

Annual Report Filed Pursuant to SEC Rule 15c2-12

Issuer/Obligated Person: Clay County, Missouri (the "County")

Fiscal Year End: December 31, 2013

Base CUSIP Numbers to which this Report relates: 182907 and 183469

Financial Information Enclosed:

The County's audited financial statements for the year ended December 31, 2013 are attached as Exhibit A. The operating data for the County for the year ended December 31, 2013 is attached as Exhibit B. Together, the operating data and the audited financial statements constitute the County's Annual Report, which is required to be provided in accordance with the County's continuing disclosure obligations (collectively, the "Undertaking") pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

The information contained in this Supplement is current as of December 31, 2013, or as otherwise indicated, and has been submitted by the County pursuant to the Undertaking. Nothing contained in the Undertaking is, or should be construed as, a representation by the County that the financial information and operating data included in this report includes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities. Nothing contained in this report obligates the County to update any of the financial information or operating data contained in this report.

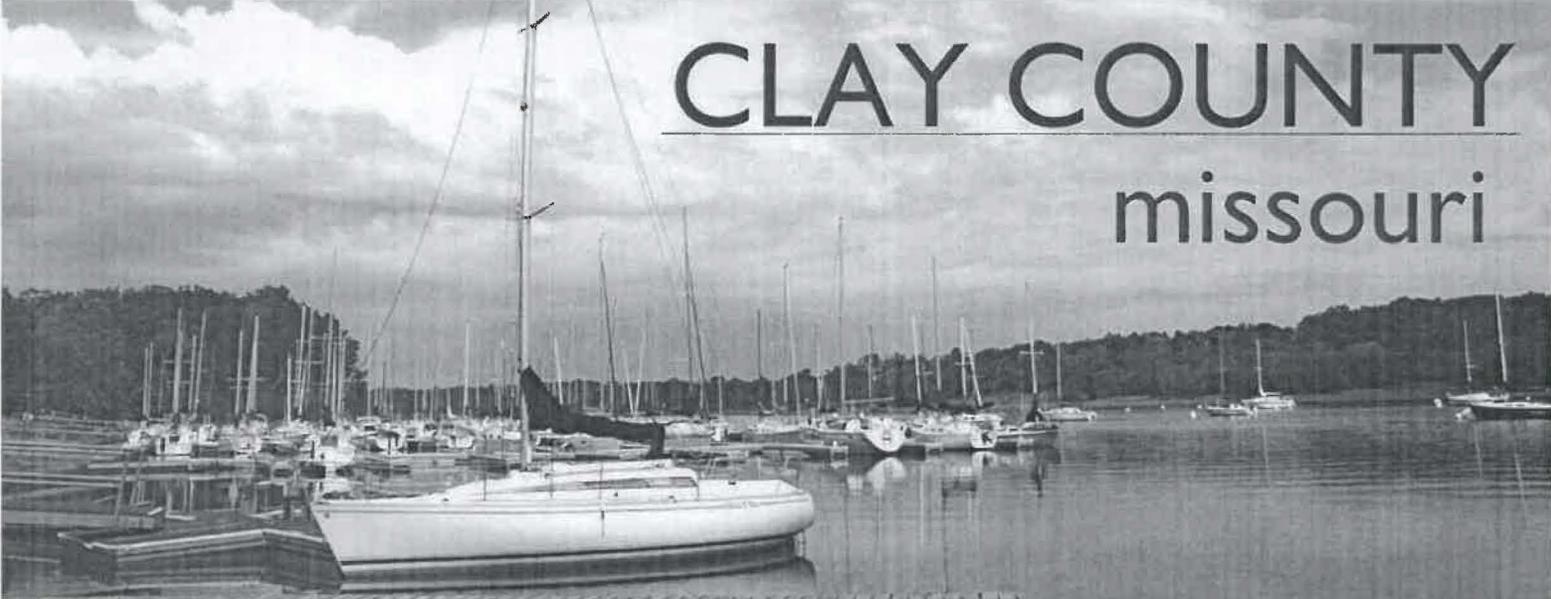
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CLAY COUNTY, MISSOURI

EXHIBIT A

Audited financial statements for the County for the year ended December 31, 2013



CLAY COUNTY

missouri

BASIC FINANCIAL STATEMENTS

TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

PREPARED BY:
CliftonLarsonAllen LLP





CLAY COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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Independent Auditor's Report

To the Honorable County Commissioners
Clay County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clay County, Missouri (the County) as of and for the year ended December 31, 2013, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report under separate cover, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Mease Welch Browne

Leawood, KS
June 27, 2014

CLAY COUNTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

This section of Clay County, Missouri's (the County) annual financial report presents its discussion and analysis of financial performance during the year ended December 31, 2013. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Net position increased from \$87.5 million in 2012 to \$90.3 million in 2013 resulting in a 3.2% increase. This increase is a result of revenues exceeding expenses with no function having a significant impact.
- Revenues from governmental activities decreased from \$61.3 million in 2012 to \$59.9 million in 2013 resulting in a 2.3% decrease. This decrease is mostly attributable to a decrease in charges for services and grant revenues.
- Governmental funds of the County reported combined ending fund balances at December 31, 2013 of \$31.7 million, an increase of \$2.4 million from ending fund balance at December 31, 2012 of \$29.3 million. The increase resulted from the County reducing its expenditures for capital outlay and settlements with several road districts and cities within Clay County. Approximately \$16.6 million is available for spending at the government's discretion (unassigned fund balance – General Fund) for future years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and additional supplementary information. The basic financial statements include two kinds of financial statements that present different views of the County and the notes to the basic financial statements:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with broad information about the County's finances, similar to those used by private-sector companies. The two government-wide statements, Statement of Net Position and Statement of Activities, report the County's net position and how they have changed. The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The Statement of Net Position also provides information on the County's net investment in capital assets, restricted net position and unrestricted net position.

The Statement of Activities present information on how the County's net position changed during the year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of the timing of related cash flows.

The Statement of Activities presents the various functions of the County and the degree to which they are supported by charges for services, operating and capital grants and contributions, tax revenues, and investment income.

The governmental activities of the County include general government, public safety and judicial, highways and traffic, health and welfare, parks and recreation, property, valuation, and recording and interest on long-term debt.

Fund Financial Statements

The fund financial statements provide information about grouping of related accounts that are used to maintain control over resources for specific activities or objectives. The County uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the County's most significant funds. The funds of the County can be divided into the following two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be used in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains multiple individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General, Road & Bridge, Reassessment, Law Enforcement Tax, and Debt Service funds, all of which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregate presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

The County is a trustee, custodian, or agent for individuals, for other governmental units, or for private organizations. The operations of agency funds are generally governed by statutes or other legal requirements, which regulate the receipt and expenditure of resources. The County's agency funds are reported as fiduciary funds. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary presentations and schedules of funding progress. Budgetary comparison schedules have been provided for the general and major special revenue funds to demonstrate compliance with their respective budgets.

Additional Supplementary Information

This section includes combining statements and budgetary comparison schedules for certain budgeted nonmajor funds. The combining statements provide fund level detail for all nonmajor governmental funds and agency funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. The County's combined net position increased in 2013 by approximately 3.2% to \$90.3 million from the previous year. At the end of 2013, the County had positive balances in all categories of the primary government's net position.

The largest category of the County's net position (68.8%), reflects its investment of \$62.1 million in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment), net of any related outstanding debt used to acquire those assets. This category was approximately 70.5% of net position in 2012. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second category of the County's net position of \$14.9 million (16.5%) represents resources that can be used at the County's discretion.

The remaining category of the County's net position of \$13.3 million represents resources that are subject to external restriction on how they may be used. External restrictions include those imposed

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

Condensed Statement of Net Position - Governmental Activities (in Millions)

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current and other assets	\$ 36.1	\$ 34.1	\$ 2.0
Capital assets, net	70.4	70.6	(0.2)
Total assets	<u>106.5</u>	<u>104.7</u>	<u>1.8</u>
Deferred outflows of resources	0.8	-	0.8
Total deferred outflows	<u>0.8</u>	<u>-</u>	<u>0.8</u>
Current liabilities	6.6	6.2	0.4
Long-term liabilities	9.7	9.6	0.1
Total liabilities	<u>16.3</u>	<u>15.8</u>	<u>0.5</u>
Deferred inflows of resources	0.7	1.4	(0.7)
Total deferred inflows	<u>0.7</u>	<u>1.4</u>	<u>(0.7)</u>
Net investment in capital assets	62.1	61.7	0.4
Restricted	13.3	11.8	1.5
Unrestricted	14.9	14.0	0.9
Total net position	<u>\$ 90.3</u>	<u>\$ 87.5</u>	<u>\$ 2.8</u>

Changes in Net Position

The County's 2013 revenues totaled \$59.9 million compared to \$61.3 million in 2012. Two revenue sources, namely a) taxes and b) charges for services, accounted for most revenues or 89.0%. The remainder came from grants, investments, and other miscellaneous sources.

Revenues for governmental activities totaled \$59.9 million while expenses equaled \$57.1 million, resulting in an increase in net position of \$2.8 million for the year ended December 31, 2013.

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

Changes in Net Position - Governmental Activities (in Millions)

	2013	2012	Change
REVENUES			
Program revenues			
Charges for services	\$ 15.2	\$ 16.1	\$ (0.9)
Operating grants and contributions	5.1	5.3	(0.2)
Capital grants and contributions	0.5	0.7	(0.2)
General revenues:			
Taxes	38.1	38.1	-
Investment income	0.2	0.3	(0.1)
Miscellaneous	0.8	0.8	-
Total revenues	59.9	61.3	(1.4)
EXPENSES			
General government	13.1	12.7	0.4
Public safety and judicial	24.0	22.9	1.1
Highways and traffic	9.1	10.2	(1.1)
Health and welfare	0.4	0.4	-
Parks and recreation	5.7	6.3	(0.6)
Property, valuation and recording	4.5	4.2	0.3
Interest on long-term debt	0.3	0.4	(0.1)
Total expenses	57.1	57.1	0.0
Change in net position	2.8	4.2	(1.4)
Net position, beginning of year	87.5	83.3	4.2
Net position, end of year	\$ 90.3	\$ 87.5	\$ 2.8

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's funds is to provide information on near-term inflows, outflows, and balances of available expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2013, total governmental funds reported combined ending fund balances of \$31.7 million, an increase of \$2.4 million from the previous year.

Unassigned fund balance represents approximately \$16.6 million of the total fund balance at December 31, 2013 and is available for spending at the County's discretion. Assigned fund balance represents approximately \$0.1 million, all of which are assigned to encumbrances. Restricted fund

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

balance represents approximately \$12.5 million and is restricted for a specified purpose through contract, law or regulation and cannot be used for any other purpose. Prepaids are considered nonspendable and represent approximately \$0.8 million. The remainder of fund balance is committed by County Commission actions into several types of commitments, of which, the significant commitments are as follows: \$0.3 million for public safety and judicial, \$0.8 million for capital projects reserve, and \$0.4 million for TIF reserve.

General Fund

The General Fund is the chief operating fund of the County. At the end of 2013, total fund balance of the General Fund was \$18.4 million, while the total governmental fund balance was \$31.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. In 2013, unassigned fund balance represents 70.2% of General Fund expenditures, while total General Fund fund balance represents 77.7% of General Fund expenditures.

Other Major Funds

Changes in fund balances for other major governmental funds can be described as follows:

- The Road & Bridge Fund's fund balance increased by \$0.2 million from 2012 due to a slight increase in intergovernmental revenues.
- The Law Enforcement Tax Fund's fund balance decreased by \$0.1 million from 2012 due to a slight decrease in intergovernmental revenues.
- The Reassessment Fund's fund balance decreased by \$0.4 million from 2012 due to a slight increase in expenditures.
- The Debt Service Fund is primarily supported from transfers in from other funds. Expenditures reflect the agreed upon repayment schedule as well as changes due to the advanced refunding of bonds. Fund balance remained consistent for 2013.

BUDGETARY ANALYSIS OF THE COUNTY'S GENERAL FUND

Final results for any given year will generally differ from that year's adopted budget. The final expenditures budget of the County's General Fund for 2013 was \$23.3 million, which differs from the original adopted budget of \$23.7 million by a decrease of approximately \$0.4 million which is due to a decrease in general government expenditures budget to fund transfers to other funds.

The final revenues budget of the County's General Fund for 2013 was \$29.1 million, which differs from the original adopted budget of \$29.0 million by approximately \$0.1 million which is due to a slight increase in fees and fines and other miscellaneous revenues within the County.

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

After transfers, the General Fund ended the year with revenues exceeding expenditures by \$0.7 million as there were larger than expected revenues and less than expected expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2013, the County invested, net of accumulated depreciation, \$70.4 million in a broad range of capital assets, including land and buildings, furniture and equipment, vehicles, infrastructure, and other improvements. This amount represents a slight decrease from last year due to the net effect of less improvements and current year depreciation.

Capital Assets (in Millions)				
Category	2013	2012	Change	
Land and land improvements	\$ 17.3	\$ 17.1	\$	0.2
Buildings and building improvements	55.0	53.2		1.8
Furniture and equipment	15.4	13.6		1.8
Vehicles	7.2	7.1		0.1
Infrastructure	48.1	48.0		0.1
Construction in progress	1.1	1.7		(0.6)
Accumulated depreciation	(73.7)	(70.1)		(3.6)
Capital assets, net	<u>\$ 70.4</u>	<u>\$ 70.6</u>	<u>\$</u>	<u>(0.2)</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the year. Governmental fund financial statements record capital asset purchases as expenditures. Additional information on the County's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

As of December 31, 2013, the County had \$12.1 million in revenue bonds and other outstanding long-term debt obligations, including a long-term obligation on park property at Smithville Lake and capital leases. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

CLAY COUNTY, MISSOURI

Management's Discussion and Analysis (Continued)

Outstanding Long-term Obligations (in Millions)

<u>Category</u>	<u>2013</u>
Compensated absences	\$ 2.8
Obligations under agreement with the US government	4.1
Certificates of participation	0.9
PBA leasehold revenue bonds	2.5
Capital lease obligation	0.8
Other long-term obligations	1.0
Total	<u>\$ 12.1</u>

During 2013, the County paid down debt by retiring \$1.7 million in outstanding long-term obligations through principal payments.

OTHER FACTORS BEARING ON THE FUTURE OF CLAY COUNTY

At the time the financial statements were prepared, the County was aware of no other circumstances affecting the future of Clay County.

