

**COUNTY OF
CAPE GIRARDEAU, MISSOURI**



December 31, 2016

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COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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Jackson, Missouri

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Commissioners
County of Cape Girardeau, Missouri**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Cape Girardeau, 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

Independent Auditor's Report

County of Cape Girardeau, Missouri

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Cape Girardeau, Missouri, as of December 31, 2016, and the respective changes in cash basis financial position, thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements included as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

**Independent Auditor's Report
County of Cape Girardeau, Missouri**

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Stanley, Dirnberger, Hopper and Associates, LLC

**STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants**

Cape Girardeau, Missouri
June 16, 2017

REQUIRED SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU COUNTY

Jackson MO

Year Ended December 31, 2016

Unaudited

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The discussion and analysis of Cape Girardeau County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The information below, prepared by the County's management, should be read in conjunction with the County's financial statements that immediately follow.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) as Statement 34 *Basic Financial Statements--and Management's Discussion and Analysis-for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. For comparative purposes, the County has reclassified the presentation of certain 2015 information to conform to the 2016 presentation.

Our financial reporting plays a major role in fulfilling the government's duty to be publicly accountable. Accountability requires governments to provide creditable financial information to its citizens and other users of this information. Credibility is achieved by following nationally recognized standards that are embodied in the accounting principles generally accepted in the United States of America (GAAP).

FINANCIAL HIGHLIGHTS

The County's total revenue was less than total expenses by \$1,368,581 for the year ended December 31, 2016. This figure is illustrated in the Statement of Activities - Cash Basis. Prior year total revenue exceeded total expenses by \$468,688. The County's total net assets were \$12,677,838 on December 31, 2016 while the beginning net assets on January 1, 2016 were \$14,046,419, representing the decrease of \$1,368,581 or 9.74%.

General revenues overall increased by \$1,100,616 from \$19,464,830 in 2015 to \$20,565,446 for 2016. The increase was largely the result of an increase in tax collections. Missouri sales tax collections increased by only \$26,240 (compared to a prior year increase of \$208,321) and the Proposition 1 tax revenues increased by \$25,911 (compared to a prior year increase of \$212,451). On April 7, 2015 voters in Cape Girardeau County approved a local use tax at the same rate as the total local sales tax rate, currently 1%. The purpose of this tax is to provide funding for capital improvements that include a new courthouse facility. Total local use tax receipts in 2016 totaled \$928,515 as compared to 2015 receipts of \$221,079. The property tax levy for the County General Revenue Fund increased total tax receipts by \$133,595, in line with the increase in assessed valuation and in the levy from \$0.0349 to \$0.0506. General fees, fines and commissions increased by \$102,947 to \$1,969,284 in total for 2016. General fees, fines and commissions are largely comprised of commissions withheld on tax collections, recorder of deeds fees, fees for boarding federal prisoners and fees collected from the court system, among other items. General intergovernmental revenues increased by \$42,892 to \$329,432 in total for 2016. Other general revenues also increased by \$42,202 due largely to increases in Sheriff Commissary Fund receipts.

Net program expenses increased this year by \$2,937,885 from \$18,996,142 in 2015 to \$21,934,027 in 2016. Net program expenses for 2016 were comprised of \$25,586,372 of program expenses offset by \$3,652,345 in program revenues. Net program expenses for 2015 were comprised of \$22,474,952 of program expenses offset by \$3,478,810 in program revenues.

Gross program expenses increased significantly by \$3,111,420 or 13.84% from \$22,474,952 in 2015 to \$25,586,372 in 2016. Major fluctuations in expenses were as follows: (1) salaries and related payroll taxes, which comprises 33% of total County expenses, increased by \$530,620 for the County as a whole, (2) capital improvements increased by \$908,699 (total capital improvement expenses of \$1,510,968) as the County completed the HVAC replacement project in the County administration building and made additional building improvements throughout the County facilities costing \$1,491,935, (3) road and bridge expenses increased by \$873,663 as the County spent \$345,746 more on Federal and State funded bridge projects with the remainder of the increase being on County funded road and bridge projects, and (4) public safety expenses increased by \$798,627 due to the increase noted above with salaries and related payroll taxes and benefits, an increase in insurance (workers compensation, liability, property, etc.) covered with public safety funds totaling \$113,517, as well as increases in Commissary and County Law Enforcement Restitution Fund expenses.

Gross program revenues increased from \$3,478,810 in 2015 to \$3,652,345 in 2016. This increase of \$173,535 is largely attributable to an increase in the federal and state funded road and bridge projects, an increase in contributions received from a local school district, and offset by a decrease in state bill of costs and change in venue fees. The County received \$352,453 in additional federal and state funds for road and bridge projects in 2016 as compared to 2015. The County received \$134,300 from a local school district in support of a case against a utility company protesting an increase in their assessed valuation and corresponding taxes. Due to the timing of processing cases by the Circuit Court and State, the total state bill of costs and change in venue fees went down as compared to 2015 by \$431,964. The remainder of the increase in program revenues is due to an increase in fees charged by the County's internal self-insured health fund to employees, retirees, etc.

	Beginning Net Position +	General Revenues -	Net Program Expenses +	Special Revenues =	Ending Net Position	% Increase (Decrease)
2016	\$ 14,046,419	\$ 20,565,446	\$ 21,934,027	\$ 0	\$ 12,677,838	(9.74%)
2015	\$ 13,577,731	\$ 19,464,830	\$ 18,996,142	\$ 0	\$ 14,046,419	3.45%

FUND FINANCIAL STATEMENTS

This MD&A is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement Number 34, as applicable to Cape Girardeau County's cash basis of accounting.

The financial statements are presented using a cash basis of accounting, which recognizes assets, liabilities, revenues and expenditures when they result from cash transactions.

The analysis of the County's major funds detailed information is found in the Statement of Assets and Fund Balances - Cash Basis - Governmental Funds and the Statement of Receipts, Disbursements and Changes in Cash Balances - Governmental Funds. Some funds are required to be established by state statutes and other funds meet legal responsibilities for using certain taxes and grants, such as the Proposition One Tax Fund and Assessment Fund.

The County's accounts are organized on the basis of funds, each of which is considered a separate accounting entity. Operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash position, revenues received, and expenditures paid.

- Government-Wide Financial Statements - The Statement of Net Position and Statement of Activities, found on pages 18 and 19 respectively, provide information about the activities of the Government-Wide (or "as a whole") and the long-term view of County finances.
- Fund Financial Statements - Fund Financial Statements, found on pages 20 through 27, focus on the individual parts of the County. Fund Financial Statements also report the County's operations in more detail than the Government-Wide Financial Statements by providing information about the County's major funds.

Governmental Fund Types:

Governmental activities are those through which most governmental functions are financed. The measurement focus is on determination of and changes in financial position rather than on net income.

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. Capital project funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital asset needs. Debt service funds are used to account for financial resources that are restricted, committed or assigned to expenditures for general long-term debt principal and interest.

The following are the County's major governmental funds:

- General Fund – The General Fund is the general operating fund of the County and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in another fund.
- Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund that accounts for financial resources to be used for the maintenance and construction of County roads.
- 911 Tax Fund – The 911 special revenue tax fund accounts for the tariff on local phone service that is used to provide 911 services to Cape Girardeau County, to maintain the 911 system and to purchase equipment for the system.
- Assessment Fund – the Assessment Fund is a special revenue fund that accounts for funds received from property tax allocations and other revenues used to support the County assessment process.
- Capital Improvements Use Tax Fund – the Capital Improvements Use Tax Fund is a special revenue fund that accounts for the 1% county-wide use tax that was approved on April 7, 2015. Proceeds from the tax are used to fund County approved capital improvements.
- Proposition 1 Tax Fund – The Proposition 1 Tax Fund is a special revenue fund that accounts for the .5% county-wide sales tax that went into effect on January 1, 2007. Proceeds from the tax are used to fund the hard surfacing of County roads and provide funds to enhance County law enforcement.
- Capital Improvements Fund – The Capital Improvements Fund is a capital projects fund that is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).
- Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on the County's Series 2011 Certificates of Participation.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The County's sole proprietary fund is considered an internal service fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. The County has established the following internal service fund:

Self Insured Health Plan – The Self Insured Health Plan accounts for the operations of the self insured health plan of the County.

FIDUCIARY RESPONSIBILITIES

The County is the trustee or fiduciary responsible for other assets through trust arrangements that can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported on the separate Statement of Fiduciary Net Position - Cash Basis and Statement of Changes in Fiduciary Net Position - Cash Basis - Private Purpose Trusts. These activities are excluded from the County's governmental and fund financial statements as the County cannot use these assets to finance its operation. The County is responsible for ensuring that the assets reported in these fiduciary funds are used for their intended purposes. The County has the following fiduciary funds:

- Agency Funds – Agency funds are custodial in nature and do not involve the measurement of results of operations. The County maintains agency funds for special taxing districts, the Circuit Clerk, the Collector of Revenue, and for other miscellaneous purposes.
- Private Purpose Trust Funds – Private purpose trust funds are used to account for all other trust arrangements under which principal and income benefit individuals, private organizations or other governments. The County's LEPD and Drainage District funds are considered private purpose trust funds.

CAPITAL ASSETS

The County's cash basis of accounting reports capital assets as expenditures resulting from the cash transactions.

