 2022

Certificates maturing on April 1, 2015 shall be subject to a sinking fund payment of \$35,000 and for each of the two subsequent years. Certificates maturing on April 1, 2018 require a \$40,000 payment on April 1, 2016 and the next two subsequent years. Certificates scheduled to mature on April 1, 2022 are subject to a payment schedule of \$45,000 from April 1, 2019 through April 1, 2022, which is the final maturity date.

The account established pursuant to the 2010 issuance were as follows:

Certificate Fund Account - Account established to accumulate deposits of accrued interest and any premium received from the Original Purchasers upon initial sale and delivery of the Certificates; all Base Rentals payable by the County to the Trustee specified in the Lease; and interest and other income derived from investments of money in the Certificate Fund.

The Series 2010 Recovery Zone Economic Development Lease Certificates of Participation were paid off in March 2016 with proceeds from the Series 2014 Refunding Certificates of Participation. There was no outstanding balance for the Series 2010 Certificates of Participation at December 31, 2016.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 10 CONDUIT DEBT (Continued)

Certificates of Participation – 2014

On January 7, 2014, the County issued \$2,160,000 in Refunding Certificates of Participation with an interest rate of 2.21%. The proceeds were being used to refund \$2,060,000 of the outstanding principal amount of the County's 2005 certificates of participation. The certificates of participation were used to construct, furnish and equip a new courthouse annex and to acquire land. The 2014 Refunding Certificates were also used to refund the Series 2010 Recovery Zone Economic Development Lease Certificates of Participation in March 2016. There was no outstanding balance for the Series 2010 Certificates of Participation at December 31, 2016.

Long-term liability activity for the year ended December 31, 2016 is as follows:

	<u>Balance</u> <u>12/31/2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/16</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Certificates of Participation - 2010	\$ 305,000	\$ -	\$ (305,000)	\$ -	\$ -
Certificates of Participation-2014	2,160,000	-	(260,000)	1,900,000	260,000
Capital Lease – John Deere Financial (Equipment)	89,648	-	(45,412)	44,236	44,236
Total	<u>\$ 2,554,648</u>	<u>\$ -</u>	<u>\$ (610,412)</u>	<u>\$1,944,236</u>	<u>\$ 304,236</u>

The combined annual requirements to retire the above governmental long-term debt as of December 31, 2016 are as follows:

<u>Fiscal Year</u> <u>Ending Dec 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 260,000	\$ 38,210	\$ 298,210
2018	265,000	34,598	299,598
2019	270,000	30,112	300,112
2020	275,000	24,659	299,659
2021	275,000	18,471	293,471
2022-2023	555,000	15,450	570,450
Total	<u>\$ 1,900,000</u>	<u>\$ 161,500</u>	<u>\$ 2,061,500</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 10 CONDUIT DEBT (Continued)

The total interest expense for the 2010 Certificates of Participation and the 2014 Certificates of Participation was \$8,088 and \$41,135 respectively.

NOTE 11 COMPENSATED ABSENCES

St. Francois County has adopted the compensated leave policies of the Teamsters Local Union No. 600, an agreement between the County Commission of St. Francois County for its Road and Bridge employees. This contract is valid for periods January 1, 2015 through December 31, 2017. All elected official offices, departments, and the Commission of the County follow this contract.

Sick Leave

Employees earn sick leave at the rate of eighteen (18) days per year, cumulative to one hundred (100) days. Upon retirement, an employee with ten (10) or more years of seniority shall be entitled to a payout of 90% of his accumulated unused sick days. Upon separation of employment (voluntary quit) an employee with ten (10) or more years of seniority shall be entitled a payout of 55% of his accumulated unused sick days. If an employee with ten (10) or more years of service dies prior to retiring, the County shall issue pay equal to 85% of his accumulated unused sick days to his beneficiary.

Vacation

Employees shall earn annual vacation time and pay at their regular rate of pay from the date of employment, as follows:

- Employees shall not receive vacation pay until they have been employed for one (1) year
- After the completion of one (1) year of service, employees shall earn vacation pay from date of employment at the rate of eighty (80) hours per year (Employees after one year of service are entitled to 80 hours vacation).
- After the completion of five (5) years of service, employees shall earn vacation pay from their fourth (4th) anniversary date of employment at the rate of one hundred twenty (120) hours per year (Employees after five years of service are entitled to 120 hours of vacation).
- After the completion of ten (10) years of service, employees shall earn vacation from their ninth (9th) anniversary date of employment at the rate of one hundred sixty (160) hours per year (Employees after twelve years of service are entitled to 160 hours of vacation).

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 11 COMPENSATED ABSENCES (Continued)

Vacation (Continued)

- After the completion of fifteen (15) years of service, employees shall earn vacation pay from their fourteenth (14th) anniversary date of employment at the rate of two hundred (200) hours per year (Employees after sixteen years of service are entitled to 200 hours of vacation).
- After the completion of twenty-five (25) years of service, employees shall earn vacation pay from the twenty-fourth (24th) anniversary date of employment of an additional one (1) day, plus one (1) day more for each subsequent year of service, to a maximum of five (5) additional days.

In the event any employee terminates after one (1) year of service, he shall be paid his earned vacation pay. Such vacation pay shall be pro-rated to date of termination. At December 31, 2016, the accrued leave liability totaled \$1,997,375. The liability consisted of \$1,106,929 for the Sheriff's Department and \$890,446 for all other offices and departments. This includes vacation leave, sick leave, holiday, and compensatory time. These amounts are not recorded in the financial statements.

