

# Clay County, Missouri



## Basic Financial Statements

For the fiscal year ended  
December 31, 2016



# CLAY COUNTY, MISSOURI



## **BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
December 31, 2016**

**Prepared by Clay County  
Finance Department**



**CLAY COUNTY, MISSOURI**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
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RSM US LLP

## 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Clay County, Missouri, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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 schedules, the OPEB schedule of funding progress, and the pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Clay County, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 information is 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 have also issued our report dated June 30, 2017 on our consideration of the Clay County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clay County, Missouri's internal control over financial reporting and compliance.

*RSM US LLP*

Kansas City, Missouri  
June 30, 2017



## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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Our discussion and analysis of Clay County, Missouri financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the County's letter of transmittal and the financial statements which are included in this report.

#### FINANCIAL HIGHLIGHTS

- Net position decreased to \$112,015,236 in FY16 from the FY15 net position of \$112,020,127.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$41.7 million, an increase of \$734 thousand over the previous year.
- Revenues from governmental activities increased from \$63.8 million for FY15 to \$66.8 million for FY16.
- Clay County's total debt decreased from \$6.5 million to \$6.0 million or 8% for FY16.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management 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/inflows of resources and liabilities, 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.

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 presents 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.

## **Clay County, Missouri**

### **Management's Discussion and Analysis For the Year Ended December 31, 2016**

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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, facilities repair and maintenance, 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 three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 fiscal year. Such information may be useful in evaluating the County'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, the reader 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, Law Enforcement Tax, and Debt Service fund, 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 funds is provided in the form of combining statements elsewhere in the report.

Proprietary funds are generally used to account for supplies or services which the County charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County uses an Internal Service Fund to report activities that account for its self-insured health care. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements. The internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

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 disbursement 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.

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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#### **Notes to the Financial Statements:**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to basic financial statements can be found on pages of this report.

#### **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 for postemployment benefits and other pension information. 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 serve over time as one useful indicator of a government's financial condition. The County's combined net position for FY16 is \$112,015,236, a decrease from FY15's net position of \$112,020,127. At the end of 2016, the County had positive balances in all categories of the primary government's net position.

The largest category of the County's net position reflects its investment of \$66.6 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 59% of net position in 2016. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investments 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 resources, since the assets themselves cannot be used to liquidate these liabilities.

The second largest category of the County's net position of \$31.2 million (28%) represents resources that can be used at the County's discretion.

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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The remaining category of the County's net position of \$14.2 million represents resources that are subject to external restriction on how they may be used. External restrictions include those imposed 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)

	2016	2015 (as restated)	Change
Current and other assets	\$ 60.5	\$ 66.4	\$ (5.9)
Capital assets, net	72.5	70.2	2.3
Total assets	133.0	136.6	(3.6)
Deferred outflows of resources	19.2	7.5	11.7
Current liabilities	10.6	8.2	2.4
Long-term liabilities	22.0	16.3	5.7
Total liabilities	32.6	24.5	8.1
Deferred inflows of resources	7.6	7.6	0.0
Net investment in capital assets	66.6	63.8	2.8
Restricted	14.2	13.9	0.3
Unrestricted	31.2	34.3	(3.1)
Total net position	\$ 112.0	\$ 112.0	\$ 0.0

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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#### Changes in Net Position

Revenues for governmental activities totaled \$66.8 million while expenses equaled \$66.8 million, resulting in no significant change in net position for the year ended December 31, 2016. Two revenue sources, namely (a) taxes and (b) charges for services, accounted for most revenues or 89%. The remainder came from grants, investments and other miscellaneous sources.

#### Changes in Net Position-Governmental Activities (in millions)

	2016	2015 (as restated)	Change
<b>Revenues</b>			
Program revenues:			
Charges for Services	\$ 17.7	\$ 15.9	\$ 1.9
Operating grants and contributions	4.7	5.6	(0.9)
Capital grants and contributions	1.2	0.0	1.2
General revenues:			
Taxes	41.5	40.9	0.6
Investment income	0.6	0.5	0.1
Gain on sale of capital assets	0.2		
Miscellaneous	0.9	0.9	(0.0)
Total revenues	<u>66.8</u>	<u>63.8</u>	<u>3.1</u>
<b>Expenses</b>			
General government	16.8	12.2	4.6
Public safety and judicial	28.3	24.6	3.7
Highways and traffic	8.8	9.7	(0.9)
Health and welfare	0.6	0.4	0.2
Parks and recreation	7.4	4.2	3.2
Property, valuation and recording	4.6	6.1	(1.6)
Interest on long-term debt	0.3	0.3	0.0
Total expenses	<u>66.8</u>	<u>57.4</u>	<u>9.4</u>
Change in net position	0.0	6.3	(6.3)
Net position, beginning of year	112.0	105.7	6.3
Net position, end of year	<u>\$ 112.0</u>	<u>\$ 112.0</u>	<u>\$ 0.0</u>

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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#### 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 used 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 2016, total governmental funds reported combined ending fund balances of \$41.7 million.

Unassigned fund balance represents approximately \$24.3 million of the total fund balance at December 31, 2016 and is available for spending at the County's discretion. Restricted fund balance represents approximately \$14.2 million and is restricted for a specific purpose through contract, law or regulation and cannot be used for any other purpose. Prepaids are considered non-spendable and represent approximately \$76 thousand. The remainder of fund balance is committed by County Commission actions into several types of commitments, of which, the significant commitments are as follows: \$1.4 million for TIF reserve and judicial and other major items, \$1.3 million for capital reserve.

#### *General Fund*

The General Fund is the chief operating fund of the County. At the end of 2016, total fund balance of the General Fund was \$27.4 million, while the total governmental fund balance was \$41.7 million. As a measure of the General funds liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. In 2016, unassigned fund balance represents 84% of General Fund expenditures, while General Fund total fund balance represents 94% 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 balance increased from \$602 thousand in FY15 to \$611 thousand in FY16 due to increases in assessed valuations.
- The Law Enforcement Tax Fund's fund balance decreased \$155 thousand from \$2.8 million in 2015 to \$2.6 million in 2016. For the year, the law enforcement expenditures exceeded the sum of law enforcement revenues and allocated funds from the general fund for law enforcement purposes.
- 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. The fund balance remained consistent for FY16.

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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#### 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 2016 was \$34.5 million, which differs from the FY16 original budget of \$35.3 million.

The final revenues budget of the County's General Fund for 2016 of \$39.3 million was consistent with the FY16 original budget.

Before transfers, the General Fund ended the year with revenues exceeding expenditures by \$3.3 million.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of December 31, 2016 the County invested, net of accumulated depreciation, \$72.5 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 increase from last year due to improvements exceeding current year depreciation.

#### Capital Assets (in millions)

Category	2016	2015	Change
Land and land improvements	\$ 21.8	\$ 18.0	\$ 3.8
Buildings and building improvements	56.8	56.2	0.6
Furniture and equipments	16.3	15.9	0.4
Vehicles	7.6	7.1	0.5
Infrastructure	49.5	49.3	0.2
Construction in Progress	2.3	2.4	(0.1)
Accumulated depreciation	(81.7)	(78.6)	(3.1)
Capital assets, net	<u>\$ 72.5</u>	<u>\$ 70.2</u>	<u>\$ 2.3</u>

For government-wide financial presentation, all depreciable 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.

## Clay County, Missouri

### Management's Discussion and Analysis For the Year Ended December 31, 2016

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#### Long-Term Debt

As of December 31, 2016 the County had \$24.2 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.

#### Outstanding Long-term Obligations (in millions)

Category	2016
Compensated absences	\$ 2.9
Obligations under agreement with the US Government	3.6
Certificates of participation	0.4
PBA leasehold revenue bonds	1.7
Capital lease obligation	0.3
Other long-term obligations	15.4
Total	<u>\$ 24.2</u>

During 2016, the County paid down debt by retiring \$0.7 million in outstanding long-term obligations through principal payments.

#### OTHER FACTORS BEARING ON THE FUTURE OF CLAY COUNTY

The annual budget is developed to provide efficient, effective and controlled uses of County Resources as a means to accomplish the highest priority objectives.

Clay County will collect two property tax levies in 2017: a .0766 cent General Fund Levy and a .0800 Road and Bridge Levy per \$100 of assessed valuation. The General Fund Levy was again reduced this year due to the required sales tax rollback approved by voters in 1979. Lowering the General Fund Levy continues to have a negative impact on Clay County resources. However, increases in assessed valuation and new construction should help offset this.

The County is fortunate to have a Use Tax approved by voters in November 2001. Use Tax continues to support capital projects.

#### CONTACTING CLAY COUNTY ADMINISTRATION

This financial report is designed to provide a general overview of the Clay County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to:

**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, 2016

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 41,218,951
Taxes receivable	11,233,108
Fees and other receivables	4,983,670
Intergovernmental receivables	1,146,517
Prepaid Items	75,953
Total current assets	<u>58,658,199</u>
Noncurrent assets	
Restricted cash and cash equivalents	220,855
Service concession arrangement receivable	488,778
Net pension asset	1,100,391
Capital assets:	
Land and other capital assets, non-depreciable	12,720,294
Other capital assets, net of depreciation	59,800,486
Total capital assets, net of depreciation	<u>72,520,780</u>
Total assets	<u>132,989,003</u>
<b>Deferred Outflows of Resources</b>	
Deferred charges on refunding	41,313
Pension-related amounts	19,167,485
Total deferred outflows of resources	<u>19,208,798</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	6,366,958
Accrued liabilities	1,276,974
Accrued interest payable	100,923
Insurance claims payable	581,334
Current portion of compensated absences	1,600,000
Current portion of long-term debt	634,609
Total current liabilities	<u>10,560,798</u>
Long-term liabilities	
Compensated absences	1,292,162
Other post-employment benefits obligation	723,674
Net pension liability	14,649,440
Long-term debt	5,332,746
Total noncurrent liabilities	<u>21,998,022</u>
Total liabilities	<u>32,558,820</u>
<b>Deferred Inflows of Resources</b>	
Property taxes	5,714,336
Deferred service concession arrangement	488,778
Pension-related amounts	1,420,631
Total deferred inflows of resources	<u>7,623,745</u>
<b>Net Position</b>	
Net investment in capital assets	66,594,738
Restricted for:	
Capital projects	4,695,805
Debt Service	220,855
Other Purposes	9,320,950
Unrestricted	31,182,888
Total net position	<u>\$ 112,015,236</u>

See accompanying notes to basic financial statements

Clay County, Missouri

Statement of Activities  
For Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 16,867,385	\$ 2,265,931	\$ 209,912	\$ -	\$ (14,391,542)
Public safety and judicial	28,313,832	1,329,549	4,190,384	-	(22,793,899)
Highways and traffic	8,836,789	1,091,659	287,718	1,186,888	(6,270,524)
Health and welfare	576,904	-	-	-	(576,904)
Parks and recreation	7,398,463	3,924,700	-	-	(3,473,763)
Property, valuation and recording	4,596,570	9,125,761	-	-	4,529,191
Interest on long term debt	264,231	-	-	-	(264,231)
Total government activities	\$ 66,854,174	\$ 17,737,600	\$ 4,688,014	\$ 1,186,888	\$ (43,241,672)

**General Revenues**

Taxes	
Property taxes, levied for general purposes	\$ 3,498,131
Property taxes, levied for road and bridge	1,852,928
Sales and use taxes	34,940,915
Surtaxes	599,203
Other taxes	601,236
Unrestricted investment earnings	633,047
Gain on sale of capital assets	214,521
Miscellaneous	896,800
Total general revenues	43,236,781
Changes in net position	(4,891)
Net position, beginning of year	112,020,127
Net position, end of year	\$ 112,015,236

See accompanying notes to basic financial statements

Clay County, Missouri

Balance Sheets - Governmental Funds  
December 31, 2016

	General	Road & Bridge	Law Enforcement	Debt Service	Nonmajor Governmental	Total
<b>Assets</b>						
Cash and cash equivalent	\$ 24,698,660	\$ 3,216,079	\$ 1,048,407	\$ -	\$ 9,097,150	\$ 38,060,296
Taxes receivable	5,144,988	3,185,246	2,012,783	-	890,091	11,233,108
Fees and other receivables	3,017,308	11,608	9,704	-	1,938,428	4,977,048
Intergovernmental receivables	554,733	78,797	492,005	-	20,982	1,146,517
Due from other funds	1,134,000	-	203,661	-	-	1,337,661
Prepaid items	23,619	-	43,630	-	8,704	75,953
Restricted cash and cash equivalents	-	-	-	220,855	-	220,855
Total assets	<u>\$ 34,573,308</u>	<u>\$ 6,491,730</u>	<u>\$ 3,810,190</u>	<u>\$ 220,855</u>	<u>\$ 11,955,355</u>	<u>\$ 57,051,438</u>
<b>Liabilities</b>						
Accounts payable	\$ 2,429,056	\$ 2,812,525	\$ 454,974	\$ -	\$ 670,403	\$ 6,366,958
Accrued liabilities	523,870	63,102	496,537	-	193,465	1,276,974
Due to other funds	1,265,521	22,778	131,962	-	258,780	1,679,041
Total liabilities	<u>4,218,447</u>	<u>2,898,405</u>	<u>1,083,473</u>	<u>-</u>	<u>1,122,648</u>	<u>9,322,973</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-property taxes	2,871,600	2,973,329	-	-	-	5,844,929
Unavailable revenue-other receivables	66,223	8,509	101,822	-	-	176,554
Total deferred inflows of resources	<u>2,937,823</u>	<u>2,981,838</u>	<u>101,822</u>	<u>-</u>	<u>-</u>	<u>6,021,483</u>
<b>Fund Balances</b>						
Nonspendable	23,619	-	43,630	-	8,704	75,953
Restricted	-	611,487	2,581,265	220,855	10,824,003	14,237,610
Committed	3,018,223	-	-	-	-	3,018,223
Assigned	116,156	-	-	-	-	116,156
Unassigned	24,259,040	-	-	-	-	24,259,040
Total fund balances	<u>27,417,038</u>	<u>611,487</u>	<u>2,624,895</u>	<u>220,855</u>	<u>10,832,707</u>	<u>41,706,982</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,573,308</u>	<u>\$ 6,491,730</u>	<u>\$ 3,810,190</u>	<u>\$ 220,855</u>	<u>\$ 11,955,355</u>	<u>\$ 57,051,438</u>

