

**JEFFERSON COUNTY
HEALTH DEPARTMENT
HILLSBORO, MISSOURI**

Annual Financial Statements

For The Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of
Jefferson County Health Department

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Jefferson County Health Department, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Jefferson County Health Department's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson County Health Department, as of December 31, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson County Health Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson County Health Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson County Health Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jefferson County Health Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson County Health Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net pension liability and ratios, and schedule of contributions, 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.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 August 29, 2022, on our consideration of the Jefferson County Health Department'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson County Health Department's 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 the Jefferson County Health Department's internal control over financial reporting and compliance.



Fick, Eggmeyer & Williamson, CPA
Saint Louis, Missouri
August 29, 2022

JEFFERSON COUNTY HEALTH DEPARTMENT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,565,218
Investments	5,838,358
Taxes receivable	2,223,524
Accounts receivable	876,999
Prepaid expenses	87,667
Total current assets	10,591,766
Noncurrent assets	
Capital assets, net of depreciation	3,451,225
Net pension asset	1,707,552
Total noncurrent assets	5,158,777
TOTAL ASSETS	\$ 15,750,543
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	\$ 741,684
 LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	\$ 92,096
Accrued salaries and benefits	208,628
Total current liabilities	300,724
Noncurrent liabilities	
Accrued compensated absences	789,759
Total noncurrent liabilities	789,759
TOTAL LIABILITIES	\$ 1,090,483
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	\$ 1,797,106
 NET POSITION	
Net investment in capital assets	\$ 3,451,225
Restricted:	
Drug prevention	28,934
Mental health	38,496
Unrestricted	10,085,983
TOTAL NET POSITION	\$ 13,604,638

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Charges for		Operating		Capital	
Governmental activities:	Expenses	Services and Sales	Grants and Contributions	Grants and Contributions	Grants and Contributions	Governmental Activities
General government	\$ 8,513,294	\$ 746,278	\$ 3,055,722	\$ -	\$ -	\$ (4,711,294)
Total governmental activities	<u>\$ 8,513,294</u>	<u>\$ 746,278</u>	<u>\$ 3,055,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,711,294)</u>

General revenues:

Property taxes	3,985,377
Investment income	45,588
Miscellaneous	14,886
Total general revenues	<u>4,045,851</u>
Changes in net position	<u>(665,443)</u>
Net position - beginning	14,270,081
Net position - ending	<u>\$ 13,604,638</u>

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>Total Governmental Funds</u>
ASSETS	
ASSETS	
Cash and cash equivalents	\$ 1,565,218
Investments	5,838,358
Taxes receivable	2,223,524
Accounts receivable	876,999
Prepaid expenses	87,667
	<u>87,667</u>
Total assets	<u>\$ 10,591,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued expenses	\$ 92,096
Accrued salaries and benefits	208,628
	<u>208,628</u>
Total liabilities	<u>300,724</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	390,934
	<u>390,934</u>
FUND BALANCE	
Restricted	67,340
Unassigned	9,832,768
	<u>9,832,768</u>
Total fund balance	<u>9,900,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,591,766</u>

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance - governmental funds	\$	9,900,108
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different than amounts reported in the balance sheet for governmental funds due to the following items:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,451,225
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		390,934
<p>Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:</p>		
Net pension asset	1,707,552	
Deferred outflows - pension related	741,684	
Deferred inflows - pension related	<u>(1,797,106)</u>	652,130
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.</p>		
Accrued compensated absences	<u>(789,759)</u>	<u>(789,759)</u>
Net position of governmental activities	\$	<u><u>13,604,638</u></u>

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Total Governmental Funds
REVENUES	
Property taxes	\$ 4,014,102
Charges for services	763,173
Grants and contributions	3,042,601
Investment income	45,588
Miscellaneous income	14,886
Total revenues	7,880,350
EXPENDITURES	
General government	8,812,572
Capital outlay expense	789,260
Total expenditures	9,601,832
Excess (deficiency) of revenues over expenditures	(1,721,482)
Fund balance, beginning of year	11,621,590
Fund balance, end of year	\$ 9,900,108

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - governmental funds		\$ (1,721,482)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	854,421	
Depreciation expense	<u>(430,850)</u>	423,571
Expenses in the statement of activities that do not provide current financial resources are not reported as expenses in the funds.		
	<u>(32,499)</u>	(32,499)
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 accrued compensated absences	183,586	
Change in net pension asset	1,707,552	
Change in net pension liability	576,422	
Change in deferred outflows - pension related	(5,487)	
Change in deferred inflows - pension related	<u>(1,797,106)</u>	<u>664,967</u>
Change in net position of governmental activities		<u>\$ (665,443)</u>

The notes to the financial statements are an integral part of this statement

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jefferson County Health Department (the “Health Department”) is a political subdivision of the State of Missouri formed pursuant to Sections 205.010 to 205.150 RSMo. As such, it levies taxes on the property owners of Jefferson County to establish and maintain health centers within the corporate limits. The Department operates under an elected Board form of management. The Health Department’s major operation is providing health services to the residents of the county.