CONTACTING CLAY COUNTY ADMINISTRATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of Clay County and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Dean Brookshier
CLAY COUNTY ADMINISTRATOR
Administration Building
1 Courthouse Square
Liberty, Missouri 64068
(816) 407-3600





BASIC FINANCIAL STATEMENTS



CLAY COUNTY, MISSOURI
Statement of Net Position
December 31, 2013

	Governmental Activities
<u>ASSETS</u>	
Current assets	
Cash, cash equivalents, and investments	\$ 23,731,278
Taxes receivable	4,838,457
Fees and other receivables	5,630,979
Intergovernmental receivables	435,462
Prepaid items	840,837
Total current assets	35,477,013
Noncurrent assets	
Restricted cash, cash equivalents, and investments	634,814
Capital assets:	
Land and other capital assets, non-depreciable	11,581,930
Other capital assets, net of depreciation	58,864,527
Total capital assets, net of depreciation	70,446,457
Total assets	106,558,284
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charges on refunding	40,408
Deferred service concession arrangement	710,374
Total deferred outflows of resources	750,782
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	2,968,805
Accrued liabilities	739,942
Accrued interest payable	142,634
Unearned revenue - property taxes	249,390
Unearned revenue - gifts and contributions	75,000
Compensated absences	1,600,000
Current portion of long-term debt	848,316
Total current liabilities	6,624,087
Long-term liabilities	
Compensated absences	1,190,467
Other post-employment benefits obligation	446,537
LAGERS net pension obligation	591,173
Long-term debt	7,458,333
Total noncurrent liabilities	9,686,510
Total liabilities	16,310,597
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred service concession arrangement	710,374
Total deferred inflows of resources	710,374
<u>NET POSITION</u>	
Net investment in capital assets	62,139,808
Restricted for:	
Capital projects	4,811,011
Debt service	634,814
Other purposes	7,822,039
Unrestricted	14,880,423
Total net position	\$ 90,288,095

See accompanying notes to basic financial statements.

CLAY COUNTY, MISSOURI
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 13,141,643	\$ 799,909	\$ 257,344	\$ -	\$ (12,084,390)
Public safety and judicial	23,959,149	1,867,637	3,610,461	260,039	(18,221,012)
Highways and traffic	9,135,127	201,034	980,777	73,470	(7,879,846)
Health and welfare	377,729	-	-	-	(377,729)
Parks and recreation	5,658,509	4,579,673	11,028	124,549	(943,259)
Property, valuation and recording	4,507,723	7,745,731	274,952	-	3,512,960
Interest on long-term debt	323,730	-	-	-	(323,730)
Total government activities	\$ 57,103,610	\$ 15,193,984	\$ 5,134,562	\$ 458,058	(36,317,006)

GENERAL REVENUES

Taxes	
Property taxes, levied for general purposes	4,769,328
Property taxes, levied for road and bridge	2,871,638
Sales taxes	29,136,807
Surtaxes	602,078
Use taxes	371,613
Other taxes	360,672
Unrestricted investment earnings	169,535
Miscellaneous	836,733
Total general revenues	39,118,404
Change in net position	2,801,398
Net position, beginning of year	87,486,697
Net position, end of year	\$ 90,288,095

See accompanying notes to basic financial statements.

CLAY COUNTY, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2013

	<u>General</u>	<u>Road & Bridge</u>	<u>Law Enforcement Tax</u>	<u>Reassessment</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
ASSETS							
Cash, cash equivalents, and investments	\$ 13,947,020	\$ 830,595	\$ 488,083	\$ 1,805,034	\$ -	\$ 6,660,546	\$ 23,731,278
Taxes receivable	3,329,219	59,983	517,592	-	-	931,663	4,838,457
Fees and other receivables	2,841,106	900,052	206,042	1,470,481	-	213,298	5,630,979
Intergovernmental receivables	144,457	289,681	-	-	-	1,324	435,462
Prepaid items	273,649	65,186	326,794	40,123	-	135,085	840,837
Restricted cash and investments	-	-	-	-	634,814	-	634,814
Total assets	\$ 20,535,451	\$ 2,145,497	\$ 1,538,511	\$ 3,315,638	\$ 634,814	\$ 7,941,916	\$ 36,111,827
LIABILITIES							
Accounts payable	\$ 1,306,358	\$ 923,769	\$ 246,587	\$ 200,960	\$ -	\$ 291,131	\$ 2,968,805
Accrued liabilities	299,239	38,762	268,491	49,216	-	84,234	739,942
Unearned revenue - property taxes	147,683	101,707	-	-	-	-	249,390
Unearned revenue - gifts and contributions	75,000	-	-	-	-	-	75,000
Total liabilities	1,828,280	1,064,238	515,078	250,176	-	375,365	4,033,137
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	70,417	46,210	-	-	-	-	116,627
Unavailable revenue - other receivables	250,687	-	14,947	-	-	42,498	308,132
Total deferred inflows of resources	321,104	46,210	14,947	-	-	42,498	424,759
FUND BALANCES							
Nonspendable	273,649	65,186	326,794	40,123	-	135,085	840,837
Restricted	-	969,863	517,592	3,025,339	634,814	7,388,968	12,536,576
Committed	1,414,239	-	164,100	-	-	-	1,578,339
Assigned	76,835	-	-	-	-	-	76,835
Unassigned	16,621,344	-	-	-	-	-	16,621,344
Total fund balances	18,386,067	1,035,049	1,008,486	3,065,462	634,814	7,524,053	31,653,931
Total liabilities, deferred inflows of resources and fund balances	\$ 20,535,451	\$ 2,145,497	\$ 1,538,511	\$ 3,315,638	\$ 634,814	\$ 7,941,916	\$ 36,111,827

See accompanying notes to basic financial statements.

CLAY COUNTY, MISSOURI
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 December 31, 2013

Fund balances of governmental funds	\$	31,653,931
<p>Amounts reported for governmental activities in the statement of net position are due to the following:</p>		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		70,446,457
Property taxes receivable not collected within the period of availability are reported as deferred inflow of resources for the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.		116,627
Other receivables not collected within the period of availability are reported as deferred inflow of resources for the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.		308,132
Some liabilities, such as Notes Payable, Capital Lease Contracts Payable, Compensated Absences, and Bonds Payable, are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Deferred charges on refunding		40,408
Accrued interest payable		(142,634)
Compensated absences		(2,790,467)
Other post-employment benefits		(446,537)
LAGERS net pension obligation		(591,173)
Long-term debt		(8,306,649)
		90,288,095
Net position of governmental activities	\$	90,288,095

See accompanying notes to basic financial statements.

CLAY COUNTY, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2013

	<u>General</u>	<u>Road & Bridge</u>	<u>Law Enforcement Tax</u>	<u>Reassessment</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
REVENUES							
Taxes	\$ 25,511,925	\$ 3,204,162	\$ 3,300,619	\$ -	\$ -	\$ 6,107,209	\$ 38,123,915
Fees and fines	5,616,420	1,561	360,064	2,095,277	-	1,058,294	9,131,616
Licenses and permits	382,221	13,309	-	-	-	243,203	638,733
Charges for services	1,130,765	-	156,534	-	-	2,395,711	3,683,010
Intergovernmental	1,883,901	1,074,647	2,152,008	274,952	-	591,452	5,976,960
Leases	311,642	-	-	-	-	960,372	1,272,014
Investment income	91,636	3,915	16,603	15,230	632	31,975	159,991
Other	641,408	58,813	74,504	14,175	-	88,893	877,793
Total revenues	<u>35,569,918</u>	<u>4,356,407</u>	<u>6,060,332</u>	<u>2,399,634</u>	<u>632</u>	<u>11,477,109</u>	<u>59,864,032</u>
EXPENDITURES							
Current							
General government	13,416,352	-	-	-	-	-	13,416,352
Public safety and judicial	6,829,853	-	14,316,504	-	-	1,513,463	22,659,820
Highways and traffic	1,629,674	5,591,876	-	-	-	1,495,577	8,717,127
Health and welfare	377,729	-	-	-	-	-	377,729
Parks and recreation	-	-	-	-	-	5,617,728	5,617,728
Property, valuation and recording	1,220,113	-	-	2,785,469	-	1,056,711	5,062,293
Debt service							
Principal	193,902	-	-	-	1,230,000	279,541	1,703,443
Interest and fiscal charges	-	-	-	-	170,256	154,768	325,024
Capital outlay	-	-	-	-	-	679,940	679,940
Total expenditures	<u>23,667,623</u>	<u>5,591,876</u>	<u>14,316,504</u>	<u>2,785,469</u>	<u>1,400,256</u>	<u>10,797,728</u>	<u>58,559,456</u>
Excess of revenues over (under) expenditures	<u>11,902,295</u>	<u>(1,235,469)</u>	<u>(8,256,172)</u>	<u>(385,835)</u>	<u>(1,399,624)</u>	<u>679,381</u>	<u>1,304,576</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	322,293	2,255,103	8,134,679	17,330	1,400,256	1,216,931	13,346,592
Transfers out	(11,865,455)	(777,896)	-	-	-	(703,241)	(13,346,592)
Proceeds from capital lease obligations	536,922	-	-	-	-	557,836	1,094,758
Total other financing sources (uses)	<u>(11,006,240)</u>	<u>1,477,207</u>	<u>8,134,679</u>	<u>17,330</u>	<u>1,400,256</u>	<u>1,071,526</u>	<u>1,094,758</u>
Net change in fund balances	896,055	241,738	(121,493)	(368,505)	632	1,750,907	2,399,334
Fund balance, beginning of year	17,490,012	793,311	1,129,979	3,433,967	634,182	5,773,146	29,254,597
Fund balance, end of year	<u>\$ 18,386,067</u>	<u>\$ 1,035,049</u>	<u>\$ 1,008,486</u>	<u>\$ 3,065,462</u>	<u>\$ 634,814</u>	<u>\$ 7,524,053</u>	<u>\$ 31,653,931</u>

See accompanying notes to basic financial statements.

CLAY 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, 2013

Net changes in fund balances of governmental funds \$ 2,399,334

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	3,886,478
Depreciation expense	(4,026,366)
Loss on disposal of capital assets	(1,129)

The Statement of Activities report revenues that do not provide current financial resources and are not reported as revenues in the governmental funds.

Change in deferred revenue for other items	52,755
Unavailable delinquent property taxes	(11,779)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in deferred charges on refunding	(7,927)
Change in accrued interest expense	9,373
Issuance of long-term debt (capital lease obligations)	(1,094,758)
Payments on long-term debt (bonded debt, capital lease obligations and other debt)	1,703,291

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

Change in other post-employment benefits obligation	(74,297)
Change in LAGERS net pension obligation	(4,476)
Change in compensated absences	(29,101)

Change in net position of governmental activities	\$ 2,801,398
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See accompanying notes to basic financial statements.

CLAY COUNTY, MISSOURI
Statement of Assets and Liabilities - Agency Funds
December 31, 2013

	Agency Funds
<u>ASSETS</u>	
Cash, cash equivalents, and investments	\$ 244,660,512
Total Assets	\$ 244,660,512
<u>LIABILITIES</u>	
Due to others	\$ 244,660,512
Total Liabilities	\$ 244,660,512

See accompanying notes to basic financial statements.



**NOTES TO
BASIC FINANCIAL STATEMENTS**



CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013

I. Summary Of Significant Accounting Policies

Clay County, Missouri (the County) is a county of the first class governed by a County Commission comprised of a Western District Commissioner, Eastern District Commissioner, and the Presiding Commissioner. Elected officials are responsible for the operations of certain County offices including the Assessor, Auditor, Collector, Treasurer, County Clerk, Sheriff, Prosecuting Attorney, Public Administrator and the Recorder of Deeds. The County provides the full range of services contemplated by statute. These include public safety and judicial, highways and traffic, community health and social services, parks and recreation, public improvements, planning and zoning, and general administrative.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

The County's financial reporting entity has been determined in accordance with governmental standards for defining the financial reporting entity and identifying entities to be included in its basic financial statements. These standards identify the County's financial accountability for potential component units as the primary, but not only, criteria for inclusion. The County's financial reporting entity consists of Clay County (the primary government) and its blended component unit. The blended component unit discussed below is included in the County's financial reporting entity because of the significance of its operational or financial relationship with the County.

Blended Component Unit

The Public Building Authority (PBA), although legally separate from the County, is reported as if it were part of the primary government because its sole function is to finance, through issuance of bonds, facilities for the County. The activities of the PBA are included in the accompanying financial statements as part of the Debt Service Fund.

Related Organizations

The governing body of the Mental Health Board of Trustees (Mental Health Board) for Clay, Platte and Ray Counties is appointed by the participating counties. The Clay County Commission appoints a voting majority of the governing body. The Mental Health Board does not meet the definition of a component unit. However, the County does include a levy in the County levy, which is then remitted to the Mental Health Board.

The governing body of the Developmental Disabilities Resources Board of Clay County (Developmental Disabilities Resource Board) and the Clay County Senior Citizens' Services Board (Senior Citizens' Board) are appointed by the Clay County Commission. The Developmental Disabilities Resource Board and Senior Citizens' Board do not meet the definition of a component unit. However, the County does include a levy for the Developmental Disabilities Resource Board and Senior Citizens' Board in the County levy, which is then remitted to the Developmental Disabilities Resource Board and Senior Citizens' Board.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Although the County charges fees for certain services, all of the County's activities are reported as governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, and other miscellaneous revenues that are not included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Road & Bridge Fund, Reassessment Fund, Law Enforcement Tax Fund, and Debt Service Fund are major governmental funds. All nonmajor governmental funds are reported in one column labeled "Nonmajor Governmental". The total fund balance for all governmental funds is reconciled to total net position for governmental activities as shown on the Statement of Net Position in the government-wide financial statements. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the Statement of Activities in the government-wide financial statements.

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, deferred inflows of resources, fund balances, revenues, expenditures and other financing sources and uses. 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 types are used by the County:

Governmental Fund Types

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

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

The following are the County's governmental major funds:

General Fund - the General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund. Its revenue consists primarily of property, sales and use taxes, investment income, fines, fees, license and permit revenue, gift revenue, intergovernmental revenue, charges for services, leases, and other miscellaneous sources. General expenditures represent costs of the general government, public safety and judicial, highways and traffic, health and welfare, parks and recreation, property, valuation, and recording, debt service and capital outlay.

Road & Bridge Fund - a special revenue fund that accounts for property tax and intergovernmental revenues restricted for the use of road and bridge improvements.

Reassessment Fund - a special revenue fund that accounts for the operations of the County Assessor's office, which includes the cost of performing a reassessment of all taxable real property as required by Missouri Revised Statutes (RSMo), section 137.750. Financing is provided by the state of Missouri and a commission received from property tax collections.

Law Enforcement Tax Fund - a special revenue fund that accounts for revenue from the law enforcement sales tax levy and other revenue streams for the Sheriff's office, which include grants and fees collected by the Sheriff's office. This fund is also used to account for the expenditures of the Sheriff's office.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The other governmental funds of the County are considered nonmajor funds. They include special revenue funds, which account for the proceeds of specific revenue sources that are either restricted or committed to expenditures for specific purposes.

Fiduciary Fund Types

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's agency funds account for activities of collections of other taxing units by the Collector and various other agency operations.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Agency fund financial statements are reported using the accrual basis of accounting. However, they do not have a measurement focus.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the County, available is defined as expected to be received within 60 days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (i.e. matured). Claims and judgments expenditures and liabilities should be recognized when they are normally expected to be liquidated with expendable available financial resources.

The County recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred inflows of resources until the period of the exchange.

The County recognizes assets from imposed nonexchange revenue transactions (such as real estate and personal property taxes) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The County recognizes revenues from property taxes in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements have been satisfied. Eligibility requirements include timing, matching and expenditure of funds. Any resources received before eligibility requirements are met are reported as deferred inflows of resources.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: taxes, state-levied locally shared taxes, fees, licenses and permits, fines and forfeitures, interest, grants and rentals.