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, 2016**

Fund Balances of governmental funds	\$	41,706,982
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities, net of accumulated depreciation are not current financial resources and therefore are not reported in fund financial statements, but are reported in the Statement of Net Position.</p>		72,520,780
<p>Net pension asset not reported in the funds (LAGERS)</p>		1,100,391
<p>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 Statement of Net Position.</p>		307,147
<p>Some liabilities and related deferred outflows of resources, 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 Statement of Net Position.</p>		
<p>Deferred charges on refunding</p>	41,313	
<p>Accrued interest payable</p>	(100,923)	
<p>Compensated absences</p>	(2,892,162)	
<p>Other post-employment benefits</p>	(723,674)	
<p>Long-term debt</p>	(5,967,355)	
<p>Net pension liability not reported in the funds (CERF)</p>	<u>(14,649,440)</u>	(24,292,241)
<p>Pension-related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p>		
<p>Deferred outflows of resources - pension-related amounts</p>	19,167,485	
<p>Deferred inflows of resources - pension-related amounts</p>	<u>(1,420,631)</u>	17,746,854
<p>An internal service fund is used by management to charge costs of self-insured health care to the individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position.</p>		<u>2,925,323</u>
<p>Net position of governmental activities</p>	\$	<u><u>112,015,236</u></u>

See accompanying notes to basic financial statements

Clay County, Missouri

Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the year ended December 31, 2016

	General	Road & Bridge	Law Enforcement	Debt Service	Nonmajor Governmental	Total
<b>Revenues</b>						
Taxes	\$ 19,172,467	\$ 4,132,305	\$ 12,308,992	\$ -	\$ 5,540,477	\$ 41,154,241
Fees and Fines	7,623,097	-	275,765	-	3,485,248	11,384,110
Licenses and permits	476,804	18,699	-	-	289,017	784,520
Charges for services	564,325	-	61,451	-	2,652,184	3,277,960
Intergovernmental	3,097,885	1,224,166	2,073,261	-	458,641	6,853,953
Leases	373,317	-	-	-	1,192,595	1,565,912
Investment income (loss)	430,562	33,731	26,755	(358)	105,850	596,540
Other	730,263	24,340	80,679	-	61,518	896,800
Total revenues	32,468,720	5,433,241	14,826,903	(358)	13,785,530	66,514,036
<b>Expenditures</b>						
Current						
General Government	17,097,351	-	-	-	47,459	17,144,810
Public Safety and Judicial	7,317,256	-	16,460,718	-	1,437,626	25,215,600
Highways and traffic	2,282,188	5,480,034	-	-	1,238,503	9,000,725
Health and welfare	576,904	-	-	-	-	576,904
Parks and recreation	83	-	-	-	6,759,683	6,759,766
Property, valuation and recording	1,726,874	-	-	-	3,694,506	5,421,380
Debt service						
Principal	19,644	108,457	-	288,448	176,615	593,164
Interest and fiscal charges	-	27,010	-	99,319	136,764	263,093
Capital Outlay	-	-	-	-	1,106,838	1,106,838
Total expenditures	29,020,300	5,615,501	16,460,718	387,767	14,597,994	66,082,280
Excess of revenues over (under) expenditures	3,448,420	(182,260)	(1,633,815)	(388,125)	(812,464)	431,756
<b>Other financing sources (uses)</b>						
Transfers in	474,382	42,493	1,473,323	385,605	1,359,549	3,735,352
Transfers out	(3,507,157)	(71,781)	-	-	(156,414)	(3,735,352)
Capital lease issued	39,615	-	-	-	19,321	58,936
Proceeds from sale of capital assets	10,553	221,478	5,012	-	6,594	243,637
Total other financing sources (uses)	(2,982,607)	192,190	1,478,335	385,605	1,229,050	302,573
Net change in fund balances	465,813	9,930	(155,480)	(2,520)	416,586	734,329
Fund balance, beginning of year	26,951,225	601,557	2,780,375	223,375	10,416,121	40,972,653
Fund balance, end of year	\$ 27,417,038	\$ 611,487	\$ 2,624,895	\$ 220,855	\$ 10,832,707	\$ 41,706,982

See accompanying notes to basic financial statements

**Clay County, Missouri**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities  
For the year ended December 31, 2016**

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Net changes in fund balances of governmental funds \$ 734,329

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

Governmental funds report capital outlay 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	6,884,650
Depreciation expense	(4,573,310)
Gain on disposal capital assets	214,521
Proceeds from sale of capital assets	(243,637)

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

Unavailable delinquent property taxes	130,593
Changes in unavailable revenue for other items	(46,374)

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	(10,670)
Change in accrued interest expense	6,367
Payments on long-term debt (bonded debt, capital lease, obligations, and other debt)	593,164
Amortization of premium/discount	3,165
Proceeds from capital lease	(58,936)

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 compensated absences	3,838
Change in other post-employment benefits obligation	(84,608)
Pension expense	(4,045,576)

An internal service fund is used by management to charge costs of self-insured health care to the individual funds. The net revenue (expense) of the internal service fund is reported in the Statement of Activities

487,593

Change in net position of governmental activities. \$ (4,891)



Clay County, Missouri

Statement of Net Position

Proprietary Fund

December 31, 2016

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	<b>Governmental Activities- Internal Service Fund</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 3,158,655
Fees and other receivables	6,622
Due from other funds	341,380
Total current assets	<u>3,506,657</u>
Total assets	<u>3,506,657</u>
<b>Liabilities</b>	
Current liabilities	
Insurance claims payable	<u>581,334</u>
Total current liabilities	<u>581,334</u>
Total liabilities	<u>581,334</u>
<b>Net Position</b>	
Unrestricted	<u>2,925,323</u>
Total net position	<u>\$ 2,925,323</u>

See accompanying notes to basic financial statements

Clay County, Missouri

Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2016

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	<b>Governmental Activities- Internal Service Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 4,613,893
Total operating revenues	<u>4,613,893</u>
<b>Operating expenses</b>	
Contractual services	1,068,282
Claims paid	<u>3,094,525</u>
Total operating expenses	<u>4,162,807</u>
Operating income	<u>451,086</u>
<b>Nonoperating Revenues</b>	
Investment income	<u>36,507</u>
Total nonoperating revenues	<u>36,507</u>
Change in net position	487,593
Net position, beginning of year	<u>2,437,730</u>
Net position, end of year	<u>\$ 2,925,323</u>

See accompanying notes to basic financial statements

Clay County, Missouri

Statement of Cash Flows

Proprietary Fund

For the Year Ended December 31, 2016

	<b>Governmental Activities- Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 4,587,855
Claims paid	(3,958,573)
Net cash provided by operating activities	<u>629,282</u>
<b>Cash Flows From Investing Activities</b>	
Interest received	<u>33,377</u>
Net cash provided by investing activities	<u>33,377</u>
Net increase in cash and cash equivalents	662,659
Cash and cash equivalents at beginning of year	<u>2,495,996</u>
Cash and cash equivalents at end of year	<u>\$ 3,158,655</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 451,086
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase) in due from other funds	(26,038)
Increase in insurance claims payable	<u>204,234</u>
Total adjustments	<u>178,196</u>
Net cash provided by operating activities	<u>\$ 629,282</u>

See accompanying notes to basic financial statements

Clay County, Missouri

Statement of Assets and Liabilities

Agency Funds

December 31, 2016

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash, cash equivalents, and investments	<u>\$ 317,698,131</u>
<b>Liabilities</b>	
Due to others	<u>\$ 317,698,131</u>

See accompanying notes to basic financial statements

**NOTES TO BASIC FINANCIAL STATEMENTS**



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 1. Reporting Entity and Summary of Significant Accounting Policies**

The financial statements the County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. More significant County accounting policies are described below:

#### **Financial Reporting Entity**

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 administration.

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 accompanying financial statements present all activities of Clay County and its blended component units over which the County is financially accountable. Financial accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships).

#### **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. The PBA does not issue separate financial statements.

#### **Related Organization**

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. Collections held by the County as of December 31, 2016 are reported as an agency fund.

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. Collections for the Developmental Disabilities Resource Board are remitted to that entity and do not pass through the County. Collections for the Senior Citizens Board are reported as an agency fund of the County.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 1. Reporting Entity and Summary of Significant Accounting Policies (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 non-fiduciary 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Road & Bridge 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 outflows/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 fund types 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 the determination of and changes in financial position rather than upon net income.



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (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. Funds not reported in other funds are reported as sub-funds of the general fund and include the Prosecutor Contingency Fund, Work Release Project Fund, Law Enforcement Capital Project Fund, Tax Increment Financing Fund, Tax Collection Software Fund, Airport Fund, LINC, Juvenile Grants Fund, Prosecuting Attorney Retirement Fund and the Land Trustee Fund.

*Road & Bridge Fund* - a special revenue fund that accounts for property tax and intergovernmental revenues restricted for the use of road and bridge improvements. A portion of these revenues are used for debt service payments on capital leases for highway equipment.

*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* - 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.

#### Proprietary Fund Types

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing and delivering goods in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County's Internal Service Fund provides the financing of goods or services provided to other departments of the County on a cost reimbursement basis. The County's Internal Service Fund is a self-insured health care fund, a nonmajor fund. This fund is funded through employer and employee contributions and provides health care benefits to County employees.

#### Fiduciary (Agency) 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.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (Continued)

##### 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 and proprietary 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency Fund financial statements are reported using the accrual basis of accounting. However, they do not have a measurement focus.

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 recognized 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, principal and interest on long-term debt, claims and judgments, early retirement payments, other postemployment benefits, pension related amounts and compensated absences are recognized as expenditures only when the liability has matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital financing and capital leases are reported as other financing sources.

Derived tax revenues, interest and revenue from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period, when available.

The County recognizes assets from derived tax revenue transactions (such as sales and use 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.

The County recognizes assets from imposed non-exchange revenue transactions (such as real estate and personal property taxes) in the period when an enforceable legal claim to the assets occur 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 non-exchange 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 unearned revenue.

Other revenues, including licenses and permits, certain charges for services, certain fees and fines and certain miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 1 Reporting Entity and Summary of Significant Accounting Policies (Continued)**

##### **Cash, Cash Equivalents, and Investments**

The County Treasurer maintains a cash pool that is available for use by all funds, except certain restricted Special Revenue and Agency Funds. The pool is composed of cash and cash equivalents only. Cash and cash equivalents consist of highly-liquid investments with maturity dates within three months of the date acquired by the County. Interest income earned on pooled cash and cash equivalents are distributed to the appropriate funds based on the average daily balance of the cash and cash equivalents of each fund. In addition, cash and cash equivalents are separately maintained by other County officials and several other County departments.

Investments consist of those securities with maturity dates greater than three months at the time of purchase. Investments are recorded at fair value, except for nonnegotiable certificates of deposit measured at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Only the agency funds hold investments. See Note 2 for additional information regarding fair value measures. Interest income on pooled cash and investments is allocated based upon each fund's respective cash balance.

##### **Statement of Cash Flows**

A statement of cash flows has been presented in accordance with Governmental Accounting Standards Board Standards for the Proprietary Fund. For purposes of the statement of cash flows, the County considers their position in the pool to be cash and cash equivalents.

##### **Prepaid Items**

Prepaid assets consist of software maintenance costs and other costs applicable to future accounting periods. The related fund balance is reported as nonspendable as the fund balance is not available for other expenditures and not in spendable form.

##### **Capital assets**

Capital assets, which include land, building and improvements, equipment and infrastructure are reported in the applicable governmental type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of more than \$1,000 with a useful life of more than a year.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (Continued)

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 acquisition 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.

All reported capital assets except for land, land rights, and construction in progress are depreciated. 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:

	<u>Years</u>
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

#### 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.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (Continued)

##### Deferred Outflows 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) 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) unrecognized items not yet charged to pension expense related to the net pension asset and net pension liability, such as the unamortized portion of the net difference between projected and actual plan investment returns, changes in assumptions, and contributions paid by the County after the measurement date but before the end of the County's reporting period.

##### Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position or fund balance that applies to a future period and will not be recognized as an inflow of resources, or revenues, until that time. The County has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental fund balance sheet. The governmental funds report unavailable revenue from two sources: property taxes and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the County's government-wide statements, the property tax receivables remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The County's government-wide statements also report pension related deferred inflows, which include the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportionate share, and differences between the County's contributions and proportionate share of contributions all related to the net pension asset and net pension liability. The County's government-wide statements also report a deferred inflow for a service concession agreement.

##### Pensions

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

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (Continued)

##### 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 a method which approximates the effective interest 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.

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.

##### 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, Law Enforcement Tax Fund, Reassessment Fund, Park Fund, Drug Task Force Fund, Use Tax – Parks & Trails Fund, Collector Tax Maintenance Fund, and Sheriff Revolving Fund.

##### 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.

Short-term amounts owed between funds are classified as "Due to/from other funds". During the course of normal operations, the County has transactions between funds, including expenditures and transfers of resources to provide services and construct assets.

##### Fund Balance

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

*Non-spendable 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

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#### Note 1 Reporting Entity and Summary of Significant Accounting Policies (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 restricted by County's intent to use them for specific purposes. The authority to assign fund balances has been delegated through the County Commission's annual appropriation order for Elected Officials and County expenditure authority designees appointed by the County Administrator.

*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 and proprietary fund 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 are 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. See Note 6 for detail of net position restricted through enabling legislation.

*Unrestricted* - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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.

#### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments

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

Government-wide:	
Cash and cash equivalents	\$ 41,218,951
Restricted cash and cash equivalents	220,855
Fiduciary:	
Cash, cash equivalents and investments	317,698,131
	<u>\$ 359,137,937</u>

A summary of cash, cash equivalents, and investments as of December 31, 2016 is as follows:

#### Deposits and Investments

##### Deposits:

Repurchase obligations	\$ 272,451,937
Cash and cash equivalents	45,257,629
	<u>317,709,566</u>

##### Investments at fair value:

Certificates of deposit	9,724,971
U.S. agency securities	15,349,095

##### Investments measured at amortized cost:

Certificates of deposit	16,354,305
	<u>\$ 359,137,937</u>

#### 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 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.



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

**Fair Value Measurements:** During the fiscal year ended December 31, 2016, the County adopted GASB Statement No. 72, *Fair Value Measurement and Applications*, which provides guidance for determining a fair value measurement for financial reporting purposes. The County categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

**Level 1 input:** Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

**Level 2 input:** Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3 input:** Inputs that are unobservable for the asset or liability which are typically based upon the County's own assumptions as there is little, in any, related market activity.

**Hierarchy:** The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**Inputs:** If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the County, the following fair value techniques were utilized in measuring the fair value of its investments:

**U.S. Government agency securities:** U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

#### Interest Rate Risk

As of December 31, 2016, the County had the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>1 to 5 Years</b>	<b>Level</b>
Fiduciary Fund:			
Federal Farm Credit Bank (FFCB)	\$ 3,485,930	\$ 3,485,930	1
Federal Home Loan Mortgage Corporation (FHLMC)	5,693,962	5,693,962	1
Federal National Mortgage Association (FNMA)	6,169,203	6,169,203	1
Certificates of Deposit - Negotiable	9,724,971	9,724,971	1
	<u>\$ 25,074,066</u>	<u>\$ 25,074,066</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.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

##### 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. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's.

The following provides information on the credit ratings associated with the County's investments in debt securities at December 31, 2016.

<b>Investment Type</b>	<b>S&amp;P</b>	<b>Fair Value</b>
Fiduciary:		
Federal Farm Credit Bank	AA+	\$ 3,485,930
Federal Home Loan Mortgage Corporation	AA+	5,693,962
Federal National Mortgage Association	AA+	9,724,971

##### Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single user. 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 75% of the total portfolio (including cash and cash equivalents), and commercial paper and bankers acceptances are limited to 30% of the total portfolio (including cash and cash equivalents).

The following table summarizes the concentration of investments by type:

<b>Investment Type</b>	<b>Percent of Total Investments</b>
Fiduciary:	
Federal Farm Credit Bank	14%
Federal Home Loan Mortgage Corporation	23%
Federal National Mortgage Association	39%

##### 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 or by a single collateral pool established by the financial institution. The County's repurchase obligations were fully collateralized by securities held in the County's name by their financial institution's agent. At December 31, 2016, all deposits were fully collateralized or pledged.

**Clay County, Missouri**

**Notes to Basic Financial Statements**

**Note 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 2015 which the 2016 property tax revenues were based.

<b>Fund</b>	<b>Per \$100 of Assessed Valuation</b>	
	<b>Maximum Levy Allowed by Law</b>	<b>Actual Levy</b>
General	\$ 0.31	\$ 0.0839
Road & Bridge	0.09	0.0800

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 \$0.0491, \$0.1144 and \$0.0969 per \$100 of assessed valuation on behalf of the Senior Citizens' Board, 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 attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable by December 31. All unpaid taxes levied by November 1 become delinquent January 1 of the following year. Property taxes levied on October 31, 2016, are revenues for the budget year ended December 31, 2017, and accordingly, any taxes collected for these taxes prior to year end have been recorded as deferred inflows of resources in the accompanying statements. The property tax receivable represents property taxes levied on October 31, 2016, not yet distributed to the governmental funds by the Collector Agency Fund. Although the property tax receivable has been recorded, the related revenues are deferred inflows of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended December 31, 2017, the year for which it is levied.

The assessed value of property located in the County at January 1, 2015 was \$3,974,091,218 on which the 2016 property tax revenues were based.

**Note 4. Tax Revenues and Tax Receivable**

Tax revenue for the year consisted for the following:

	General Fund	Road & Bridge Fund	Law Enforcement Tax Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 3,367,538	\$ 1,852,928	\$ -	\$ -	\$ 5,220,466
Sales and use taxes	15,804,929	1,950,000	12,308,992	4,940,004	35,003,925
Surtax	-	329,377	-	269,826	599,203
911 telephone tax	-	-	-	330,647	330,647
	<u>\$ 19,172,467</u>	<u>\$ 4,132,305</u>	<u>\$ 12,308,992</u>	<u>\$ 5,540,477</u>	<u>\$ 41,154,241</u>

**Clay County, Missouri**

**Notes to Basic Financial Statements**

**Note 4. Tax Revenues and Tax Receivable (Continued)**

Tax receivables represent property, sales, and gross receipts, including interest and penalties. Tax receivable consisted of the following at December 31, 2016:

	General Fund	Road & Bridge Fund	Law Enforcement Tax Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 68,994	\$ 35,501	\$ -	\$ -	\$ 104,495
Sales and use taxes	5,075,994	3,149,745	2,012,783	869,502	11,108,024
911 telephone tax	-	-	-	20,589	20,589
	<u>\$ 5,144,988</u>	<u>\$ 3,185,246</u>	<u>\$ 2,012,783</u>	<u>\$ 890,091</u>	<u>\$ 11,233,108</u>

**Note 5. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2016:

	Balance 12/31/15	Additions	Disposals	Balance 12/31/16
Government Activities:				
Capital assets not being depreciated:				
Land and land rights	\$ 10,439,133	\$ -	\$ -	\$ 10,439,133
Construction in progress	2,367,541	3,697,494	3,783,874	2,281,161
Total capital assets not being depreciated	<u>12,806,674</u>	<u>3,697,494</u>	<u>3,783,874</u>	<u>12,720,294</u>
Capital assets being depreciated:				
Land improvements	7,596,596	3,720,785	-	11,317,381
Building and building improvements	56,162,791	651,238	-	56,814,029
Furniture and Equipment	15,914,033	1,512,454	1,158,893	16,267,594
Vehicles	7,142,430	836,216	406,633	7,572,013
Infrastructure	49,263,149	250,337	28,213	49,485,273
Total capital assets being depreciated	<u>136,078,999</u>	<u>6,971,030</u>	<u>1,593,739</u>	<u>141,456,290</u>
Less accumulated depreciation for:				
Land improvements	1,994,522	278,441	-	2,272,963
Building and building improvements	29,936,097	1,597,987	-	31,534,084
Furniture and Equipment	11,595,813	1,209,413	1,158,418	11,646,808
Vehicles	5,028,951	729,055	389,921	5,368,085
Infrastructure	30,091,734	758,414	16,284	30,833,864
Total accumulated depreciation	<u>78,647,117</u>	<u>4,573,310</u>	<u>1,564,623</u>	<u>81,655,804</u>
Total capital assets being depreciated, net	<u>57,431,882</u>	<u>2,397,720</u>	<u>29,116</u>	<u>59,800,486</u>
Governmental Activities Capital Assets, Net	<u>\$ 70,238,556</u>	<u>\$ 6,095,214</u>	<u>\$ 3,812,990</u>	<u>\$ 72,520,780</u>

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

General government	\$ 448,427
Public safety and judicial	1,931,822
Highways and traffic	1,512,735
Airport, included in highways and traffic	47,423
Parks and recreation	574,510
Property valuation and recording	58,393
	<u>\$ 4,573,310</u>

The cost and the accumulated depreciation of property under capital lease obligations was \$613,076 and \$198,202 at December 31, 2016, respectively.

#### Note 6. Restricted Net Position

The government-wide Statement of Net Position reports \$14,237,610 million of restricted net position, of which \$4,695,805 is restricted for capital projects, \$220,855 is restricted for debt service, and \$9,320,950 is restricted as follows, by the enabling legislation that established each of the special revenue governmental funds:

Public safety and judicial	\$ 3,855,694
Highways and traffic	611,487
Parks and recreation	385,139
Property, valuation and recording	4,468,630
Total	<u>\$ 9,320,950</u>

## Clay County, Missouri

### Notes to Basic Financial Statements

#### Note 7. Long-Term Liabilities

A summary of changes in governmental long-term liabilities of the County for the year ended December 31, 2016 follows:

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016	Amounts due within one year
Compensated absences	\$ 2,896,000	\$ 1,634,153	\$ 1,637,991	\$ 2,892,162	\$ 1,600,000
Other long-term obligations:					
Other postemployment benefits	639,066	84,608	-	723,674	-
Net pension liability (CERF)	8,491,337	6,158,103	-	14,649,440	-
Total other long-term obligations	9,130,403	6,242,711	-	15,373,114	-
Long-term obligations:					
Obligation under agreement with the US government	3,747,981	-	176,615	3,571,366	183,060
Certificates of participation					
Series 2011A	115,000	-	55,000	60,000	60,000
Series 2011B	425,000	-	70,000	355,000	95,000
Original issue discount	(752)	-	(151)	(601)	-
Total certificates of participation	539,248	-	124,849	414,399	155,000
Public building authority revenue bonds					
Leasehold revenue bonds series 2004B	850,000	-	65,000	785,000	70,000
Leasehold revenue bonds series 2014A	1,000,000	-	100,000	900,000	100,000
Original issue premium	33,164	-	3,316	29,848	-
Total revenue bonds	1,883,164	-	168,316	1,714,848	170,000
Capital lease obligation	334,355	58,936	126,549	266,742	126,549
Total long-term obligations	6,504,748	58,936	596,329	5,967,355	634,609
Total long-term liabilities	\$ 18,531,151	\$ 7,935,800	\$ 2,234,320	\$ 24,232,631	\$ 2,234,609

A summary of changes in deferred charges of refunding debt of the County for the year ended December 31, 2016 as follows:

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016
Deferred charges on refunding				
Series 2011A Charges on refunding	\$ 10,056	\$ -	\$ 5,028	\$ 5,028
Series 2011B Charges on refunding	14,498	-	2,899	11,599
Series 2014 Charges on refunding	27,429	-	2,743	24,686
Total deferred charges on refunding	\$ 51,983	\$ -	\$ 10,670	\$ 41,313

#### 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 parks use tax revenues.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 7. Long-Term Liabilities (Continued)

##### 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. The maturity date on Series 2011A is May 15, 2017 and on Series 2011B is May 15, 2020. The Series 1998 and 2000 Revenue Bonds have since been paid off in their entirety.

##### PBA Leasehold Revenue Bonds, Series 2004A and 2004B

In 2004, the PBA 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.

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

<b>Account</b>	<b>PBA Leasehold Refunding Bonds, Series 2004B-Restrictions</b>
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 July 2025. The series 2004A bonds were refunded with the proceeds from the Series 2014 Leasehold Refunding Revenue Bonds. The series 2004B revenue bonds mature in July 2025, and the amount outstanding as of December 31, 2016 was \$785,000.

##### PBA Leasehold Refunding Revenue Bonds, Series 2014

On May 15, 2014, the PBA issued \$1,100,000 of Leasehold Refunding Revenue Bonds (the "Series 2014 Bonds") with an interest rate ranging from 2% to 3%. The Series 2014 Bonds mature on July 15, 2025. The Series 2014 Bonds were issued to provide funds, together with other available funds of the County, to refund the outstanding principal amount of the PBA Leasehold Revenue Bonds, Series 2004A, of \$1,550,000 and to pay costs related to the issuance of the Series 2014 Bonds and the refunding of the Series 2004A PBA Leasehold Revenue Bonds.

At December 31, 2016, restricted assets held in all PBA bond and Certificates of Participation fund trust accounts and bond reserve trust accounts totaled \$220,855.

## Clay County, Missouri

### Notes to Basic Financial Statements

#### Note 7. Long-Term Liabilities (Continued)

The requirements to amortize long-term liabilities (excluding compensated absences, other postemployment benefits obligation, CERF net pension liability 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
2017	\$ 183,060	\$ 130,319	\$ 155,000	\$ 8,903	\$ 170,000	\$ 75,063	\$ 508,060	\$ 214,285
2018	189,740	123,639	75,000	6,019	175,000	68,688	439,740	198,346
2019	196,663	116,716	80,000	4,069	180,000	61,000	456,663	181,785
2020	203,840	109,539	105,000	1,509	185,000	53,000	493,840	164,048
2021	211,278	102,101	-	-	185,000	44,688	396,278	146,789
2022-2026	1,177,814	389,081	-	-	790,000	92,500	1,967,814	481,581
2027-2031	1,408,971	157,923	-	-	-	-	1,408,971	157,923
	<u>\$ 3,571,366</u>	<u>\$ 1,129,318</u>	<u>\$ 415,000</u>	<u>\$ 20,500</u>	<u>\$ 1,685,000</u>	<u>\$ 394,939</u>	<u>\$ 5,671,366</u>	<u>\$ 1,544,757</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 of \$120,930, including interest at 4.2% through January 2018.

The County initiated three capital leases in July 2016 to finance the purchase of equipment in the amount of \$58,936. These leases require three annual payments totaling \$19,645 for all three leases through July 2018.



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 7. Long-Term Liabilities (Continued)

The future minimum lease payments and the present value of the remaining minimum lease payments as of December 31, 2016 are as follows:

Years Ending December 31,	Principal
2017	\$ 140,575
2018	140,575
Total minimum lease payments	281,150
Less amount representing interest	(14,408)
Present value of future minimum lease payments	<u>\$ 266,742</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, 2016.

At December 31, 2016, the constitutionally imposed total general obligation debt limit was \$397,409,122.

*Obligation Under Agreement with the United States government.* The County has pledged a portion of future Parks and Recreation use tax revenue to repay an obligation under agreement with the United States Government issued in 1972 and later amended in 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 and wildlife facilities in conjunction with construction of the Smithville Lake. The obligation is payable solely from park use taxes generated by the park and facilities. Total principal and interest remaining on the obligation is \$4,700,684, payable through June 2031. For the current year, principal and interest paid and total parks use tax revenues were \$313,379 and \$914,000 respectively.

*PBA Leasehold Revenue Bonds, Series 2004B:* The County has pledged a portion of marina and airport hangar lease revenue to repay \$1,300,000 of PBA Leasehold Revenue Bonds with interest rates ranging from 2.15% to 6.25% issued in 2004 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 are payable solely from the lease revenue generated by the improvements and renovations. The County leases the facilities from the PBA for payments equal to the debt service requirements of the bond issues discussed and the leases are renewable annually at the option of the County through July 2025. Total principal and interest remaining on the bonds is \$1,045,939. For the current year, principal and interest paid and applicable lease revenue were \$118,125 and \$1,367,640, respectively.