The accounting and financial reporting policies of the Health Department conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

Reporting Entity

The Health Department defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the Health Department’s governing body has any significant amount of financial accountability for potential component units. The Health Department is financially accountable if it appoints a voting majority of a potential component unit’s governing body and is able to impose its will on that potential component unit, or the potential component unit may provide specific financial benefits to, or impose specific financial burdens on, the Health Department. Currently, the Health Department does not have any component units.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Health Department. As a general rule the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately as business-type activities, which rely to a significant extent on fees and charges for support. The Health Department’s business-type activities are not distinguishable from the Health Department’s governmental activities as the fees charged to external parties supplement the revenues for providing such services and are not intended to fully fund such 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 for services 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, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The accounts of the Health Department are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The Health Department considers that all of its activities are appropriately reported in one fund: the general fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Health Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

GASB 33 groups non-exchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated non-exchange transactions, and voluntary non-exchange transactions.

The Health Department recognizes assets derived from tax revenue transactions in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred.

Resources received in advance are reported as deferred revenues until the period of the exchange.

The Health Department recognizes assets from imposed non-exchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues. Charges for services in the governmental funds, which are exchange transactions and are therefore not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents and Investments

The Health Department considers all demand and savings accounts with an original maturity of three months or less to be cash and cash equivalents. Missouri State Statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Investments held in brokerage accounts are carried at fair value and labeled as investments in the financial statements. Fair value is based on quoted market prices. Additional cash and investment disclosures are presented in the following notes.

Certificates of Deposit

Certificates of deposit held at banks with an original maturity in excess of three months are reported at cost and listed in the financial statements as certificates of deposit. As of December 31, 2021, the Health Department did not have any certificates of deposit.

Allowance for Doubtful Accounts

Management believes there are no significant uncollectible receivables, therefore, no allowance for doubtful accounts has been recorded.

Prepaid Item

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Health Department as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

<u>Assets</u>	<u>Years</u>
Building and improvements	15-40
Transportation equipment	5
Office furniture and equipment	3-10

Compensated Absences

Total vested but unpaid vacation and sick leave at December 31, 2021 was approximately \$789,759.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Health Department only has one item that qualifies for reporting in this category. This item is deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Health Department has only two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The item, deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions. These amounts are deferred and amortized over five years. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: property taxes, grants and unearned revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Governmental Fund Balances

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The General Fund account balance is restricted by the grant agreement.

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board, the Health Department's highest level of decision making authority.

Assigned - includes amounts that the Health Department intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Health Department's highest level of decision making authority, or a body or official.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The Health Department uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal contracts that prohibit doing this.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When restricted sources are available for use, it is the Health Department's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of basic 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 basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Risk Management

The Health Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The Health Department purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the Health Department's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the Health Department on a monthly basis.

The assessed valuation of the tangible real, personal taxable and state assessed railroad and utilities property for the calendar year 2021 for purposes of local taxation was \$3,924,658,966.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was 0.1003.

Note 3 - COMMITMENTS

The Health Department has no bonds payable as of December 31, 2021. Article VI, Section 26(b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a governmental entity to 5 percent of the assessed valuation of the governmental entity. Certificates of participation do not impact this legal debt requirement. The legal debt limit and margin of the Health Department at December 31, 2021 was \$176,560,331.

JEFFERSON COUNTY HEALTH DEPARTMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR DECEMBER 31, 2021

Note 4 - CASH AND CASH EQUIVALENTS

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Health Department’s deposits may not be returned to it. The Health Department has a deposit policy for custodial credit risk that follows Missouri Statutes for deposits. Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

At year-end, the carrying amount of the Health Department’s deposits totaled \$1,565,218 and bank balances totaled \$1,597,808. As of December 31, 2021 all the Health Department’s deposits were secured in accordance with State Statute.