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

Cash, Cash Equivalents, and Investments

The County Treasurer maintains a cash and investment pool that is available for use by all funds, except certain restricted Special Revenue and Agency funds. Cash and cash equivalents consist of highly-liquid investments with maturity dates within three months of the date acquired by the County. Investments consist of those securities with maturity dates greater than three months at the time of purchase. Investment income earned on pooled cash, cash equivalents, and investments is distributed to the appropriate funds based on the average daily balance of the cash, cash equivalents, and investments of each fund. In addition, cash, cash equivalents, and

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

investments are separately maintained by other County officials and several of the County's departments.

Investments are stated at fair market value which are determined by closing market prices at year end as reported by the investment custodians.

Prepaid Items

Prepaid assets consist of insurance costs and other costs applicable to future accounting periods.

Capital Assets

Capital assets, which include land, buildings, improvements, furniture and equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the County as assets with an estimated useful life in excess of one year.

Capital assets are recorded at historical cost, or estimated historical cost if actual cost information is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to January 1, 2002, consist of roads, bridges, and park utilities and similar improvements, and are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. For retirements or other dispositions of assets, the asset and related accumulated depreciation account are eliminated and the difference between the net carrying value and any proceeds received is included in income or expense.

Depreciation is computed on the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of depreciable capital assets for each class are as follows:

	Years
Land improvements	30
Buildings	40
Building improvements	15
Furniture and equipment	7
Computer equipment	5
Office equipment	5
Highway equipment	10
Vehicles	5
Bridges	50
Roads	50

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

Collections

Collections of historical treasures meet the definition of a capital asset and normally should be reported in the financial statements. However, the requirement for capitalization is waived for collections that meet certain criteria. The County has collections of historical treasures that are not capitalized as they meet all of the waiver requirements which are: (1) the collections are held solely for public exhibition, (2) the collections are protected, preserved and cared for, and (3) should any items be sold, the proceeds are used only to acquire other items for the collections. The County's historical artifacts are displayed in various museums and other public buildings throughout the County.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category, consisting of: 1) deferred charge on refunding of debt which results from the difference in the carrying value of refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded or refunding debt and 2) service concession arrangement from an agreement with a management company to operate the government's golf course and pay monthly installment payments to the County which will be reported as revenue in future periods as the revenue is earned.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category, consisting of service concession arrangement.

In addition to liabilities, the balance sheet for governmental funds will sometimes report a section for deferred inflows of resources. The County has two items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category, consisting of: 1) unavailable revenue related to property taxes and 2) unavailable revenue related to other receivables. Accordingly, these items are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred. Gains/losses on refunding bonds are deferred and amortized over the shorter of the new bonds' life or the remaining life of the refunded bonds. Bonds payable are adjusted by the applicable bond premium or discount.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Gains/losses on refunding bonds are not broken out separately within the other financing sources/uses section.

Compensated Absences

Under terms of the County's personnel policies, County employees are granted vacation and sick leave in varying amounts, based upon length of service. A liability for these amounts is reported in the governmental funds only if the amounts due at year end have matured. Compensated absences are typically liquidated by the fund in which the employee is paid, which include the General Fund, Road & Bridge Fund, Drug Task Force Fund, Law Enforcement Tax Fund, Reassessment Fund, Park Fund, Use Tax – Parks & Trails Fund, Collector Tax Maintenance Fund, and Sheriff Revolving Fund.

Encumbrances

Encumbrance accounting, under which purchase orders, certain contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is utilized as an extension of formal budgetary controls. Encumbrances outstanding at year-end are reported as a reservation of fund balances because they do not constitute expenditures or liabilities. Such encumbrances serve as authorizations for expenditures in future years. Designation of fund balances represents tentative plans for future use of financial resources that are subject to change.

Interfund Activity

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as other financing sources (uses) in the governmental financial statements.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Fund Balance

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance - represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance - represents amounts where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Committed fund balance - represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clay County Commission, which is the County's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the County Commission removes or changes the specified amounts by use of the same formal action that it employed to previously commit those amounts.

Assigned fund balance - represents amounts that are constrained by the County's intent to be used for specific purposes. Intent is expressed by County officials whom have been given authority to assign such amounts.

Unassigned fund balance - represents the residual amount for the General Fund not included in the four categories described above. Also, any deficit fund balances within the nonmajor governmental fund types are reported as unassigned.

When an option exists for the use of fund balance components, the classification with the greatest eligible degree of constraint should be used first. This will be followed by the succeeding fund balance components with a lesser degree of constraint. The order in the use of funds therefore would be Restricted, Committed, Assigned, and Unassigned to the extent that each category is eligible.

Net Position

In the government-wide financial statements, net position is classified as follows:

Net investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted - the difference between the assets/deferred outflows of resources and liabilities/deferred inflows of resources that are not reported as net investment in capital assets or restricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, at year-end, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) has recently issued the following statements which may impact the County's financial reporting requirements in the future:

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

GASB Statement No. 67 - *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25, effective for the year beginning January 1, 2014.

GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27, effective for the year beginning January 1, 2015.

GASB Statement No. 69 - *Government Combinations and Disposals of Government Operations*, effective for the year beginning January 1, 2014.

GASB Statement No. 70 - *Improves Reporting for Nonexchange Financial Guarantees*, effective for the year beginning January 1, 2014.

GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, effective for the year beginning January 1, 2015.

2. Deposits and Investments

Deposits and investments of the County are reflected in the financial statements as follows:

Deposits:	
Repurchase obligations	\$ 209,855,882
Cash and cash equivalents	30,577,908
Certificates of deposit	22,339,957
	<hr/>
	262,773,747
Investments:	
Short-term investments held in trust	634,814
U.S. agency securities	5,618,043
	<hr/>
	6,252,857
	<hr/>
	\$ 269,026,604

A summary of cash, cash equivalents, and investments as of December 31, 2013 is as follows:

Government-wide:	
Cash, cash equivalents and investments	\$ 23,731,278
Restricted cash, cash equivalents and investments	634,814
Fiduciary:	
Cash, cash equivalents and investments	244,660,512
	<hr/>
	\$ 269,026,604

Investment Policy

General

The County's investment activity is conducted in accordance with Missouri State Statutes and investment guidelines outlined therein. These guidelines apply to the County's investments that are not held by a trustee in connection with bond indentures.

RSMo section 110.270, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

agency obligations. In addition, RSMo section 30.950 requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

Repurchase agreements are purchased from brokers and local banks. Securities underlying a repurchase agreement must have a fair value of at least 100% of the cost of the repurchase agreement. No substitutions of securities are permitted. Securities underlying overnight repurchase agreements are held as collateral in the Federal Reserve Bank. For bank repurchase agreements, the securities are not held in the County’s name but are pledged against the repurchase agreement pool held by the dealer bank. For broker repurchase agreements, the securities are held in the County’s name.

Interest Rate Risk

As of December 31, 2013, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities from 1 to 5 Years</u>
Government-wide:		
Federal Home Loan Bank Notes	\$ 1,263,669	\$ 1,263,669
Federal Home Loan Mortgage Corporation	2,091,588	2,091,588
Federal National Mortgage Association	1,466,455	1,466,455
Fiduciary:		
Federal Home Loan Bank Notes	208,701	208,701
Federal Home Loan Mortgage Corporation	345,437	345,437
Federal National Mortgage Association	242,193	242,193
	<u>\$ 5,618,043</u>	<u>\$ 5,618,043</u>

The County will minimize the risk that the fair value of securities in the portfolio will decline due to changes in general interest rates. To the extent possible, the County shall attempt to match its investments with anticipated cash flow requirements. Investments in bankers’ acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than 5 years from the date of purchase.

Credit Risk

The County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by diversifying the portfolio so that potential losses on individual securities will be minimized.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

The following provides information on the credit ratings associated with the County's investments in debt securities, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, at December 31, 2013.

	<u>S&P</u>	<u>Fair Value</u>
Government-wide:		
Federal Home Loan Bank Notes	AA+	\$ 1,263,669
Federal Home Loan Mortgage Corporation	AA+	2,091,588
Federal National Mortgage Association	AA+	1,466,455
Fiduciary:		
Federal Home Loan Bank Notes	AA+	208,701
Federal Home Loan Mortgage Corporation	AA+	345,437
Federal National Mortgage Association	AA+	242,193

Concentrations of Credit Risk

The County's investment policy places no limit on the amount the County may invest in any one issuer with respect to U.S. Treasury Securities, collateralized time and demand deposits, obligations with agencies of the U.S. government and government-sponsored enterprises, and collateralized repurchase agreements. U.S. government agency callable securities are limited to 70% of the total portfolio, and commercial paper and bankers acceptances are limited to 30% of the total portfolio.

The following table summarizes the concentration of investments by type:

	<u>Percent of Total Investments</u>
Government-wide:	
Federal Home Loan Bank Notes	26%
Federal Home Loan Mortgage Corporation	43%
Federal National Mortgage Association	30%
Fiduciary:	
Federal Home Loan Bank Notes	26%
Federal Home Loan Mortgage Corporation	43%
Federal National Mortgage Association	30%

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with State Statutes, the County addresses custodial risk by pre-qualifying institutions with which the County places investments.

For deposits, custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

or by a single collateral pool established by the financial institution. At December 31, 2013, all deposits were fully collateralized or pledged.

3. Property Taxes

The County is permitted by Missouri State Statutes to levy taxes for various purposes. The schedule presents the maximum allowable tax levies and the actual property tax levies for the year 2012, which the 2013 property tax revenues were based.

Fund	Per \$100 of Assessed Valuation	
	Maximum Levy Allowed by Law	Actual Levy
General	\$ 0.35	\$ 0.13
Parks and recreation	\$ 0.10	\$ -
Road and bridge	\$ 0.35	\$ 0.08

Various taxing districts within the County, including schools and libraries, levy a tax collected by the County Collector, and the County levies a tax of \$0.0499, \$0.1000, \$0.1191 and \$0.0963 per \$100 of assessed valuation on behalf of the Senior Citizens' Board, the Public Health Center, the Developmental Disabilities Resource Board and the Mental Health Board, respectively. The County disburses property tax collections resulting from these levies to the appropriate taxing districts.

Property taxes are levied no later than November 1 of each year based on the assessed value as of January 1 for all real and personal property located in the County. Property taxes are due by December 31 following the levy date. Assessed values are established by the County Assessor subject to review by the Board of Equalization and the State Tax Commission. Substantially all collections of property taxes levied each year are received by the County in the year. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the property at that date.

The assessed value of property located in the County at January 1, 2012 was \$3,450,504,996 on which the 2013 property tax revenues were based.

4. Tax Revenues and Taxes Receivable

Tax revenue for the year consisted of the following:

	General Fund	Road & Bridge Fund	Law Enforcement Tax Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 4,776,661	\$ 2,876,084	\$ -	\$ -	\$ 7,652,745
Sales and use taxes	20,715,666	-	3,300,619	5,492,135	29,508,420
911 telephone tax	-	-	-	360,672	360,672
Surtax	19,598	328,078	-	254,402	602,078
	<u>\$ 25,511,925</u>	<u>\$ 3,204,162</u>	<u>\$ 3,300,619</u>	<u>\$ 6,107,209</u>	<u>\$ 38,123,915</u>

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Taxes receivable represent property, sales, and gross receipts, including interest and penalties. Taxes receivable consisted of the following at December 31, 2013:

	General Fund	Road & Bridge Fund	Law Enforcement Tax Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 97,659	\$ 59,983	\$ -	\$ -	\$ 157,642
Sales and use taxes	3,231,560	-	517,592	906,068	4,655,220
911 telephone tax	-	-	-	25,595	25,595
	<u>\$ 3,329,219</u>	<u>\$ 59,983</u>	<u>\$ 517,592</u>	<u>\$ 931,663</u>	<u>\$ 4,838,457</u>

5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2013:

	Balance 12/31/2012	Additions	Disposals	Balance 12/31/2013
Governmental Activities:				
Capital assets not being depreciated:				
Land and land rights	\$ 10,436,548	\$ 2,585	\$ -	\$ 10,439,133
Construction in progress	1,729,334	1,147,706	1,734,243	1,142,797
Total capital assets not being depreciated	<u>12,165,882</u>	<u>1,150,291</u>	<u>1,734,243</u>	<u>11,581,930</u>
Capital assets being depreciated:				
Land improvements	6,676,976	233,080	-	6,910,056
Buildings and building improvements	53,169,239	1,818,617	-	54,987,856
Furniture and equipment	13,635,191	1,884,584	141,801	15,377,974
Vehicles	7,037,229	470,939	290,205	7,217,963
Infrastructure	48,040,568	63,210	4,546	48,099,232
Total capital assets being depreciated	<u>128,559,203</u>	<u>4,470,430</u>	<u>436,552</u>	<u>132,593,081</u>
Less accumulated depreciation for:				
Land improvements	1,313,395	215,611	-	1,529,006
Buildings and building improvements	25,355,971	1,457,734	-	26,813,705
Furniture and equipment	9,952,181	1,016,838	141,311	10,827,708
Vehicles	6,199,214	316,445	290,205	6,225,454
Infrastructure	27,316,850	1,019,738	3,907	28,332,681
Total accumulated depreciation	<u>70,137,611</u>	<u>4,026,366</u>	<u>435,423</u>	<u>73,728,554</u>
Total capital assets being depreciated, net	<u>58,421,592</u>	<u>444,064</u>	<u>1,129</u>	<u>58,864,527</u>
Governmental Activities Capital Assets, Net	<u>\$ 70,587,474</u>	<u>\$ 1,594,355</u>	<u>\$ 1,735,372</u>	<u>\$ 70,446,457</u>

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Depreciation expense was charged to functions/programs as follows:

General government	\$	415,278
Public safety and judicial		1,428,107
Highways and traffic		1,602,263
Parks and recreation		514,634
Property, valuation and recording		66,084
	\$	<u>4,026,366</u>

Accumulated depreciation of property under capital lease obligations was \$81,584 at December 31, 2013.