*PBA Leasehold Refunding Revenue Bonds, Series 2014:* The County has pledged a portion of marina and airport hangar lease revenue to repay \$1,100,000 of Leasehold Refunding Revenue Bonds with an interest rate ranging from 2% to 3% issued in 2014 to refund the outstanding principal amount of the PBA Leasehold Revenue Bonds, Series 2004A, of \$1,550,000 and to pay costs related to the issuance of the Series 2014 Bonds and refunding of the Series 2004A bonds. The bonds are payable solely from the lease revenue generated by the improvements and renovations funded from the 2004 series bonds. Total principal and interest remaining on the bonds is \$1,034,000. For the current year, principal and interest paid and applicable lease revenues were \$128,000 and \$1,367,640, respectively.

**Clay County, Missouri**

**Notes to Basic Financial Statements**

**Note 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, 2016, lease income for all operating leases was \$1,565,912.

**Note 9. Interfund Activity**

Interfund receivables and payable balances as of December 31, 2016 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,134,000	\$ 1,265,521
Road & Bridge Fund	-	22,778
Law Enforcement Tax Fund	203,661	131,962
Nonmajor governmental funds		
Park Fund	-	25,434
Use Tax-Parks & Trails Fund	-	2,566
Sheriff Inmate	-	205,094
Collector Tax Maintenance Fund	-	243
Reassessment Fund	-	25,443
Internal Service Fund	341,380	-
	<u>\$ 1,679,041</u>	<u>\$ 1,679,041</u>

Interfund receivables and payable balances are created as a result of 1) moving revenue and expenditures between funds, 2) allocation of revenues in accordance with budget ordinances, and 3) moving cash for liquidity purposes.

Interfund transfers for the year ended December 31, 2016 are as follows:

	Transfers In	Transfers Out
General Fund	\$ 474,382	\$ 3,507,157
Road & Bridge Fund	42,493	71,781
Law Enforcement Fund	1,473,323	-
Debt Service Fund	385,605	-
Nonmajor governmental funds		
Park Fund	639,838	156,414
Emergency Communications Fund	440,000	-
Use Tax Fund	15,785	-
Use Tax-Highway Fund	15,785	-
Use Tax-Parks & Trails Fund	21,015	-
Collector Tax Maintenance Fund	163,513	-
Sheriff Revolving Fund	3,596	-
Reassessment Fund	60,017	-
	<u>\$ 3,735,352</u>	<u>\$ 3,735,352</u>

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 9. Interfund Activity (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.

#### **Note 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, self-insured health, dental, life, and accidental death and dismemberment insurances. 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.

#### **Note 11. Commitments and Contingencies**

##### **Litigation**

The County is involved in lawsuits arising in the ordinary course of activities, including claims regarding contractual issues, personal injury and discriminatory personnel practices. 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, 2016 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.

##### **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, 2016, 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.

#### **Note 12. Health Care Self-Insurance Plan**

The County began self-insuring health care benefits with a cost-plus arrangement in 2014. The County retains liability for \$150,000 per covered person, with specific stop loss coverage purchased to provide protection in excess of that amount. In addition, the County has aggregate stop-loss coverage for potential health care costs above the funded limit for the County health plans, as a whole. This aggregate stop-loss is limited to \$3,922,195. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2016, a liability of \$581,334 has been recorded in the Internal Service Fund for the outstanding health care claims, including an estimate of \$165,463 for claims incurred but not received (IBNR). Insurance claims payable are based upon claims adjusters' and management's evaluation of submitted medical claims in accordance with the County group health plan contract. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 12. Health Care Self-Insurance Plan (Continued)

Changes in the Internal Service Fund's insurance claims payable during 2016 and 2015 were as follows:

	2016	2015
Insurance claims payable, beginning of year	\$ 377,100	\$ 484,694
Claims and changes in estimates	4,162,806	3,675,988
Claim payments	(3,958,572)	(3,783,582)
Insurance claims payable, end of year	<u>\$ 581,334</u>	<u>\$ 377,100</u>

#### Note 13. Employee Benefit Plan Liabilities

Below is a summary of amounts reported by the County:

	LAGERS	CERF	Total
Net pension asset	\$ 1,100,391	\$ -	\$ 1,100,391
Net pension liability	-	14,649,440	14,649,440
Deferred outflows of resources	12,107,237	7,060,248	19,167,485
Deferred inflows of resources	1,337,969	82,662	1,420,631
Pension expense	5,620,128	3,011,832	8,631,960

#### Missouri Local Government Employees Retirement Systems (LAGERS)

##### Plan description

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

##### Benefits provided

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

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 13. Employee Benefit Plan Liabilities (Continued)

	<u>2016 Valuation</u>
Benefit Multiplier	1.50%
Final Average Salary	3 years
Member Contributions	0%

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

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

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	299	76	375
Inactive employees or entitled to but not yet receiving benefits	167	56	223
Active employees	353	129	482
	<u>819</u>	<u>261</u>	<u>1,080</u>

#### Contributions

The County is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Employees do not contribute to the pension plan. County contribution rates are 9.4% (General) and 11% (Police) of annual covered payroll.

#### Net Pension Asset

The County's net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2016. Standard update procedures were used to roll forward the total pension liability to June 30, 2016.

#### Actuarial Assumptions

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

Inflation	3.25% wage inflation, 2.5% price inflation
Salary Increase	3.25% to 6.55%, including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses

Mortality rates were based on the RP-2014 Mortality Table set back 12 years for both males and females. Both the postretirement and preretirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 13. Employee Benefit Plan Liabilities (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

#### Discount rate

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

**Clay County, Missouri**

**Notes to Basic Financial Statements**

**Note 13. Employee Benefit Plan Liabilities (Continued)**

**Changes in the Net Pension Liability (Asset):**

	General		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balances at December 31, 2015	\$ 58,434,307	\$ 66,244,543	\$ (7,810,236)
Changes for the year:			
Service cost	1,376,588	-	1,376,588
Interest on the total pension liability	4,185,759	-	4,185,759
Differences between expected and actual experience of the total pension liability	(680,543)	-	(680,543)
Contributions - employer	-	1,345,834	(1,345,834)
Contributions - employees	-	-	-
Net investment income	-	(139,952)	139,952
Change in assumptions	2,476,120	-	2,476,120
Benefit payments, including refunds of employee contributions	(2,800,907)	(2,800,907)	-
Pension plan administrative expense	-	(63,926)	63,926
Other (net transfer)	-	(314,145)	314,145
Net changes	4,557,017	(1,973,096)	6,530,113
Balances at December 31, 2016	\$ 62,991,324	\$ 64,271,447	\$ (1,280,123)

  

	Police		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balances at December 31, 2015	\$ 26,150,473	\$ 28,394,702	\$ (2,244,229)
Changes for the year:			
Service cost	623,506	-	623,506
Interest on the total pension liability	1,885,491	-	1,885,491
Differences between expected and actual experience of the total pension liability	(403,916)	-	(403,916)
Contributions - employer	-	722,280	(722,280)
Contributions - employees	-	-	-
Net investment income	-	(53,385)	53,385
Change in assumptions	811,069	-	811,069
Benefit payments, including refunds of employee contributions	(916,038)	(916,038)	-
Pension plan administrative expense	-	(19,602)	19,602
Other (net transfer)	-	(157,104)	157,104
Net changes	2,000,112	(423,849)	2,423,961
Balances at December 31, 2016	28,150,585	27,970,853	179,732
Total plan balances at December 31, 2016	\$ 91,141,909	\$ 92,242,300	\$ (1,100,391)

The amounts reported as changes in assumptions were primarily from changes to the Mortality table, as well as salary increases and inflation.

## Clay County, Missouri

### Notes to Basic Financial Statements

#### Note 13. Employee Benefit Plan Liabilities (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate:

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

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
General:			
Total pension liability	\$ 72,100,450	\$ 62,991,324	\$ 55,538,675
Plan fiduciary net position	64,271,447	64,271,447	64,271,447
Net pension liability (asset)	7,829,003	(1,280,123)	(8,732,772)
Police:			
Total pension liability	32,622,574	28,150,585	24,510,434
Plan fiduciary net position	27,970,853	27,970,853	27,970,853
Net pension liability (asset)	4,651,721	179,732	(3,460,419)
Total	\$ 12,480,724	\$ (1,100,391)	\$ (12,193,191)

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

For the year ended December 31, 2016 the County recognized pension expense of \$5,620,128. The County reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
General:		
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ -	\$ (797,498)
Changes of assumptions	1,924,707	-
Net difference between projected and actual earnings on pension plan investments	5,982,401	-
Pension contributions made subsequent to the measurement date*	619,721	-
Total deferred amounts related to pensions - general	8,526,829	(797,498)
Police:		
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ -	\$ (540,471)
Changes of assumptions	660,172	-
Net difference between projected and actual earnings on pension plan investments	2,563,318	-
Pension contributions made subsequent to the measurement date*	356,918	-
Total deferred amounts related to pensions - police	3,580,408	(540,471)
Total	\$ 12,107,237	\$ (1,337,969)

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as pension expense for the year ending December 31, 2017.



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 13. Employee Benefit Plan Liabilities (Continued)

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

Year ending December 31,	General	Police	Total
2017	\$ 1,969,631	\$ 730,126	\$ 730,126
2018	1,969,631	730,126	730,126
2019	1,998,738	730,124	730,124
2020	1,171,610	464,240	464,240
2021	-	28,403	28,403
	<u>\$ 7,109,610</u>	<u>\$ 2,683,019</u>	<u>\$ 2,683,019</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The deferred outflows of resources related to the difference between expected and actual investment returns are being amortized over a closed five year period.

#### Payable to the pension plan:

At December 31, 2016, the County had no outstanding amounts of contributions to the pension plan required for the year ended December 31, 2016, therefore no payable was reported.

### COUNTY EMPLOYEES' RETIREMENT FUND

#### Plan description:

Employees of the County are provided with pensions through the Statewide County Employees Retirement Fund (CERF). Established in August 1994 by the Missouri State Legislature, RSMo Sections 50.100 through 50.306, and administered by a governing board of directors, CERF is a cost sharing multiple-employer defined benefit pension plan funded through various fees and employee contributions. Eligible employees include elected officials and appointed employees scheduled to work at least 1,000 hours during the year. Certain employees are excluded from participating in CERF as they are covered under a separate retirement program established by the State of Missouri, including Circuit Court employees, Juvenile Office employees, the Prosecuting Attorney, and the Sheriff. CERF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by accessing the CERF website at [www.mocerf.org](http://www.mocerf.org) or by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101.

#### Benefits provided:

CERF provides retirement, death and disability benefits to all full-time employees and certain part time employees. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri State Legislature. Employees are eligible to retire with full benefits at age 62 with eight years of creditable service. 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. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age 62. Any member with less than eight years of creditable service forfeits all rights in the fund, but will be paid the member's accumulated contributions.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 13. Employee Benefit Plan Liabilities (Continued)

##### Contributions:

As a LAGERS participating County, all eligible employees are required to make contributions of 4% of gross compensation. The Plan is further funded through various fees collected by counties and remitted to CERF in accordance with State statutes. The County retains a proportionate share of the collective pension amount based only upon the fees collected and remitted. Contributions to the pension plan from the County were \$1,521,655 for the year ended December 31, 2016.

##### Net Pension Liability:

At December 31, 2016, the County reported a liability of \$14,649,440 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The County's proportion of the net pension liability was based upon the County's share of contributions to the pension plan relative to the contributions of all participating counties. At December 31, 2015, the County's proportion was 7.57643%, which was 0.30023% higher than the proportion used for the measurement at December 31, 2014.

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

For the year ended December 31, 2016 the County recognized pension expense of \$3,011,832. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 559,876	\$ (82,662)
Changes in assumptions	2,023,709	-
Changes in proportion and differences between contributions and proportionate share of contributions	288,815	-
Net difference between projected and actual earnings	2,666,193	-
Contributions subsequent to measurement date*	1,521,655	-
Total	<u>\$ 7,060,248</u>	<u>\$ (82,662)</u>

The following actuarial assumptions and methods were changed for the actuarial valuation used for the reporting period: a) compensation increases were changed from 3.5% to 6.8%, including wage inflation to 2.5%, plus merit; b) the investment rate of return increased from 7.25% to 7.50%; c) inflation was reduced from 3.5% to 2.5%; and d) mortality rates were changed from 1994 Group Annuity Mortality Table set back 0 years to the RP-2000 Combined Mortality with adjustment for mortality improvements through year 2010.

**Clay County, Missouri**

**Notes to Basic Financial Statements**

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**Note 13. Employee Benefit Plan Liabilities (Continued)**

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as pension expense for the year ending December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	Total
2017	\$ 1,126,127
2018	1,126,127
2019	1,126,127
2020	1,126,127
2021	951,423
	<u>\$ 5,455,931</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The deferred outflows of resources related to the difference between expected and actual investment returns are being amortized over a closed five year period.

**Actuarial Assumptions:**

The total pension liability for the December 31, 2015 measurement date was determined by a January 1, 2015 actuarial valuation and was determined using the following actuarial assumptions:

Inflation	2.50%
Compensation Increase	2.5%, plus merit
Investment Rate of Return	7.50%
Discount Rate	7.50%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements through year 2010.