Note 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Land	\$ 132,700	\$ 812,963	\$ -	\$ 945,663
Total capital assets not being depreciated	<u>132,700</u>	<u>812,963</u>	<u>-</u>	<u>945,663</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	3,648,274	-	-	3,648,274
Transportation equipment	1,702,110	-	-	1,702,110
Office furniture and equipment	946,132	41,458	11,474	976,116
Total capital assets being depreciated	<u>6,296,516</u>	<u>41,458</u>	<u>11,474</u>	<u>6,326,500</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	1,817,771	77,710	-	1,895,481
Transportation equipment	823,805	249,241	-	1,073,046
Office furniture and equipment	759,986	103,899	11,474	852,411
Total accumulated depreciation	<u>3,401,562</u>	<u>430,850</u>	<u>11,474</u>	<u>3,820,938</u>
Total net capital assets being depreciated	<u>2,894,954</u>	<u>(389,392)</u>	<u>-</u>	<u>2,505,562</u>
Governmental activity capital assets, net	<u>\$ 3,027,654</u>	<u>\$ 423,571</u>	<u>\$ -</u>	<u>\$ 3,451,225</u>

Depreciation expense was charged to the general government function in the amount of \$430,850 for the year ended December 31, 2021.

JEFFERSON COUNTY HEALTH DEPARTMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR DECEMBER 31, 2021

Note 6 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Health Department has the ability to access.

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

Mutual funds: Valued at the net asset value of shares held by the Health Department at year-end.

Fixed income: Valued by the investment administrator holding the treasury bonds and notes.

The following table sets forth by level, within the fair value hierarchy, the Health Department’s assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 272,085	\$ -	\$ -	\$ 272,085
Fixed income	-	5,566,273	-	5,566,273
Total at fair value	\$ 272,085	\$ 5,566,273	\$ -	\$ 5,838,358

Note 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 29, 2022, the date which the financial statements were available for issue, and noted no reportable events.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 8 - COMMITMENTS

The following is a summary of changes in long-term commitments:

	12/31/2020	Additions	Reductions	12/31/2021	Within One Year
Net pension liability	576,422	-	(576,422)	-	-
Accrued compensated absences*	973,345	-	(183,586)	789,759	-
Total	<u>\$1,549,767</u>	<u>\$ -</u>	<u>\$ (760,008)</u>	<u>\$ 789,759</u>	<u>\$ -</u>

* Due to limitations, gross amounts for additions and reductions are not readily available. Net changes are shown above.

Note 9 - PENSION PLAN

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

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

	<u>2021 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.

JEFFERSON COUNTY HEALTH DEPARTMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR DECEMBER 31, 2021

Employees covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	17
Active employees	72
	136

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 14.4% of annual covered payroll.

Net Pension Liability. The employer’s net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.

Actuarial assumptions. The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Salary Increase	2.75% to 6.75% including inflation	
Investment rate of return	7.00%	

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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:

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 9 - PENSION PLAN (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%

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.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/2020	\$ 11,056,917	\$ 10,480,495	\$ 576,422
Changes for the year:			
Service Cost	314,487	-	314,487
Interest	790,311	-	790,311
Difference between expected and actual experience	452,215	-	452,215
Change of assumption	(462,795)	-	(462,795)
Contributions - employer	-	543,455	(543,455)
Net investment income	-	2,905,412	(2,905,412)
Benefit payments, including refunds	(632,199)	(632,199)	-
Administrative expense	-	(13,871)	13,871
Other changes	-	(56,804)	56,804
Net changes	462,019	2,745,993	(2,283,974)
Balances at 6/30/2021	\$ 11,518,936	\$ 13,226,488	\$ (1,707,552)

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

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 9 - PENSION PLAN (continued)

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
General	\$ (108,659)	\$ (1,707,552)	\$ (3,018,811)

For the year ended June 30, 2021 the employer recognized pension expense of \$465,609. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflow of Resources
Differences in experience	\$ 479,390	\$ -	\$ 479,390
Differences in assumptions	-	(365,008)	(365,008)
Excess (deficit) investment returns	-	(1,432,098)	(1,432,098)
Contributions subsequent to the measurement date*	262,294	-	262,294
Total	<u>\$ 741,684</u>	<u>\$ (1,797,106)</u>	<u>\$ (1,055,422)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an increase in the deferred outflows of resources for the year ended December 31, 2021.