6. Restricted Net Position

The government-wide Statement of Net Position reports \$13,267,864 of restricted net position, of which \$4,811,011 is restricted for capital project, \$634,814 is restricted for debt service, and \$7,822,039 is restricted as follows:

Public safety and judicial	\$	1,642,056
Highways and traffic		1,035,049
Parks and recreation		1,273,488
Property, valuation and recording		3,871,446
Total	\$	<u>7,822,039</u>

7. Long-Term Liabilities and Deferred Outflows of Resources

A summary of changes in governmental long-term liabilities of the County for the year ended December 31, 2013 follows:

	Balance			Balance	Amounts due
	12/31/2012	Additions	Retirements	12/31/2013	within one year
Compensated absences	\$ 2,761,366	\$ 1,837,806	\$ 1,808,705	\$ 2,790,467	\$ 1,600,000
Other long-term obligations:					
Other postemployment benefits	372,240	74,297	-	446,537	-
LAGERS net pension obligation benefits	586,697	4,476	-	591,173	-
Total other long-term obligations	958,937	78,773	-	1,037,710	-
Long-term obligations:					
Obligation under agreement with the US government	4,241,387	-	158,611	4,082,776	164,398
Certificates of participation					
Series 2011A	1,280,000	-	915,000	365,000	195,000
Series 2011B	635,000	-	70,000	565,000	70,000
Original issue discount	(1,205)	-	(151)	(1,054)	(151)
Total certificates of participation	1,913,795	-	984,849	928,946	264,849
Public building authority revenue bonds					
Leasehold revenue bonds series 2004A	1,745,000	-	195,000	1,550,000	195,000
Leasehold revenue bonds series 2004B	1,015,000	-	50,000	965,000	55,000
Total revenue bonds	2,760,000	-	245,000	2,515,000	250,000
Capital lease obligations	-	1,094,758	314,831	779,927	169,069
Total long-term obligations	8,915,182	1,094,758	1,703,291	8,306,649	848,316
Total long-term liabilities	\$ 12,635,485	\$ 3,011,337	\$ 3,511,996	\$ 12,134,826	\$ 2,448,316

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

A summary of changes in deferred charges on refunding debt of the County for the year ended December 31, 2013 follows:

	Balance		Balance	
	12/31/2012	Additions	Retirements	12/31/2013
Deferred charges on refunding				
Series 2011A charges on refunding	\$ (25,140)	\$ -	\$ (5,028)	\$ (20,112)
Series 2011B charges on refunding	(23,195)	-	(2,899)	(20,296)
Total deferred charges on refunding	<u>\$ (48,335)</u>	<u>\$ -</u>	<u>\$ (7,927)</u>	<u>\$ (40,408)</u>

Obligation under Agreement with the United States Government

The County entered into a contract with the United States government (U.S.) on July 14, 1972, and later amended the contract on August 5, 1986, which provided for the County to pay a portion of the costs incurred by the U.S. for the acquisition of land and construction of recreational facilities at Smithville Lake. The County's portion is payable in 46 annual installments of \$313,379, including interest at 3.649%, through June 2031. Payments are funded by park user fees.

Certificates of Participation, Series 2011A and 2011B

On December 21, 2011, the County issued \$2,775,000 of certificates of participation with an average interest rate of 2.17% to advance refund \$4,565,000 of outstanding PBA Leasehold Revenue Bonds, series 1998 and 2000, with an average interest rate of 5.47%. The 1998A series bonds mature on May 15, 2014, and became callable on or any time after May 15, 2008. The 1998C series bonds mature on May 15, 2018 and became callable on or any time after May 15, 2008. The 2000A series bonds mature on May 15, 2020, and became callable on or any time after May 15, 2009.

PBA Leasehold Revenue Bonds, Series 2004A and 2004B

In 2004, the County issued \$3,600,000 and \$1,300,000 of PBA Leasehold Revenue Bonds, series 2004A and 2004B, respectively, with interest rates ranging from 2.15% to 6.25%. The bonds were issued to provide funds to (a) acquire rolling stock for the Highway Department of the County, acquire and construct water lines, fuel tanks and hangars at the airport, expand the clubhouse at the golf course, acquire and improve the docks at the marina, renovate and improve the juvenile detention facility, and acquire a new telephone system (the Project), (b) fund the Bond Reserve, and (c) fund capitalized interest on the 2004 Bond until July 15, 2005. The bonds mature in July 2014.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

According to the bond issuance, the reserve accounts have been established for the series 2004A and 2004B bonds:

Account	PBA Leasehold Refunding Bonds, Series 2004A and 2004B – Restrictions
Bond Fund	For the monthly accumulation of monies consisting primarily of lease rental payments to meet the maturing revenue bond principal and interest requirements
Bond Reserve	For the accumulation of required monies for the purpose of meeting deficiencies, if any, in the Bond Fund

The PBA has issued Leasehold Revenue Bonds, series 2004A and 2004B for the purpose of financing the acquisition, construction, renovation, furnishing and equipping of various County facilities. The County leases the facilities from the PBA for payments equal to the debt service requirements of the bond issues discussed. The leases are renewable annually at the option of the County to a maximum term expiring through 2025.

At December 31, 2013, restricted assets held in all PBA bond and Certificates of Participation fund trust accounts and bond reserve trust accounts totaled \$634,814, reported at fair market value.

The requirements to amortize long-term liabilities (excluding compensated absences, other post-employment benefits, LAGERS net pension obligation and capital lease obligations) outstanding at year end, including interest, are as follows:

Years Ending December	Obligations Under Agreement with U.S.		Certificates of Participation		PBA Leasehold Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 164,398	\$ 148,980	\$ 265,000	\$ 18,873	\$ 250,000	\$ 132,725	\$ 679,398	\$ 300,578
2015	170,397	142,982	125,000	15,084	160,000	121,683	455,397	279,749
2016	176,615	136,764	125,000	12,344	170,000	113,483	471,615	262,591
2017	183,060	130,319	155,000	8,903	175,000	104,748	513,060	243,970
2018	189,740	123,639	75,000	6,019	185,000	95,700	449,740	225,358
2019-2023	1,057,746	509,149	185,000	5,578	1,070,000	320,180	2,312,746	834,907
2024-2028	1,265,339	301,556	-	-	505,000	42,125	1,770,339	343,681
2029-2031	875,481	64,656	-	-	-	-	875,481	64,656
	<u>\$ 4,082,776</u>	<u>\$ 1,558,045</u>	<u>\$ 930,000</u>	<u>\$ 66,801</u>	<u>\$ 2,515,000</u>	<u>\$ 930,644</u>	<u>\$ 7,527,776</u>	<u>\$ 2,555,490</u>

Capital Lease Obligations

During 2013, the County entered into a capital lease to finance the purchase of highway construction equipment in the amount of \$557,836. This lease requires five annual payments totaling \$120,930, including interest at 4.2% through January 2018. The first payment was due on December 2013 and subsequent payments are due starting in January 2015.

The County initiated a capital lease in November 2013 to finance the purchase of IT equipment in the amount of \$536,922. The asset vendor, provided a small opening payment to make the effective interest rate of the lease 0%. Starting in December 2013, the lease requires three annual payments of \$178,974 through December 2015.

CLAY COUNTY, MISSOURI**Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)**

The requirements to amortize capital lease obligations outstanding at year end, including interest, are as follows:

Years Ending December	Capital Lease Obligations	
	Principal	Interest
2014	\$ 169,069	\$ 9,905
2015	276,503	23,402
2016	106,904	14,026
2017	111,389	9,541
2018	116,062	4,868
	<u>\$ 779,927</u>	<u>\$ 61,742</u>

The State Constitution permits the County, by vote of the qualified electors thereof voting thereon, to incur general obligation indebtedness not to exceed 10% of the assessed value of taxable tangible property. The County had no authorized, unissued debt at December 31, 2013. At December 31, 2013, the constitutionally imposed total general obligation debt limit was \$345,050,500.

8. Operating Leases

The County has various operating leases for airport, park, marina, golf course operation and other facilities that provide income. The County's operating leases generally expire annually and contain renewal options. For the year ended December 31, 2013, lease income for all operating leases was \$1,272,014.

9. Interfund Activity

Interfund transfers for the year ended December 31, 2013 are as follows:

	Transfers	Transfers
	In	Out
General Fund	\$ 322,293	\$ 11,865,455
Highway Fund	2,255,103	777,896
Law Enforcement Tax Fund	8,134,679	-
Reassessment Fund	17,330	-
Debt Service Fund	1,400,256	-
Nonmajor governmental funds		
Park Fund	15,906	619,233
Drug Task Force Fund	-	84,008
Emergency Communications Fund	154,990	-
Use Tax Fund	649,442	-
Use Tax - Highway Fund	293,676	-
Use Tax - Parks & Trails Fund	14,233	-
Collector Tax Maintenance Fund	88,684	-
	<u>\$ 13,346,592</u>	<u>\$ 13,346,592</u>

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

10. Risk Management

The County is exposed to various 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 contracts with insurance companies for coverage of property, general liability, crime, automobile, workers' compensation, health, dental, life, and accidental death and dismemberment insurance. Settled claims have not exceeded this commercial insurance coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

11. Commitments and Contingencies

Litigation

The County manages this risk by the purchase of insurance. It is management's opinion that all employment related liability exposure as of December 31, 2013 is covered by insurance in effect at that date, that any loss is limited to the deductibles under the insurance policies and that any such litigation and claims will not have a material adverse effect on the financial position of the County.

The County is involved in lawsuits arising in the ordinary course of activities, including claims regarding contractual issues, personal injury and discriminatory personnel practices. While these cases may have future financial effects, management believes that their ultimate outcome will not be a material to the basic financial statements.

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2013, significant amounts of grant expenditures had not been audited by grantor governments, but management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual County funds or the overall financial position.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

12. Employee Benefit Commitments

Missouri Local Government Employees Retirement Systems (LAGERS)

Plan Description

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

LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by Statute, RSMo section 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax-exempt.

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

Funding Status

Full-time employees of the County do not contribute to the pension plan. The statutorily June 30th required contribution rates are 10.8% (General) and 13.5% (Commissioned Law Enforcement) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the County. The contribution provisions of the County are established by state statute. Under state statute, the County contribution rate shall not exceed the contribution rate for the immediate preceding year by more than one percent (not including the effects of any benefits changes). Accordingly, the County's contribution rates were less than the actuarial determined contribution rates which resulted in a net pension obligation at December 31, 2013.

As of February 28, 2013, which represents the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits within the plan for the County was \$46,026,153. The actuarial value of assets was \$43,094,370, which results in an unfunded amount of the actuarial accrued liability (UAAL) of \$2,931,783 and a funded ratio of 94 percent. The covered payroll (annual payroll of the active employees covered by the plan) was \$20,348,121, which results in a ratio of the UAAL to the covered payroll of 14 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2013, the County's annual pension cost and net pension obligation for the current year were as follows:

Annual Required Contribution (ARC)	\$	2,410,011
Interest on net pension obligation		42,536
Adjustment to annual required contribution		(45,290)
Annual pension cost		2,407,257
Actual contributions made		2,402,781
Increase in NPO		4,476
Net pension obligation - January 1, 2013		586,697
Net pension obligation - December 31, 2013	\$	591,173

The annual required contribution was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2011 was 30 years for the General division and 26 years for the Police division. The amortization period as of February 29, 2012 was 20 years for the General division and 16 years for the Police division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 2,299,115	87.6%	\$ 495,634
6/30/2012	\$ 2,396,832	96.2%	\$ 586,697
6/30/2013	\$ 2,407,257	99.8%	\$ 591,173

County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in RSMo sections 50.1000 - 50.1300. The Board of Directors consists of eleven members, nine of whom

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (*Continued*)

are employee participants. CERF is administered by a governing board of directors, which has the authority to adopt rules and regulations for administering the system.

CERF is a cost-sharing multiple employer defined benefit pension plan for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government on August 28, 1994. Complete financial statements of CERF can be obtained from its administrative offices at County Employee Retirement Fund, c/o Brydon, Searingen, and England, 312 East Capitol, Jefferson City, Missouri 65102.

CERF covers county elected and appointed officers and employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in LAGERS; and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Employees hired before January 1, 2000, could opt out of the system.

CERF provides retirement and death benefits to its members. All benefits vest after eight years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. Employees who have a minimum of eight 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 and 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. Administrative expenses for the operation of CERF are paid out of the funds of the system.

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 eight years of creditable service, accumulated employee contributions are refunded. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

While the County is not required to make any participant contributions on behalf of its employees to CERF, the County has elected to contribute 4% for employees hired on or after February 25, 2002 and before January 1, 2004. In addition to County and employee contributions, CERF receives a portion of recorder document fees, collector fees, assessor fees, and any interest derived from the collection and investment of any part of the fees. The County's voluntary contributions were \$50,114, \$49,132 and \$48,977 for the years ended December 31, 2013, 2012, and 2011, respectively. The employees' contributions were \$463,757, \$421,083, and \$376,784 for the years ended December 31, 2013, 2012, and 2011, respectively. The County's statutory contributions were \$1,465,264, \$1,528,630, and \$1,386,280 for the years ended December 31, 2013, 2012, and 2011, respectively.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Deferred Compensation and Savings Plan

Additionally, the County offers its employees a deferred compensation plan and a savings plan (the Plans) created in accordance with IRC Section 457 and 401(a), respectively, administered by CERF. The deferred compensation plan, available to all County employees, permits them to defer a portion of their salary until future years. CERF matches up to 50% of the first 6% of an employees' salary contributed to the 457 Plan, with matching contributions being placed into the 401(a) plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

The employees' contributions were \$356,200 and \$347,875 for the years ended December 31, 2013 and 2012, respectively.

Postemployment Benefits Other than Pensions

Plan Description

The County sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical, dental and vision coverage. Participants include retirees of the County.

The County requires the retirees to pay the carrier-charged premium. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and their dependents are eligible for coverage and have the same benefits as active employees until they reach Medicare eligibility age of 65, effective January 1, 2011. Previously, a retiree may continue coverage until death. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or 36 months after the death of the retiree under Cobra law.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the County has chosen not to fund it. County policy dictates the payment of retiree claims as they become due.