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

## Clay County, Missouri

### Notes to Basic Financial Statements

#### Note 13. Employee Benefit Plan Liabilities (Continued)

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

Asset Class	Target Allocation	Long-Term Arithmetic Basis	
		Long-Term Expected Real Rate of Return	Weighted Expected Real Rate Return
Core Plus	15.00%	2.66%	0.40%
Absolute Return	15.00%	4.18%	0.63%
U.S. Large Cap Equity	25.00%	6.38%	1.60%
U.S. Small Cap Equity	10.00%	6.96%	0.70%
Non-U.S. Equity	15.00%	6.58%	0.99%
Long/Short Equity	10.00%	6.85%	0.69%
Private Equity	5.00%	7.34%	0.37%
Core Real Estate	5.00%	5.10%	0.26%
Total	100.00%		5.64%
		Inflation	2.50%
		Long-term expected geometric return	8.14%

#### Discount rate:

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

#### Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:

The following presents the County's proportionate share of the Net Pension Liability calculated using the discount rate of 7.5%, as well as what the County's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

1% Decrease	Discount Rate	1% Increase
6.50%	7.50%	8.50%

County's proportionate share of Net Pension Liability \$ 20,835,761 \$ 14,649,440 \$ 9,496,249

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERF financial report, which can be located at [www.mocerf.org](http://www.mocerf.org).

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 13. Employee Benefit Plan Liabilities (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 contribution 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' contribution to the plans was \$379,708 for the year ended December 31, 2016.

##### **Post-employment 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 postemployment benefits (OPEB) under Governmental Accounting Standards Board (GASB) Statement No. 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 No. 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, 2016, which represents the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$877,412, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$877,412. The covered payroll (annual payroll of active employees covered by the plan) was \$20,610,742, and the ratio of UAAL to the covered payroll was 4.25%.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### Note 13. Employee Benefit Plan Liabilities (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the 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 the 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, 2016 actuarial valuation, the projected unit credit 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 6.5% initially, reduced by decrements to an ultimate rate of 5% after five 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, 2016, was thirty years.

#### Annual Pension Cost and Net Pension 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 No. 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)	\$	119,938
Interest on net OPEB obligation		22,367
Adjustment to annual required contribution		<u>(29,697)</u>
Annual OPEB cost		112,608
Contributions made:		
Net employer contributions		<u>28,000</u>
Change in net OPEB obligation		84,608
Net OPEB obligation - January 1, 2016		<u>639,066</u>
Net OPEB obligation - December 31, 2016	\$	<u><u>723,674</u></u>

**Clay County, Missouri**

**Notes to Basic Financial Statements**

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**Note 13. Employee Benefit Plan Liabilities (Continued)**

The retirees annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and NET OPEB Obligation were as follows:

Year Ending	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2014	\$ 148,066	34.4%	\$ 543,603
2015	151,463	37.0%	639,066
2016	112,608	24.9%	723,674

**Note 14. Encumbrances**

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Outstanding encumbrances of the County as of December 31, 2016 were as follows:

General Fund	\$ 116,156
Road & Bridge Fund	20,965
Law Enforcement Fund	102,700
Nonmajor governmental funds:	
Use Tax Fund	191,356
Use Tax - Parks & Trails Fund	114,052
Parks Fund	4,840
Reassessment Fund	251,163
Airport Fund	49,670
	<u>\$ 850,902</u>

## Clay County, Missouri

### Notes to Basic Financial Statements

#### Note 15. Fund Balance Components

The composition of the fund balances of the governmental funds for the year ended December 31, 2016 were as follows:

<b>Fund Balances</b>	General	Road & Bridge Fund	Law Enforcement	Debt Service Fund	Nonmajor Governmental	Total
Nonspendable:						
Prepaid Items	\$ 23,619	\$ -	\$ 43,630	\$ -	\$ 8,704	\$ 75,953
Restricted for:						
Public Safety and Judicial	-	-	2,581,265	-	1,274,429	3,855,694
Highways and traffic	-	611,487	-	-	-	611,487
Parks and recreation	-	-	-	-	385,139	385,139
Debt service reserve	-	-	-	220,855	-	220,855
Capital projects-general	-	-	-	-	2,293,476	2,293,476
Capital projects-highways and traffic	-	-	-	-	654,309	654,309
Capital projects-parks and recreation	-	-	-	-	1,748,020	1,748,020
Property, valuation and recording	-	-	-	-	4,468,630	4,468,630
<b>Total Restricted Balance</b>	<b>-</b>	<b>611,487</b>	<b>2,581,265</b>	<b>220,855</b>	<b>10,824,003</b>	<b>14,237,610</b>
Committed to:						
Highways and traffic	350,181	-	-	-	-	350,181
Capital projects reserve	1,252,389	-	-	-	-	1,252,389
Reserve for land trustee	8,228	-	-	-	-	8,228
TIF reserve	1,407,425	-	-	-	-	1,407,425
<b>Total Committed Balance</b>	<b>3,018,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,018,223</b>
Assigned to:						
Encumbrances	116,156	-	-	-	-	116,156
<b>Total Assigned Balance</b>	<b>116,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,156</b>
Unassigned	24,259,040	-	-	-	-	24,259,040
<b>Total Fund balances</b>	<b>\$ 27,417,038</b>	<b>\$ 611,487</b>	<b>\$ 2,624,895</b>	<b>\$ 220,855</b>	<b>\$ 10,832,707</b>	<b>\$ 41,706,982</b>



## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 16. 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 keeps 100 percent of all other 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 \$850,199 at year-end and reports a receivable and deferred inflow of resources in the amount of \$488,778 at year-end pursuant to the service concession arrangement.

#### **Note 17. 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:

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the County beginning with its fiscal year ending December 31, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

*GASB Statement No. 82, Pension Issues*, issued April 2016, will be effective for the County beginning with its fiscal year ending December 31, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 17. Pending Governmental Accounting Standards Board Statements (Continued)**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016, will be effective for the County beginning with its fiscal year ending December 31, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the County beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will be effective for the County beginning with its fiscal year ending December 31, 2018. Statement No. 85 is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

## Clay County, Missouri

### Notes to Basic Financial Statements

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#### **Note 17. Pending Governmental Accounting Standards Board Statements (Continued)**

GASB Statement No. 86, Certain Debt Extinguishment Issues, issued May 2017, will be effective for the County beginning with its fiscal year ending December 31, 2018. Statement No. 86 is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement requires the inclusion of any remaining prepaid insurance related to extinguished debt in the net carrying amount of the debt when calculating the difference between the reacquisition price and the net carrying amount of the debt. This Statement also improves notes to financial statements for debt that is defeased in substance.

The County's management has not yet determined the effect these statements will have on the County's financial statements. In consideration of GASB Statement No. 75, refer to the OPEB Schedule of Funding Progress presented in the RSI for the unfunded actuarial accrued liability as of the most recent valuation date.



**REQUIRED SUPPLEMENTARY INFORMATION**



Clay County, Missouri

**Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,027,304	\$ 13,039,063	\$ 15,371,485	\$ 2,332,422
Fees and Fines	5,467,331	5,467,331	7,608,344	2,141,013
Licenses and permits	360,300	360,300	476,804	116,504
Intergovernmental	1,890,581	1,890,581	1,910,997	20,416
Leases	63,000	63,000	47,250	(15,750)
Investment Income	205,000	205,000	411,037	206,037
Other	18,253,073	18,253,073	309,548	(17,943,525)
Total revenues	<u>39,266,589</u>	<u>39,278,348</u>	<u>26,135,465</u>	<u>(13,142,883)</u>
<b>Expenditures</b>				
Current				
General Government	25,378,063	24,505,292	13,410,035	(11,095,257)
Public safety and judicial	7,589,636	7,639,928	7,182,395	(457,533)
Highways and traffic	147,211	179,213	154,185	(25,028)
Health and welfare	970,686	983,299	576,904	(406,395)
Parks and recreations	-	-	83	83
Property, valuation and recording	1,199,690	1,202,893	1,536,874	333,981
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>35,285,286</u>	<u>34,510,625</u>	<u>22,860,476</u>	<u>(11,650,149)</u>
Excess (deficiency) of revenue over expenditures	3,981,303	4,767,723	3,274,989	(1,492,734)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	278,055	278,055
Transfers Out	(96,122)	(96,122)	(3,075,891)	(2,979,769)
Gain on sale of capital assets	-	-	10,553	10,553
Total other financing sources (uses)	<u>(96,122)</u>	<u>(96,122)</u>	<u>(2,787,283)</u>	<u>(2,691,161)</u>
Net change in fund balance	3,885,181	4,671,601	487,706	(4,183,895)
Fund balance, beginning of year	23,748,839	23,748,839	23,748,839	-
Fund balance, end of year	<u>\$ 27,634,020</u>	<u>\$ 28,420,440</u>	<u>\$ 24,236,545</u>	<u>\$ (4,183,895)</u>

**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	\$ 487,706
Net change in fund balance from combined funds	(21,893)
Total reconciled net change in fund balance	<u>465,813</u>
Fund balance, beginning of year from above	23,748,839
Fund balance, beginning of year from combined funds	3,202,386
Total reconciled fund balance, beginning of year	<u>26,951,225</u>
Total reconciled fund balance, end of year	<u>\$ 27,417,038</u>

See note to required supplementary information.

Clay County, Missouri

**Budgetary Comparison Schedule  
Road & Bridge Fund  
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,268,216	\$ 5,392,788	\$ 4,132,305	\$ (1,260,483)
Fees and Fines	702,500	702,500	-	(702,500)
Licenses and permits	11,000	11,000	18,699	7,699
Intergovernmental	1,453,000	1,453,000	1,224,166	(228,834)
Investment Income	22,000	22,000	33,731	11,731
Other	1,500,000	1,500,000	24,340	(1,475,660)
<b>Total revenues</b>	<b>8,956,716</b>	<b>9,081,288</b>	<b>5,433,241</b>	<b>(3,648,047)</b>
<b>Expenditures</b>				
Highways and traffic	8,882,690	9,007,262	5,480,034	(3,527,228)
Debt Service				
Principal	74,026	74,026	108,457	34,431
Interest and fiscal charges	-	-	27,010	27,010
<b>Total expenditures</b>	<b>8,956,716</b>	<b>9,081,288</b>	<b>5,615,501</b>	<b>(3,465,787)</b>
Excess (deficiency) of revenue over expenditures	-	-	(182,260)	(182,260)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	42,493	42,493
Transfers Out	-	-	(71,781)	(71,781)
Proceeds from sale of capital assets	-	-	221,478	221,478
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>192,190</b>	<b>192,190</b>
Net change in fund balance	-	-	9,930	9,930
Fund balance, beginning of year	601,557	601,557	601,557	-
Fund balance, end of year	\$ 601,557	\$ 601,557	\$ 611,487	\$ 9,930

See note to required supplementary information.



Clay County, Missouri

**Budgetary Comparison Schedule  
Law Enforcement Tax Fund  
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 11,999,696	\$ 11,999,696	\$ 12,308,992	\$ 309,296
Fees and Fines	98,075	98,075	275,765	177,690
Charges for Services	55,000	55,000	61,451	6,451
Intergovernmental	2,413,894	2,413,894	2,073,261	(340,633)
Investment Income	20,000	20,000	26,755	6,755
Other	37,224	37,224	80,679	43,455
Total revenues	<u>14,623,889</u>	<u>14,623,889</u>	<u>14,826,903</u>	<u>203,014</u>
<b>Expenditures</b>				
Public safety and judicial	16,771,030	16,971,020	16,460,718	(510,302)
<b>Total expenditures</b>	<u>16,771,030</u>	<u>16,971,020</u>	<u>16,460,718</u>	<u>(510,302)</u>
Excess (deficiency) of revenue over expenditures	<u>(2,147,141)</u>	<u>(2,347,131)</u>	<u>(1,633,815)</u>	<u>713,316</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	1,473,323	1,473,323
Proceeds from sale of capital asset	-	-	5,012	5,012
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,478,335</u>	<u>1,478,335</u>
Net change in fund balance	(2,147,141)	(2,347,131)	(155,480)	2,191,651
Fund balance, beginning of year	<u>2,780,375</u>	<u>2,780,375</u>	<u>2,780,375</u>	<u>-</u>
Fund balance, end of year	<u>\$ 633,234</u>	<u>\$ 433,244</u>	<u>\$ 2,624,895</u>	<u>\$ 2,191,651</u>

See note to required supplementary information.

## Clay County, Missouri

### Note to Required Supplementary Information December 31, 2016

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#### Note 1. Budgetary data

The County Commission adopted annual operating budgets for all funds, except the Sheriff Inmate Fund and the Federal Equitable Sharing Fund as these funds only had revenues budgeted and not expenditures. The County's budget is adopted using the cash basis of accounting. Revisions to the budget can be made only by the Commission. There were several budget amendments during the year ended December 31, 2016. 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**

**Schedule of Funding Progress  
Other Post Employment Benefits  
December 31, 2016**

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll (b-a)/c
1/1/12	\$ -	\$ 1,047,243	\$ 1,047,243	0%	\$ 18,556,639	5.64%
1/1/14	\$ -	\$ 1,193,712	\$ 1,193,712	0%	\$ 20,106,228	5.94%
1/1/16	\$ -	\$ 877,412	\$ 877,412	0%	\$ 20,610,742	4.25%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of January 1, 2016. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 3.5 percent valuation interest rate and 2) Medical/Rx Cost Inflationary trend rate of 6.5 percent initially and an ultimate rate of 5 percent.
- d. The amortization method is level percentage of pay over 30 years

Clay County, Missouri

**Schedule of Changes in Net Pension Liability and Related Ratios  
Missouri Local Government Employees Retirement System**

Year ended December 31,	2016	2015
Total Pension Liability		
Service cost	\$ 2,000,094	\$ 2,010,201
Interest on the total pension liability	6,071,250	5,823,136
Difference between expected and actual experience of the total pension liability	(1,084,459)	(798,905)
Changes in assumptions	3,287,189	-
Benefit payments, including refunds of employee contributions	(3,716,945)	(3,501,248)
<b>Net change in total pension liability</b>	<b>6,557,129</b>	<b>3,533,184</b>
<b>Total pension liability, beginning</b>	<b>84,584,780</b>	<b>81,051,596</b>
<b>Total pension liability, ending (A)</b>	<b>\$ 91,141,909</b>	<b>\$ 84,584,780</b>
Plan Fiduciary Net Position		
Contributions-employer	\$ 2,068,114	\$ 2,245,428
Contributions-employees	-	-
Net investment income	(193,337)	1,840,855
Benefit payments, including refunds of employee contributions	(3,716,945)	(3,501,248)
Pension plan administrative expense	(83,528)	(91,152)
Other (net transfer)	(471,249)	(123,559)
<b>Net change in plan fiduciary net position</b>	<b>(2,396,945)</b>	<b>370,324</b>
<b>Plan fiduciary net position, beginning</b>	<b>94,639,245</b>	<b>94,268,921</b>
<b>Plan fiduciary net position, ending (B)</b>	<b>\$ 92,242,300</b>	<b>\$ 94,639,245</b>
Employer net pension liability (asset) (A) - (B)	\$ (1,100,391)	\$ (10,054,465)
Plan fiduciary net position as a percentage of the total pension liability	101.21%	111.89%
Covered valuation payroll	20,536,888	20,489,537
Net pension liability as a percentage of covered valuation payroll	-5.36%	-49.07%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

During 2015-2016, amounts reported as assumption changes were primarily from changes to the Mortality table, as well as salary increases and inflation.