BASIS OF ACCOUNTING

The County has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of Accounting" refers to when the financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussions in this report, the reader should recall the limitations resulting from the use of the cash basis of accounting.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The net position of the County is summarized in a comparison chart from 2016 to 2015:

	2016	2015
Assets		
Cash and Cash Equivalents	\$ 6,159,576	\$ 7,773,202
Investments	5,000,000	4,999,597
Due from Other Funds	<u>1,518,262</u>	<u>1,273,620</u>
Total Assets	<u>\$ 12,677,838</u>	<u>\$ 14,046,419</u>
Net Position		
Restricted for:		
Road and Bridge	\$ 673,494	\$ 1,115,815
Capital Projects and Improvements	89,744	233,400
911 Operations	218,846	322,000
Law Enforcement & Road Improvements (Prop 1)	1,688,470	1,614,242
Election Services	42,097	93,705
Collectors Tax Maintenance	60,997	27,881
Public Safety	747,242	629,737
Health and Welfare	49,234	31,880
Administration of Justice	49,432	41,292
Property Assessment	588,856	710,063
Recording	100,309	70,162
Debt Service	3	3
Unrestricted	<u>8,369,114</u>	<u>9,156,239</u>
Total Net Position	<u>\$ 12,677,838</u>	<u>\$ 14,046,419</u>

The cash deposits of the County consist of non-interest bearing and interest bearing deposit accounts while the investments held at December 31, 2016 and 2015 consist of time deposits.

The "Due from Other Funds" represents amounts due from other non-governmental County funds, being fiduciary in nature. The major fluctuation in these "Due from Other Funds" is reflective of changes in the assessed valuation and tax rates, and from the timing of County Collector tax receipts. The total overall assessed valuation for 2016 increased by approximately 2.8% and the tax rate specifically for the General Revenue Fund increased from \$0.0349 to \$0.0506. This 45.0% rate increase, along with the timing of collections, resulted in an increase in the amount due from the County Collector agency fund to the General Fund by \$209,567. An increase in the "Due from Other Funds" account within the Assessment Fund of \$31,334 is for similar reasons.

The County's total net assets were \$12,677,838 per the Statement of Net Position - Cash Basis. The County's unrestricted amount is \$8,369,114 and the restricted funds were \$4,308,724. The County's 2015 unrestricted amount was \$9,156,239 and the restricted net position amounted to \$4,890,180.

The unrestricted net position decrease of \$787,125, resulting in an ending balance of \$8,369,114, was largely the result of General Fund disbursements and net transfers out exceeding revenues by \$633,708 and Capital Improvement disbursements and net transfers in exceeding revenues by \$131,756. As discussed further below, the General Fund revenues declined by \$228,839 while General Fund disbursements increased over 2015 by \$625,448. Net transfers out of the General Fund totaled \$930,185 in 2016 compared to net transfers out of \$589,499 in 2015. The increase in net transfers out of the General Fund was the result of the County transferring \$225,000 to the Capital Improvements Fund and \$175,874 to the Election Services Fund to cover election costs.

The restricted funds decline of \$581,456 is the result of fluctuations in restricted balances in five main areas: **(1)** the County spent \$332,234 more in 2016 (for a total of \$3,555,621) on necessary Road and Bridge equipment, repairs, etc., **(2)** the County transferred out to the unrestricted Capital Improvements Fund, for eligible capital improvement expenses, \$1,060,099 in Capital Improvements Use Tax restricted funds which exceeded the restricted use tax receipts and interest by \$131,348, **(3)** 911 operational disbursements continue to exceed the 911 tariff's and other revenues, in 2016 by \$103,154 compared to 2015 by \$69,001, **(4)** restricted Assessment Fund resources declined by \$121,207. Assessment Fund disbursements exceeded receipts by \$278,713 (as compared to the prior year by \$216,517) with net transfers in of \$157,506 helping offset this excess in disbursements. Comparatively, the County incurred \$175,711 in additional disbursement on new assessor software, training, mapping, and overall salaries, taxes and benefits; receipts increased by \$113,515 due to contributions from a local school district to fund a tax protest suit with a utility company, and **(5)** offsetting the above declines was an increase in public safety restricted resources by \$117,505 as the County receipts for concealed weapons and other fees and services exceeded restricted disbursements.

The following tables show the receipts and disbursements for each governmental fund of the County for the years ended December 31, 2016 and 2015:

2016					
Funds	Revenues	Expenditures	Transfers In (Out)	Special / Extraordinary	Change
General Fund	\$ 11,203,700	\$ 10,907,223	\$ (930,185)	\$ 0	\$ (633,708)
Road and Bridge Fund	1,323,472	3,555,621	1,789,828	0	(442,321)
911 Tax Fund	403,150	506,304	0	0	(103,154)
Assessment Fund	865,073	1,143,786	157,506	0	(121,207)
Capital Imp Use Tax Fund	928,751	0	(1,060,099)	0	(131,348)
Proposition 1 Tax Fund	7,280,205	5,362,247	(1,843,730)	0	74,228
Capital Improvements Fund	489,475	1,906,330	1,285,099	0	(131,756)
Debt Service Fund	2	554,005	554,003	0	0
Nonmajor Gov't Funds	1,411,817	1,292,147	47,578	0	167,248
Total	<u>\$ 23,905,645</u>	<u>\$ 25,227,663</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,322,018)</u>
2015					
Funds	Revenues	Expenditures	Transfers In (Out)	Special / Extraordinary	Change
General Fund	\$ 11,432,539	\$ 10,281,775	\$ (589,499)	\$ 0	\$ 561,265
Road and Bridge Fund	1,227,055	3,223,387	2,096,658	0	100,326
911 Tax Fund	413,403	482,404	0	0	(69,001)
Assessment Fund	751,558	968,075	135,451	0	(81,066)
Proposition 1 Tax Fund	7,245,593	5,023,283	(2,142,701)	0	79,609
Capital Improvements Fund	159,315	147,082	0	0	12,233
Debt Service Fund	21	1,154,324	552,052	0	(602,251)
Nonmajor Gov't Funds	1,498,263	1,130,717	(51,961)	0	315,585
Total	<u>\$ 22,727,747</u>	<u>\$ 22,411,047</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 316,700</u>

The County's General Fund decreased this year by \$633,708, compared to a \$561,265 increase in 2015. Total General Fund revenues for 2016 were \$11,203,700 as compared to \$11,432,539 in 2015. A significant reduction in state bill of cost and change in venue intergovernmental revenue, due simply to the delay in processing by the Circuit Clerk and State, totaling \$431,964 was offset by an increase in the County general fund property tax collections by \$133,595, a slight increase in the general sales tax collections by \$26,240, as well as other minor increases. The County general fund property tax collections increased due to increases in the overall assessed valuation as well as an increase in the levy from \$0.0349 to \$0.0506. Total General Fund expenditures for 2016 were \$10,907,223 as compared to \$10,281,775 in 2015. This increase was again largely within wages and taxes which increased by \$324,876 in 2016 over 2015. Another notable increase in expenditures was with insurance, most notably from workers compensation, which increased by \$101,332 and largely in the public safety functional area. The remaining increase is in general areas such as benefits, postage, repairs, etc.

General Fund net transfers out increased from \$589,499 in 2015 to \$930,185 in 2016. This increase is the result of \$175,874 being transferred to the Election Services Fund for election cost coverage and \$225,000 to the Capital Improvements Fund for reimbursement of capital improvement expenditures.

The Road and Bridge Fund had an ending fund balance of \$673,494 as of December 31, 2016, a decrease from 2015 of \$442,321. Expenditures for 2016 totaled \$3,555,621 as compared to \$3,223,387 for 2015, an increase of \$332,234. The increase in expenditures is the result of increased improvements made on County roadways. Revenues increased from \$1,227,055 in 2015 to \$1,323,472 in 2016 due mostly to \$60,753 in other revenues received on an agreement with Capital Sand Company as reimbursement for road improvements. Transfers in, resulting from Prop 1 sales tax allocations and expense reimbursements from the Prop 1 Fund, decreased from \$2,096,658 in 2015 to \$1,789,828 in 2016. The decrease is due to less road and bridge expenditures being reimbursed from Prop 1 monies.

The Capital Improvements Fund shows a balance of \$5,058,718 at December 31, 2016, a decrease from 2015 by \$131,756. The County spent \$1,510,968 in building improvements such as for the new HVAC system in the administration building, elevator repairs and other facility improvements throughout the County. The County also spent \$391,779 in bridge repairs, which were fully funded from Federal and State sources. The \$1,510,968 in building improvements were somewhat funded by transfers of \$1,060,099 from the capital improvement use tax funds and \$225,000 from the General Fund.

Principal, interest and fees paid in 2016 totaled \$554,005 (in line with requirements). The principal and interest obligations of the \$5,145,000 certificates of participation began on November 1, 2012 and are scheduled to end on November 1, 2022. Refer to Note 4 in the notes to the financial statements.

Fund balances for the 911 Tax Fund declined again this year by \$103,154 as compared to a \$69,001 reduction in 2015. Expenditures for 2016 totaled \$506,304 as compared to \$482,404 in 2015 whereas revenues for 2016 only totaled \$403,150 as compared to \$413,403 in 2015. Revenues continue to decline annually, in 2016 there was a 2.5% decline compared to around a 4.7% decline in 2015. The increase in expenditures was most notable in the purchase and maintenance of equipment.

The County assessment fund balance declined by \$121,207. Total expenditures of \$1,143,786 exceeded revenues, before transfers, by \$278,713 and these expenditures were higher than the 2015 expenditures by \$175,711. The increase in expenditures was most notable in the areas of salaries, taxes and related benefits and in the purchase of new assessor software and related training, setup and conversion costs. The County again paid \$93,795 (\$94,679 during the year ended December 31, 2015) in legal and other professional fees in connection with action taken regarding assessed valuations on property owned by Ameren. These fees are being funded by contributions from a local school district with payments of \$134,300 (\$47,100 in the prior year) being received in 2016.