NOTE 12 INTER FUND BALANCES AND TRANSFERS

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 12 **INTER FUND BALANCES AND TRANSFERS (Continued)**

Transfers between funds for the year ended December 31, 2016 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds</u>		
General Fund	\$ 131,000	\$ 2,136,173
Road & Bridge Fund	-	75,000
Law Enforcement Sales Tax Fund	932,936	-
<u>Non-Major Funds (Special Revenue):</u>		
Assessment	284,201	-
Drug Court Fund	182,717	-
County Law Enforcement Restitution	-	60,000
Election Cost Special Fund	297,902	56,000
Debt Service Fund	498,417	-
	<u>\$2,327,173</u>	<u>\$2,327,173</u>

The majority of the transfers, \$2,136,173, were budgeted monies designated from the General Fund to other funds. In addition, \$498,417 was transferred from General Fund to Debt Service fund to record the payments made from General Fund for the Debt liability, \$75,000 was transferred from Road & Bridge Fund to General Fund as an administration fee.

NOTE 13 **FUND BALANCE**

The constraints on fund balance are listed in the aggregate in the Combined Balance Sheet, the Combining Balance Sheet (Non-major Governmental Funds), and the Combining Balance Sheet (Special Revenue Funds). The following table provides the detail on the fund balance constraints according to balance classification and fund:

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 13 FUND BALANCE (Continued)

Fund Balances:	General	Road and Bridge	Law Enforcement Sales Tax	Non-Major Governmental Funds	Non-Major Special Revenue Funds	Total
Restricted For:						
Tax Increment Financing	\$ -	\$ -	\$ -	\$ -	\$ 612,825	\$ 612,825
SBRF	500	-	-	-	-	500
Roads & Bridges	-	1,938,231	-	-	839,161	2,777,392
Debt Service - COPS (2005 & 2010, 2014)	-	-	-	-	-	115,806
Assessment	-	-	-	-	719,327	719,327
Emergency	188,832	-	-	-	-	188,832
Senior Citizens	-	-	-	-	131,614	131,614
Sheriff Revolving	-	-	-	-	342,543	342,543
Co Law Enf. Restitution	-	-	-	-	50,253	50,253
Law Enforcement						
Sales Tax	-	-	1,177,660	-	-	1,177,660
Law Enforcement Training	-	-	-	-	10,316	10,316
Inmate Security	-	-	-	-	28,760	28,760
Sheriff Civil Fees	-	-	-	-	89,757	89,757
Equitable Sharing Fund	-	-	-	-	5,892	5,892
Recorder User Fee Fund	-	-	-	-	75,210	75,210
Surplus	-	-	-	-	102,541	102,541
Collector Tax Maintenance	-	-	-	-	211,631	211,631
Juvenile Electronics	-	-	-	-	587	587
Juvenile DFS Crisis Int.	-	-	-	-	949	949
Juvenile Restitution Fund	-	-	-	-	-	-
Fines	-	-	-	-	99,194	99,194
Election Services	-	-	-	-	49,506	49,506
Prosecuting Attorney						
Delinquent Tax Fund	-	-	-	-	6,190	6,190
Prosecuting Attorney						
Training	-	-	-	-	5,793	5,793
Prosecuting Attorney						
Handling	-	-	-	-	73,450	73,450
Victims of Violence	-	-	-	-	7,283	7,283
Insurance Maintenance	-	-	-	-	11,801	11,801
Recorder User Fee Fund	-	-	-	-	43,532	43,532
Sheriff (Commissary)	-	-	-	-	76,053	76,053
Sheriff	-	-	-	-	8,788	8,788
Sheriff (D.A.R.E.)	-	-	-	-	5,323	5,323
County Clerk	-	-	-	-	50	50
Total Restricted	<u>189,332</u>	<u>1,938,231</u>	<u>1,177,660</u>	<u>-</u>	<u>3,608,329</u>	<u>6,913,552</u>
Committed For:						
Fees Due Others						
(Unclaimed Property)	-	-	-	-	1,604	1,604
Nine-One-One Fund	-	-	-	-	-	-
LUT/Gen/Bldg	-	-	-	-	-	-
Bullet Proof Vest Fund	-	-	-	-	-	-
Payroll	-	-	-	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,604</u>	<u>1,604</u>
Assigned For:						
Circuit Court	22,806	-	-	-	-	22,806
Drug Court Fund	-	-	-	-	167,716	167,716
Stabilization	1,820,989	-	-	-	-	1,820,989
Total Assigned	<u>1,843,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,716</u>	<u>2,011,511</u>
Unassigned for:						
General	3,709,149	-	-	-	-	3,709,149
Grand Total	<u>\$ 5,742,276</u>	<u>\$ 1,938,231</u>	<u>\$ 1,177,660</u>	<u>\$ -</u>	<u>\$ 3,777,649</u>	<u>\$ 12,635,816</u>

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 13 FUND BALANCE (Continued)

The Unassigned fund balance in the General Fund represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The County has not adopted a formal minimum fund balance policy. A stabilization amount has been established in the General Fund which is designated as Unassigned Fund Balance. The stabilization balance at December 31, 2016 was \$1,820,989. The Commission established the requirements for the stabilization amount, which is the accumulation of 25% of the County's annual operating expenses. This amount is not designated for any specific purpose, and is not restricted. The funds may be used for any purpose within the County.

NOTE 14 PRIOR PERIOD ADJUSTMENTS

The previously stated Net Position/Fund Balances have been adjusted as follows:

	<u>Governmental Activities</u>	<u>Assessment Fund</u>	<u>Road & Bridge Fund</u>	<u>Road Improvement Tax Fund</u>
Fund Balance/Net Position, December 31, 2015, As Previously Reported	\$ 34,957,908	\$ 692,733	\$2,520,423	\$ 743,066
Restatement for transfer of capital assets	(329,059)			
Restatement for depreciation	263			
Restatement for liabilities	<u>68,574</u>	<u>(14,770)</u>	<u>69,934</u>	<u>13,410</u>
Fund Balance/Net Position, December 31, 2015, As Restated	<u>\$ 34,697,686</u>	<u>\$ 677,963</u>	<u>\$2,590,357</u>	<u>\$ 756,476</u>

NOTE 15 SUBSEQUENT EVENTS

The County acquired a building in May 2017 for \$1 plus the cost of transfer of the property. Part of the building will be used as a County Morgue while portions of the remainder will be leased to other organizations to offset the cost of operation of the building. Space remains for County use and/or other rentals.