**Clay County, Missouri**

**Schedule of County Contributions  
Missouri Local Government Employees Retirement System  
Year Ended December 31, 2016**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 1,969,864	\$ 1,969,864	\$ -	\$ 21,122,749	9.33%
2015	2,132,887	2,132,887	-	20,601,446	10.35
2014	2,299,017	2,299,017	-	20,687,740	11.11
2013	2,385,590	2,385,590	-	20,591,225	11.59
2012	2,479,277	2,343,727	135,550	20,208,753	11.60
2011	2,323,941	2,085,098	238,843	19,672,959	10.60
2010	2,427,835	1,903,573	524,262	19,864,875	9.58
2009	1,789,863	1,789,863	-	20,818,744	8.60
2008	1,638,544	1,638,544	-	19,721,851	8.31
2007	1,576,105	1,549,554	26,551	18,375,684	8.43

**Actuarial Assumptions:**

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Multiple bases from 13 to 18 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disable retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

**Clay County, Missouri**

**Schedule of Proportionate Share  
County Employees Retirement Fund**

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Year ended December 31,	2015	2014
County proportion of the net pension liability	7.57643%	7.2762%
County proportionate share of the net pension liability	\$ 14,649,440	\$ 8,491,337
County covered employee payroll	\$ 18,960,039	\$ 18,256,353
County net pension liability as a percentage of its covered payroll	77.2648%	46.5117%
Plan fiduciary net position as a percentage of the total pension liability	69.11%	78.83%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**Clay County, Missouri**

**Schedule of County Contributions  
County Employees Retirement Fund**

Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 1,512,905	\$ 1,521,655	\$ (8,750)	\$ 18,960,039	8.03%
2015	1,439,352	1,512,905	(73,553)	18,256,353	8.29%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**Actuarial Assumptions:**

Actuarial cost method	Entry Age Normal
Investment rate of return	7.5%
Inflation	2.5%
Discount rate	7.5%
Compensation increases	2.5%, plus merit
Mortality rates	RP 2000 combines mortality projected to 2010 using Scale AA





**SUPPLEMENTARY INFORMATION  
COMBINING STATEMENTS AND INDIVIDUAL  
FUND SCHEDULES**



Clay County, Missouri

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2016

	Park Fund	Prosecutor Training Fund	Delinquent Sales Tax Fund	Prosecutor Check Collection Fund	Law Enforcement Training Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 415,932	\$ 9,617	\$ 5,045	\$ 20,088	\$ 41,745
Taxes receivable	152,300	-	-	-	-
Fees and other receivables	65,608	19	10	55	76
Intergovernmental receivables	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 633,840</u>	<u>\$ 9,636</u>	<u>\$ 5,055</u>	<u>\$ 20,143</u>	<u>\$ 41,821</u>
<b>Liabilities</b>					
Accounts payable	\$ 138,480	\$ -	\$ -	\$ -	\$ 274
Accrued liabilities	84,791	-	-	-	-
Due to other funds	25,434	-	-	-	-
Total liabilities	<u>248,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	385,135	9,636	5,055	20,143	41,547
Unassigned	-	-	-	-	-
Total fund balances	<u>385,135</u>	<u>9,636</u>	<u>5,055</u>	<u>20,143</u>	<u>41,547</u>
Total liabilities and fund balances	<u>\$ 633,840</u>	<u>\$ 9,636</u>	<u>\$ 5,055</u>	<u>\$ 20,143</u>	<u>\$ 41,821</u>

(Continued)

Clay County, Missouri

Combining Balance Sheet - Nonmajor Governmental Funds (Continued)

December 31, 2016

	Civil Fees Fund	Emergency Communications Fund	Law Library Fund	Inmate Security Fund	Domestic Violence Fund	Use Tax Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 10,837	\$ 389,705	\$ 94,838	\$ 252,584	\$ 21,843	\$ 2,261,592
Taxes receivable	-	62,257	-	-	-	225,178
Fees and other receivables	-	-	-	535	81	4,400
Intergovernmental receivables	20,982	-	-	-	-	-
Prepaid items	-	-	-	8,704	-	-
Total assets	\$ 31,819	\$ 451,962	\$ 94,838	\$ 261,823	\$ 21,924	\$ 2,491,170
<b>Liabilities</b>						
Accounts payable	\$ 5,844	\$ 108,317	\$ -	\$ 7,877	\$ -	\$ 197,693
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	5,844	108,317	-	7,877	-	197,693
<b>Fund Balances</b>						
Nonspendable	-	-	-	8,704	-	-
Restricted	25,975	343,645	94,838	245,242	21,924	2,293,477
Unassigned	-	-	-	-	-	-
Total fund balances	25,975	343,645	94,838	253,946	21,924	2,293,477
Total liabilities and fund balances	\$ 31,819	\$ 451,962	\$ 94,838	\$ 261,823	\$ 21,924	\$ 2,491,170

(Continued)

Clay County, Missouri

Combining Balance Sheet - Nonmajor Governmental Funds (Continued)

December 31, 2016

	Use Tax Highway Fund	Use Tax Parks & Trails Fund	Sheriff DARE Fund	Sheriff Emergency Apprehension Fund	Sheriff Inmate Fund	Record Preservation Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 427,841	\$ 1,679,166	\$ 4,850	\$ 16,417	\$ 273,706	\$ 802,648
Taxes receivable	225,178	225,178	-	-	-	-
Fees and other receivables	1,290	4,108	12	-	-	3,781
Intergovernmental receivables	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 654,309</u>	<u>\$ 1,908,452</u>	<u>\$ 4,862</u>	<u>\$ 16,417</u>	<u>\$ 273,706</u>	<u>\$ 806,429</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 149,182	\$ -	\$ -	\$ 14,547	\$ -
Accrued liabilities	-	8,682	-	-	-	-
Due to other funds	-	2,566	-	-	205,094	-
Total liabilities	<u>-</u>	<u>160,430</u>	<u>-</u>	<u>-</u>	<u>219,641</u>	<u>-</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	654,309	1,748,022	4,862	16,417	54,065	806,429
Unassigned	-	-	-	-	-	-
Total fund balances	<u>654,309</u>	<u>1,748,022</u>	<u>4,862</u>	<u>16,417</u>	<u>54,065</u>	<u>806,429</u>
Total liabilities and fund balances	<u>\$ 654,309</u>	<u>\$ 1,908,452</u>	<u>\$ 4,862</u>	<u>\$ 16,417</u>	<u>\$ 273,706</u>	<u>\$ 806,429</u>

(Continued)

Clay County, Missouri

Combining Balance Sheet - Nonmajor Governmental Funds (Continued)  
December 31, 2016

	Collector Tax Maintenance Fund	K9 Fund	Sheriff Revolving Fund	Reassessment Fund	Federal Equitable Sharing	Total Nonmajor Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 187,306	\$ 15,991	\$ 356,716	\$ 1,793,625	\$ 15,058	\$ 9,097,150
Taxes receivable	-	-	-	-	-	890,091
Fees and other receivables	-	40	7,976	1,850,395	42	1,938,428
Intergovernmental receivables	-	-	-	-	-	20,982
Prepaid items	-	-	-	-	-	8,704
Total assets	<u>\$ 187,306</u>	<u>\$ 16,031</u>	<u>\$ 364,692</u>	<u>\$ 3,644,020</u>	<u>\$ 15,100</u>	<u>\$ 11,955,355</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 48,189	\$ -	\$ 670,403
Accrued liabilities	3,568	-	4,740	91,684	-	193,465
Due to other funds	243	-	-	25,443	-	258,780
Total liabilities	<u>3,811</u>	<u>-</u>	<u>4,740</u>	<u>165,316</u>	<u>-</u>	<u>1,122,648</u>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	8,704
Restricted	183,495	16,031	359,952	3,478,704	15,100	10,824,003
Unassigned	-	-	-	-	-	-
Total fund balances	<u>183,495</u>	<u>16,031</u>	<u>359,952</u>	<u>3,478,704</u>	<u>15,100</u>	<u>10,832,707</u>
Total liabilities and fund balances	<u>\$ 187,306</u>	<u>\$ 16,031</u>	<u>\$ 364,692</u>	<u>\$ 3,644,020</u>	<u>\$ 15,100</u>	<u>\$ 11,955,355</u>

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2016

	Park Fund	Prosecutor Training Fund	Delinquent Sales Tax Fund	Prosecutor Check Collection Fund	Law Enforcement Training Fund
<b>Revenues</b>					
Taxes	\$ 1,183,826	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	4,167	-	22,898	16,615
Licenses and permits	-	-	-	-	-
Charges for services	2,406,038	-	-	-	-
Intergovernmental	26,026	-	23	-	8,757
Leases	1,192,595	-	-	-	-
Investment Income (loss)	6,361	102	49	349	374
Other	8,280	-	-	-	-
Total Revenues	4,823,126	4,269	72	23,247	25,746
<b>Expenditures</b>					
Current					
Public Safety and Judicial	-	1,053	524	28,115	15,389
Highways and traffic	-	-	-	-	-
Parks and recreation	5,634,486	-	-	-	-
Property, valuation and recording	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total expenditures	5,634,486	1,053	524	28,115	15,389
Excess of revenues over (under) expenditures	(811,360)	3,216	(452)	(4,868)	10,357
<b>Other Financing Sources (Uses)</b>					
Transfers in	639,838	-	-	-	-
Transfers out	(156,414)	-	-	-	-
Capital lease issued	-	-	-	-	-
Proceeds from sale of capital assets	6,594	-	-	-	-
Total other financing sources (uses)	490,018	-	-	-	-
Net change in fund balances	(321,342)	3,216	(452)	(4,868)	10,357
Fund balance (deficit), beginning of year	706,477	6,420	5,507	25,011	31,190
Fund balance, end of year	\$ 385,135	\$ 9,636	\$ 5,055	\$ 20,143	\$ 41,547

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended December 31, 2016

	Civil Fees Fund	Emergency Communications Fund	Law Library Fund	Inmate Security Fund	Domestic Violence Fund	Use Tax Fund
<b>Revenues</b>						
Taxes	\$ -	\$ 574,782	\$ -	\$ -	\$ -	\$ 1,260,623
Fees and Fines	30,688	-	55,139	31,432	32,811	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	134,095	-	-
Intergovernmental	20,983	-	-	-	-	-
Leases	-	-	-	-	-	-
Investment income (loss)	-	-	-	3,392	181	23,685
Other	-	-	-	-	-	-
Total Revenues	51,671	574,782	55,139	168,919	32,992	1,284,308
<b>Expenditures</b>						
Current						
Public Safety and Judicial	54,219	638,514	18,463	179,773	14,263	-
Highways and traffic	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	1,106,838
Total expenditures	54,219	638,514	18,463	179,773	14,263	1,106,838
Excess of revenues over (under) expenditures	(2,548)	(63,732)	36,676	(10,854)	18,729	177,470
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	440,000	-	-	-	15,785
Transfers out	-	-	-	-	-	-
Capital lease issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	440,000	-	-	-	15,785
Net change in fund balances	(2,548)	376,268	36,676	(10,854)	18,729	193,255
Fund balance (deficit), beginning of year	28,523	(32,623)	58,162	264,800	3,195	2,100,222
Fund balance, end of year	\$ 25,975	\$ 343,645	\$ 94,838	\$ 253,946	\$ 21,924	\$ 2,293,477

(Continued)



Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended December 31, 2016

	Use Tax Highway Fund	Use Tax Parks & Trails Fund	Sheriff DARE Fund	Sheriff Emergency Apprehension Fund	Sheriff Inmate Fund	Record Preservation Fund
<b>Revenue</b>						
Taxes	\$ 1,260,623	\$ 1,260,623	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	-	25,489	496,737
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	64,096	-
Intergovernmental	-	-	-	104,723	-	-
Leases	-	-	-	-	-	-
Investment income (loss)	7,371	23,564	30	-	-	8,235
Other	-	-	7,431	-	-	-
<b>Total other financing</b>	<b>1,267,994</b>	<b>1,284,187</b>	<b>7,461</b>	<b>104,723</b>	<b>89,585</b>	<b>504,972</b>
<b>Expenditures</b>						
Current						
General government	-	47,459	-	-	-	-
Public Safety and Judicial	-	-	7,240	106,598	117,476	-
Highways and traffic	1,238,503	-	-	-	-	-
Parks and recreation	-	1,125,197	-	-	-	-
Property, valuation and recording	-	-	-	-	-	365,809
Debt service						
Principal	-	176,615	-	-	-	-
Interest and fiscal charges	-	136,764	-	-	-	-
Capital Outlay						
Total expenditures	1,238,503	1,486,035	7,240	106,598	117,476	365,809
Excess of revenues over (under) expenditures	29,491	(201,848)	221	(1,875)	(27,891)	139,163
<b>Other Financing Sources (Uses)</b>						
Transfers in	15,785	21,015	-	-	-	-
Transfers out	-	-	-	-	-	-
Capital lease issued	19,321	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	35,106	21,015	-	-	-	-
Net change in fund balances	64,597	(180,833)	221	(1,875)	(27,891)	139,163
Fund balance (deficit), beginning of year	589,712	1,928,855	4,641	18,292	81,956	667,266
Fund balance, end of year	\$ 654,309	\$ 1,748,022	\$ 4,862	\$ 16,417	\$ 54,065	\$ 806,429