The 2015 Proposition 1 sales tax collected was \$7,271,071 vs. 2015 collections of \$7,245,160, an increase of only \$25,911. Expenditures of \$5,362,247 in 2016 were higher than in 2015 by \$338,964. This increase is the result of increased spending in both the areas of public safety and road and bridges upkeep. Public safety expenditures increased by \$105,418 in the area of salaries, taxes and benefits largely from an increase in the comp time payouts. Road and bridge expenses increased in the area of contract grading. The reduction in the transfers out is the result of the County using more Proposition 1 funds for direct road and bridge work rather than reimbursing the Road and Bridge Fund.

Other governmental funds, comprised of the sheriff's revolving fund, park development fund, juvenile grants fund, recorder of deeds fees fund, County law enforcement restitution fund, and other funds, increased in total by \$167,248. The major increases were within the sheriff's revolving fund which increased by \$97,162, the sheriff's commissary fund which increased by \$40,557, the recorder of deeds fees fund increased by \$30,147, the drug court grant fund increased by \$20,531 and the park development fund increased by \$22,069. Offsetting these increases was a \$45,623 reduction in county law enforcement restitution fund resources and a \$51,608 decrease in election services fund resources.

Transfers between funds are generally for expense reimbursements and tax allocation purposes. The majority of expense reimbursements are transfers to the General Fund for reimbursement of costs incurred in the normal operation of the County but funded by monies held in other funds. The tax allocation transfers are from the Proposition 1 Tax Fund. The General Fund also transfers monies to the Debt Service Fund to cover the annual principal and interest payments. A detail listing of transfers can be found in Note 13 of the notes to financial statements.

The following table is a comparison of functional level expenses for the County as a whole for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Change</u>
General Government	\$ 7,941,566	\$ 7,552,054	\$ 389,512
Public Safety	6,828,517	6,029,890	798,627
Health and Welfare	142,353	141,913	440
Cultural and Recreation	368,116	381,388	13,272
911 Operations	506,304	482,404	23,900
Judicial	2,113,326	1,989,008	124,318
Roads and Bridges Upkeep	5,617,634	4,743,971	873,663
Capital Improvements	1,510,968	602,269	908,699
Debt Service:			
Principal	450,000	435,000	15,000
Interest and Fiscal Charges	107,588	117,055	(9,467)
Total Expenses	<u>\$ 25,586,372</u>	<u>\$ 22,474,952</u>	<u>\$ 3,111,420</u>

LONG TERM DEBT

The following table presents a recap of the County's debt activity as it relates to the issuance, payment and refunding of certificates of participation:

	<u>Beginning Balance</u>	<u>Issuance</u>	<u>Principal Payments</u>	<u>Ending Balance</u>
Series 2011 Certificates	\$ 3,440,000	\$ -	\$ 450,000	\$ 2,990,000

Effective November 1, 2011, the County issued \$5,145,000 in Certificates of Participation, Series 2011 (the "Series 2011 Certificates") with variable interest rates ranging from 2.00% to 3.375%. The first payment and final payment on the Series 2011 Certificates are due November 1, 2012 and November 1, 2022, respectively. Total interest expense paid during the year ended December 31, 2016 was \$104,005.

The following is a summary of debt service requirements to maturity:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 465,000	\$ 90,505	\$ 555,505
2018	475,000	76,555	551,555
2019	490,000	64,086	554,086
2020	505,000	50,611	555,611
2021	520,000	34,956	554,956
2022	535,000	18,056	553,056
Total	<u>\$ 2,990,000</u>	<u>\$ 334,769</u>	<u>\$ 3,324,769</u>

ECONOMIC FACTORS AND RECENT COUNTY EVENTS IMPACTING COUNTY OPERATIONS

Currently, the general sales tax numbers for the 2017 year, January through May, have been down from what we saw in 2016 for the same period. The trend does look to be changing from last year's numbers and it appears however that the overall sales tax collection for fiscal year 2017 will come in slightly lower than what we saw from 2016. While it is always difficult to predict any type of long term projections for 2017 or beyond due to multiple variables that are out of our control in Cape Girardeau County, it is obvious that an increase in on-line sales has had a direct effect on local purchases. The Cape Girardeau County sales tax over the past few years has seen moderate increases annually, increasing from \$7,036,758 in 2014 to \$7,245,079 in 2015 and to \$7,271,319 in 2016. These numbers are directly impacted by sales performance primarily in the City of Cape Girardeau and the City of Jackson.

On April 7, 2015 voters in Cape Girardeau County approved a local use tax at the same rate as the total local sales tax rate, currently 1%, provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action. The use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not in total exceed \$2,000 in any calendar year. The purpose of this tax is to provide funding for capital improvements that include a new courthouse facility. The anticipated annual revenue from this tax is expected to be between \$1,000,000 and \$1,300,000. The amount collected in 2015 (September – December) was \$221,079. The amount collected in 2016 was \$928,515. The amount collected in 2017 thru the end of May 2017 is \$522,617.

The County and Cape County Private Ambulance Service, Inc. (CCPA) have an annual contractual agreement to provide emergency and ambulance service within Cape Girardeau County. The 2017 contract amounts to \$100,000 which is the same as 2016. Last year the amount requested was \$100,000 and the previous three years were \$100,000, \$129,000 and \$165,000 respectfully.

On October 8, 1998, the City of Jackson proposed a redevelopment plan for the Interstate 55 Corridor Tax Increment Financing District. The total cost of the Redevelopment Projects for Public Improvements is estimated to be \$33,000,000. This Redevelopment Plan proposes tax increment financing obligations ("TIF Notes") to be authorized and issued by the City to fund a part of the public portion of the Redevelopment Project cost. The total of TIF Notes will not exceed \$33,000,000, plus accrued interest, debt service reserve, and issuance costs. The Redevelopment Plan allocates payments in lieu of real estate taxes ("PILOTS") and a portion of local sales tax and utility gross receipts tax revenues generated by economic activities ("EATS") within the redevelopment area to retire the TIF Notes issued to defray the public improvement costs. The Redevelopment Project and the TIF Notes will be authorized for a 23 year time frame. According to the Real Property Tax Increment Allocation Redevelopment Act, 50% of the total additional revenue from taxes which are imposed by the municipality or other taxing districts shall be allocated to the Special Allocation Fund. Economic activity taxes within the Redevelopment Area includes 1 cent for General Revenue from the City, ½ cent Transportation Tax from the City, and ½ cent General Revenue from Cape Girardeau County. The combined City and County sales tax is 2%. As projects develop, additional projections will be made in order to support the issuance of TIF Notes.

On June 21, 2004, Cape Girardeau County and the City of Cape Girardeau entered into a development agreement with Sears, Roebuck and Company, a New York Corporation. The maximum amount to be reimbursed by the City of Cape Girardeau is \$2,134,917 and the County is to reimburse \$533,729 over the 15-year contract. The agreement is related to a sales tax sharing incentive provided by Cape Girardeau County and the City of Cape Girardeau to assist Sears with the construction of the Sears Grand located at 330 Seimers Drive at Cape Girardeau, Missouri. Cape Girardeau County would be responsible for 75% of net revenues from the new sales tax generated from the project during a calendar quarter that exceeds the base of \$16,000 per quarter. A total amount of \$25,659 has been paid to date (\$0 in 2016 and 2015) by the County on this Sears project.

On June 14, 2004, per the Cape Girardeau Commission on behalf of the County authorized to execute a development agreement between Drury Land Development, Inc. and Cape Girardeau County for the construction of certain public improvements in the City and County of Cape Girardeau. The development agreement is subject to the Intergovernmental Cooperation Act (Section 70.210 ET SEQ). Another development agreement dated June 21, 2004, involving the City of Cape Girardeau, County of Cape Girardeau, and Drury Land Development along with Kohl's Department Stores, Inc. was approved in connection with the construction of the Kohl's Department Store whereby the County has agreed to reimburse Drury Land Development Corporation 50% of the net general sales tax collected. The County approved a phase two reimbursement agreement dated October 15, 2012 which includes the Academy Store development, and which limits the total project reimbursable development costs as paid by Drury Land Development, Inc. to a maximum aggregate amount of \$3,000,000. In 2016 and 2015, Cape Girardeau County paid \$74,475 and \$68,198, respectively, to Drury Land Development Corporation. Cape Girardeau County has paid Drury Development Corporation \$478,891 in total on this agreement.