SUPPLEMENTARY INFORMATION

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED ACCRUAL BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
REVENUES:				
Property Taxes	\$ 540,000	540,000	\$ 527,489	\$ (12,511)
Sales Tax	3,421,858	3,421,858	3,767,834	345,976
Telephone Tax	-	-	-	-
Intergovernmental Revenues	1,779,834	1,779,834	1,922,744	142,910
Charges for Services	72,100	72,100	125,524	53,424
Grants, Distributions and Reimbursements	-	-	-	-
Fees, Licenses and Permits	-	-	-	-
Interest	13,950	13,950	28,087	14,137
Other	277,900	277,900	54,299	(223,601)
Total Revenues	<u>6,105,642</u>	<u>6,105,642</u>	<u>6,425,977</u>	<u>320,335</u>
EXPENDITURES:				
Current:				
Financial Administration:	7,210,034	7,210,034	4,123,374	3,086,660
Property Valuation and Recording:	237,137	237,137	270,288	(33,151)
Administration of Justice and Law	-	-	-	-
Road & Bridge	-	-	-	-
Capital Outlay:	-	-	-	-
Property, Equipment and Buildings	-	-	49,487	(49,487)
Debt Service:	-	-	-	-
Total Expenditures	<u>7,447,171</u>	<u>7,447,171</u>	<u>4,443,149</u>	<u>3,004,022</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,341,529)	(1,341,529)	1,982,828	3,324,357
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	25,000	131,000	106,000
Transfers out	-	-	(2,136,173)	(2,136,173)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>(2,005,173)</u>	<u>(2,030,173)</u>
NET CHANGE IN FUND BALANCE	(1,316,529)	(1,316,529)	(22,345)	1,294,184
FUND BALANCE - BEGINNING OF YEAR	<u>3,201,719</u>	<u>3,281,422</u>	<u>5,764,621</u>	<u>2,483,199</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,885,190</u>	<u>\$ 1,964,893</u>	<u>\$ 5,742,276</u>	<u>\$ 3,777,383</u>

See accompanying independent auditor's report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED ACCRUAL BASIS
ROAD AND BRIDGE FUND (SPECIAL REVENUE FUNDS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
REVENUES:				
Property tax	\$ 1,683,000	\$ 1,683,000	\$ 1,692,187	\$ 9,187
Sales tax	142,000	142,000	187,367	45,367
Telephone Tax	-	-	-	-
Intergovernmental	625,000	625,000	696,048	71,048
Charges for Services	-	-	-	-
Grants, distributions and reimbursements	817,326	817,326	881,184	63,858
Fees, licenses and permits	-	-	-	-
Interest	1,000	1,000	9,555	8,555
Other	27,700	27,700	85,626	57,926
Total Revenues	<u>3,296,026</u>	<u>3,296,026</u>	<u>3,551,967</u>	<u>255,941</u>
EXPENDITURES:				
Current:				
Maintenance of Roads:				
Salaries	1,573,338	1,573,338	1,326,927	246,411
Employee Benefits	521,557	521,557	454,195	67,362
Office	168,650	168,650	32,321	136,329
Equipment Maintenance	-	-	-	-
Mileage / Training	6,700	6,700	775	5,925
Payments / Disbursements	-	-	-	-
Insurance	139,676	139,676	105,409	34,267
Operation / Maintenance	705,000	705,000	33	704,967
Bridge Replacement / Repair	-	-	-	-
Other Expenditures	164,339	164,339	-	164,339
Emergency Management	-	-	-	-
Debt Service:				
Principal Payments	-	-	45,412	(45,412)
Interest Payments	-	-	-	-
Fiscal Agent Fees	-	-	-	-
Debt Issuance Cost	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	715,000	715,000	2,164,021	(1,449,021)
Total Expenditures	<u>3,994,260</u>	<u>3,994,260</u>	<u>4,129,093</u>	<u>(134,833)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(698,234)	(698,234)	(577,126)	121,108
OTHER FINANCING SOURCES(USES):				
Issuance of Long Term Debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(75,000)	(75,000)
Total Other Financing	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
Sources (Uses)	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
NET CHANGE IN FUND BALANCE	(698,234)	(698,234)	(652,126)	46,108
FUND BALANCE - BEGINNING OF YEAR	<u>1,178,614</u>	<u>1,178,614</u>	<u>2,590,357</u>	<u>1,411,743</u>
FUND BALANCE - END OF YEAR	<u>\$ 480,380</u>	<u>\$ 480,380</u>	<u>\$ 1,938,231</u>	<u>\$ 1,457,851</u>