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended December 31, 2016

	Collector Tax Maintenance Fund	K9 Fund	Sheriff Revolving Fund	Reassessment Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,540,477
Fees and Fines	443,009	-	-	2,326,263	-	3,485,248
Licenses and permits	-	-	289,017	-	-	289,017
Charges for services	-	-	-	47,955	-	2,652,184
Intergovernmental	-	-	-	298,129	-	458,641
Leases	-	-	-	-	-	1,192,595
Investment income (loss)	(177)	178	3,859	27,892	405	105,850
Other	63	16,122	-	16,546	13,076	61,518
Total Revenues	442,895	16,300	292,876	2,716,785	13,481	13,785,530
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	47,459
Public Safety and Judicial	-	11,417	206,709	-	37,873	1,437,626
Highways and traffic	-	-	-	-	-	1,238,503
Parks and recreation	-	-	-	-	-	6,759,683
Property, valuation and recording	648,018	-	-	2,680,679	-	3,694,506
Debt service						
Principal	-	-	-	-	-	176,615
Interest and fiscal charges	-	-	-	-	-	136,764
Capital Outlay	-	-	-	-	-	1,106,838
Total expenditures	648,018	11,417	206,709	2,680,679	37,873	14,597,994
Excess of revenues over (under) expenditures	(205,123)	4,883	86,167	36,106	(24,392)	(812,464)
<b>Other Financing Sources (Uses)</b>						
Transfers in	163,513	-	3,596	60,017	-	1,359,549
Transfers out	-	-	-	-	-	(156,414)
Capital lease issued	-	-	-	-	-	19,321
Proceeds from sale of capital assets	-	-	-	-	-	6,594
Total other financing sources (uses)	163,513	-	3,596	60,017	-	1,229,050
Net change in fund balances	(41,610)	4,883	89,763	96,123	(24,392)	416,586
Fund balance (deficit), beginning of year	225,105	11,148	270,189	3,382,581	39,492	10,416,121
Fund balance, end of year	\$ 183,495	\$ 16,031	\$ 359,952	\$ 3,478,704	\$ 15,100	\$ 10,832,707

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, 2016

Revenues	Park Fund			Prosecutor Training Fund			Delinquent Sales Tax Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 1,169,000	\$ 1,183,826	\$ 14,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	4,000	4,167	167	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	2,220,650	2,406,038	185,388	-	-	-	-	-	-
Intergovernmental	9,500	26,026	16,526	-	-	-	400	23	(377)
Leases	1,035,150	1,192,595	157,445	-	-	-	-	-	-
Investment income (loss)	10,000	6,361	(3,639)	35	102	67	75	49	(26)
Other	760,914	8,280	(752,634)	6,129	-	(6,129)	5,487	-	(5,487)
Total Revenues	5,205,214	4,823,126	(382,088)	10,164	4,269	(5,895)	5,962	72	(5,890)
<b>Expenditures</b>									
Current									
Public Safety and Judicial	-	-	-	6,302	1,053	(5,249)	6,032	524	(5,508)
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	7,412,674	5,634,486	(1,778,188)	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	7,412,674	5,634,486	(1,778,188)	6,302	1,053	(5,249)	6,032	524	(5,508)
Excess of revenues over (under) expenditures	(2,207,460)	(811,360)	1,396,100	3,862	3,216	(646)	(70)	(452)	(382)
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	639,838	639,838	-	-	-	-	-	-
Transfers out	(175,644)	(156,414)	19,230	-	-	-	-	-	-
Proceeds from sale of capital assets	-	6,594	6,594	-	-	-	-	-	-
Total other financing sources (uses)	(175,644)	490,018	665,662	-	-	-	-	-	-
Net change in fund balances	(2,383,104)	(321,342)	2,061,762	3,862	3,216	(646)	(70)	(452)	(382)
Fund balance, beginning of year	706,477	706,477	-	6,420	6,420	-	5,507	5,507	-
Fund balance (deficit), end of year	\$ (1,676,627)	\$ 385,135	\$ 2,061,762	\$ 10,282	\$ 9,636	\$ (646)	\$ 5,437	\$ 5,055	\$ (382)

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Nonmajor Governmental Funds (Continued)  
 For the Year Ended December 31, 2016

Revenues	Prosecutor Check Collection Fund			Law Enforcement Training Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	30,000	22,898	(7,102)	17,000	16,615	(385)
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	7,500	8,757	1,257
Leases	-	-	-	-	-	-
Investment income (loss)	325	349	24	300	374	74
Other	26,128	-	(26,128)	-	-	-
Total Revenues	56,453	23,247	(33,206)	24,800	25,746	946
<b>Expenditures</b>						
Current						
Public Safety and Judicial	56,453	28,115	(28,338)	24,800	15,389	(9,411)
Highways and traffic	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital Outlay						
Total expenditures	56,453	28,115	(28,338)	24,800	15,389	(9,411)
Excess of revenues over (under) expenditures	-	(4,868)	(4,868)	-	10,357	10,357
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund bala	-	(4,868)	(4,868)	-	10,357	10,357
Fund balance, beginning of year	25,011	25,011	-	31,190	31,190	-
Fund balance, end of year	\$ 25,011	\$ 20,143	\$ (4,868)	\$ 31,190	\$ 41,547	\$ 10,357

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

Revenues	Civil Fees Fund			Emergency Communications Fund			Law Library Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ 1,038,811	\$ 574,782	\$ (464,029)	\$ -	\$ -	\$ -
Fees and Fines	53,306	30,688	(22,618)	-	-	-	46,410	55,139	8,729
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	20,983	20,983	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	843	-	(843)
Total Revenues	53,306	51,671	(1,635)	1,038,811	574,782	(464,029)	47,253	55,139	7,886
<b>Expenditures</b>									
Current									
Public Safety and Judicial	53,306	54,219	913	1,038,812	638,514	(400,298)	47,253	18,463	(28,790)
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	53,306	54,219	913	1,038,812	638,514	(400,298)	47,253	18,463	(28,790)
Excess of revenues over (under) expenditures	-	(2,548)	(2,548)	(1)	(63,732)	(63,731)	-	36,676	36,676
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	440,000	440,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	440,000	440,000	-	-	-	-
Net change in fund balances	-	(2,548)	(2,548)	439,999	376,268	(63,731)	-	36,676	36,676
Fund balance (deficit), beginning of year	28,523	28,523	-	(32,623)	(32,623)	-	58,162	58,162	-
Fund balance, end of year	\$ 28,523	\$ 25,975	\$ (2,548)	\$ 407,376	\$ 343,645	\$ (63,731)	\$ 58,162	\$ 94,838	\$ 36,676

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

Revenues	Inmate Security Fund			Domestic Violence Fund			Use Tax Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,260,000	\$ 1,260,623	\$ 623
Fees and Fines	32,000	31,432	(568)	30,750	32,811	2,061	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	134,095	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	200	3,392	3,192	100	181	81	17,000	23,685	6,685
Other	259,966	-	(259,966)	2,047	-	(2,047)	1,024,430	-	(1,024,430)
Total Revenues	292,166	168,919	(257,342)	32,897	32,992	95	2,301,430	1,284,308	(1,017,122)
<b>Expenditures</b>									
Current									
Public Safety and Judicial	292,166	179,773	(112,393)	32,897	14,263	(18,634)	354,437	-	(354,437)
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,946,993	1,106,838	(840,155)
Total expenditures	292,166	179,773	(112,393)	32,897	14,263	(18,634)	2,301,430	1,106,838	(1,194,592)
Excess of revenues over (under) expenditures	-	(10,854)	(144,949)	-	18,729	18,729	-	177,470	177,470
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	-	15,785	15,785
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	15,785	15,785
Net change in fund balances	-	(10,854)	(144,949)	-	18,729	18,729	-	193,255	193,255
Fund balance, beginning of year	264,800	264,800	-	3,195	3,195	-	2,100,222	2,100,222	-
Fund balance, end of year	\$ 264,800	\$ 253,946	\$ (10,854)	\$ 3,195	\$ 21,924	\$ 18,729	\$ 2,100,222	\$ 2,293,477	\$ 193,255

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Nonmajor Governmental Funds (Continued)  
For the Year Ended December 31, 2016

Revenues	Use Tax Highway Fund			Use Tax Parks & Trails Fund			Sheriff DARE Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 1,260,000	\$ 1,260,623	\$ 623	\$ 1,260,000	\$ 1,260,623	\$ 623	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	15,000	7,371	(7,629)	16,000	23,564	7,564	-	30	30
Other	366,416	-	(366,416)	1,601,959	-	(1,601,959)	5,045	7,431	2,386
Total Revenues	1,641,416	1,267,994	(373,422)	2,877,959	1,284,187	(1,593,772)	5,045	7,461	2,416
<b>Expenditures</b>									
Current									
General government	-	-	-	-	47,459	47,459	-	-	-
Public Safety and Judicial	-	-	-	-	-	-	5,045	7,240	2,195
Highways and traffic	1,641,416	1,238,503	(402,913)	-	-	-	-	-	-
Parks and recreation	-	-	-	2,620,440	1,125,197	(1,495,243)	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	313,380	176,615	(136,765)	-	-	-
Interest and fiscal charges	-	-	-	-	136,764	136,764	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	1,641,416	1,238,503	(402,913)	2,933,820	1,486,035	(1,447,785)	5,045	7,240	2,195
Excess of revenues over (under) expenditures	-	29,491	29,491	(55,861)	(201,848)	(145,987)	-	221	221
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	15,785	15,785	5,229	21,015	26,244	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Capital lease issued	-	19,321	-	-	-	-	-	-	-
Total other financing sources (uses)	-	35,106	15,785	5,229	21,015	26,244	-	-	-
Net change in fund balances	-	64,597	45,276	(50,632)	(180,833)	(119,743)	-	221	221
Fund balance, beginning of year	589,712	589,712	-	1,928,855	1,928,855	-	4,641	4,641	-
Fund balance, end of year	\$ 589,712	\$ 654,309	\$ 45,276	\$ 1,878,223	\$ 1,748,022	\$ (119,743)	\$ 4,641	\$ 4,862	\$ 221

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Nonmajor Governmental Funds (Continued)  
 For the Year Ended December 31, 2016

Revenues	Sheriff Emergency Apprehension Fund			Sheriff Inmate Fund			Record Preservation Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	-	25,489	25,489	425,000	496,737	71,737
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	100,000	64,096	(35,904)	-	-	-
Intergovernmental	115,000	104,723	(10,277)	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	6,000	8,235	2,235
Other	-	-	-	6,689	-	(6,689)	680,718	-	(680,718)
Total Revenues	115,000	104,723	(10,277)	106,689	89,585	(17,104)	1,111,718	504,972	(606,746)
<b>Expenditures</b>									
Current									
Public Safety and Judicial	115,000	106,598	(8,402)	106,689	117,476	10,787	-	-	-
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	1,119,130	365,809	(753,321)
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	115,000	106,598	(8,402)	106,689	117,476	10,787	1,119,130	365,809	(753,321)
Excess of revenues over (under) expenditures	-	(1,875)	(1,875)	-	(27,891)	(27,891)	(7,412)	139,163	146,575
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	(1,875)	(1,875)	-	(27,891)	(27,891)	(7,412)	139,163	146,575
Fund balance, beginning of year	18,292	18,292	-	81,956	81,956	-	667,266	667,266	-
Fund balance, end of year	\$ 18,292	\$ 16,417	\$ (1,875)	\$ 81,956	\$ 54,065	\$ (27,891)	\$ 659,854	\$ 806,429	\$ 146,575

(Continued)



Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Nonmajor Governmental Funds (Continued)  
 For the Year Ended December 31, 2016

Revenues	Collector Tax Maintenance Fund			K9 Fund			Sheriff Revolving Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	475,000	443,009	(31,991)	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	250,000	289,017	39,017
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	4,000	(177)	(4,177)	75	178	103	2,000	3,859	1,859
Other	344,806	63	(344,743)	10,567	16,122	5,555	249,340	-	(249,340)
<b>Total Revenues</b>	<b>823,806</b>	<b>442,895</b>	<b>(380,911)</b>	<b>10,642</b>	<b>16,300</b>	<b>5,658</b>	<b>501,340</b>	<b>292,876</b>	<b>(208,464)</b>
<b>Expenditures</b>									
Current									
Public Safety and Judicial	-	-	-	27,182	11,417	(15,765)	504,936	206,709	(298,227)
Highways and traffic	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Property, valuation and recording	823,807	648,018	(175,789)	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>823,807</b>	<b>648,018</b>	<b>(175,789)</b>	<b>27,182</b>	<b>11,417</b>	<b>(15,765)</b>	<b>504,936</b>	<b>206,709</b>	<b>(298,227)</b>
Excess of revenues over (under) expenditures	(1)	(205,123)	(205,122)	(16,540)	4,883	21,423	(3,596)	86,167	89,763
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	163,513	163,513	-	-	-	3,596	3,596	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>163,513</b>	<b>163,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,596</b>	<b>3,596</b>	<b>-</b>
Net change in fund balances	(1)	(41,610)	(41,609)	(16,540)	4,883	21,423	-	89,763	89,763
Fund balance, beginning of year	225,105	225,105	-	11,148	11,148	-	270,189	270,189	-
Fund balance, end of year	\$ 225,104	\$ 183,495	\$ (41,609)	\$ (5,392)	\$ 16,031	\$ 21,423	\$ 270,189	\$ 359,952	\$ 89,763

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Nonmajor Governmental Funds (Continued)  
 For the Year Ended December 31, 2016