On August 13, 2007, the County, the City of Cape Girardeau, and the Greater Missouri Builders entered into a development agreement under the Community Improvement District Act (CID), section 67.1401 to 67.1571 of the Missouri Statutes. The Town Plaza Redevelopment Corporation Urban Development Project which is designated as the 353 project area to be a blighted area within the meaning of and as defined in Section 353.020 of Chapter 353 is located at the corner of South Kingshighway and William Street. In accordance with the CID Act and the CID petition, and upon approval of the qualified voters of the district, the district imposed a sales tax at a rate not to exceed one percent (1%) on all eligible retail sales within the boundaries of the district pursuant to section 67.1545 of the CID Act. In the construction of the 353 project, the developer will incur significant costs including costs for items that involve the remediation of blight within the 353 project. The City of Cape Girardeau and the County have agreed to reimburse the developer for a portion of the costs of construction. This agreement is a pledge of a % of the incremental increase in local (City and County) sales tax revenue generated within the Project 353 area including the Sears site. The "gross rental contribution" begins in the sixth year of the term. Fifty percent of the gross rental revenues received by the developer from NARS or any other tenant occupying the site will be applied to the principal and accrued interest outstanding on the municipal contribution provided, however, that the ratio of the common area maintenance expenses to rent per square feet in any subsequent lease with NARS or any other such tenant occupying the NARS site shall not exceed 10%. This agreement will expire when the debt obligations are satisfied. The "maturity date" will be twenty (20) years after the date of issuance of the obligations. The "municipal contribution" terms relate to a \$1.2 million total payment based on 1.5% of city sales tax and .25% of County sales tax at a five year lease renewal with subsequent renewals. Also, 50% of the gross lease will be applied toward retiring the improvement costs. The Chapter 353 redevelopment area (CID) would allow real property tax abatement for up to 25 years to assist in redevelopment of the former Sears building only. In 2016 the County paid \$0 from sales tax revenue. In the years 2015 and 2014, the County paid \$723 and \$1,828, respectively. Total payments made through December 31, 2016 are \$27,160. While NARS no longer exists, this agreement continues for any business occupying the facility.

On July 13, 2006, the County Commission formed a Road and Bridge Advisory Board to help prioritize road needs for replacing County maintained gravel roads with hard surfacing and the continued repair of hard surface roads. The Board continues to monitor the need for upgrading the roads of the County and prioritize which will be upgraded each year. The Road and Bridge Advisory Board consist of eleven members selected by the Cape Girardeau County Commission. There is one individual from each township represented and one member filling an at large position with staggered terms.

On August 8, 2006, voters passed a ½% (0.005) County-wide sales tax in accordance with RSMO 67.500 (County Sales Tax Act). The sales tax would be used for the Highway Department Hard Road Surface Project and enhance Cape Girardeau County Law Enforcement. The sales tax became effective January 1, 2007 and has no expiration date. As a result of the ½% (0.005) County-wide sales tax levy passage, Cape Girardeau County will place the Road and Bridge Property Tax at zero (0.0) cents on each one hundred dollars assessed valuation for property effective January 1, 2007.

In an effort to manage the ever-growing health care costs, effective January 1, 2013, the County changed their group health care benefits to a self-funded high deductible plan. The Plan has a \$57,500 per individual deductible and a \$22,000 aggregate fee paid annually one-time if there is a claim exceeding the individual deductible. A re-insurance policy will cover any individual cost in excess of the \$57,500, with a maximum annual re-insurance limit in total, for all employees, of \$1,446,218. Employees have the option of choosing a \$2,000 individual (\$4,000 family) or a \$5,000 individual (\$10,000) deductible Plan. Regardless of the option chosen, for 2016 the County paid a monthly per employee amount of \$528 (paid \$528 per employee in 2015). Employees are responsible for any dependent coverage premiums. Monthly premiums are paid to the self-funded plan account and used to pay administrative expenses and claims.

Members of the Cape Girardeau County Group Health Plan (the Plan) may also choose health care coverage from another provider (spouse's employer, individual plan, etc.) and participate in a medical reimbursement feature of the Plan. Members are responsible for their premiums with the other provider. Members may be reimbursed by the Plan for deductibles, co-pays and co-insurance under a medical or prescription plan not sponsored by Cape Girardeau County. Members with secondary coverage such as Medicare or Medicaid may also elect the Maxi Plan. All covered services are payable at 100% except inpatient hospital billed charges up to \$1,500 per admission. Members whose benefits are expected to exceed \$50,000 in a year may elect the Affordable Care Plan (ACP) in which all deductibles, co-pays and co-insurance is covered by the County in full.

The estimated maximum annual plan cost to the County for employee health care based on 216 full-time employees, paying 100% of the employee premium, is \$1,584,523.

On June 1, 2016 the County Commissioners approved a memo of understanding between Capital Sand Company and Cape Girardeau County to make improvements on County Roads 346 and 347 to include quality and safety as well as widen the roadway, hard surface and improve site distances where possible. Capital Sand Company agrees to pay \$0.15/ton of material removed from the plant that will be deposited in a separate fund. These funds will be collected until an accumulated total of \$500,000 is reached. These funds will be turned over to Cape Girardeau County to help off-set expenditures related to the project. The County received a total of \$60,753 in 2016 and has received a total as of June 12, 2017 of \$128,266.

Effective May 19, 2016, the County approved a contract to develop a simplified, sustainable mechanical solution that will renew the County administrative building's current HVAC assets, lower the long-term operational and maintenance costs, reduce the facilities consumption of energy and enhance the quality of the indoor environment. These new systems should increase efficiency and lower operational costs by 20% to 25%. The estimated contract price for these procedures was \$1,290,974. The actual expenditures for 2016 was \$1,181,030 with the final payment for the project taking place on February 24, 2017 of \$64,113, making the total overall project cost \$1,245,143. Funding for this project came from revenue in the use tax fund. The County is also considering a similar improvement project to the Jackson Courthouse. No date has been set for consideration on the Jackson Courthouse project.

Budgeting Considerations

The budget is prepared according to Missouri Statute Chapter 67 RSMO and is based on the cash basis accounting. The County follows these procedures in establishing the budgetary data:

1. The Commission receives a proposed operating budget for the calendar year. The operating budget includes proposed expenditures and means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted.
4. Formal budgetary integration is employed as a management control device during the year.
5. Budgets for general and special revenue funds are adopted on a cash basis.

Individual budget amendments made throughout the year are approved by the County Commissioners.

The County demonstrates a conservative budget approach. Emphasis is placed on controlling costs. The County budgets revenues and expenditures based upon historical performance and current operational needs. The County also budgets for potential expenditures based upon facility and equipment conditions and other potential unforeseen situations. This conservative approach, particularly with expenditures, tends to lead to sizeable budget vs. actual variances as the budgeted expenditures based upon facility and equipment conditions and other unforeseen situations may not arise.

The County did not originally budget for any transfers out of the Capital Improvements Use Tax Fund and expenditures for the General Fund were budgeted conservatively and also included a reserve expenditure line for unforeseen expenditures totaling \$363,694.

County finances for general operations come from taxes and other sources. The sources of revenue anticipated by the County for 2017 are anticipated to be consistent with prior years.

Property Valuation

The following table shows the total 2016 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2016 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 620,736,360	19%	\$ 3,267,033,474
Commercial	298,729,600	32%	933,530,000
Agricultural	23,083,730	12%	192,364,417
Sub-Total	\$ 942,549,690		\$ 4,392,927,891
Personal Property	274,649,033	33 1/3%	824,029,502
Locally Assessed Railroad & Utility:			
Real Estate	10,956,943	32%	34,240,447
Personal Property	11,353,315	33 1/3%	34,063,351
State Assessed Railroad & Utility:			
Real Estate	44,246,460	32%	138,270,188
Personal Property	11,376,772	33 1/3%	34,133,729
Total Assessed Valuation	\$ <u>1,295,132,213</u>		\$ <u>5,457,665,108</u>

The County levied \$71,940,767 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$69,191,522, which includes \$2,394,461 in taxes collected under protest, a collection rate of 96.18%. The balance of all delinquent taxes owed as of February 28, 2017 (the collection year-end) is \$2,641,204. The total abatements issued during the County Collector's year ending February 28, 2017 was \$108,042. (Source: Cape Girardeau County Collector)

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions or need additional financial information, contact the County Auditor's office at #1 Barton Square, Suite 304, Jackson, MO 63755 or telephone at 573-243-2184.

Eugene (Pete) Frazier III, Auditor
 County of Cape Girardeau
 #1 Barton Square, Suite 304
 Jackson, MO 63755

BASIC FINANCIAL STATEMENTS

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF NET POSITION - CASH BASIS

DECEMBER 31, 2016

ASSETS

Cash and Cash Equivalents	\$ 6,159,576
Investments	5,000,000
Due from Other Funds	<u>1,518,262</u>
Total Assets	<u>\$ 12,677,838</u>

NET POSITION

Restricted for:	
Road and Bridge	\$ 673,494
Capital Projects and Improvements	89,744
911 Operations	218,846
Law Enforcement and Road Improvements (Prop 1)	1,688,470
Election Services	42,097
Collectors Tax Maintenance	60,997
Public Safety	747,242
Health and Welfare	49,234
Administration of Justice	49,432
Property Assessment	588,856
Recording	100,309
Debt Service	3
Unrestricted	<u>8,369,114</u>
Total Net Position	<u>\$ 12,677,838</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Special Revenue Funds									
	General Fund	Road and Bridge Fund	911 Tax Fund	Assessment Fund	Capital Improvements Use Tax Fund	Proposition 1 Tax Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds	Total County Funds
ASSETS										
Cash and Cash Equivalents	\$ 1,746,207	\$ 639,990	\$ 218,846	\$ 110,689	\$ 89,744	\$ 1,688,470	\$ 58,718	\$ 3	\$ 1,082,059	\$ 5,634,726
Investments	-	-	-	-	-	-	5,000,000	-	-	5,000,000
Due from Other Funds	1,003,247	33,504	-	478,167	-	-	-	-	3,344	1,518,262
Total Assets	<u>\$ 2,749,454</u>	<u>\$ 673,494</u>	<u>\$ 218,846</u>	<u>\$ 588,856</u>	<u>\$ 89,744</u>	<u>\$ 1,688,470</u>	<u>\$ 5,058,718</u>	<u>\$ 3</u>	<u>\$ 1,085,403</u>	<u>\$ 12,152,988</u>
FUND BALANCES										
Restricted	\$ -	\$ 673,494	\$ 218,846	\$ 588,856	\$ 89,744	\$ 1,688,470	\$ -	\$ 3	\$ 1,049,311	\$ 4,308,724
Committed	-	-	-	-	-	-	64,113	-	-	64,113
Assigned	58,465	-	-	-	-	-	4,994,605	-	73,973	5,127,043
Unassigned	2,690,989	-	-	-	-	-	-	-	(37,881)	2,653,108
Total Fund Balances	<u>\$ 2,749,454</u>	<u>\$ 673,494</u>	<u>\$ 218,846</u>	<u>\$ 588,856</u>	<u>\$ 89,744</u>	<u>\$ 1,688,470</u>	<u>\$ 5,058,718</u>	<u>\$ 3</u>	<u>\$ 1,085,403</u>	<u>\$ 12,152,988</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI

Jackson, Missouri

**RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS**

DECEMBER 31, 2016

Total fund balances for the County governmental funds	\$	12,152,988
Total net position reported for the County activities in the statement of net position is different due to the following:		
Internal service funds are used by management to charge the cost of self insurance to the individual governmental funds. The assets of the internal service funds are included in governmental activities in the Statement of Net Position.		<u>524,850</u>
Total net position of the County	\$	<u><u>12,677,838</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds									Total County Funds
	General Fund	Road and Bridge Fund	911 Tax Fund	Assessment Fund	Capital Improvements Use Tax Fund	Proposition 1 Tax Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds	
RECEIPTS										
Taxes	\$ 7,944,187	\$ 1,115,953	\$ -	\$ -	\$ 928,515	\$ 7,271,071	\$ -	\$ -	\$ -	\$ 17,259,726
Fees, Fines and Commissions	2,508,894	-	-	604,577	-	-	-	-	749,790	3,863,261
Intergovernmental Revenues	700,602	30,388	-	117,218	-	8,264	411,249	-	373,633	1,641,354
Interest	1,535	271	106	162	236	870	25,980	2	217	29,379
911 Tariff	-	-	402,732	-	-	-	-	-	-	402,732
Other	48,482	176,860	312	143,116	-	-	52,246	-	288,177	709,193
Total Receipts	\$ 11,203,700	\$ 1,323,472	\$ 403,150	\$ 865,073	\$ 928,751	\$ 7,280,205	\$ 489,475	\$ 2	\$ 1,411,817	\$ 23,905,645
DISBURSEMENTS										
General Government	\$ 4,401,618	\$ -	\$ -	\$ 1,143,786	\$ -	\$ 2,210,006	\$ -	\$ -	\$ 402,004	\$ 8,157,414
Public Safety	4,147,199	-	-	-	-	1,595,969	-	-	722,453	6,465,621
Health and Welfare	-	-	-	-	-	-	-	-	142,353	142,353
Cultural and Recreation	342,561	-	-	-	-	-	-	-	10,701	353,262
911 Operations	-	-	506,304	-	-	-	-	-	-	506,304
Judicial	2,015,845	-	-	-	-	-	-	-	14,636	2,030,481
Roads and Bridges Upkeep	-	3,555,621	-	-	-	1,556,272	391,779	-	-	5,503,672
Capital Improvements	-	-	-	-	-	-	1,510,968	-	-	1,510,968
Debt Service:										
Principal	-	-	-	-	-	-	-	450,000	-	450,000
Interest and Fiscal Charges	-	-	-	-	-	-	3,583	104,005	-	107,588
Total Disbursements	\$ 10,907,223	\$ 3,555,621	\$ 506,304	\$ 1,143,786	\$ -	\$ 5,362,247	\$ 1,906,330	\$ 554,005	\$ 1,292,147	\$ 25,227,663
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ 296,477	\$(2,232,149)	\$(103,154)	\$(278,713)	\$ 928,751	\$ 1,917,958	\$(1,416,855)	\$(554,003)	\$ 119,670	\$(1,322,018)
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 214,100	\$ 1,789,828	\$ -	\$ 212,506	\$ -	\$ -	\$ 1,285,099	\$ 554,003	\$ 197,286	\$ 4,252,822
Transfers Out	(1,144,285)	-	-	(55,000)	(1,060,099)	(1,843,730)	-	-	(149,708)	(4,252,822)
Total Other Financing Sources (Uses)	\$ (930,185)	\$ 1,789,828	\$ -	\$ 157,506	\$ (1,060,099)	\$ (1,843,730)	\$ 1,285,099	\$ 554,003	\$ 47,578	\$ -
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Uses)	\$ (633,708)	\$(442,321)	\$(103,154)	\$(121,207)	\$(131,348)	\$ 74,228	\$(131,756)	\$ -	\$ 167,248	\$(1,322,018)
Fund Balances at January 1, 2016	3,383,162	1,115,815	322,000	710,063	221,092	1,614,242	5,190,474	3	918,155	13,475,006
Fund Balances at December 31, 2016	\$ 2,749,454	\$ 673,494	\$ 218,846	\$ 588,856	\$ 89,744	\$ 1,688,470	\$ 5,058,718	\$ 3	\$ 1,085,403	\$ 12,152,988

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

COUNTY OF CAPE GIRARDEAU, MISSOURI

Jackson, Missouri

**RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES - CASH BASIS**

DECEMBER 31, 2016

Net change in fund balances for the County governmental funds	\$ (1,322,018)
Total change in net position reported for the County activities in the Statement of Activities is different due to the following:	
Internal service funds are used by management to charge the cost of self insurance to the individual governmental funds. The operating income of the internal service funds are included in governmental activities in the Statement of Activities.	<u>(46,563)</u>
Total change in net position of the County	\$ <u><u>(1,368,581)</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF NET POSITION - CASH BASIS - PROPRIETARY FUNDS
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS

DECEMBER 31, 2016

	<u>Self Insured Health Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 524,850
Investments	-
Total Assets	<u>\$ 524,850</u>
NET POSITION	
Restricted	\$ -
Unrestricted	524,850
Total Net Position	<u>\$ 524,850</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CASH BASIS
PROPRIETARY FUNDS
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Self Insured Health Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,511,345
Miscellaneous	472,030
Total Operating Revenues	<u>\$ 1,983,375</u>
OPERATING EXPENSES	
Claims Expense	\$ 1,640,999
Reinsurance Premiums	288,683
Administrative Fees	78,523
Employee Benefits	21,733
Total Operating Expenses	<u>\$ 2,029,938</u>
Operating (Loss)	<u>\$ (46,563)</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers Out	\$ -
Interest Income	-
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>
Change in Net Position	\$ (46,563)
Net Position - January 1, 2016	<u>571,413</u>
Net Position - December 31, 2016	<u><u>\$ 524,850</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS

DECEMBER 31, 2016

	Agency Funds	Private Purpose Trust Funds	Total Fiduciary Funds
ASSETS			
Cash and Cash Equivalents	\$ 52,447,947	\$ 108,199	\$ 52,556,146
Due from Other Funds	4,832,234	1,961	4,834,195
Total Assets	<u>\$ 57,280,181</u>	<u>\$ 110,160</u>	<u>\$ 57,390,341</u>
LIABILITIES			
Due to Others	\$ 50,927,724	\$ -	\$ 50,927,724
Due to Other Funds	6,352,457	-	6,352,457
Total Liabilities	<u>\$ 57,280,181</u>	<u>\$ -</u>	<u>\$ 57,280,181</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	-	110,160	110,160
Total Net Position	<u>\$ -</u>	<u>\$ 110,160</u>	<u>\$ 110,160</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CASH BASIS - PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Private Purpose Trust Funds</u>
RECEIPTS	
Taxes	\$ 2,257
Interest	23,460
Other	<u>36</u>
Total Receipts	<u>\$ 25,753</u>
DISBURSEMENTS	
Public Safety	\$ 5,178
Other Charges and Services	<u>11,954</u>
Total Disbursements	<u>\$ 17,132</u>
Change in Net Position	8,621
Net Position at January 1, 2016	<u>101,539</u>
Net Position at December 31, 2016	<u><u>\$ 110,160</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the County of Cape Girardeau, Missouri (the "County") have been prepared in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

Reporting Entity – Basis of Presentation

The County, for financial purposes, includes all of the funds and activities relevant to the operations of the County. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the County. In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. A decision whether to include a potential component unit in the reporting entity would be determined in accordance with governmental standards. The primary, but not the only, criterion for including a potential component unit within the reporting entity is the County's financial accountability for potential component units. The County 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 there is a potential for the potential component unit to provide specific financial benefits to or impose specific financial burdens on the County.

The County has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the County's financial statements. In addition, the County is not aware of any entity which would have financial accountability for the County, and which would result in the County being considered a component unit of that entity.

The County Commissioners are responsible for appointing members to certain organizational boards. The County's accountability for these organizations though does not extend beyond making the appointments. Thus, these organizations are not component units of the County, and accordingly, no financial data for these organizations are included in the County's basic financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The County has evaluated the existence of subsequent events through June 16, 2017, which represents the date the financial statements were available to be issued.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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

Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis are government-wide financial statements. They report information on all of the County of Cape Girardeau, Missouri’s governmental activities, except for fiduciary activities. The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities include programs supported primarily by taxes and intergovernmental revenues. The County has no business type activities that rely, to a significant extent, on fees and charges for support.

The Statement of Activities – Cash Basis demonstrates the degree to which direct expenses of a given program or function are offset by program revenues. Direct expenses are those that are identifiable with a specific program or function. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given program or function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

Fund financial statements of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. Fiduciary activities are excluded from the government-wide financial statements. The County’s sole proprietary fund is considered an internal service fund and is for the County’s self-insured health plan.

Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled “Nonmajor Governmental Funds”. The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements.

A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund is at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures of that individual governmental fund is at least 5% of the corresponding total for all governmental funds combined.

Government 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 grouped into fund categories as follows:

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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

Fund Financial Statements (Continued)

Governmental Funds

Governmental activities are those through which most governmental functions are financed. The measurement focus is on the determination of and changes in financial position rather than on net income.

Special revenue funds are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. Capital project funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital asset needs. Debt service funds are used to account for financial resources that are restricted, committed or assigned to expenditures for general long-term debt principal and interest.

The following are the County's major governmental funds:

General Fund – The General Fund is the general operating fund of the County and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund that accounts for financial resources to be used for the maintenance and construction of County roads.

911 Tax Fund – The 911 special revenue tax fund accounts for the tariff on local phone service that is used to provide 911 services to Cape Girardeau County, to maintain the 911 system and to purchase equipment for the system.

Assessment Fund – the Assessment Fund is a special revenue fund that accounts for funds received from property tax allocations and other revenues used to support the County assessment process.

Capital Improvements Use Tax Fund – the Capital Improvements Use Tax Fund is a special revenue fund that accounts for the 1% county-wide use tax that was approved on April 7, 2015. Proceeds from the tax are used to fund County approved capital improvements.

Proposition 1 Tax Fund – The Proposition 1 Tax Fund is a special revenue fund that accounts for the .5% county-wide sales tax that went into effect on January 1, 2007. Proceeds from the tax are used to fund the hard surfacing of County roads and provide funds to enhance County law enforcement.

Capital Improvements Fund – The Capital Improvements Fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on the County's Series 2011 Certificates of Participation.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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

Fund Financial Statements (Continued)

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The County's sole proprietary fund is considered an internal service fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. The County has established the following internal service fund:

Self Insured Health Plan – The Self Insured Health Plan accounts for the operations of the self insured health plan of the County.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. The County has the following fiduciary funds:

Agency Funds – Agency funds are custodial in nature and do not involve the measurement of results of operations. The County maintains agency funds for special taxing districts, the Circuit Clerk, the Collector of Revenue, and for other miscellaneous purposes.

Private Purpose Trust Funds – Private purpose trust funds are used to account for all other trust arrangements under which principal and income benefit individuals, private organizations or other governments. The County's LEPD and Drainage District funds are considered private purpose trust funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements and the fund financial statements are presented in conformity with the cash basis of accounting, under which revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the liability is incurred.

Government-wide financial statements use the economic resources measurement focus and the cash basis of accounting. Governmental fund financial statements use the current financial resources measurement focus and the cash basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating expenses for the internal service funds consist of the cost of providing services (insurance) to other County funds, and operating revenues consist of the charges (premiums) to other County funds for these services.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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

Interfund Activity

The effect of interfund activity between governmental funds has been eliminated on the government-wide financial statements. Flows of cash from one governmental fund to another without a requirement for repayment are reported as interfund transfers and are reported as other financing sources (uses). Transactions may occur between funds that result in amounts owed between those funds. Those related to goods and service type transactions are classified as "due to and from other funds" (typically between governmental and fiduciary type funds).

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Commission receives a proposed operating budget for the calendar year. The operating budget includes proposed expenditures / expenses and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- b. Public hearings are conducted to obtain taxpayer comments. Prior to its approval by the Commissioners, the budget document is available for public inspection.
- c. Prior to January 1, the budget is legally enacted.
- d. Subsequent to its formal approval of the budget, the Commissioners have the authority to make necessary adjustments to the budget by formal vote of the Commission.

Cash and Cash Equivalents

Cash and cash equivalents of the County include all demand accounts or other short-term investments with an original maturity of three months or less.

Investments

Investments of the County at December 31, 2016 consist entirely of certificates of deposit, regardless of maturity. The County records investments at their amortized cost rather than at their fair-market value. The difference between the amortized cost and the fair-market value of the County's investments is not significant. At December 31, 2016, the amortized cost of the County's investments totaled \$5,000,000. The fair-market value of the County's investments at December 31, 2016 was \$5,008,507. This represents an unrecorded gain of \$8,507.

Inventories

The County does not maintain supply inventory cost records. Supply inventory is accounted for using the purchase method in which supplies are charged to expenditures when purchased.

Capital Assets

Capital assets are recorded as expenditures at the time the expenditures are paid in accordance with the cash basis of accounting.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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

Net Position and Fund Balance Classification:

The County uses restricted funds first when an expense is incurred for purposes for which both restricted and unrestricted funds are available. Net position for the government-wide financial statements is classified as follows:

- ✓ Restricted net position – Consists of funds with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- ✓ Unrestricted net position – All other funds that do not meet the definition of “restricted”.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) requires the fund balance amounts in the governmental fund financial statements to be reported within one of the fund balance categories described below:

- ✓ Nonspendable: Funds not in a spendable form (not expected to be converted to cash) or are legally or contractually required to be maintained intact.
- ✓ Restricted: Funds with constraints placed on their use being either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- ✓ Committed: Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the County Commissioners. The purpose of these funds can only be changed by resolution from the County Commissioners.
- ✓ Assigned: Funds constrained by the County’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the County Commissioners or elected officials or department heads of the County to which the County Commissioners have delegated the authority to assign amounts to be used for specific purposes.
- ✓ Unassigned: General purpose funds that are not restricted, committed or assigned. Typically represents the residual classification of the General Fund.

The County uses (in the following order) restricted, committed and assigned fund balances first when an expense is incurred for purposes for which restricted, committed, assigned and unassigned fund balances are available. The County has no minimum fund balance policy.

Pensions

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2: CASH DEPOSITS AND INVESTMENTS:

The County is governed by the deposit and investment limitations of Missouri State law. The cash deposits of the County consist of non-interest bearing and interest bearing deposit accounts while the investments consist of time deposits, also known as certificates of deposit. The certificates of deposit, the County's investments, have the following maturities:

Less Than 3 Months	\$ 750,000
3 Months to 6 Months	2,590,000
6 Months to 12 months	629,433
12 Months and Greater	<u>1,030,567</u>
Total Investments	\$ <u>5,000,000</u>

The County records investments at their amortized cost rather than at their fair-market value. The difference between the amortized cost and the fair-market value of the County's investments is not significant. At December 31, 2016, the amortized cost of the County's investments totaled \$5,000,000. The fair-market value of the County's investments at December 31, 2016 was \$5,008,507. This represents an unrecorded gain of \$8,507.

Deposits and Investments – Risks:

Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The County's deposit policy for such risk requires compliance with the provision of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district or special road district of the State of Missouri; bonds of any state; tax anticipation notes issued by any first class county; irrevocable standby letter of credit issued by a Federal Home Loan Bank; out-of-state municipal bonds rated in the highest category by a nationally recognized statistical rating agency; or, a surety bond having an aggregate value at least equal to the amount of the deposits.

The Federal Deposit Insurance Corporation (F.D.I.C.) currently insures up to \$250,000 of deposited funds by an entity for each financial institution. The amount on deposit that exceeds \$250,000 may be secured by the pledging of securities as collateral by the financial institution. All cash deposits and investments held by the County were fully insured by depository insurance or secured with collateral held by the County's agents in its name.

Interest Rate Risk – Interest rate risk is the risk that changes in market rates will adversely affect fair values. The County has no formal investment policy regarding interest rate risk.

Concentration of Credit Risk – The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3: TAXES:

Property taxes are levied in September, due by December 31, considered delinquent as of January 1, and attach as an enforceable lien on property three years after the due date. The County bills and collects its own property taxes along with those of the Cities of Cape Girardeau, Jackson, Delta, Allenville, Oak Ridge, Old Appleton, Gordonville, Whitewater, Dutchtown and Pocahtontas. The tax rates assessed at that time per \$100 assessed valuation were as follows:

Mental Health	\$0.0772
State Tax	\$0.0300
General Revenue	\$0.0506
County Health Tax	\$0.0960
School Districts	Varies from \$3.1000 to \$4.1900
Regional Library	\$0.0729
Cape Girardeau Public Library	\$0.3141
Sheltered Workshop (Senate Bill 40)	\$0.0553
County Subclass 3 Surtax	\$0.3690
Senior Citizens Service	\$0.0478
Special Business County	\$0.6699
Fire Districts	Varies from \$0.2561 to \$0.3696
City Tax	Varies from \$0.3554 to \$1.0950

The following table shows the total 2016 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2016 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 620,736,360	19%	\$ 3,267,033,474
Commercial	298,729,600	32%	933,530,000
Agricultural	23,083,730	12%	192,364,417
Sub-Total	\$ 942,549,690		\$ 4,392,927,891
Personal Property	274,649,033	33 1/3%	824,029,502
Locally Assessed Railroad & Utility:			
Real Estate	10,956,943	32%	34,240,447
Personal Property	11,353,315	33 1/3%	34,063,351
State Assessed Railroad & Utility:			
Real Estate	44,246,460	32%	138,270,188
Personal Property	11,376,772	33 1/3%	34,133,729
Total Assessed Valuation	\$ 1,295,132,213		\$ 5,457,665,108

The County levied \$71,940,767 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$69,191,522, which includes \$2,394,461 in taxes collected under protest, a collection rate of 96.18%. The balance of all delinquent taxes owed as of February 28, 2017 (the collection year-end) is \$2,641,204. The total abatements issued during the County Collector's year ending February 28, 2017 was \$108,042. (Source: Cape Girardeau County Collector)

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4: CERTIFICATES OF PARTICIPATION:

The following table presents a recap of the County's debt activity as it relates to the issuance, payment and refunding of certificates of participation:

	<u>Beginning Balance</u>	<u>Issuance</u>	<u>Principal Payments</u>	<u>Ending Balance</u>
Series 2011 Certificates	\$ 3,440,000	\$ -	\$ 450,000	\$ 2,990,000

Effective November 1, 2011, the County issued \$5,145,000 in Certificates of Participation, Series 2011 (the "Series 2011 Certificates") with variable interest rates ranging from 2.00% to 3.375% to advance refund the Series 2003 Certificates, to pay the costs of various capital improvements within the County, and to pay certain costs in connection with the execution and delivery of the Series 2011 certificates. The first payment and final payment on the Series 2011 Certificates are due November 1, 2012 and November 1, 2022, respectively. Total interest expense paid during the year ended December 31, 2016 was \$104,005.