Funded Status and Funding Progress

As of January 1, 2012, which represents the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,047,243, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$1,047,243. The covered payroll

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

(annual payroll of active employees covered by the plan) was \$18,566,639, and the ratio of UAAL to the covered payroll was 5.6%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return, which equals the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 5% after eleven years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The AAL is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at January 1, 2012, was thirty years.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial accrued liability over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual Required Contribution (ARC)	\$	131,567
Interest on net OPEB obligation		13,028
Adjustment to annual required contribution		<u>(17,298)</u>
Annual OPEB cost		127,297
Contributions made:		
Net employer contributions		<u>53,000</u>
Change in net OPEB obligation		74,297
Net OPEB obligation - January 1, 2013		<u>372,240</u>
Net OPEB obligation - December 31, 2013	\$	<u><u>446,537</u></u>

The retirees annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and 2011, 2012, and 2013 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
December 31, 2011	\$ 132,165	43.88%	\$ 292,022
December 31, 2012	\$ 128,218	37.44%	\$ 372,240
December 31, 2013	\$ 127,297	41.63%	\$ 446,537

13. Encumbrances

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Outstanding encumbrances of the County for the year ended December 31, 2013 were as follows:

General Fund	\$	76,835
Road & Bridge Fund		206,435
Law Enforcement Tax Fund		64,729
Reassessment Fund		1,044,751
Nonmajor governmental funds:		
Use Tax Fund		739,236
Use Tax Highway Fund		95,215
Park Use Tax		107,170
	\$	<u><u>2,334,371</u></u>

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 (Continued)

14. Fund Balance Components

The composition of the fund balances of the governmental funds for the year ended December 31, 2013 were as follows:

	General Fund	Road & Bridge Fund	Law Enforcement Tax Fund	Reassessment Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Prepaid Items	\$ 273,649	\$ 65,186	\$ 326,794	\$ 40,123	\$ -	\$ 135,085	\$ 840,837
Total nonspendable balance	<u>273,649</u>	<u>65,186</u>	<u>326,794</u>	<u>40,123</u>	<u>-</u>	<u>135,085</u>	<u>840,837</u>
Restricted for:							
Public safety and judicial	-	-	517,592	-	-	623,304	1,140,896
Highways and traffic	-	969,863	-	-	-	-	969,863
Parks and recreation	-	-	-	-	-	1,157,608	1,157,608
Debt service reserve	-	-	-	-	634,814	-	634,814
Capital projects - general	-	-	-	-	-	2,175,390	2,175,390
Capital projects - highways and traffic	-	-	-	-	-	1,031,081	1,031,081
Capital projects - parks and recreation	-	-	-	-	-	1,598,696	1,598,696
Property, valuation and recording	-	-	-	3,025,339	-	802,889	3,828,228
Total restricted balance	<u>-</u>	<u>969,863</u>	<u>517,592</u>	<u>3,025,339</u>	<u>634,814</u>	<u>7,388,968</u>	<u>12,536,576</u>
Committed to:							
Public safety and judicial	93,496	-	164,100	-	-	-	257,596
Highways and traffic	87,544	-	-	-	-	-	87,544
Property, valuation and recording	19,501	-	-	-	-	-	19,501
Capital projects reserve	797,556	-	-	-	-	-	797,556
Reserve for land trustee	8,213	-	-	-	-	-	8,213
TIF reserve	407,929	-	-	-	-	-	407,929
Total committed balance	<u>1,414,239</u>	<u>-</u>	<u>164,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,578,339</u>
Assigned to:							
Encumbrances	76,835	-	-	-	-	-	76,835
Total assigned balance	<u>76,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,835</u>
Unassigned:	<u>16,621,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,621,344</u>
Total fund balances:	<u>\$ 18,386,067</u>	<u>\$ 1,035,049</u>	<u>\$ 1,008,486</u>	<u>\$ 3,065,462</u>	<u>\$ 634,814</u>	<u>\$ 7,524,053</u>	<u>\$ 31,653,931</u>

15. Service Concession Arrangement for Midwest Golf Management, LLC

The County Commission has an agreement with Midwest Golf Management, LLC (MGM) to operate and collect user fees from the Paradise Pointe Golf Course and related Pro Shop for the 10 year period December 1, 2012 through November 30, 2022. MGM will pay the County installment payments over the course of the arrangement and the present value of these installment payments is estimated to be \$780,624. MGM will also pay the County all the green fees it earns from the operation of the golf course and a portion of the golf cart rental fees, ranging from 38% to 50% of total rental fees. MGM is required to operate and maintain the golf course in accordance with the Professional Golf Course Management and Concession Services Agreement. The County is required to use the proceeds from the installment payments for park purposes as required by RSMo section 64.342. The County reports the golf course and related equipment as a capital asset with a carrying amount of \$986,018 at year-end and reports a receivable and deferred inflow of resources in the amount of \$710,374 at year-end pursuant to the service concession arrangement.

CLAY COUNTY, MISSOURI

Notes to Basic Financial Statements for Year Ended December 31, 2013 *(Continued)*

16. Expenditures in Excess of Budget Appropriation

Annual operating budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds. Missouri law requires budgets to be adopted for all governmental funds. Annual budgets for all governmental funds are adopted using the cash-basis of accounting.

The following funds reported a negative fund balance at December 31, 2013 due to adjustments for accounts payable and accrued interest payable: Emergency Communications Fund, Prosecutor Contingency Fund and Prosecuting Attorney Retirement Fund. These funds are combined with the General Fund and the negative fund balances will be funded with next year's revenues.

During the prior year, the County determined the Sheriff Inmate Fund is a special revenue fund instead of an agency fund. Therefore, the County Commission did not adopt a budget for the Sheriff Inmate Fund during the current year.

17. Subsequent Events

During May 2014, the County advance refunded their 2004A series PBA Leasehold Revenue Bonds and issued \$1,100,000 2014 series PBA Leasehold Revenue Bonds in order to reduce the debt service obligations.



REQUIRED SUPPLEMENTARY INFORMATION



CLAY COUNTY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

I. Budgetary Data

The County Commission adopted annual operating budgets for all funds, except the Sheriff Inmate Fund. The County's budget is adopted using the cash basis of accounting. Revisions to the budget can be made only by the County Commission. There were several budget amendments during the year ended December 31, 2013. Legally, expenditures may not exceed the total amount of expenditures budgeted, as revised, in each fund. All annual appropriations lapse at year end if not encumbered.

The County follows these procedures in establishing the budgetary data reflected in the financial statements, beginning in the prior year.

1. In early May, budget worksheets are mailed to each department/office.
2. By late June, all budget worksheets are returned to the County Administrator for compilation and verification.
3. Budget meetings are held between the County Administrator and each department beginning in mid to late July.
4. In early November, a proposed budget is presented to the County Commission.
5. In early December, a public hearing is held regarding the budget and the County Commission approves the budget.

CLAY COUNTY, MISSOURI
BUDGETARY COMPARISONS SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 21,163,833	\$ 21,163,833	\$ 22,561,084	\$ 1,397,251
Fees and fines	5,108,100	5,198,210	5,601,429	403,219
Licenses and permits	271,325	271,325	382,221	110,896
Intergovernmental	1,961,577	1,967,577	1,839,648	(127,929)
Leases	63,000	63,000	63,000	-
Investment income	203,025	211,025	92,737	(118,288)
Other	203,550	271,858	287,378	15,520
Total revenues	28,974,410	29,146,828	30,827,497	1,680,669
EXPENDITURES				
Current				
General government	14,654,256	14,065,072	10,449,189	3,615,883
Public safety and judicial	7,169,628	7,311,133	6,800,661	510,472
Highways and traffic	253,705	281,623	264,761	16,862
Health and welfare	438,985	438,985	377,729	61,256
Property, valuation and recording	1,156,425	1,162,818	1,119,777	43,041
Debt Service				
Principal	-	-	193,902	(193,902)
Total expenditures	23,672,999	23,259,631	19,206,019	4,053,612
Excess (deficiency) of revenues over expenditures	5,301,411	5,887,197	11,621,478	5,734,281
OTHER FINANCING SOURCES (USES)				
Transfers in	570,203	570,203	619,751	49,548
Transfers out	(12,288,065)	(12,759,393)	(12,046,849)	712,544
Proceeds from capital lease obligations	-	-	536,922	536,922
Total other financing sources (uses)	(11,717,862)	(12,189,190)	(10,890,176)	1,299,014
Net change in fund balance	(6,416,451)	(6,301,993)	731,302	7,033,295
Fund balance, beginning of year	16,217,810	16,217,810	16,217,810	-
Fund balance, end of year	\$ 9,801,359	\$ 9,915,817	\$ 16,949,112	\$ 7,033,295

RECONCILIATION TO the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Combined Into the General Fund

Net change in fund balance from above	\$ 731,302
Net change in fund balance from combined funds	164,753
Total reconciled net change in fund balance	896,055
Fund balance, beginning of year from above	16,217,810
Fund balance, beginning of year from combined funds	1,272,202
Total reconciled fund balance, beginning of year	17,490,012
Total reconciled fund balance, end of year	\$ 18,386,067

See accompanying notes to required supplementary information.

CLAY COUNTY, MISSOURI
 BUDGETARY COMPARISONS SCHEDULE
 ROAD & BRIDGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 330,000	\$ 330,000	\$ 3,204,162	\$ 2,874,162
Fees and fines	-	-	1,561	1,561
Licenses and permits	7,350	7,350	13,309	5,959
Intergovernmental	1,397,400	1,484,308	1,074,647	(409,661)
Investment income	18,000	18,000	3,915	(14,085)
Other	19,500	33,845	58,813	24,968
Total revenues	<u>1,772,250</u>	<u>1,873,503</u>	<u>4,356,407</u>	<u>2,482,904</u>
EXPENDITURES				
Highways and traffic	<u>5,079,827</u>	<u>4,723,816</u>	<u>5,591,876</u>	<u>(868,060)</u>
Total expenditures	<u>5,079,827</u>	<u>4,723,816</u>	<u>5,591,876</u>	<u>(868,060)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,307,577)</u>	<u>(2,850,313)</u>	<u>(1,235,469)</u>	<u>1,614,844</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,951,222	2,952,806	2,255,103	(697,703)
Transfers out	-	(457,263)	(777,896)	(320,633)
Total other financing sources (uses)	<u>2,951,222</u>	<u>2,495,543</u>	<u>1,477,207</u>	<u>(1,018,336)</u>
Net change in fund balance	(356,355)	(354,770)	241,738	596,508
Fund balance, beginning of year	<u>793,311</u>	<u>793,311</u>	<u>793,311</u>	<u>-</u>
Fund balance, end of year	<u>\$ 436,956</u>	<u>\$ 438,541</u>	<u>\$ 1,035,049</u>	<u>\$ 596,508</u>

See accompanying notes to required supplementary information

CLAY COUNTY, MISSOURI
 BUDGETARY COMPARISONS SCHEDULE
 LAW ENFORCEMENT TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,300,619	\$ 150,619
Fees and fines	223,800	223,800	360,064	136,264
Charges for services	(127,500)	127,500	156,534	29,034
Intergovernmental	2,559,881	2,607,402	2,152,008	(455,394)
Investment income	20,000	20,000	16,603	(3,397)
Other	40,700	68,150	74,504	6,354
Total revenues	<u>5,866,881</u>	<u>6,196,852</u>	<u>6,060,332</u>	<u>(136,520)</u>
EXPENDITURES				
Public safety and judicial	<u>15,018,171</u>	<u>15,117,142</u>	<u>14,316,504</u>	<u>800,638</u>
Total expenditures	<u>15,018,171</u>	<u>15,117,142</u>	<u>14,316,504</u>	<u>800,638</u>
Excess (deficiency) of revenues over expenditures	<u>(9,151,290)</u>	<u>(8,920,290)</u>	<u>(8,256,172)</u>	<u>664,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>8,716,328</u>	<u>8,850,385</u>	<u>8,134,679</u>	<u>(715,706)</u>
Total other financing sources (uses)	<u>8,716,328</u>	<u>8,850,385</u>	<u>8,134,679</u>	<u>(715,706)</u>
Net change in fund balance	(434,962)	(69,905)	(121,493)	(51,588)
Fund balance, beginning of year	<u>1,129,979</u>	<u>1,129,979</u>	<u>1,129,979</u>	<u>-</u>
Fund balance, end of year	<u>\$ 695,017</u>	<u>\$ 1,060,074</u>	<u>\$ 1,008,486</u>	<u>\$ (51,588)</u>

See accompanying notes to required supplementary information.

CLAY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 REASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees and fines	\$ 1,912,000	\$ 1,912,000	\$ 2,095,277	\$ 183,277
Intergovernmental	309,710	309,710	274,952	(34,758)
Investment income	33,100	33,100	15,230	(17,870)
Other	3,000	3,000	14,175	11,175
Total revenues	<u>2,257,810</u>	<u>2,257,810</u>	<u>2,399,634</u>	<u>141,824</u>
EXPENDITURES				
Property, valuation and recording	4,378,706	4,378,706	2,785,469	1,593,237
Total expenditures	<u>4,378,706</u>	<u>4,378,706</u>	<u>2,785,469</u>	<u>1,593,237</u>
Excess (deficiency) of revenues over expenditures	<u>(2,120,896)</u>	<u>(2,120,896)</u>	<u>(385,835)</u>	<u>1,735,061</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	17,330	17,330	-
Total other financing sources (uses)	<u>-</u>	<u>17,330</u>	<u>17,330</u>	<u>-</u>
Net change in fund balance	(2,120,896)	(2,103,566)	(368,505)	1,735,061
Fund balance, beginning of year	<u>3,433,967</u>	<u>3,433,967</u>	<u>3,433,967</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,313,071</u>	<u>\$ 1,330,401</u>	<u>\$ 3,065,462</u>	<u>\$ 1,735,061</u>

See accompanying notes to required supplementary information.

CLAY COUNTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013

Schedule of Funding Progress - Pension

Fiscal Year	Actuarial Valuation Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/c
		Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2011	2/28/2011	\$ 37,178,200	\$ 43,341,922	\$ 6,163,722	86%	\$ 19,996,277	31%
2012	2/29/2012	\$ 40,100,424	\$ 44,471,693	\$ 4,371,269	90%	\$ 19,670,632	22%
2013	2/28/2013	\$ 43,094,370	\$ 46,026,153	\$ 2,931,783	94%	\$ 20,348,121	14%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City, Missouri.

Schedule of Funding Progress - Other Post Employment Benefits (OPEB)

Fiscal Year	Actuarial Valuation Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/c
		Actuarial Value Of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2010	1/1/2010	\$ -	\$ 1,091,200	\$ 1,091,200	0%	\$ 17,948,508	6%
2012	1/1/2012	\$ -	\$ 1,047,243	\$ 1,047,243	0%	\$ 18,566,639	6%

See accompanying notes to required supplementary information.

SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS AND INDIVIDUAL
FUND SCHEDULES



CLAY COUNTY, MISSOURI
 Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2013

	Park Fund	Prosecutor Training Fund	Delinquent Sales Tax Fund	Prosecutor Check Collection Fund	Drug Task Force Fund	Law Enforcement Training Fund
ASSETS						
Cash, cash equivalents, and investments	\$ 912,573	\$ 4,093	\$ 10,810	\$ 27,003	\$ 40,606	\$ 29,853
Taxes receivable	350,000	-	-	-	-	-
Fees and other receivables	38,120	345	27	61	103,184	71
Intergovernmental receivables	-	-	-	-	-	1,324
Prepaid items	115,880	-	-	-	2,955	-
Total assets	<u>\$ 1,416,573</u>	<u>\$ 4,438</u>	<u>\$ 10,837</u>	<u>\$ 27,064</u>	<u>\$ 146,745</u>	<u>\$ 31,248</u>
LIABILITIES						
Accounts payable	\$ 80,915	\$ -	\$ -	\$ -	\$ -	\$ 109
Accrued liabilities	62,170	-	-	-	7,118	-
Total liabilities	<u>143,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,118</u>	<u>109</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - other receivables	-	-	-	-	42,498	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,498</u>	<u>-</u>
FUND BALANCES						
Nonspendable	115,880	-	-	-	2,955	-
Restricted	1,157,608	4,438	10,837	27,064	94,174	31,139
Total fund balances	<u>1,273,488</u>	<u>4,438</u>	<u>10,837</u>	<u>27,064</u>	<u>97,129</u>	<u>31,139</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,416,573</u>	<u>\$ 4,438</u>	<u>\$ 10,837</u>	<u>\$ 27,064</u>	<u>\$ 146,745</u>	<u>\$ 31,248</u>

CLAY COUNTY, MISSOURI
 Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2013

ASSETS	Civil Fees Fund	Emergency Communications Fund	Law Library Fund	Inmate Security Fund	Domestic Violence Fund	Use Tax Fund
Cash, cash equivalents, and investments	\$ 20,541	\$ 25,345	\$ 21,243	\$ 13,128	\$ 15,345	\$ 2,035,606
Taxes receivable	-	25,595	-	-	-	185,356
Fees and other receivables	26,560	96	-	2,708	1,352	5,014
Intergovernmental receivables	-	-	-	-	-	-
Prepaid items	-	-	-	5,096	-	-
Total assets	\$ 47,101	\$ 51,036	\$ 21,243	\$ 20,932	\$ 16,697	\$ 2,225,976
LIABILITIES						
Accounts payable	\$ 6,197	\$ 95,564	\$ -	\$ -	\$ -	\$ 50,586
Accrued liabilities	-	-	-	-	-	-
Total liabilities	6,197	95,564	-	-	-	50,586
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - other receivables	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	5,096	-	-
Restricted	40,904	(44,528)	21,243	15,836	16,697	2,175,390
Total fund balances	40,904	(44,528)	21,243	20,932	16,697	2,175,390
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,101	\$ 51,036	\$ 21,243	\$ 20,932	\$ 16,697	\$ 2,225,976

CLAY COUNTY, MISSOURI
 Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2013

	Use Tax Highway Fund	Use Tax Parks & Trails Fund	Sheriff DARE Fund	Sheriff Emergency Apprehension Fund	Sheriff Inmate Fund	Record Preservation Fund
ASSETS						
Cash, cash equivalents, and investments	\$ 842,867	\$ 1,449,472	\$ 2,770	\$ 72,923	\$ 83,338	\$ 552,282
Taxes receivable	185,356	185,356	-	-	-	-
Fees and other receivables	2,858	3,612	-	-	-	1,367
Intergovernmental receivables	-	-	-	-	-	-
Prepaid items	-	5,844	-	-	-	-
Total assets	<u>\$ 1,031,081</u>	<u>\$ 1,644,284</u>	<u>\$ 2,770</u>	<u>\$ 72,923</u>	<u>\$ 83,338</u>	<u>\$ 553,649</u>
LIABILITIES						
Accounts payable	\$ -	\$ 34,677	\$ -	\$ -	\$ 21,789	\$ -
Accrued liabilities	-	5,067	-	-	-	-
Total liabilities	<u>-</u>	<u>39,744</u>	<u>-</u>	<u>-</u>	<u>21,789</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - other receivables	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	5,844	-	-	-	-
Restricted	1,031,081	1,598,696	2,770	72,923	61,549	553,649
Total fund balances	<u>1,031,081</u>	<u>1,604,540</u>	<u>2,770</u>	<u>72,923</u>	<u>61,549</u>	<u>553,649</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,031,081</u>	<u>\$ 1,644,284</u>	<u>\$ 2,770</u>	<u>\$ 72,923</u>	<u>\$ 83,338</u>	<u>\$ 553,649</u>

CLAY COUNTY, MISSOURI
 Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2013

	Collector Tax Maintenance Fund	K9 Fund	Sheriff Revolving Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 238,025	\$ 6,247	\$ 222,898	\$ 33,578	\$ 6,660,546
Taxes receivable	-	-	-	-	931,663
Fees and other receivables	19,050	14	8,793	66	213,298
Intergovernmental receivables	-	-	-	-	1,324
Prepaid items	3,095	-	2,215	-	135,085
Total assets	<u>\$ 260,170</u>	<u>\$ 6,261</u>	<u>\$ 233,906</u>	<u>\$ 33,644</u>	<u>\$ 7,941,916</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,294	\$ 291,131
Accrued liabilities	7,835	-	2,044	-	84,234
Total liabilities	<u>7,835</u>	<u>-</u>	<u>2,044</u>	<u>1,294</u>	<u>375,365</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - other receivables	-	-	-	-	42,498
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,498</u>
FUND BALANCES					
Nonspendable	3,095	-	2,215	-	135,085
Restricted	249,240	6,261	229,647	32,350	7,388,968
Total fund balances	<u>252,335</u>	<u>6,261</u>	<u>231,862</u>	<u>32,350</u>	<u>7,524,053</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 260,170</u>	<u>\$ 6,261</u>	<u>\$ 233,906</u>	<u>\$ 33,644</u>	<u>\$ 7,941,916</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Park Fund	Prosecutor Training Fund	Delinquent Sales Tax Fund	Prosecutor Check Collection Fund	Drug Task Force Fund	Law Enforcement Training Fund
REVENUES						
Taxes	\$ 2,354,402	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	3,903	-	40,089	-	15,158
Licenses and permits	-	-	-	-	-	-
Charges for services	2,314,085	-	-	-	-	-
Intergovernmental	10,178	-	1,661	-	347,571	7,402
Leases	960,372	-	-	-	-	-
Investment income	5,346	40	71	226	313	143
Other	19,026	-	-	-	-	-
Total revenues	5,663,409	3,943	1,732	40,315	347,884	22,703
EXPENDITURES						
Current						
Public safety and judicial	-	11,574	7,499	37,642	284,749	18,186
Highways and traffic	-	-	-	-	-	-
Parks and recreation	4,693,528	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-
Debt Service						
Principal	158,611	-	-	-	-	-
Interest and fiscal charges	154,768	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	5,006,907	11,574	7,499	37,642	284,749	18,186
Excess of revenues over (under) expenditures	656,502	(7,631)	(5,767)	2,673	63,135	4,517
OTHER FINANCING SOURCES (USES)						
Transfers in	15,906	-	-	-	-	-
Transfers out	(619,233)	-	-	-	(84,008)	-
Proceeds from capital lease obligations	-	-	-	-	-	-
Total other financing sources (uses)	(603,327)	-	-	-	(84,008)	-
Net change in fund balances	53,175	(7,631)	(5,767)	2,673	(20,873)	4,517
Fund balances, beginning of year	1,220,313	12,069	16,604	24,391	118,002	26,622
Fund balances, end of year	\$ 1,273,488	\$ 4,438	\$ 10,837	\$ 27,064	\$ 97,129	\$ 31,139

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Civil Fees Fund	Emergency Communications Fund	Law Library Fund	Inmate Security Fund	Domestic Violence Fund	Use Tax Fund
REVENUES						
Taxes	\$ -	\$ 360,672	\$ -	\$ -	\$ -	\$ 1,130,712
Fees and fines	41,405	-	32,131	20,940	28,751	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Investment income	(65)	(71)	-	40	73	7,326
Other	-	-	-	-	-	-
Total revenues	41,340	360,601	32,131	20,980	28,824	1,138,038
EXPENDITURES						
Current						
Public safety and judicial	37,055	623,213	27,098	13,843	20,260	9,000
Highways and traffic	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	679,940
Total expenditures	37,055	623,213	27,098	13,843	20,260	688,940
Excess of revenues over (under) expenditures	4,285	(262,612)	5,033	7,137	8,564	449,098
OTHER FINANCING SOURCES (USES)						
Transfers in	-	154,990	-	-	-	649,442
Transfers out	-	-	-	-	-	-
Proceeds from capital lease obligations	-	-	-	-	-	-
Total other financing sources (uses)	-	154,990	-	-	-	649,442
Net change in fund balances	4,285	(107,622)	5,033	7,137	8,564	1,098,540
Fund balances, beginning of year	36,619	63,094	16,210	13,795	8,133	1,076,850
Fund balances, end of year	\$ 40,904	\$ (44,528)	\$ 21,243	\$ 20,932	\$ 16,697	\$ 2,175,390

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Use Tax Highway Fund	Use Tax Parks & Trails Fund	Sheriff DARE Fund	Sheriff Emergency Apprehension Fund	Sheriff Inmate Fund	Record Preservation Fund
REVENUES						
Taxes	\$ 1,130,711	\$ 1,130,712	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	505,630
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	81,626	-
Intergovernmental	-	124,549	-	100,091	-	-
Leases	-	-	-	-	-	-
Investment income	5,502	6,944	-	-	-	2,719
Other	-	30,229	3,862	-	-	-
Total revenues	<u>1,136,213</u>	<u>1,292,434</u>	<u>3,862</u>	<u>100,091</u>	<u>81,626</u>	<u>508,349</u>
EXPENDITURES						
Current						
Public safety and judicial	-	-	3,652	140,182	93,618	-
Highways and traffic	1,495,577	-	-	-	-	-
Parks and recreation	-	924,200	-	-	-	-
Property, valuation and recording	-	-	-	-	-	409,648
Debt Service						
Principal	120,930	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>1,616,507</u>	<u>924,200</u>	<u>3,652</u>	<u>140,182</u>	<u>93,618</u>	<u>409,648</u>
Excess of revenues over (under) expenditures	<u>(480,294)</u>	<u>368,234</u>	<u>210</u>	<u>(40,091)</u>	<u>(11,992)</u>	<u>98,701</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	293,676	14,233	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from capital lease obligations	557,836	-	-	-	-	-
Total other financing sources (uses)	<u>851,512</u>	<u>14,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	371,218	382,467	210	(40,091)	(11,992)	98,701
Fund balances, beginning of year	<u>659,863</u>	<u>1,222,073</u>	<u>2,560</u>	<u>113,014</u>	<u>73,541</u>	<u>454,948</u>
Fund balances, end of year	<u>\$ 1,031,081</u>	<u>\$ 1,604,540</u>	<u>\$ 2,770</u>	<u>\$ 72,923</u>	<u>\$ 61,549</u>	<u>\$ 553,649</u>

CLAY COUNTY, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2013

	Collector Tax Maintenance Fund	K9 Fund	Sheriff Revolving Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,107,209
Fees and fines	370,287	-	-	-	1,058,294
Licenses and permits	-	-	243,203	-	243,203
Charges for services	-	-	-	-	2,395,711
Intergovernmental	-	-	-	-	591,452
Leases	-	-	-	-	960,372
Investment income	2,380	30	934	24	31,975
Other	685	1,550	-	33,541	88,893
Total revenues	<u>373,352</u>	<u>1,580</u>	<u>244,137</u>	<u>33,565</u>	<u>11,477,109</u>
EXPENDITURES					
Current					
Public safety and judicial	-	1,245	183,432	1,215	1,513,463
Highways and traffic	-	-	-	-	1,495,577
Parks and recreation	-	-	-	-	5,617,728
Property, valuation and recording	647,063	-	-	-	1,056,711
Debt Service					
Principal	-	-	-	-	279,541
Interest and fiscal charges	-	-	-	-	154,768
Capital Outlay	-	-	-	-	679,940
Total expenditures	<u>647,063</u>	<u>1,245</u>	<u>183,432</u>	<u>1,215</u>	<u>10,797,728</u>
Excess of revenues over (under) expenditures	<u>(273,711)</u>	<u>335</u>	<u>60,705</u>	<u>32,350</u>	<u>679,381</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	88,684	-	-	-	1,216,931
Transfers out	-	-	-	-	(703,241)
Proceeds from capital lease obligations	-	-	-	-	557,836
Total other financing sources (uses)	<u>88,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,071,526</u>
Net change in fund balances	(185,027)	335	60,705	32,350	1,750,907
Fund balances, beginning of year	<u>437,362</u>	<u>5,926</u>	<u>171,157</u>	<u>-</u>	<u>5,773,146</u>
Fund balances, end of year	<u>\$ 252,335</u>	<u>\$ 6,261</u>	<u>\$ 231,862</u>	<u>\$ 32,350</u>	<u>\$ 7,524,053</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Park Fund			Prosecutor Training Fund			Delinquent Sales Tax Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ 2,370,000	\$ 2,354,402	\$ (15,598)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	4,200	3,903	(297)	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	2,477,000	2,314,085	(162,915)	-	-	-	-	-	-
Intergovernmental	-	10,178	10,178	-	-	-	5,000	1,661	(3,339)
Leases	1,014,300	960,372	(53,928)	-	-	-	-	-	-
Investment income	10,025	5,346	(4,679)	400	40	(360)	158	71	(87)
Other	10,980	19,026	8,046	-	-	-	-	-	-
Total revenues	5,882,305	5,663,409	(218,896)	4,600	3,943	(657)	5,158	1,732	(3,426)
EXPENDITURES									
Current									
Public safety and judicial	-	-	-	16,285	11,574	4,711	18,373	7,499	10,874
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	5,682,742	4,693,528	989,214	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	313,380	158,611	154,769	-	-	-	-	-	-
Interest and fiscal charges	-	154,768	(154,768)	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	5,996,122	5,006,907	989,215	16,285	11,574	4,711	18,373	7,499	10,874
Excess of revenues over (under) expenditures	(113,817)	656,502	770,319	(11,685)	(7,631)	4,054	(13,215)	(5,767)	7,448
OTHER FINANCING SOURCES (USES)									
Transfers in	15,906	15,906	-	-	-	-	-	-	-
Transfers out	(628,392)	(619,233)	9,159	-	-	-	-	-	-
Total other financing sources (uses)	(612,486)	(603,327)	9,159	-	-	-	-	-	-
Net change in fund balances	(726,303)	53,175	779,478	(11,685)	(7,631)	4,054	(13,215)	(5,767)	7,448
Fund balances, beginning of year	1,220,313	1,220,313	-	12,069	12,069	-	16,604	16,604	-
Fund balances, end of year	\$ 494,010	\$ 1,273,488	\$ 779,478	\$ 384	\$ 4,438	\$ 4,054	\$ 3,389	\$ 10,837	\$ 7,448

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Prosecutor Check Collection Fund			Drug Task Force Fund			Law Enforcement Training Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	55,000	40,089	(14,911)	-	-	-	18,000	15,158	(2,842)
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	327,810	347,571	19,761	7,500	7,402	(98)
Leases	-	-	-	-	-	-	-	-	-
Investment income	450	226	(224)	-	313	313	600	143	(457)
Other	-	-	-	-	-	-	-	-	-
Total revenues	55,450	40,315	(15,135)	327,810	347,884	20,074	26,100	22,703	(3,397)
EXPENDITURES									
Current									
Public safety and judicial	78,876	37,642	41,234	359,177	284,749	74,428	51,573	18,186	33,387
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	78,876	37,642	41,234	359,177	284,749	74,428	51,573	18,186	33,387
Excess of revenues over (under) expenditures	(23,426)	2,673	26,099	(31,367)	63,135	94,502	(25,473)	4,517	29,990
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(84,008)	(84,008)	-	-	-	-
Total other financing sources (uses)	-	-	-	(84,008)	(84,008)	-	-	-	-
Net change in fund balances	(23,426)	2,673	26,099	(115,375)	(20,873)	94,502	(25,473)	4,517	29,990
Fund balances, beginning of year	24,391	24,391	-	118,002	118,002	-	26,622	26,622	-
Fund balances, end of year	\$ 965	\$ 27,064	\$ 26,099	\$ 2,627	\$ 97,129	\$ 94,502	\$ 1,149	\$ 31,139	\$ 29,990