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

Year Ending June 30	Net Deferred Inflows of Resources
2022	\$ (318,410)
2023	(267,929)
2024	(299,491)
2025	(431,886)
2026	-
Thereafter	-
Total	<u>\$ (1,317,716)</u>

Note 10 - OPERATING LEASES

During 2009 the Health Department entered into three operating lease agreements for the use of three storage lockers at Budget Self Storage. The leases run month-to-month and the total monthly lease payment is \$178.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2021

Note 10 - OPERATING LEASES (continued)

In December 2013, the Health Department entered into a five-year lease agreement with Pitney Bowes for a postage meter. The lease expired in January 2019 and is currently on a month-to-month basis with quarterly payments of \$163.

In June 2017, the Health Department entered into a 3-year lease agreement with the Jefferson County Library District for office space. The original lease expired June 30, 2020, and the first of two three-year extensions occurred, creating a new expiration date of June 30, 2023. The lease calls for monthly payments of \$4,470.

In January 2021, the Health Department entered into a 1-year lease agreement with H-5 Hillsboro LLC for office space. The lease calls for monthly payments of \$1,800.

Future minimum lease payments under the above leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 53,640
2023	<u>26,820</u>
	<u>\$ 80,460</u>

Lease expense for the year ended December 31, 2021 was \$120,705.

**Required Supplemental Information
(Other than Management's Discussion & Analysis)**

JEFFERSON COUNTY HEALTH DEPARTMENT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 3,788,985	\$ 3,788,985	\$ 4,014,102	\$ 225,117
Charges for services	1,662,847	1,662,847	763,173	(899,674)
Grants and contributions	2,852,512	2,852,512	3,042,601	190,089
Investment income	95,000	95,000	45,588	(49,412)
Miscellaneous income	-	-	14,886	14,886
Total revenues	<u>8,399,344</u>	<u>8,399,344</u>	<u>7,880,350</u>	<u>(518,994)</u>
EXPENDITURES				
Current				
Salaries and benefits	5,972,769	5,972,769	5,644,845	327,924
Contracted services	62,400	62,400	1,492,307	(1,429,907)
Supplies	1,517,480	1,517,480	802,927	714,553
Advertising	66,711	66,711	100,827	(34,116)
Telecommunications	192,702	192,702	287,194	(94,492)
Postage and shipping	8,725	8,725	10,429	(1,704)
Utilities expense	49,225	49,225	61,144	(11,919)
Vehicle expense	92,230	92,230	77,162	15,068
Facility and equipment expense	343,696	343,696	247,874	95,822
Travel expense	24,071	24,071	1,169	22,902
Professional development	44,335	44,335	16,907	27,428
Election expense	-	-	-	-
Other	-	-	69,787	(69,787)
Capital outlay expense	25,000	25,000	789,260	(764,260)
Total expenditures	<u>8,399,344</u>	<u>8,399,344</u>	<u>9,601,832</u>	<u>(1,202,488)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,721,482)	<u>\$ (1,721,482)</u>
Fund balance, beginning of year			<u>11,621,590</u>	
Fund balance, end of year			<u>\$ 9,900,108</u>	

JEFFERSON COUNTY HEALTH DEPARTMENT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2021

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The Department's governing board annually adopts the budget resolution for the operations of the Department in accordance with the Missouri Revised Statutes ("RSMo"), Chapter 67. Budget amounts presented as originally adopted by the Board and as finally amended by the Board.

Budgets are adopted on the basis of accounting described previously.

The Department follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to December, the Director submits to the Board a proposed budget for the fiscal year beginning on the following January 1st. The proposed budget includes a projection of the fund balance for the end of the current fiscal year, an estimate of revenues for the upcoming fiscal year, and proposed expenditures for all Department funds. Budgeted expenditures cannot exceed the projected fund balance plus the estimated revenues for the year.
2. Prior to its approval, the budget is available for public inspection.
3. Prior to January 1st, the budget is legally enacted by a vote of the board.
4. Subsequent to its formal approval of the budget, the Board has the authority to make necessary adjustments to the budget by formal vote of the Board. There were adjustments during the current year.

NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET

	Budget	Actual
General fund	\$ 8,399,344	\$ 9,601,832

JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fiscal year ending June 30,										
Total pension liability										
Service cost	\$ 314,487	\$ 257,528	\$ 214,963	\$ 179,981	\$ 172,328	\$ 179,089	\$ 190,631			
Interest on the total pension liability	790,311	749,608	704,308	671,998	637,091	602,972	580,832			
Difference between expected and actual results	452,215	111,182	209,518	65,619	143,090	(177,936)	(77,538)			
Assumption changes	(462,795)	-	-	-	-	313,413	-			
Benefit payments and refunds	(632,199)	(539,184)	(511,054)	(467,951)	(481,400)	(407,137)	(359,438)			
Net change in total pension liability	462,019	579,134	617,735	449,647	471,109	510,401	334,487			
Total pension liability - beginning	11,056,917	10,477,783	9,860,048	9,410,401	8,939,292	8,428,891	8,094,404			
Total pension liability - ending (a)	\$ 11,518,936	\$ 11,056,917	\$ 10,477,783	\$ 9,860,048	\$ 9,410,401	\$ 8,939,292	\$ 8,428,891			
Plan Fiduciary Net Position										
Contributions - employer	\$ 543,455	\$ 444,562	\$ 370,849	\$ 326,960	\$ 274,139	\$ 271,607	\$ 305,110			
Contributions - member	-	-	-	-	-	-	-			
Pension plan net investment income	2,905,412	132,070	703,247	1,068,455	988,724	(25,107)	163,485			
Benefit payments and refunds	(632,199)	(539,184)	(511,054)	(467,951)	(481,400)	(407,137)	(359,438)			
Administrative expenses	(13,871)	(17,615)	(14,006)	(9,390)	(8,259)	(7,486)	(8,109)			
Other	(56,804)	33,623	76,750	(50,678)	(22,025)	21,139	131,030			
Net change in plan fiduciary net position	2,745,993	53,456	625,786	867,396	751,179	(146,984)	232,078			
Plan fiduciary net position - beginning	10,480,495	10,427,039	9,801,253	8,933,857	8,182,678	8,329,662	8,097,584			
Plan fiduciary net position - ending (b)	\$ 13,226,488	\$ 10,480,495	\$ 10,427,039	\$ 9,801,253	\$ 8,933,857	\$ 8,182,678	\$ 8,329,662			
Net pension liability(asset) - ending (a) - (b)	\$ (1,707,552)	\$ 576,422	\$ 50,744	\$ 58,795	\$ 476,544	\$ 756,614	\$ 99,229			
Net position as a percentage of pension liability	114.82%	94.79%	99.52%	99.40%	94.94%	91.54%	98.82%			
Covered-employee payroll	\$ 3,775,752	\$ 3,129,376	\$ 2,587,817	\$ 2,297,767	\$ 1,866,399	\$ 1,903,382	\$ 1,943,458			
Net pension liability as a percentage of payroll	-45.22%	18.42%	1.96%	2.56%	25.53%	39.75%	5.11%			

Notes to schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 525,251	\$ 390,613	\$ 369,923	\$ 291,030	\$ 267,358	\$ 279,324	\$ 332,002	\$ 353,720	\$ 350,764
Contributions in relation to the actuarially determined contribution	525,251	390,613	364,991	291,030	267,358	279,324	332,003	353,721	350,764
Contribution deficiency (excess)	\$ -	\$ -	\$ 4,932	\$ -	\$ -	\$ -	\$ (1)	\$ (1)	\$ -
Covered-employee payroll	\$ 3,725,185	\$ 2,810,164	\$ 2,466,154	\$ 2,108,915	\$ 1,965,869	\$ 1,926,369	\$ 2,036,821	\$ 2,080,703	\$ 2,063,321
Contributions as a percentage of covered-employee payroll	14.10%	13.90%	14.80%	13.80%	13.60%	14.50%	16.30%	17.00%	17.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of February 29, 2021 prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method Entry Age Normal and Modified Terminal Funding
- Amortization method Level percent of payroll, closed
- Remaining amortization period Multiple bases from 9 to 15 years
- Asset valuation method 5 years smoothed market; 20% corridor
- Inflation 3.25% wage inflation; 2.50% price inflation
- Salary increases 2.75% - 6.75%; including wage inflation
- Investment rate of return 7.00%; net of investment and administrative expenses
- Retirement age Experience-based table of rates that are specific to the type of eligibility condition.
- Mortality MP-2015 mortality tables

Other information:

Notes None

Supplemental Information

JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS' NUMBER	FEDERAL PROGRAM EXPENDITURES
U.S. Department of Agriculture Passed Through the Missouri Department of Health and Human Services			
Summer Food Service Program	10.559	VQ612200467	1,190
Total U.S. Department of Agriculture (Child Nutrition Cluster)			1,190
U.S. Department of the Treasury Passed Through Jefferson County, Missouri			
Coronavirus Relief Fund - COVID 19 - (m)	21.019	268	500,000
Coronavirus State and Local Fiscal Recovery Funds - COVID 19 - (m)	21.027	n/a	229,634
Total U.S. Department of the Treasury			729,634
U.S. Environmental Protection Agency Passed Through the Missouri Department of Health and Human Services			
Superfund State, Political Subdivision, and Specific Agreements	66.802	DH200048211	15,479
Total U.S. Environmental Protection Agency			15,479
U.S. Department of Homeland Security			
Disaster Grants - Public Assistance	97.036	n/a	81,154
Total U.S. Department of Homeland Security			81,154
U.S. Department of Health and Human Services Passed Through the Missouri Family Health Council			
Family Planning Services - (m)	93.217	n/a	224,347
U.S. Department of Health and Human Services Passed Through the Missouri Department of Health and Senior Services			
Public Health Emergency Preparedness (PHEPS) and City Readiness Initiative (CRI)	93.069	AOC118380003	261,764
Injury Prevention and Control Research and State Community Based Programs	93.136	DH2000048370	71,912
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	DH220051266	121,358
Cooperative Agreement for Emergency Response	93.354	DH220050187	343,648
Immunization Cooperative Agreements - Influenza	93.268	DH210049303	42,239
Actions to Improve Oral Health Outcomes	93.366	DH20	66,574
Well-Integrated Screening and Evaluation for Women	93.436	ERS16120019	6,167
Child Care and Development Block Grant	93.575	DH200048133	11,472
Children's Health Insurance Program	93.767	AOC18380271	39,695
Medical Assistance Program	93.778	ERS04419006	57,021
Cancer Prevention and Control Programs	93.898	ERS1618630	5,416
Maternal and Child Health Services Block Grant	93.994	AOC19380160	143,813
Total Passed Through the MDHSS			1,171,079
Total U.S. Department of Health and Human Services			1,395,426
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,222,883

(m) - Program audited as a major program.

JEFFERSON COUNTY HEALTH DEPARTMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR DECEMBER 31, 2021

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Jefferson County Health Department and has been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles. The information in this schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to sub-recipients.

NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM

The objectives of the Coronavirus Relief Fund are to cover costs that are necessary expenditures incurred due to the Coronavirus Disease 2019 public health emergency. The objectives of the Coronavirus State and Local Fiscal Recovery Funds are to respond to the public health emergency due to COVID-19. The purpose of the Family Planning – Service Project Grant is to provide funds for the education, counseling, and comprehensive medical and social services related to family planning.

NOTE 4 - NON-CASH ASSISTANCE

The Department received no non-cash assistance.

NOTE 5 - INSURANCE

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

NOTE 7 - DE MINIMIS COST RATE

The Department has not elected to use the 10% de minimis indirect cost rate allocation.

Federal Compliance
Section

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🌐 www.afewcpas.com



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

To the Board of Alderman
Jefferson County Health Department

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Jefferson County Health Department, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Jefferson County Health Department's basic financial statements, and have issued our report thereon dated August 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jefferson County Health Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson County Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jefferson County Health Department's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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


A handwritten signature in cursive script that reads "Fick, Eggemeyer & Williamson".

Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
August 29, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of the
Jefferson County Health Department

Opinion on Each Major Federal Program

We have audited Jefferson County Health Department's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jefferson County Health Department's major federal programs for the year ended December 31, 2021. Jefferson County Health Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jefferson County Health Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jefferson County Health Department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jefferson County Health Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jefferson County Health Department's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jefferson County Health Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jefferson County Health Department's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jefferson County Health Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jefferson County Health Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County Health Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in cursive script that reads "Fick, Eggmeyer & Williamson".

Fick, Eggmeyer & Williamson CPAs
Saint Louis, Missouri
August 29, 2022

**JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Yes No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.217	Family Planning – Service Project Grant

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

Auditee qualified as low risk auditee? Yes No

**JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section II - Financial Statement Findings

There are no reportable conditions to disclose.

Section III - Federal Award Findings

There are no federal award findings to disclose.

**JEFFERSON COUNTY HEALTH DEPARTMENT
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

There were no prior year audit findings.