The following is a summary of debt service requirements to maturity:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 465,000	\$ 90,505	\$ 555,505
2018	475,000	76,555	551,555
2019	490,000	64,086	554,086
2020	505,000	50,611	555,611
2021	520,000	34,956	554,956
2022	535,000	18,056	553,056
Total	<u>\$ 2,990,000</u>	<u>\$ 334,769</u>	<u>\$ 3,324,769</u>

NOTE 5: OPERATING LEASES:

The County leases machinery and equipment, copiers, office space, software, and communication tower space under operating lease agreements expiring at various times through 2017. Future minimum annual rental commitments under the non-cancelable leases are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 148,876
2018	\$ 4,800
2019	\$ 4,800

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6: TAXABLE INDUSTRIAL REVENUE BONDS:

✓ *Proctor & Gamble Paper Products Company:*

The County issued taxable industrial revenue bonds for the purpose of paying the costs of acquiring, constructing, installing and equipping the Proctor & Gamble Paper Products Company Project. The bonds and interest thereon will be payable out of the rents and revenues from the project which are pledged and assigned to the owners of the bonds. The bonds and the interest thereon, is not a debt of the County and the County is not liable for the repayment of the bonds. The original issue amount of the unreleased bonds were as follows:

Series 1997	\$600,000,000
Series 2001	\$200,000,000
Series 2003	\$163,000,000
Series 2012	\$300,000,000

Proctor & Gamble Paper Products Company covenants and agrees that during each year the Project is exempt from ad valorem taxes by reason of the County's ownership thereof, they will make PILOT payments as follows:

Series 1997: beginning the year after completion of the Project, which was 2000, PILOT payments are made on real and personal property taxes over a 30 year period based on set discount factors multiplied by the assessed value for each year of the 30 year period. For the year ended December 31, 2016, which was year 17 of 30, the discount factor was 0.3405 and resulted in a total tax abatement from the above PILOT payment agreement of \$905,013.

Series 2001: beginning the year after completion of the Project, which was 2002, PILOT payments are made on personal property taxes over a 20 year period based on set discount factors multiplied by the assessed value for each year of the 20 year period. The agreement does set a minimum property tax payment at \$475,000 annually. For the year ended December 31, 2016, which was year 15 of 20, the discount factor was 0.6663 and resulted in a total tax abatement from the above PILOT payment agreement of \$274,800.

Series 2003: beginning the year after completion of the Project, which was 2005, PILOT payments are made based upon a fixed payment schedule over a 25 year period. For the year ended December 31, 2016, which was year 12 of 25, the fixed PILOT payment was \$95,678 which resulted in a total tax abatement from the above PILOT payment agreement of \$22,645.

Series 2012: beginning the year after completion of the Project, PILOT payments are to be made on real and personal property taxes over a 25 year period based on set discount factors multiplied by the assessed value for each year of the 25 year period. During the year ended December 31, 2016, due to the Project remaining uncompleted, the terms of the agreement were not met and therefore the County assessed and collected the full value of all real and personal property for the 2016 assessment. The County will continue to assess and collect 100% until a new agreement is reached.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6: TAXABLE INDUSTRIAL REVENUE BONDS: (Continued)

✓ *North Hubble Creek Development, LLC:*

The County issued taxable industrial revenue bonds for the purpose of paying the costs of acquiring, constructing, installing and equipping a facility for North Hubble Creek Development, LLC, which will then sublease the Project to the Mondi Group (formerly Nordenia U.S.A., Inc.). The bonds and interest thereon will be payable out of the rents and revenues from the project which are pledged and assigned to the owners of the bonds. The bonds and the interest thereon, is not a debt of the County and the County is not liable for the repayment of the bonds. The original issue amount of the unreleased bonds were as follows:

Series 2011	\$10,600,000
-------------	--------------

North Hubble Creek Development, LLC covenants and agrees that during each year the Project is exempt from ad valorem real property taxes by reason of the County's ownership thereof, they will make PILOT payments for each year of the 10 calendar years 2012 – 2021, in an amount equal to 50% of the real property taxes that would have otherwise been payable. For the year ended December 31, 2016, the total tax abatement resulting from the above PILOT payment agreement was \$85,473.

✓ *Schaefer's Electrical Enclosures, Inc. and Transformation LLC:*

The County issued taxable industrial revenue bonds for the purpose of paying the costs of acquiring, constructing, installing and equipping a facility for Schaefer's Electrical Enclosures, Inc. and Transformation LLC. The bonds and interest thereon will be payable out of the rents and revenues from the project which are pledged and assigned to the owners of the bonds. The bonds and the interest thereon, is not a debt of the County and the County is not liable for the repayment of the bonds. The original issue amount of the unreleased bonds were as follows:

Series 2009	\$1,840,000	(Personal Property and Equipment)
Series 2009	\$4,450,000	(Real Estate)

Schaefer's Electrical Enclosures, Inc. and Transformation LLC covenants and agrees that during each year the Project is exempt from ad valorem real and personal property taxes by reason of the County's ownership thereof, they will make PILOT payments for each year of the 10 calendar years 2010 – 2019, in an amount equal to 50% of the real and personal property taxes that would have otherwise been payable. For the year ended December 31, 2016, the total tax abatement resulting from the above PILOT payment agreement was \$19,624 in real property taxes and \$12,516 in personal property taxes.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM:

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.

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>February 29, 2016 Valuation</u>
Benefit Multiplier:	2.00% for Life
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>
Retirees and beneficiaries	83	27
Inactive, nonretired members	55	34
Active employees	126	47

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. County contribution rates are 16.0% for General and 15.0% for Police of annual covered payroll.

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM: (Continued)

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

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

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

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

The actuarial assumptions used in the February 29, 2016 valuation were based on the 5-year 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	51.75%	4.81%
Fixed Income	26.75%	0.67%
Real Assets	21.50%	3.42%

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.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM: (Continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 30,358,057	\$ 30,630,109	\$ (272,052)
Changes for the Year:			
Service cost	\$ 742,166	\$ -	\$ 742,166
Interest	2,180,052	-	2,180,052
Difference - expected & actual experience	(437,220)	-	(437,220)
Contributions – employer	-	1,093,718	(1,093,718)
Contributions – employee	-	-	-
Net investment income	-	(35,459)	35,459
Changes of assumptions	1,236,509	-	1,236,509
Benefit payments, including refunds	(1,329,193)	(1,329,193)	-
Administrative expense	-	(28,015)	28,015
Other changes	-	6,251	(6,251)
Net changes for the year	\$ 2,392,314	\$ (292,698)	\$ 2,685,012
Balances at June 30, 2016	\$ 32,750,371	\$ 30,337,411	\$ 2,412,960

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

	1% Decrease (6.25%)	Current Single Discount Rate Assumption (7.25%)	1% Increase (8.25%)
General	\$ 5,055,200	\$ 1,804,400	\$ (859,744)
Police	\$ 2,259,702	\$ 608,560	\$ (722,621)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions: For the fiscal year ending June 30, 2016, the fiscal year for LAGERS, the County's pension expense, under the basis of accounting as used by LAGERS, was \$1,290,295 for the General division and \$369,085 for the Police division.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM: (Continued)

The County disclosed deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 33,142	\$ (387,355)
Changes in assumptions	987,211	-
Net difference between projected and actual earnings	2,735,528	-
Contributions subsequent to the measurement date *	565,613	-
Total	\$ 4,321,494	\$ (387,355)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability during LAGERS' fiscal year ending June 30, 2017.

Other 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 Outflows of Resources
2017	\$	1,492,532
2018		926,919
2019		924,565
2020		587,181
2021		2,942
Thereafter		-
Total	\$	3,934,139

Payable to the Pension Plan: At December 31, 2016, the County did not have any liability for outstanding contributions to the pension plan.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND:

Plan Description: The County Employee Retirement Fund (CERF) was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000 – 50.1300 of the Missouri Revised Statutes (RSMo). CERF is a mandatory cost-sharing, multiple-employer defined benefit pension plan. It is CERF's responsibility to administer the law in accordance the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of CERF is vested in the Board of Directors consisting of eleven members. (CERF issues a publicly available Annual Financial Report that can be obtained at www.mocerf.org).

Benefits Provided: CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost of living adjustments, not to exceed 1%, are provided for eligible retirees of survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

Contributions: Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri Law are required to be collected and remitted to CERF by counties covered by the plan: (late fees on filing of personal property tax declarations, twenty dollars on each merchants and manufacturers license issued, six dollars on each document recorded or filed with county recorder of deeds with an additional one dollar on each document recorded, three-sevenths of the fee on delinquent property taxes, and interest earned on investments of the above collections prior to remittance to CERF.