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Civil Fees Fund			Emergency Communications Fund			Law Library Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 400,000	\$ 360,672	\$ (39,328)	\$ -	\$ -	\$ -
Fees and fines	50,000	41,405	(8,595)	-	-	-	55,000	32,131	(22,869)
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	-	(65)	(65)	-	(71)	(71)	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	50,000	41,340	(8,660)	400,000	360,601	(39,399)	55,000	32,131	(22,869)
EXPENDITURES									
Current									
Public safety and judicial	51,522	37,055	14,467	581,549	623,213	(41,664)	55,000	27,098	27,902
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	51,522	37,055	14,467	581,549	623,213	(41,664)	55,000	27,098	27,902
Excess of revenues over (under) expenditures	(1,522)	4,285	5,807	(181,549)	(262,612)	(81,063)	-	5,033	5,033
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	154,990	154,990	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	154,990	154,990	-	-	-	-
Net change in fund balances	(1,522)	4,285	5,807	(26,559)	(107,622)	(81,063)	-	5,033	5,033
Fund balances, beginning of year	36,619	36,619	-	63,094	63,094	-	16,210	16,210	-
Fund balances, end of year	\$ 35,097	\$ 40,904	\$ 5,807	\$ 36,535	\$ (44,528)	\$ (81,063)	\$ 16,210	\$ 21,243	\$ 5,033

CLAY COUNTY, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For The Year Ended December 31, 2013

	<u>Inmate Security Fund</u>			<u>Domestic Violence Fund</u>			<u>Use Tax Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ 1,130,712	\$ 230,712
Fees and fines	17,000	20,940	3,940	32,000	28,751	(3,249)	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	110	40	(70)	100	73	(27)	15,000	7,326	(7,674)
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>17,110</u>	<u>20,980</u>	<u>3,870</u>	<u>32,100</u>	<u>28,824</u>	<u>(3,276)</u>	<u>915,000</u>	<u>1,138,038</u>	<u>223,038</u>
EXPENDITURES									
Current									
Public safety and judicial	21,166	13,843	7,323	39,209	20,260	18,949	9,000	9,000	-
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,087,605	679,940	1,407,665
Total expenditures	<u>21,166</u>	<u>13,843</u>	<u>7,323</u>	<u>39,209</u>	<u>20,260</u>	<u>18,949</u>	<u>2,096,605</u>	<u>688,940</u>	<u>1,407,665</u>
Excess of revenues over (under) expenditures	<u>(4,056)</u>	<u>7,137</u>	<u>11,193</u>	<u>(7,109)</u>	<u>8,564</u>	<u>15,673</u>	<u>(1,181,605)</u>	<u>449,098</u>	<u>1,630,703</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	647,072	649,442	2,370
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647,072</u>	<u>649,442</u>	<u>2,370</u>
Net change in fund balances	<u>(4,056)</u>	<u>7,137</u>	<u>11,193</u>	<u>(7,109)</u>	<u>8,564</u>	<u>15,673</u>	<u>(534,533)</u>	<u>1,098,540</u>	<u>1,633,073</u>
Fund balances, beginning of year	<u>13,795</u>	<u>13,795</u>	<u>-</u>	<u>8,133</u>	<u>8,133</u>	<u>-</u>	<u>1,076,850</u>	<u>1,076,850</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,739</u>	<u>\$ 20,932</u>	<u>\$ 11,193</u>	<u>\$ 1,024</u>	<u>\$ 16,697</u>	<u>\$ 15,673</u>	<u>\$ 542,317</u>	<u>\$ 2,175,390</u>	<u>\$ 1,633,073</u>

CLAY COUNTY, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For The Year Ended December 31, 2013

	Use Tax Highway Fund			Use Tax Parks & Trails Fund			Sheriff DARE Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ 900,000	\$ 1,130,711	\$ 230,711	\$ 900,000	\$ 1,130,712	\$ 230,712	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	544,735	124,549	(420,186)	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	6,500	5,502	(998)	7,000	6,944	(56)	-	-	-
Other	-	-	-	30,000	30,229	229	6,500	3,862	(2,638)
Total revenues	906,500	1,136,213	229,713	1,481,735	1,292,434	(189,301)	6,500	3,862	(2,638)
EXPENDITURES									
Current									
Public safety and judicial	-	-	-	-	-	-	6,500	3,652	2,848
Highways and traffic	1,579,491	1,495,577	83,914	-	-	-	-	-	-
Parks and recreation	-	-	-	2,507,127	924,200	1,582,927	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	120,930	(120,930)	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	1,579,491	1,616,507	(37,016)	2,507,127	924,200	1,582,927	6,500	3,652	2,848
Excess of revenues over (under) expenditures	(672,991)	(480,294)	192,697	(1,025,392)	368,234	1,393,626	-	210	210
OTHER FINANCING SOURCES (USES)									
Transfers in	291,306	293,676	2,370	11,863	14,233	2,370	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	291,306	293,676	2,370	11,863	14,233	2,370	-	-	-
Net change in fund balances	(381,685)	(186,618)	195,067	(1,013,529)	382,467	1,395,996	-	210	210
Fund balances, beginning of year	659,863	659,863	-	1,222,073	1,222,073	-	2,560	2,560	-
Fund balances, end of year	\$ 278,178	\$ 473,245	\$ 195,067	\$ 208,544	\$ 1,604,540	\$ 1,395,996	\$ 2,560	\$ 2,770	\$ 210

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Nonmajor Governmental Funds
 For The Year Ended December 31, 2013

	Sheriff Emergency Apprehension Fund			Sheriff Inmate Fund			Record Preservation Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	-	420,000	505,630	85,630
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	81,626	81,626	-	-	-
Intergovernmental	250,000	100,091	(149,909)	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	4,200	2,719	(1,481)
Other	-	-	-	-	-	-	-	-	-
Total revenues	250,000	100,091	(149,909)	-	81,626	81,626	424,200	508,349	84,149
EXPENDITURES									
Current									
Public safety and judicial	250,000	140,182	109,818	-	93,618	(93,618)	-	-	-
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	905,514	409,648	495,866
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	250,000	140,182	109,818	-	93,618	(93,618)	905,514	409,648	495,866
Excess of revenues over (under) expenditures	-	(40,091)	(40,091)	-	(11,992)	(11,992)	(481,314)	98,701	580,015
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	(40,091)	(40,091)	-	(11,992)	(11,992)	(481,314)	98,701	580,015
Fund balances, beginning of year	113,014	113,014	-	147,082	147,082	-	454,948	454,948	-
Fund balances, end of year	\$ 113,014	\$ 72,923	\$ (40,091)	\$ 147,082	\$ 135,090	\$ (11,992)	\$ (26,366)	\$ 553,649	\$ 580,015

CLAY COUNTY, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For The Year Ended December 31, 2013

	Collector Tax Maintenance Fund			K9 Fund			Sheriff Revolving Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	465,000	370,287	(94,713)	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	200,000	243,203	43,203
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	5,000	2,380	(2,620)	100	30	(70)	3,200	934	(2,266)
Other	-	685	685	-	1,550	1,550	-	-	-
Total revenues	470,000	373,352	(96,648)	100	1,580	1,480	203,200	244,137	40,937
EXPENDITURES									
Current									
Public safety and judicial	-	-	-	6,168	1,245	4,923	368,956	183,432	185,524
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	858,280	647,063	211,217	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	858,280	647,063	211,217	6,168	1,245	4,923	368,956	183,432	185,524
Excess of revenues over (under) expenditures	(388,280)	(273,711)	114,569	(6,068)	335	6,403	(165,756)	60,705	226,461
OTHER FINANCING SOURCES (USES)									
Transfers in	22,528	88,684	66,156	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	22,528	88,684	66,156	-	-	-	-	-	-
Net change in fund balances	(365,752)	(185,027)	180,725	(6,068)	335	6,403	(165,756)	60,705	226,461
Fund balances, beginning of year	437,362	437,362	-	5,926	5,926	-	171,157	171,157	-
Fund balances, end of year	\$ 71,610	\$ 252,335	\$ 180,725	\$ (142)	\$ 6,261	\$ 6,403	\$ 5,401	\$ 231,862	\$ 226,461

CLAY COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 632	\$ 632
Total revenues	-	-	632	632
EXPENDITURES				
Debt Service				
Principal	-	1,403,006	1,230,000	173,006
Interest and fiscal charges	-	9,014	170,256	(161,242)
Total expenditures	-	1,412,020	1,400,256	11,764
Excess (deficiency) of revenues over expenditures	-	(1,412,020)	(1,399,624)	12,396
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,412,020	1,400,256	(11,764)
Total other financing sources (uses)	-	1,412,020	1,400,256	(11,764)
Net change in fund balance	-	-	632	632
Fund balance, beginning of year	634,182	634,182	634,182	-
Fund balance, end of year	<u>\$ 634,182</u>	<u>\$ 634,182</u>	<u>\$ 634,814</u>	<u>\$ 632</u>

CLAY COUNTY, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Funds Combined Into the General Fund
For the Year Ended December 31, 2013

	<u>Prosecutor Contingency Fund</u>			<u>Work Release Program Fund</u>			<u>Law Enforcement Capital Reserve Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	40,000	14,991	(25,009)	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	-	(25)	(25)	-	(118)	(118)	-	(1,466)	(1,466)
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	(25)	(25)	40,000	14,873	(25,127)	-	(1,466)	(1,466)
EXPENDITURES									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety and judicial	20,000	20,000	-	89,592	231	89,361	799,022	-	799,022
Highways and traffic	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	20,000	20,000	-	89,592	231	89,361	799,022	-	799,022
Excess of revenues over (under) expenditures	(20,000)	(20,025)	(25)	(49,592)	14,642	64,234	(799,022)	(1,466)	797,556
OTHER FINANCING SOURCES (USES)									
Transfers in	18,166	18,166	-	-	-	-	300,000	300,000	-
Transfers out	-	-	-	-	-	-	(100,978)	(100,978)	-
Total other financing sources (uses)	18,166	18,166	-	-	-	-	199,022	199,022	-
Net change in fund balances	(1,834)	(1,859)	(25)	(49,592)	14,642	64,234	(600,000)	197,556	797,556
Fund balances, beginning of year	1,834	1,834	-	51,021	51,021	-	600,000	600,000	-
Fund balances, end of year	\$ -	\$ (25)	\$ (25)	\$ 1,429	\$ 65,663	\$ 64,234	\$ -	\$ 797,556	\$ 797,556

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Funds Combined Into the General Fund
 For the Year Ended December 31, 2013

	TIF Fund			Collector Tax Software Fund			Airport Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ 2,750,000	\$ 2,950,841	\$ 200,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	70,000	-	(70,000)	-	-	-
Charges for services	-	-	-	-	-	-	1,450,000	1,128,432	(321,568)
Intergovernmental	-	-	-	-	-	-	576,700	44,253	(532,447)
Leases	-	-	-	-	-	-	260,000	248,642	(11,358)
Investment income	-	(1,064)	(1,064)	-	338	338	3,000	1,103	(1,897)
Other	325,000	314,820	(10,180)	-	23,000	23,000	2,500	16,210	13,710
Total revenues	3,075,000	3,264,597	189,597	70,000	23,338	(46,662)	2,292,200	1,438,640	(853,560)
EXPENDITURES									
Current									
General government	3,033,826	2,967,163	66,663	-	-	-	-	-	-
Public safety and judicial	-	-	-	-	-	-	-	-	-
Highways and traffic	-	-	-	-	-	-	2,291,676	1,364,913	926,763
Property, valuation and recording	-	-	-	100,336	100,336	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	3,033,826	2,967,163	66,663	100,336	100,336	-	2,291,676	1,364,913	926,763
Excess of revenues over (under) expenditures	41,174	297,434	256,260	(30,336)	(76,998)	(46,662)	524	73,727	73,203
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	22,528	88,684	66,156	79,340	79,340	-
Transfers out	(325,002)	(389,956)	(64,954)	-	-	-	(119,642)	(119,072)	570
Total other financing sources (uses)	(325,002)	(389,956)	(64,954)	22,528	88,684	66,156	(40,302)	(39,732)	570
Net change in fund balances	(283,828)	(92,522)	191,306	(7,808)	11,686	19,494	(39,778)	33,995	73,773
Fund balances, beginning of year	500,451	500,451	-	7,815	7,815	-	76,265	76,265	-
Fund balances, end of year	\$ 216,623	\$ 407,929	\$ 191,306	\$ 7	\$ 19,501	\$ 19,494	\$ 36,487	\$ 110,260	\$ 73,773

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Funds Combined Into the General Fund
 For the Year Ended December 31, 2013

	LINC Fund			Juvenile Grants Fund			Prosecuting Attorney Retirement Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment income	375	147	(228)	10	4	(6)	-	(5)	(5)
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>375</u>	<u>147</u>	<u>(228)</u>	<u>10</u>	<u>4</u>	<u>(6)</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
EXPENDITURES									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety and judicial	28,697	1,209	27,488	595	-	595	7,752	7,752	-
Highways and traffic	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>28,697</u>	<u>1,209</u>	<u>27,488</u>	<u>595</u>	<u>-</u>	<u>595</u>	<u>7,752</u>	<u>7,752</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(28,322)</u>	<u>(1,062)</u>	<u>27,260</u>	<u>(585)</u>	<u>4</u>	<u>589</u>	<u>(7,752)</u>	<u>(7,757)</u>	<u>(5)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	7,752	7,752	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,752</u>	<u>7,752</u>	<u>-</u>
Net change in fund balances	<u>(28,322)</u>	<u>(1,062)</u>	<u>27,260</u>	<u>(585)</u>	<u>4</u>	<u>589</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
Fund balances, beginning of year	<u>28,335</u>	<u>28,335</u>	<u>-</u>	<u>586</u>	<u>586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13</u>	<u>\$ 27,273</u>	<u>\$ 27,260</u>	<u>\$ 1</u>	<u>\$ 590</u>	<u>\$ 589</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ (5)</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Funds Combined Into the General Fund
 For the Year Ended December 31, 2013