See accompanying independent auditor's report

ST. FRANCOIS COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE-MODIFIED ACCRUAL BASIS
LAW ENFORCEMENT SALES TAX FUND (SPECIAL REVENUE FUND)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
				Final Budget
REVENUES:				
Property Tax	\$ -	\$ -	\$ -	\$ -
Sales Tax	3,200,000	3,200,000	3,502,068	302,068
Telephone Tax	-	-	-	-
Intergovernmental	659,000	659,000	780,923	121,923
Charges for Services	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-
Fees, Licenses and Permits	-	-	-	-
Interest	250	250	2,407	2,157
Other	1,000	1,000	16,640	15,640
Total Revenues	<u>3,860,250</u>	<u>3,860,250</u>	<u>4,302,038</u>	<u>441,788</u>
EXPENDITURES:				
Current:				
Salaries	2,499,087	2,499,087	2,796,693	(297,606)
Employee Benefits	961,360	961,360	890,116	71,244
Office	22,000	22,000	13,638	8,362
Equipment Maintenance	177,000	177,000	220,428	(43,428)
Mileage / Training	25,000	25,000	9,475	15,525
Payments / Disbursements	-	-	-	-
Insurance	193,022	193,022	164,587	28,435
Operation / Maintenance	175,650	175,650	168,769	6,881
Other Expenditures	624,100	624,100	435,812	188,288
Emergency Management	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest Payments	-	-	-	-
Fiscal Agent Fees	-	-	-	-
Debt Issuance Cost	-	-	-	-
Capital Outlay:				
Property, Equipment & Buildings	330,000	330,000	210,335	119,665
Total Expenditures	<u>5,007,219</u>	<u>5,007,219</u>	<u>4,909,853</u>	<u>97,366</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES				
	(1,146,969)	(1,146,969)	(607,815)	539,154
OTHER FINANCING SOURCES(USES):				
Transfers in	850,000	850,000	932,936	82,936
Transfers out	-	-	-	-
Debt Service				
Total Other Financing	<u>850,000</u>	<u>850,000</u>	<u>932,936</u>	<u>82,936</u>
Sources (Uses)	<u>850,000</u>	<u>850,000</u>	<u>932,936</u>	<u>82,936</u>
NET CHANGE IN FUND BALANCE				
	(296,969)	(296,969)	325,121	622,090
FUND BALANCE - BEGINNING OF YEAR				
	<u>446,428</u>	<u>446,428</u>	<u>852,539</u>	<u>406,111</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 149,459</u>	<u>\$ 149,459</u>	<u>\$ 1,177,660</u>	<u>\$ 1,028,201</u>

See accompanying independent auditor's report

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2016

	Debt Service Fund	Total
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ -
Restricted Cash	-	-
Investments (Restricted)	-	-
Due From Other Funds	-	-
TOTAL ASSETS	-	-
LIABILITIES:		
Accrued Liabilities	-	-
TOTAL LIABILITIES	-	-
FUND BALANCES:		
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS**

December 31, 2016

	Debt Service Fund	Total
REVENUES:		
Property taxes	\$ -	\$ -
Sales tax	-	-
Telephone Tax	-	-
Intergovernmental Revenue	-	-
Charges for Services	-	-
Grants, Distributions and Reimbursements	-	-
Fees, Licenses and Permits	-	-
Interest	-	-
Other	-	-
Total Revenues	-	-
EXPENDITURES:		
Administration	-	-
Property Assessments	-	-
Public Safety and Judicial	-	-
Road & Bridge	-	-
Miscellaneous	-	-
Capital Outlay	-	-
Debt Service		
Principal Payments	565,000	565,000
Interest Payments	49,223	49,223
Fiscal Agent Fees	-	-
Debt Issuance Cost	-	-
Total Expenditures	614,223	614,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(614,223)	(614,223)
OTHER FINANCING SOURCES (USES):		
Issuance of Long Term Debt	-	-
Transfers in	498,417	498,417
Transfers out	-	-
Total Other Financing Sources (Uses)	498,417	498,417
NET CHANGE IN FUND BALANCES	(115,806)	(115,806)
FUND BALANCES - BEGINNING OF YEAR	115,806	115,806
FUND BALANCES - END OF YEAR	\$ -	\$ -

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2016

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	Drug Court Fund	Road & Bridge #2 Fund	Fees Due Other Funds	County Health Fund	Senior Citizens Service Fund	Road Improvement Tax Fund	Total
ASSETS:									
Cash and Cash Equivalents	-	-	167,716	-	1,604	-	-	-	169,320
Restricted Cash	11,801	719,327	-	-	-	-	131,614	839,161	1,701,903
Investments	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	11,801	719,327	167,716	-	1,604	-	131,614	839,161	1,871,223
LIABILITIES:									
Accounts Payable	-	10,824	935	-	-	-	-	13,412	25,171
Accrued Payroll Liabilities	-	(12,155)	-	-	-	-	-	-	(12,155)
TOTAL LIABILITIES	-	(1,331)	935	-	-	-	-	13,412	13,016
FUND BALANCES:									
Restricted	11,801	720,658	-	-	-	-	131,614	825,749	1,689,822
Committed	-	-	-	-	1,604	-	-	-	1,604
Assigned	-	-	166,781	-	-	-	-	-	166,781
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	11,801	720,658	166,781	-	1,604	-	131,614	825,749	1,858,207
TOTAL LIABILITIES AND FUND BALANCES	11,801	719,327	167,716	-	1,604	-	131,614	839,161	1,871,223