Revenues	Reassessment Fund		
	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -
Fees and Fines	2,201,200	2,326,263	125,063
Licenses and permits	-	-	-
Charges for services	-	47,955	47,955
Intergovernmental	290,060	298,129	8,069
Leases	-	-	-
Investment Income	20,000	27,892	7,892
Other	780,743	16,546	(764,197)
Total Revenues	<u>3,292,003</u>	<u>2,716,785</u>	<u>(575,218)</u>
<b>Expenditures</b>			
Current			
Public Safety and Judicial	-	-	-
Highways and traffic	-	-	-
Parks and recreation	-	-	-
Property, valuation and recording	4,227,662	2,680,679	(1,546,983)
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital Outlay	-	-	-
Total expenditures	<u>4,227,662</u>	<u>2,680,679</u>	<u>(1,546,983)</u>
Excess of revenues over (under) expenditures	(935,659)	36,106	971,765
<b>Other Financing Sources (Uses)</b>			
Transfers in	350,076	60,017	(290,059)
Transfers out	-	-	-
Total other financing sources (uses)	<u>350,076</u>	<u>60,017</u>	<u>(290,059)</u>
Net change in fund balances	(585,583)	96,123	681,706
Fund balance, beginning of year	3,382,581	3,382,581	-
Fund balance, end of year	<u>\$ 2,796,998</u>	<u>\$ 3,478,704</u>	<u>\$ 681,706</u>

Clay County, Missouri

**Budgetary Comparison Schedule  
Debt Service Fund  
For the Year Ended December 31, 2016**

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>Revenues</b>			
Investment income (loss)	\$ -	\$ (358)	\$ (358)
Total Revenues	-	(358)	(358)
<b>Expenditures</b>			
Debt service			
Principal	291,959	288,448	(3,511)
Interest and fiscal charges	100,528	99,319	(1,209)
Total expenditures	392,487	387,767	(4,720)
Excess of revenues over (under) expenditures	(392,487)	(388,125)	4,362
<b>Other Financing Sources (Uses)</b>			
Transfers in	392,487	385,605	(6,882)
Total other financing sources (uses)	392,487	385,605	(6,882)
Net change in fund balances	-	(2,520)	(2,520)
Fund balance, beginning of year	223,375	223,375	-
Fund balance, end of year	\$ 223,375	\$ 220,855	\$ (2,520)

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, 2016

	Prosecutor Contingency Fund			Work Release Program Fund			Law Enforcement Capital Reserve Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -
Fees and Fines	-	-	-	15,000	-	(15,000)	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	67,485	7,520	(59,965)	632,364	-	(632,364)
Total Revenues	-	-	-	82,485	7,520	(74,965)	932,364	300,000	(632,364)
<b>Expenditures</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	20,275	19,560	(715)	41,811	26,935	(14,876)	1,288,420	79,322	(1,209,098)
Highways and traffic	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	20,275	19,560	(715)	41,811	26,935	(14,876)	1,288,420	79,322	(1,209,098)
Excess of revenues over (under) expenditures	(20,275)	(19,560)	715	40,674	(19,415)	(60,089)	(356,056)	220,678	576,734
<b>Other Financing Sources (Uses)</b>									
Transfers in	20,000	19,725	(275)	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,000	19,725	(275)	-	-	-	-	-	-
Net change in fund balances	(275)	165	440	40,674	(19,415)	(60,089)	(356,056)	220,678	576,734
Fund balance, beginning of year	276	276	-	26,811	26,811	-	1,031,712	1,031,712	-
Fund balance, end of year	\$ 1	\$ 441	\$ 440	\$ 67,485	\$ 7,396	\$ (60,089)	\$ 675,656	\$ 1,252,390	\$ 576,734

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Funds Combined Into the General Fund (Continued)  
For the Year Ended December 31, 2016

Revenues	TIF Fund			Collector Tax Software Fund			Airport Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 3,238,500	\$ 3,500,982	\$ 262,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	185,000	14,753	(170,247)	-	-	-
Charges for services	-	-	-	-	-	-	900,000	564,325	(335,675)
Intergovernmental	-	-	-	-	-	-	150,000	1,186,888	1,036,888
Leases	-	-	-	-	-	-	245,000	326,067	81,067
Investment Income	-	-	-	750	2,358	1,608	1,500	16,918	15,418
Other	1,094,238	405,270	(688,968)	-	4,000	4,000	1,222,343	3,925	(1,218,418)
Total Revenues	4,332,738	3,906,252	(426,486)	185,750	21,111	(164,639)	2,518,843	2,098,123	(420,720)
<b>Expenditures</b>									
Current									
General Government	4,137,044	3,687,316	(449,728)	-	-	-	-	-	-
Public Safety and Judicial	-	-	-	-	-	-	-	-	-
Highways and traffic	-	-	-	-	-	-	2,590,133	2,088,388	(501,745)
Property, valuation and recording	-	-	-	201,015	190,000	(11,015)	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	19,644	19,644
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	4,137,044	3,687,316	(449,728)	201,015	190,000	(11,015)	2,590,133	2,108,032	(482,101)
Excess of revenues over (under) expenditures	195,694	218,936	23,242	(15,265)	(168,889)	(153,624)	(71,290)	(9,909)	61,381
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	167,558	167,558	-	-	-
Transfers out	-	(371,415)	(371,415)	-	-	-	(46,695)	(59,243)	(12,548)
Total other financing sources (uses)	-	(371,415)	(371,415)	-	167,558	167,558	(46,695)	(59,243)	(12,548)
Net change in fund balances	195,694	(152,479)	(348,173)	(15,265)	(1,331)	13,934	(117,985)	(69,152)	48,833
Fund balance, beginning of year	1,559,904	1,559,904	-	152,158	152,158	-	399,692	399,692	-
Fund balance, end of year	\$ 1,755,598	\$ 1,407,425	\$ (348,173)	\$ 136,893	\$ 150,827	\$ 13,934	\$ 281,707	\$ 330,540	\$ 48,833

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Funds Combined Into the General Fund (Continued)  
 For the Year Ended December 31, 2016

Revenues	LINC Fund			Juvenile Grants Fund			Prosecuting Attorney Retirement Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and Fines	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Investment Income	200	245	45	5	4	(1)	-	-	-
Other	22,150	-	(22,150)	601	-	(601)	-	-	-
Total Revenues	22,350	245	(22,105)	606	4	(602)	-	-	-
<b>Expenditures</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judicial	23,137	-	(23,137)	606	-	(606)	9,044	9,044	-
Highways and traffic	-	-	-	-	-	-	-	-	-
Property, valuation and recording	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	23,137	-	(23,137)	606	-	(606)	9,044	9,044	-
Excess of revenues over (under) expenditures	(787)	245	1,032	-	4	4	(9,044)	(9,044)	-
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	7,752	9,044	1,292
Transfers out	-	-	-	-	(608)	(608)	-	-	-
Total other financing sources (uses)	-	-	-	-	(608)	(608)	7,752	9,044	1,292
Net change in fund balances	(787)	245	1,032	-	(604)	(604)	(1,292)	-	1,292
Fund balance, beginning of year	23,001	23,001	-	604	604	-	-	-	-
Fund balance, end of year	\$ 22,214	\$ 23,246	\$ 1,032	\$ 604	\$ -	\$ (604)	\$ (1,292)	\$ -	\$ 1,292

(Continued)

Clay County, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Funds Combined Into the General Fund (Continued)  
 For the Year Ended December 31, 2016

	Land Trustee Agency Fund			Total of Funds Combined Into the General Fund
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 3,800,982
Fees and Fines	-	-	-	14,753
Charges for services	-	-	-	564,325
Intergovernmental	-	-	-	1,186,888
Leases	-	-	-	326,067
Investment Income	-	-	-	19,525
Other	4,791	-	(4,791)	420,715
Total Revenues	<u>4,791</u>	<u>-</u>	<u>(4,791)</u>	<u>6,333,255</u>
<b>Expenditures</b>				
Current				
General Government	8,229	-	(8,229)	3,687,316
Public Safety and Judicial	-	-	-	134,861
Highways and traffic	-	-	-	2,088,388
Property, valuation and recording	-	-	-	190,000
Debt service				
Principal	-	-	-	19,644
Interest and fiscal charges	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>8,229</u>	<u>-</u>	<u>(8,229)</u>	<u>6,120,209</u>
Excess of revenues over (under) expenditures	(3,438)	-	3,438	213,046
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	196,327
Transfers out	-	-	-	(431,266)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(234,939)</u>
Net change in fund balances	(3,438)	-	3,438	(21,893)
Fund balance, beginning of year	8,228	8,228	-	3,202,386
Fund balance, end of year	<u>\$ 4,790</u>	<u>\$ 8,228</u>	<u>\$ 3,438</u>	<u>\$ 3,180,493</u>

Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds

December 31, 2016

	Collector	Prosecuting Attorney			Sheriff	
	Taxes	Prosecuting Attorney Check Division	Prosecuting Attorney Restitution	Bad Check	Total Prosecuting Attorney	Criminal Forfeiture
<b>Assets</b>						
Cash, cash equivalents, and investments	\$ 306,146,935	\$ 5	\$ 13,975	\$ 120	\$ 14,100	\$ 90,017
Total Assets	\$ 306,146,935	\$ 5	\$ 13,975	\$ 120	\$ 14,100	\$ 90,017
<b>Liabilities</b>						
Due to Others	\$ 306,146,935	\$ 5	\$ 13,975	\$ 120	\$ 14,100	\$ 90,017
Total Liabilities	\$ 306,146,935	\$ 5	\$ 13,975	\$ 120	\$ 14,100	\$ 90,017

(Continued)



Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds (Continued)

December 31, 2016

	<b>Sheriff</b>					
	Bail Bond	Sheriff Trust	CCIS SAVINGS #6800222119	CCIS Savings #621854	CCIS Task Force Grant	Total Sheriff
<b>Assets</b>						
Cash, cash equivalents, and investments	\$ 294	\$ 24,911	\$ 14,736	\$ 124,595	\$ 15,370	\$ 269,923
Total Assets	\$ 294	\$ 24,911	\$ 14,736	\$ 124,595	\$ 15,370	\$ 269,923
<b>Liabilities</b>						
Due to Others	\$ 294	\$ 24,911	\$ 14,736	\$ 124,595	\$ 15,370	\$ 269,923
Total Liabilities	\$ 294	\$ 24,911	\$ 14,736	\$ 124,595	\$ 15,370	\$ 269,923

(Continued)

Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds (Continued)

December 31, 2016

	<b>Other</b>								
	Airport Lease Deposit Fund	Juvenile Fund	Road Improvement Fees	County Miscellaneous Checking	Special Road District #9	Cities	Metro Junior College	Library	
<b>Assets</b>									
Cash, cash equivalents, and investments	\$ 11,634	\$ 23,516	\$ 54,547	\$ 4,918	\$ 1,466,959	\$ 120,248	\$ 14,695	\$ 30,454	
Total Assets	<u>\$ 11,634</u>	<u>\$ 23,516</u>	<u>\$ 54,547</u>	<u>\$ 4,918</u>	<u>\$ 1,466,959</u>	<u>\$ 120,248</u>	<u>\$ 14,695</u>	<u>\$ 30,454</u>	
<b>Liabilities</b>									
Due to Others	\$ 11,634	\$ 23,516	\$ 54,547	\$ 4,918	\$ 1,466,959	\$ 120,248	\$ 14,695	\$ 30,454	
Total liabilities	<u>\$ 11,634</u>	<u>\$ 23,516</u>	<u>\$ 54,547</u>	<u>\$ 4,918</u>	<u>\$ 1,466,959</u>	<u>\$ 120,248</u>	<u>\$ 14,695</u>	<u>\$ 30,454</u>	

(Continued)

Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds (Continued)

December 31, 2016

	Other					
	Mental Health	Liberty Hospital	Sheltered Facilities (Handicapped)	Health	C.E.R.F.	Safehaven
<b>Assets</b>						
Cash, cash equivalents, and investments	\$ 10,254	\$ 3,776	\$ 12,305	\$ 10,254	\$ 24,822	\$ 880
Total Assets	<u>\$ 10,254</u>	<u>\$ 3,776</u>	<u>\$ 12,305</u>	<u>\$ 10,254</u>	<u>\$ 24,822</u>	<u>\$ 880</u>
<b>Liabilities</b>						
Due to Others	\$ 10,254	\$ 3,776	\$ 12,305	\$ 10,254	\$ 24,822	\$ 880
Total Liabilities	<u>\$ 10,254</u>	<u>\$ 3,776</u>	<u>\$ 12,305</u>	<u>\$ 10,254</u>	<u>\$ 24,822</u>	<u>\$ 880</u>

(Continued)

Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds (Continued)

December 31, 2016

	<b>Other</b>					
	Children's Trust Fund	Escrow Tax Sales	Escrow Fees- Others	Bond Forfeitures/ Gifts/ Bequests	Schools-Fines	Schools-Bank Interest
<b>Assets</b>						
Cash, cash equivalents, and investments	\$ 1,909	\$ 85,224	\$ 39,404	\$ 18,645	\$ 345,081	\$ 2,743
Total Assets	<u>\$ 1,909</u>	<u>\$ 85,224</u>	<u>\$ 39,404</u>	<u>\$ 18,645</u>	<u>\$ 345,081</u>	<u>\$ 2,743</u>
<b>Liabilities</b>						
Due to Others	\$ 1,909	\$ 85,224	\$ 39,404	\$ 18,645	\$ 345,081	\$ 2,743
Total Liabilities	<u>\$ 1,909</u>	<u>\$ 85,224</u>	<u>\$ 39,404</u>	<u>\$ 18,645</u>	<u>\$ 345,081</u>	<u>\$ 2,743</u>

(Continued)

Clay County, Missouri

Combining Statement of Assets and Liabilities

Agency Funds (Continued)

December 31, 2016

	<u>Other</u>				Total Agency Funds
	Capital School	Senior Citizens' Services	Public Administrator	Total Other	
<b>Assets</b>					
Cash, cash equivalents, and investments	\$ 647,574	\$ 1,773,177	\$ 6,564,154	\$ 11,267,173	\$ 317,698,131
Total Assets	<u>\$ 647,574</u>	<u>\$ 1,773,177</u>	<u>\$ 6,564,154</u>	<u>\$ 11,267,173</u>	<u>\$ 317,698,131</u>
<b>Liabilities</b>					
Due to Others	\$ 647,574	\$ 1,773,177	\$ 6,564,154	\$ 11,267,173	\$ 317,698,131
Total Liabilities	<u>\$ 647,574</u>	<u>\$ 1,773,177</u>	<u>\$ 6,564,154</u>	<u>\$ 11,267,173</u>	<u>\$ 317,698,131</u>