	<u>Land Trustee Agency Fund</u>			<u>Total of Funds Combined Into the General Fund</u>
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	2,950,841
Fees and fines	-	-	-	14,991
Charges for services	2,333	2,333	-	1,130,765
Intergovernmental	-	-	-	-44,253
Leases	-	-	-	248,642
Investment income	-	(15)	(15)	(1,101)
Other	-	-	-	354,030
Total revenues	<u>2,333</u>	<u>2,318</u>	<u>(15)</u>	<u>4,742,421</u>
EXPENDITURES				
Current				
General government	8,227	-	8,227	2,967,163
Public safety and judicial	-	-	-	29,192
Highways and traffic	-	-	-	1,364,913
Property, valuation and recording	-	-	-	100,336
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,227</u>	<u>-</u>	<u>8,227</u>	<u>4,461,604</u>
Excess of revenues over (under) expenditures	<u>(5,894)</u>	<u>2,318</u>	<u>8,212</u>	<u>280,817</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	493,942
Transfers out	-	-	-	(610,006)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,064)</u>
Net change in fund balances	<u>(5,894)</u>	<u>2,318</u>	<u>8,212</u>	<u>164,753</u>
Fund balances, beginning of year	<u>5,895</u>	<u>5,895</u>	<u>-</u>	<u>1,272,202</u>
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 8,213</u>	<u>\$ 8,212</u>	<u>\$ 1,436,955</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	<u>Collector</u>	<u>Prosecuting Attorney</u>			<u>Sheriff</u>		
	Taxes	Prosecuting Attorney Check Division	Prosecuting Attorney Restitution	Bad Check	Total	Criminal Restitution	Criminal Forfeiture
<u>ASSETS</u>							
Cash, cash equivalents, and investments	\$ 231,326,497	\$ 4	\$ 17,730	\$ 488	\$ 18,222	\$ 7,983	\$ 6,778
Total assets	<u>\$ 231,326,497</u>	<u>\$ 4</u>	<u>\$ 17,730</u>	<u>\$ 488</u>	<u>\$ 18,222</u>	<u>\$ 7,983</u>	<u>\$ 6,778</u>
<u>LIABILITIES</u>							
Due to others	\$ 231,326,497	\$ 4	\$ 17,730	\$ 488	\$ 18,222	\$ 7,983	\$ 6,778
Total liabilities	<u>\$ 231,326,497</u>	<u>\$ 4</u>	<u>\$ 17,730</u>	<u>\$ 488</u>	<u>\$ 18,222</u>	<u>\$ 7,983</u>	<u>\$ 6,778</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	Sheriff					
<u>ASSETS</u>	Bail Bond	Sheriff Trust	CCIS Savings #6800222119	CCIS Checking #681007920	CCIS Savings #621854	CCIS Task Force Grant
Cash, cash equivalents, and investments	\$ 560	\$ 36,379	\$ 4,585	\$ 2,285	\$ 46,163	\$ 85,225
Total assets	<u>\$ 560</u>	<u>\$ 36,379</u>	<u>\$ 4,585</u>	<u>\$ 2,285</u>	<u>\$ 46,163</u>	<u>\$ 85,225</u>
<u>LIABILITIES</u>						
Due to others	\$ 560	\$ 36,379	\$ 4,585	\$ 2,285	\$ 46,163	\$ 85,225
Total liabilities	<u>\$ 560</u>	<u>\$ 36,379</u>	<u>\$ 4,585</u>	<u>\$ 2,285</u>	<u>\$ 46,163</u>	<u>\$ 85,225</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	<u>Sheriff</u>		<u>Other</u>				
	Deputy Sheriff Salary Supplementation	Total	Airport Lease Deposit Fund	J uvenile Fund	Special Road Districts Fund	Road Improvement Fees	County Miscellaneous Checking
<u>ASSETS</u>							
Cash, cash equivalents, and investments	\$ 6,628	\$ 196,586	\$ 9,510	\$ 20,057	\$ 949,677	\$ 56,431	\$ 4,041
Total assets	<u>\$ 6,628</u>	<u>\$ 196,586</u>	<u>\$ 9,510</u>	<u>\$ 20,057</u>	<u>\$ 949,677</u>	<u>\$ 56,431</u>	<u>\$ 4,041</u>
<u>LIABILITIES</u>							
Due to others	\$ 6,628	\$ 196,586	\$ 9,510	\$ 20,057	\$ 949,677	\$ 56,431	\$ 4,041
Total liabilities	<u>\$ 6,628</u>	<u>\$ 196,586</u>	<u>\$ 9,510</u>	<u>\$ 20,057</u>	<u>\$ 949,677</u>	<u>\$ 56,431</u>	<u>\$ 4,041</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	<u>Other</u>					
<u>ASSETS</u>	Special Road District #9	Cities	Metro Junior College	Library	Mental Health	Liberty Hospital
Cash, cash equivalents, and investments	\$ 3,100,810	\$ 88,532	\$ 6,819	\$ 22,507	\$ 6,806	\$ 3,965
Total assets	<u>\$ 3,100,810</u>	<u>\$ 88,532</u>	<u>\$ 6,819</u>	<u>\$ 22,507</u>	<u>\$ 6,806</u>	<u>\$ 3,965</u>
<u>LIABILITIES</u>						
Due to others	\$ 3,100,810	\$ 88,532	\$ 6,819	\$ 22,507	\$ 6,806	\$ 3,965
Total liabilities	<u>\$ 3,100,810</u>	<u>\$ 88,532</u>	<u>\$ 6,819</u>	<u>\$ 22,507</u>	<u>\$ 6,806</u>	<u>\$ 3,965</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	<u>Other</u>						
	Sheltered Facilities (Handicapped)	Health	Rooney Flag Fund	C.E.R.F.	Safehaven	Children's Trust Fund	Escrow Tax Sales
<u>ASSETS</u>							
Cash, cash equivalents, and investments	\$ 8,678	\$ 7,286	\$ 3	\$ 20,384	\$ 1,232	\$ 1,915	\$ 74,842
Total assets	<u>\$ 8,678</u>	<u>\$ 7,286</u>	<u>\$ 3</u>	<u>\$ 20,384</u>	<u>\$ 1,232</u>	<u>\$ 1,915</u>	<u>\$ 74,842</u>
<u>LIABILITIES</u>							
Due to others	\$ 8,678	\$ 7,286	\$ 3	\$ 20,384	\$ 1,232	\$ 1,915	\$ 74,842
Total liabilities	<u>\$ 8,678</u>	<u>\$ 7,286</u>	<u>\$ 3</u>	<u>\$ 20,384</u>	<u>\$ 1,232</u>	<u>\$ 1,915</u>	<u>\$ 74,842</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	Other						
	Escrow Fees- Others	Keamy/Holt Rec. Div.	Bond Forfeitures/ Gifts/ Bequests	Schools- Fines	Schools- Bank Interest	PS AP Consortium	Metro Cultural District
ASSETS							
Cash, cash equivalents, and investments	\$ 10,826	\$ 687	\$ 7,174	\$ 228,660	\$ 1,584	\$ 28,806	\$ 803
Total assets	<u>\$ 10,826</u>	<u>\$ 687</u>	<u>\$ 7,174</u>	<u>\$ 228,660</u>	<u>\$ 1,584</u>	<u>\$ 28,806</u>	<u>\$ 803</u>
LIABILITIES							
Due to others	\$ 10,826	\$ 687	\$ 7,174	\$ 228,660	\$ 1,584	\$ 28,806	\$ 803
Total liabilities	<u>\$ 10,826</u>	<u>\$ 687</u>	<u>\$ 7,174</u>	<u>\$ 228,660</u>	<u>\$ 1,584</u>	<u>\$ 28,806</u>	<u>\$ 803</u>

CLAY COUNTY, MISSOURI
 Combining Statement of Assets and Liabilities - Agency Funds
 December 31, 2013

	<u>Other</u>				Total Agency Funds
	Capital School	Senior Citizens' Services	Public Administrator	Total Other	
<u>ASSETS</u>					
Cash, cash equivalents, and investments	\$ 422,757	\$ 2,520,316	\$ 5,514,099	\$ 13,119,207	\$ 244,660,512
Total assets	<u>\$ 422,757</u>	<u>\$ 2,520,316</u>	<u>\$ 5,514,099</u>	<u>\$ 13,119,207</u>	<u>\$ 244,660,512</u>
<u>LIABILITIES</u>					
Due to others	\$ 422,757	\$ 2,520,316	\$ 5,514,099	\$ 13,119,207	\$ 244,660,512
Total liabilities	<u>\$ 422,757</u>	<u>\$ 2,520,316</u>	<u>\$ 5,514,099</u>	<u>\$ 13,119,207</u>	<u>\$ 244,660,512</u>



EXHIBIT B

Operating Data for the County for the year ended December 31, 2013

DEBT STRUCTURE OF THE COUNTY

Current Indebtedness of the County

The County has had no general obligation debt outstanding since fiscal year 2001.

Other Obligations

Obligation Under Agreement with the United States government. The County entered into an agreement with the United States government (U.S.) on July 14, 1972, and later amended the contract on August 5, 1986, whereby the U.S. acquired land and designed and constructed recreational and wildlife facilities in conjunction with construction of the Smithville Lake. The County is now responsible for the operation and maintenance of these park facilities. The agreement provides for the County to pay 50% (less an amount equal to the fair market value of land and/or facilities provided by the County) of the costs incurred by the U.S. for the acquisition of land, construction of recreational facilities and interest during construction. The County's portion is payable in equal installments of \$313,379, including interest, through June 2031 at an interest rate of 3.649%. Payments are funded by use tax revenues.

County Refunding Certificates of Participation, Series 2011. On December 21, 2011, the County issued \$2,775,000 of certificates of participation with an average interest rate of 2.17% to advance refund \$4,565,000 of outstanding PBA Leasehold Revenue Bonds, series 1998 and 2000, with an average interest rate of 5.47%.

Public Building Authority Leasehold Revenue Bonds, Series 2004B. The Clay County Public Building Authority issued \$4,900,000 Leasehold Revenue Bonds, Series 2004 to acquire rolling stock for the Highway Department of the County, acquire and construct water lines, fuel tanks and hangars at the County's airport, expand the clubhouse at the County's golf courses, acquire and improve the docks at the County's marina, renovate and improve the juvenile detention facility, and acquire a new telephone system. The bonds have maturity dates through 2025, interest rates ranging from 3.60% to 6.25%. The Series 2004A Bonds have been refunded with the proceeds of the Leasehold Refunding Revenue Bonds Series 2014 issued in May 2014.

Public Building Authority Leasehold Refunding Revenue Bonds, Series 2014. The Clay County Public Building Authority issued \$1,100,000 Leasehold Refunding Revenue Bonds, Series 2014 current refund the Public Building Authority Tax Exempt Leasehold Revenue Bonds Series 2004A. The bonds have maturity dates through 2025, and interest rates ranging from 2.00% to 3.00%.

Amortization of Obligations. The requirements to amortize all long-term obligations, including interest, are as follows:

Year Ending December 31,	Obligations Under Agreement with U.S.		PBA Leasehold Revenue Bonds		Certificates of Participation		Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	\$164,398	\$148,980	\$250,000	\$132,725	\$265,000	\$18,873	\$979,976
2015	170,397	142,982	160,000	121,683	125,000	15,084	735,146
2016	176,615	136,764	170,000	113,483	125,000	12,344	734,206
2017	183,060	130,319	175,000	104,748	155,000	8,903	757,030
2018	189,740	123,639	185,000	95,700	75,000	6,019	675,098
2019-2023	1,057,746	509,149	1,070,000	320,180	185,000	5,578	3,147,653
2024-2028	1,265,339	301,556	505,000	42,125	*	*	2,114,020
2029-2031	875,481	64,656	*	*	*	*	940,137
Totals	<u>\$4,082,776</u>	<u>\$1,558,045</u>	<u>\$2,515,000</u>	<u>\$930,644</u>	<u>\$930,000</u>	<u>\$66,801</u>	<u>\$9,816,266</u>

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a county to 10 percent of the assessed valuation of the county by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. For 2014, the constitutionally imposed total general obligation debt limit was \$365,776,621. The County has no authorized and unissued general obligation debt.

FINANCIAL INFORMATION CONCERNING THE COUNTY

Sources of Revenue

The County finances its operations through the following taxes and other miscellaneous sources as indicated below for the last fiscal year for which audited financial statements are available:

Source	Amount	Percent
Taxes	\$38,123,915	63.6%
Fines, Fees, Licenses & Permits	9,770,349	16.3
Charges for Services	3,683,010	6.2
Intergovernmental	5,976,960	10.0
Leases	1,272,014	2.1
Investment Income	159,991	0.3
Other Revenue	<u>877,793</u>	<u>1.5</u>
Total	<u>\$59,864,032</u>	<u>100.0%</u>

Retail Sales Taxes

An election was duly held on November 6, 1979, at which more than two-thirds of the qualified voters of the County voting on the proposition voted in favor of a one-half of one percent county general sales tax. The County's voters subsequently approved an additional one-quarter of one percent County general sales tax in 1988. At an election held on February 3, 1998, the voters of the County approved a law enforcement sales tax in the amount of one-eighth of one percent which the County began to collect as revenues after July 1, 1998 for a period of twelve years, and renewed for an additional twelve years on November 3, 2009. A Use Tax was passed by the voters on November 6, 2001.

The following table provides sales tax accruals for the County over the last ten fiscal years:

<u>Fiscal Year</u>	<u>¾% County General Sales Tax</u>	<u>1/8% Law Enforcement</u>	<u>Use Tax</u>	<u>Total</u>
2004	\$20,286,624	\$3,373,510	\$2,822,250	\$26,482,384
2005	21,305,194	3,541,640	3,274,785	28,121,619
2006	21,454,086	3,568,866	3,486,215	28,509,167
2007	21,925,609	3,641,860	3,332,273	28,899,742
2008	21,542,284	3,574,688	3,457,988	28,574,960
2009	19,946,873	2,773,270	2,673,550	25,393,693
2010	20,401,655	3,392,972	3,123,453	26,918,080
2011	21,065,298	3,500,831	3,141,422	27,707,551
2012	21,621,009	3,636,294	3,830,613	29,087,916
2013	21,884,146	3,273,648	3,925,275	29,083,069

Source: County Treasurer.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the County is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the County according to the assessment of 2013 (the last completed assessment) including state and local railroad and utilities:

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$2,155,563,220	19%	\$11,345,069,579
Commercial	812,054,996	32	2,537,671,863
Agricultural	<u>13,360,140</u>	12	<u>111,334,500</u>
Sub-Total	2,980,978,356		13,994,075,942
Personal Property	<u>676,787,858</u>	33 1/3%*	<u>2,030,635,574</u>
Total	<u>\$3,657,766,214</u>		<u>\$16,024,711,516</u>

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

Note: Includes \$239,212,520 TIF assessment in Commercial Real Property designation.

History of Property Valuation:

The total assessed valuation of all taxable tangible property situated in the County according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percentage Change</u>
2013	\$3,657,766,214	(1.1)%
2012	3,698,012,946	1.0
2011	3,659,922,575	(2.0)
2010	3,732,918,264	5.6
2009	3,536,179,370	(3.7)
2008	3,667,306,740	2.4
2007	3,582,346,415	3.2

Property Tax Levies and Collections

Operating Levies. The current general fund levy and the road and bridge levy of the County aggregates \$0.20 per \$100 of assessed valuation. These operating levies (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the County for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1984 or the most recent voter-approved tax rate. The tax levy for debt service on the County's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the County's general fund

operating levy above \$0.35 must be approved by two-thirds of the voters voting on the proposition. The current tax rate ceiling for the general fund is \$0.35 per \$100 of assessed valuation.

In 2008, through the enactment of Senate Bill 711 (“**SB 711**”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a County’s *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the County’s voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a County’s *actual* operating tax levy, regardless of whether that levy is at the County’s tax levy *ceiling*. This further reduction is sometimes referred to as an “**SB 711 rollback.**” In non-reassessment years (even-numbered years), the operating levy may be increased to the County’s tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

The following table shows the County’s tax levies (per \$100 of assessed valuation) for the following years:

<u>Year</u>	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Total Levy</u>
2013	\$0.12	\$0.08	\$0.20
2012	0.13	0.08	0.21
2011	0.13	0.08	0.21
2010	0.16	0.08	0.24
2009	0.16	0.08	0.24
2008	0.16	0.08	0.24
2007	0.00	0.24	0.24

Tax Collections:

The following table shows the amount of taxes levied by the County and collections from those levies for the County for the last five fiscal years.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Taxes Levied	\$8,486,830	\$8,959,003	\$7,670,434	\$7,762,450	\$6,724,347
Total Collections From Levy	9,149,711	\$9,045,129	7,792,930	7,786,249	6,745,250
% of Levied Amounts Collected	107%	101%	101%	100%	100%

Source: County Collector’s Office.