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2016

	Insurance Maintenance Fund/Flex Spend	Assessment Fund	Drug Court Fund	Road & Bridge #2 Fund	Fees Due Other Funds	County Health Fund	Senior Citizens Service Fund	Road Improvement Tax Fund	Total
REVENUES:									
Property Taxes	-	-	-	75,767	-	-	351,730	-	427,497
Sales Tax	-	-	-	-	-	-	-	1,769,678	1,769,678
Telephone Tax	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	132,347	-	-	-	-	-	-	132,347
Charges for Services	-	430,148	23,985	-	-	-	-	-	454,133
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-
Interest	33	3,016	551	5	-	-	524	3,297	7,426
Other	10,683	88,963	-	376	232	2,459	5,187	2,769	110,669
Total Revenues	10,716	654,474	24,536	76,148	232	2,459	357,441	1,775,744	2,901,750
EXPENDITURES:									
Administration	-	-	-	-	-	-	330,700	-	330,700
Property Assessments	-	857,927	-	-	-	-	-	-	857,927
Public Safety and Judicial	-	-	39,537	-	-	-	-	-	39,537
Road & Bridge	-	-	-	76,148	-	-	-	631,451	707,599
Miscellaneous	11,129	-	-	-	74	2,459	-	81,608	95,270
Capital Outlay	-	39,384	-	-	-	-	-	980,000	1,019,384
Debt Service	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	11,129	897,311	39,537	76,148	74	2,459	330,700	1,693,059	3,050,417
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(413)	(242,837)	(15,001)	-	158	-	26,741	82,685	(148,667)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	284,201	182,717	-	-	-	-	-	466,918
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	284,201	182,717	-	-	-	-	-	466,918
NET CHANGE IN FUND BALANCES	(413)	41,364	167,716	-	158	-	26,741	82,685	318,251
FUND BALANCES - BEGINNING OF YEAR	12,214	677,963	-	-	1,446	-	104,873	756,476	1,552,972
FUND BALANCES - END OF YEAR	11,801	719,327	167,716	-	1,604	-	131,614	839,161	1,871,223

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2016

	Developmentally Disabled Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
ASSETS:								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Restricted Cash	-	342,543	50,253	10,316	75,210	102,541	211,631	792,494
Investments	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	342,543	50,253	10,316	75,210	102,541	211,631	792,494
LIABILITIES:								
Accounts Payable	-	-	-	-	38	-	-	38
Accrued Payroll Liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	38	-	-	38
FUND BALANCES:								
Restricted	-	342,543	50,253	10,316	75,172	102,541	211,631	792,456
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	342,543	50,253	10,316	75,172	102,541	211,631	792,456
TOTAL LIABILITIES AND FUND BALANCES	-	342,543	50,253	10,316	75,210	102,541	211,631	792,494

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2016

	Developmentally Disabled Fund	Sheriff's Revolving Fund	County Law Enforcement Restitution Fund	Law Enforcement Training Fund	Recorder's User Fee Fund	Surplus Tax Sale Fund	Collector Tax Maintenance Fund	Total
REVENUES:								
Property Taxes	655,631	-	-	-	-	-	-	655,631
Sales Tax	-	-	-	-	-	-	-	-
Telephone Tax	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	5,867	13,286	-	-	19,153
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	35,040	-	-	-	103,797	138,837
Interest	42	1,091	146	28	236	-	758	2,301
Other	2,455	117,171	-	-	22,658	25,080	-	167,364
Total Revenues	658,128	118,262	35,186	5,895	36,180	25,080	104,555	983,286
EXPENDITURES:								
Administration	-	-	-	-	-	13,413	43,820	57,233
Property Assessments	-	-	-	-	-	-	-	-
Public Safety and Judicial	-	-	-	726	-	-	-	726
Road & Bridge	-	-	-	-	-	-	-	-
Miscellaneous	658,128	13,960	-	-	28,938	-	-	701,026
Capital Outlay	-	-	-	-	-	-	12,799	12,799
Debt Service	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-
Total Expenditures	658,128	13,960	-	726	28,938	13,413	56,619	771,784
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	104,302	35,186	5,169	7,242	11,667	47,936	211,502
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(60,000)	-	-	-	(56,000)	(116,000)
Total Other Financing Sources (Uses)	-	-	(60,000)	-	-	-	(56,000)	(116,000)
NET CHANGE IN FUND BALANCES	-	104,302	(24,814)	5,169	7,242	11,667	(8,064)	95,502
FUND BALANCES - BEGINNING OF YEAR	-	238,241	75,067	5,147	67,968	90,874	219,695	696,992
FUND BALANCES - END OF YEAR	-	342,543	50,253	10,316	75,210	102,541	211,631	792,494

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2016

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecuting Attorney Handling Cost Fund	Cities Fund	Victims Violence Fund	Prosecuting Attorney Delinquent Tax Fund	Total
ASSETS:										
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Restricted Cash	-	99,194	-	-	5,793	73,450	-	7,283	6,190	191,910
Investments	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	99,194	-	-	5,793	73,450	-	7,283	6,190	191,910
LIABILITIES:										
Accounts Payable	-	-	-	-	-	271	-	-	-	271
Accrued Payroll Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	271	-	-	-	271
FUND BALANCES:										
Restricted	-	99,194	-	-	5,793	73,179	-	7,283	6,190	191,639
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	99,194	-	-	5,793	73,179	-	7,283	6,190	191,639
TOTAL LIABILITIES AND FUND BALANCES	-	99,194	-	-	5,793	73,450	-	7,283	6,190	191,910

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2016

	School & College Fund	Fines Fund	Co Employees Retirement Fund	Election Cost Special Fund	Prosecutor Training Fund	Prosecuting Attorney Handling Cost Fund	Cities Fund	Victims Violence Fund	Prosecuting Attorney Delinquent Tax Fund	Total
REVENUES:										
Property Taxes	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-
Telephone Tax	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	155,435	-	-	1,873	20,578	-	-	6,857	184,743
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	303,405	-	-	-	-	13,895	-	317,300
Interest	-	679	15	-	33	331	-	16	13	1,087
Other	119,389	78,352	-	24,838	-	-	12,164	-	-	234,743
Total Revenues	119,389	234,466	303,420	24,838	1,906	20,909	12,164	13,911	6,870	737,873
EXPENDITURES:										
Administration	-	-	303,420	-	-	25,413	-	14,463	-	343,296
Property Assessments	-	242,046	-	-	-	-	-	-	-	242,046
Public Safety and Judicial	-	-	-	-	-	-	-	-	-	-
Road & Bridge	-	-	-	-	-	-	-	-	-	-
Miscellaneous	119,389	-	-	322,740	9,598	-	12,164	-	870	464,761
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-	-
Total Expenditures	119,389	242,046	303,420	322,740	9,598	25,413	12,164	14,463	870	1,050,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(7,580)	-	(297,902)	(7,692)	(4,504)	-	(552)	6,000	(312,230)
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	297,902	-	-	-	-	-	297,902
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	297,902	-	-	-	-	-	297,902
NET CHANGE IN FUND BALANCES	-	(7,580)	-	-	(7,692)	(4,504)	-	(552)	6,000	(14,328)
FUND BALANCES - BEGINNING OF YEAR	-	106,774	-	-	13,485	77,954	-	7,835	190	206,238
FUND BALANCES - END OF YEAR	-	99,194	-	-	5,793	73,450	-	7,283	6,190	191,910

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2016

	Inmate Security Fund	Sheriff's Civil Fees Fund	Ambulance District Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
ASSETS:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Restricted Cash	28,760	89,757	-	612,825	49,506	-	5,323	8,788	794,959
Investments	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	28,760	89,757	-	612,825	49,506	-	5,323	8,788	794,959
LIABILITIES:									
Accounts Payable	-	1,610	-	-	-	-	-	-	1,610
Accrued Payroll Liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	1,610	-	-	-	-	-	-	1,610
FUND BALANCES:									
Restricted	28,760	88,147	-	612,825	49,506	-	5,323	8,788	793,349
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	28,760	88,147	-	612,825	49,506	-	5,323	8,788	793,349
TOTAL LIABILITIES AND FUND BALANCES	28,760	89,757	-	612,825	49,506	-	5,323	8,788	794,959

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2016

	Inmate Security Fund	Sheriff's Civil Fees Fund	Ambulance District Fund	Tax Increment Financing Fund	Election Services Fund	Deputy Sheriff's Salary Supplement Fund	Sheriff's DARE Fund	Sheriff Fund	Total
REVENUES:									
Property Taxes	-	-	7,967	-	-	-	-	-	7,967
Sales Tax	-	-	-	723,000	-	-	-	-	723,000
Telephone Tax	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	6,200	892,185	898,385
Charges for Services	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	16,606	50,730	-	-	-	21,647	-	880	89,863
Interest	122	299	1	-	164	-	-	-	586
Other	-	-	-	-	11,734	-	-	12,133	23,867
Total Revenues	16,728	51,029	7,968	723,000	11,898	21,647	6,200	905,198	1,743,668
EXPENDITURES:									
Administration	-	-	7,968	684,428	3,080	-	-	-	695,476
Property Assessments	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	-	19,970	-	-	-	-	5,859	917,551	943,380
Road & Bridge	-	-	-	-	-	-	-	-	-
Miscellaneous	22,760	-	-	-	-	21,647	-	-	44,407
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	-
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	22,760	19,970	7,968	684,428	3,080	21,647	5,859	917,551	1,683,263
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,032)	31,059	-	38,572	8,818	-	341	(12,353)	60,405
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(6,032)	31,059	-	38,572	8,818	-	341	(12,353)	60,405
FUND BALANCES - BEGINNING OF YEAR	34,792	58,698	-	574,253	40,688	-	4,982	21,141	734,554
FUND BALANCES - END OF YEAR	28,760	89,757	-	612,825	49,506	-	5,323	8,788	794,959

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

DECEMBER 31, 2016

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Juvenile DFS Crisis Intervention	Equitable Sharing Fund	Total	Grand Total All Non Major Funds
ASSETS:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	169,320
Restricted Cash	43,532	50	76,053	587	-	949	5,892	127,063	3,608,329
Investments	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	43,532	50	76,053	587	-	949	5,892	127,063	3,777,649
LIABILITIES:									
Accounts Payable	-	-	-	-	-	-	-	-	27,090
Accrued Payroll Liabilities	-	-	-	-	-	-	-	-	(12,155)
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	14,935
FUND BALANCES:									
Restricted	43,532	50	76,053	587	-	949	5,892	127,063	3,594,329
Committed	-	-	-	-	-	-	-	-	1,604
Assigned	-	-	-	-	-	-	-	-	166,781
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	43,532	50	76,053	587	-	949	5,892	127,063	3,762,714
TOTAL LIABILITIES AND FUND BALANCES	43,532	50	76,053	587	-	949	5,892	127,063	3,777,649

**ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

December 31, 2016

	Recorder Fund	County Clerk	Sheriff Inmate Commissary Fund	Juvenile Electronics	Juvenile Restitution	Juvenile DFS Crisis Intervention	Equitable Sharing Fund	Total	Grand Total All Non Major Funds
REVENUES:									
Property Taxes	-	-	-	-	-	-	-	-	1,091,095
Sales Tax	-	-	-	-	-	-	-	-	2,492,678
Telephone Tax	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	312,177	38,462	-	-	-	-	-	350,639	1,381,371
Charges for Services	-	-	-	-	8,970	2,357	-	11,327	669,356
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	49,892	2,975	-	-	-	-	-	52,867	598,867
Interest	-	-	-	-	-	-	2	2	11,402
Other	112,676	-	246,844	657	-	209	5,890	366,276	902,919
Total Revenues	474,745	41,437	246,844	657	8,970	2,566	5,892	781,111	7,147,688
EXPENDITURES:									
Administration	-	41,437	-	-	-	-	-	41,437	1,468,142
Property Assessments	471,907	-	-	-	-	-	-	471,907	1,571,880
Public Safety and Judicial	-	-	-	-	8,970	3,053	-	12,023	995,666
Road & Bridge	-	-	-	-	-	-	-	-	707,599
Miscellaneous	-	-	240,334	908	-	-	-	241,242	1,546,706
Capital Outlay	-	-	-	-	-	-	-	-	1,032,183
Debt Service:									
Principal Payments	-	-	-	-	-	-	-	-	565,000
Interest Payments	-	-	-	-	-	-	-	-	49,223
Fiscal Agent Fees	-	-	-	-	-	-	-	-	-
Debt Issuance Cost	-	-	-	-	-	-	-	-	-
Total Expenditures	471,907	41,437	240,334	908	8,970	3,053	-	766,609	7,936,399
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,838	-	6,510	(251)	-	(487)	5,892	14,502	(788,711)
OTHER FINANCING SOURCES (USES):									
Issuance of Long Term Debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	1,263,237
Transfers out	-	-	-	-	-	-	-	-	(116,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	1,147,237
NET CHANGE IN FUND BALANCES	2,838	-	6,510	(251)	-	(487)	5,892	14,502	358,526
FUND BALANCES - BEGINNING OF YEAR	40,694	50	69,543	838	-	1,436	-	112,561	3,419,123
FUND BALANCES - END OF YEAR	43,532	50	76,053	587	-	949	5,892	127,063	3,777,649

ST. FRANCOIS COUNTY, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED ACCRUAL BASIS -
AGENCY FUNDS

DECEMBER 31, 2016

	Juvenile Fund	Collector of Revenue Fund	Circuit Clerk Banner Account Fund	Total
ASSETS:				
Restricted Cash	\$ 79,143	\$ 30,964,045	\$ 459,434	\$ 31,502,622
Investments	100,204	-	-	100,204
Taxes Receivable	-	4,079,674	-	4,079,674
TOTAL ASSETS	<u>179,347</u>	<u>35,043,719</u>	<u>459,434</u>	<u>35,682,500</u>
LIABILITIES AND FUND BALANCES:				
Accounts Payable	11,526	-	-	11,526
Accrued Payroll Liabilities	351	-	-	351
TOTAL LIABILITIES	<u>11,877</u>	<u>-</u>	<u>-</u>	<u>11,877</u>
 UNRESERVED FUND BALANCES	 <u>167,470</u>	 <u>35,043,719</u>	 <u>459,434</u>	 <u>35,670,623</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 179,347</u>	 <u>\$ 35,043,719</u>	 <u>\$ 459,434</u>	 <u>\$ 35,682,500</u>

ST FRANCOIS COUNTY, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

<i>Fiscal year ending June 30,</i>	2016	2015
Total Pension Liability		
Service Cost	\$ 750,797	\$ 741,127
Interest on the Total Pension Liability	1,955,707	1,850,787
Benefit Changes	-	-
Difference between expected and actual experience	36,082	4,103
Assumption Changes	1,085,939	-
Benefit Payments	(1,119,015)	(1,187,017)
Refunds	-	-
Net Change in Total Pension Liability	\$ 2,709,510	\$ 1,409,000
Total Pension Liability beginning	27,156,153	25,747,153
Total Pension Liability ending	\$ 29,865,663	\$ 27,156,153
Plan Fiduciary Net Position		
Contributions - employer	\$ 540,041	\$ 597,070
Contributions - employee	255,744	249,683
Pension Plan Net Investment Income	(38,097)	571,162
Benefit Payments	(1,119,015)	(1,187,017)
Refunds	-	-
Pension Plan Administrative Expense	(24,396)	(26,097)
Other (Net Transfer)	(82,193)	(9,204)
Net Change in Plan Fiduciary Net Position	\$ (467,916)	\$ 195,597
Plan Fiduciary Net Position beginning	29,198,433	29,002,836
Plan Fiduciary Net Position ending	\$ 28,730,517	\$ 29,198,433
Employer Net Pension Liability/(Asset)	\$ 1,135,146	\$ (2,042,280)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	96.20%	107.52%
Covered Employee Payroll	\$ 6,387,545	\$ 6,027,721
Employer's Net Pension Liability as a percentage of covered employee payroll	17.77%	-33.88%

Notes to schedule:

These totals reflect the General and Police Divisions.

**ST FRANCOIS COUNTY, MISSOURI
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	560,170	543,964	650,292	684,702	727,859	692,530	689,930	453,482	505,019	464,136
Contributions in relation to the actuarially determined contribution	560,166	543,963	650,293	672,421	644,739	572,971	517,402	453,482	505,024	464,139
Contribution deficiency (excess)	4	1	(1)	12,281	83,120	119,560	172,528	0	(5)	(3)
Covered-employee payroll	\$ 6,819,924	\$ 6,245,900	\$ 6,134,827	\$ 6,131,782	\$ 6,238,545	\$ 6,147,607	\$ 6,220,515	\$ 6,206,673	\$ 6,094,297	\$ 6,088,290
Contributions as a percentage of covered-employee payroll	8.21%	8.71%	10.60%	10.97%	10.33%	9.32%	8.32%	7.31%	8.29%	7.62%

Notes to Schedule

Valuation date: February 29, 2016

Notes: The roll-forward of total pension liability from February 29, 2016 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal and Modified Terminal Funding
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	Multiple bases from 13 to 20 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition.

Mortality

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

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

Other information: New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

**ST FRANCOIS COUNTY, MISSOURI
SCHEDULE OF COUNTY'S PROPORTIONATE
SHARE OF NET PENSION LIABILITY (CERF)**

		December 31, 2016*
County's proportion of the net pension liability		1.71%
County's proportionate share of the net pension liability	\$	3,021,565
County's covered-employee payroll	\$	3,852,715
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll		78.43%
Plan fiduciary net position as a percentage of the total pension liability		69.11%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data. No data was available for 2015.

**ST FRANCOIS COUNTY, MISSOURI
SCHEDULE OF CONTRIBUTIONS (CERF)**

	2016	2015	2014	2013	2012
Required contribution	\$ 312,048	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the required contribution	312,048	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 3,852,715	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	8.10%				
	2011	2010	2009	2008	2007
Required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll					

FEDERAL COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the County Commission and Officeholders of
St. Francois County, Missouri

Report on Compliance for Each Major Federal Program

We have audited St. Francois County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of St. Francois County Missouri's major federal programs for the year ended December 31, 2016. St. Francois County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of St. Francois County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Francois County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of St. Francois County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Francois County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

St. Francois County, Missouri's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2016-003 that we consider to be a significant deficiency.

St. Francois County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. St. Francois County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Maloney, Wright & Robbins

Farmington, MO
June 27, 2017

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
US Department of Health and Human Services			
<i>Passed through Missouri Department of Social Services</i>			
Child Support IV-D	93.563		\$ 188,070
Total U.S. Department of Health and Human Services			188,070
US Department of Transportation			
<i>Passed through Missouri Department of Transportation</i>			
Off-System Bridge Program	20.205		1,193,933
Total U.S. Department of Transportation			1,193,933
Total Expenditures of Federal Awards			\$ 1,382,003

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Francois County, Missouri and is presented on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Uniform Guidance).

The accompanying notes are an integral part of this schedule.

ST. FRANCOIS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of St. Francois County, Missouri under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of St. Francois County, Missouri, it is not intended to and does not present the financial position, changes in net position or cash flows of St. Francois County, Missouri.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

NOTE 3 **INDIRECT COST RATE**

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

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- An unmodified report was issued on the financial statements of St. Francois County, Missouri.

Internal control over financial reporting:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Xyes ___none
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified: ___yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Xyes ___none
- An unmodified report was issued on compliance for major programs. Xyes ___no

Any audit findings disclosed that are required to be reportable in accordance with 2 CFR section 200.516(a)? ___yes X no

Identification of major programs:

<u>CFDA#</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
20.205	Off System Bridge Program	\$1,193,933

Dollar threshold to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: ___yes X no

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

II. FINANCIAL STATEMENT FINDINGS

Finding: 2016-001

Type: Internal Control

Criteria: An internal control system should include written policies and procedures.

Condition: The County does not have written policies and procedures to support an internal control environment for federal grants that are included within the financial statements.

Cause: No formal policies or procedures have been approved, communicated, or implemented regarding federal programs.

Effect: Risk of non-compliance increases.

Recommendation: The County should develop the required internal control documentation for federal programs to support the financial statements that include the program activity.

Management Response: The County has established a committee to address policies and procedures. The County will create and implement formal internal control policies and procedures regarding federal programs.

Finding: 2016-002 (Prior Year Finding 2015-002)

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: The County implemented a new accounting software in the beginning of 2016. Throughout 2016, the County was still adjusting to the new software and the internal controls the system provided. Those internal controls have been reevaluated in 2017 and the County Auditor's office is working toward additional internal controls in the deficient areas.

ST. FRANCOIS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2016-003

Type: Internal Control

Criteria: Management must establish effective internal controls over federal awards that provide reasonable assurance that the entity is managing the federal awards related to the terms and conditions of the federal award.

Condition: The County does not have written internal control policies pertaining to federal awards.

Cause of Condition: Each office is responsible for conducting procedures and internal controls to ensure the county is in compliance with the federal statutes and regulations related to the federal programs.

Effect of Condition: Lack of policies and procedures may result in noncompliance of a federal award.

Recommendation: The County should approve internal control policies and procedures specific to the federal awards.

Management Response: The County has established a committee to address policies and procedures. The County will create and implement formal internal control policies and procedures regarding federal programs.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

I. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

II. FINANCIAL STATEMENT FINDINGS

Finding: 2015-001

Type: Internal Control

Criteria: Management is responsible for the basic financial statements, and is required to designate an individual with suitable skill, knowledge, or experience to oversee this information.

Condition: The County lacks internal control over financial reporting.

Cause of Condition: The County personnel are not trained to prepare the financial statements and footnote disclosures.

Corrective action was taken.

Finding: 2015-002

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The County does not have adequate segregation of duties.

Cause of Condition: Each office is responsible for conducting procedures and internal controls so the county government operates effectively. The internal controls are not operating in order to prevent deficiencies within the internal control environment.

Effect of Condition: The deficiency in the operating controls may not minimize the risk of fraud and material misstatement to the financial statements.

Recommendation: The County should reassess the internal controls procedures and duties of the office holders and supporting staff to the extent possible to establish mitigating controls.

Management Response: With the recent installation of the new fund accounting software system and the approval of a variety of new operating and purchasing policies, the County financial offices have begun training and implementing many new operating controls. Once training is complete, the St. Francois County Auditor's Office plans to visit each county office in order to evaluate each office's internal controls and to assist them in implementing new controls where there are still obvious deficiencies.

ST. FRANCOIS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

II. FINANCIAL STATEMENT FINDINGS

Finding: 2015-003

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The Juvenile Department had a cash account that was not included or reported in the financial statements provided by the client.

Corrective action was taken.

Finding: 2015-004

Type: Internal Control

Criteria: Management is responsible for establishing and maintaining effective internal controls.

Condition: The petty cash account for the Juvenile Department was not included or reported within the financial statements.

Corrective action was taken.

Finding: 2015-005

Type: Internal Control

Criteria: Management is responsible for tracking the additions and disposals of capital assets and for maintaining capital asset schedules.

Cause of Condition: Capital asset schedules are not being maintained or updated on a regular basis. During our audit, we discovered multiple additions/disposals that were not on the County's capital asset schedules.

Corrective action was taken.