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

Actuarial Assumptions: Actuarial valuations of CERF involve estimates of the reported amount and assumptions about the probability of the occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The total pension liability as of December 31, 2015, the most recent measurement date for CERF, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5%
Inflation	2.5%
Compensation increases	2.5% plus merit
Mortality rates	Based on the RP-2000 Combined Mortality projected to 2010 using Scale AA.

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

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

The long-term expected rate of return on CERF's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense 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.

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

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on CERF's current revenue sources (various fees and penalties collected by the counties). Such revenue was assumed to increase at the rate of 1.0% per year. This increase assumption has been used by CERF in prior funding status projections. Historically, revenue increases has averaged more than 1.0% per year for CERF. Based on the assumptions, CERF's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. The projections covered an 80-year period in to the future. The long-term expected rate of return on CERF's investments was applied to projected benefit payments.

Pension Expense, Net Pension Liability and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The 2015 County contributions, as included in CERF's determination of the County's net pension liability as of December 31, 2015, the most recent measurement date, was \$375,271 and represented 1.87931% of the total employer contributions from all participating entities as remitted to CERF during the year ended December 31, 2015.

The County's proportionate share of the net pension liability based upon CERF's most recent measurement date of December 31, 2015 was \$3,633,751. The County's proportionate share of the total pension expense for the year ended December 31, 2015 was \$733,659.

For the year ended December 31, 2016, the County disclosed deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 138,875	\$ 20,504
Net difference between projected and actual earnings	661,339	-
Change in assumptions	501,974	-
Change in proportion and difference between employer contributions and proportionate share of contributions	-	13,207
Contributions subsequent to the measurement date *	<u>See Below</u>	<u>-</u>
Total	\$ <u>1,302,188</u>	\$ <u>33,711</u>

*The amount of deferred outflows of resources resulting from contributions subsequent to the measurement date totaling \$410,656 will be recognized as a reduction in the net pension liability during CERF's year ending December 31, 2016.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

The net difference between projected and actual investment earnings on pension plan investments is amortized to pension expense over a fixed five-year period on a straight-line basis. The difference between expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability is amortized on a straight-line basis to pension expense over a closed period equal to the average of the expected remaining service lives of all active and inactive employees that are provided with pensions through CERF.

Other 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 Outflows of Resources
2017	\$ 312,433
2018	312,433
2019	312,433
2020	312,433
2021	18,746
Thereafter	-
Total	\$ <u>1,268,477</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.5%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,168,251	\$ 3,633,751	\$ 2,355,518

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

At December 31, 2016, the County did not have a payable for any outstanding amount of contributions and statutory charges to the pension plan required for the year then ended.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9: POST EMPLOYMENT BENEFITS:

In addition to the pension benefits described in Note 7 and the retirement plan benefits described in Note 8, the County allows retirees and their family members to retain health coverage through the County by remitting the total cost of premiums to the County. Premiums are remitted to the appropriate insurance company by the County. No premium expense is incurred by the County for retiree insurance. As of December 31, 2016, the County has eight (8) retirees enrolled in the County provided group health plan.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid in full by the insured for the actual month covered. This program is offered for the duration of 18 months after the termination date. There are no associated costs to the County under this program.

NOTE 10: LINE OF CREDIT ARRANGEMENT:

Effective August 4, 2016, within the Capital Improvements Fund, the County entered into a line of credit arrangement for \$1,380,000. The arrangement calls for monthly interest only payments at a rate of 2.897% and all outstanding principal and unpaid interest is due on June 24, 2017, the maturity date. During the year ended December 31, 2016, the County paid \$3,583 in interest expense. As of December 31, 2016, the County has no balance outstanding and all interest has been paid up through December 31, 2016.

NOTE 11: COMMITMENTS AND CONTINGENCIES:

Per an agreement dated December 14, 2006, and effective for the year beginning January 1, 2007, the County agreed to pay, to the previous Road and Bridge property tax recipients, a portion of the one half percent County sales tax that was passed August 8, 2006. The payments for each year shall equal 100% of the total amount that would have been generated from that years Road and Bridge property tax, which ceased effective January 1, 2007. The amount is annually determined from the assessed value of property lying and being within the County, using the tax rate ceiling as specified in Section 138.073 RSMo.

The County annually enters into a contract with the Cape County Private Ambulance Service, Inc. for emergency transportation services. The County paid \$100,000 for these services in 2016 and has secured these services for 2017 at a cost of \$100,000.

In 2004, the County and the City of Cape Girardeau, Missouri entered into a development agreement with Sears, Roebuck and Company ("Sears"), pursuant to which the County and the City agreed to reimburse Sears for a portion of the costs of certain public improvements that were made by Sears in connection with Sears' construction of a new store. The County's obligation is limited to 75% of the incremental sales tax revenue that the County received from the new store, subject to annual appropriation by the County Commission, for a term of 15 years. The maximum amount to be reimbursed by the County is \$533,729. In 2016, the County paid \$0. Total payments made through December 31, 2016 are \$25,659.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11: COMMITMENTS AND CONTINGENCIES: (Continued)

In 2004, the County and the City of Cape Girardeau, Missouri entered into a development agreement with Drury Land Development, Inc. ("Drury Land"), pursuant to which the County and the City agreed to reimburse Drury Land for a portion of the costs of certain public improvements that were constructed by Drury Land in connection with the construction of a new Kohl's Department Store in the City. The County agreed to reimburse Drury Land fifty percent (50%) of the net general sale taxes collected from the Kohl's store until the costs of the public improvements are paid. The County approved a phase two reimbursement agreement dated October 15, 2012 which includes the Academy Store development, and which limits the total project reimbursable development costs as paid by Drury Land to a maximum aggregate amount of \$3,000,000. This maximum aggregate amount is reimbursed by the City and County based upon the net general sales tax collected. In 2016, the County paid \$74,475 pursuant to this agreement. Total payments made by the County through December 31, 2016 are \$478,891.

In 2007, the County and the City of Cape Girardeau, Missouri entered into a development agreement with The Greater Missouri Builders ("GMB") pursuant to which the County and the City agreed to reimburse GMB for the costs of renovating a vacant department store in the City. The County's obligation is limited to 50% of the general (1/2 cent) sales tax revenue that the County received from retail sales at the site, subject to annual appropriation by the County Commission, for a term of 25 years. In 2016, the County paid \$0 from its sales tax revenue in connection with this project. Total payments made through December 31, 2016 are \$27,160.

The County annually enters into a contract with the Humane Society to provide animal housing services. The County paid \$27,000 for services in 2016 and has secured services for 2017 at a cost of \$27,000.

The County paid \$109,411 in 2016 and has again agreed to pay the University Extension Center \$113,970 to provide educational related community activities for 2017.

The County has a current policy that requires employees to "bank" any overtime and use it at a future date as paid time off, referred to as "comp" time. The County has determined that there exists approximately \$181,632 in unused "comp" time owed to employees. Employees will be paid for any unused "comp" time upon termination of their employment.

Within the Road and Bridge Fund, using restricted available funds, the County entered into a purchase agreement for equipment at a cost of \$199,844. The agreement calls for two payments of \$99,922 each, with a zero interest rate. The 1st payment was made in 2016 and the 2nd and final payment is due in 2017.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11: COMMITMENTS AND CONTINGENCIES: (Continued)

The County offers a self-funded high deductible group healthcare plan. The Plan has a \$57,500 per individual deductible and a \$22,000 aggregate fee paid annually one-time if there is a claim exceeding the individual deductible. A re-insurance policy will cover any individual cost in excess of the \$57,500, with a maximum annual re-insurance limit in total, for all employees, of \$1,446,218. Employees have the option of choosing a \$2,000 individual (\$4,000 family) or a \$5,000 individual (\$10,000) deductible Plan. Regardless of the option chosen, for 2016 the County paid a monthly per employee amount of \$528. Employees are responsible for any dependent coverage premiums. Monthly premiums are paid to the self-funded plan account and used to pay administrative expenses and claims. As of December 31, 2016, the County has a balance of \$524,850 in the self-funded health insurance plan fund to cover future administrative costs and claims.

Members of the Cape Girardeau County Group Health Plan (the Plan) may also choose health care coverage from another provider (spouse's employer, individual plan, etc.) and participate in a medical reimbursement feature of the Plan. Members are responsible for their premiums with the other provider. Members may be reimbursed by the Plan for deductibles, co-pays and co-insurance under a medical or prescription plan not sponsored by Cape Girardeau County. Members with secondary coverage such as Medicare or Medicaid may also elect the Maxi Plan. All covered services are payable at 100% except inpatient hospital billed charges up to \$1,500 per admission. Members whose benefits are expected to exceed \$50,000 in a year are able to elect the Affordable Care Plan (ACP) in which all deductibles, co-pays and co-insurance is covered by the County in full.

The estimated maximum annual plan cost to the County for employee healthcare based on 216 participants, including 8 retirees who reimburse the County for their own monthly premiums, is \$1,584,523.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12: FUND BALANCE PRESENTATION:

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County's fund balances are detailed as follows:

	Classification	
Restricted:		
Road and Bridge	\$	673,494
Capital Projects and Improvements		89,744
911 Operations		218,846
Law Enforcement and Road Improvements (Prop 1)		1,688,470
Election Services		42,097
Collector's Tax Maintenance		60,997
Public Safety		747,242
Health and Welfare		49,234
Administration of Justice		49,432
Property Assessment		588,856
Recording		100,309
Debt Service		<u>3</u>
Total Restricted		\$ 4,308,724
Committed:		
Capital Improvements		64,113
Assigned:		
Capital Improvements	\$	4,994,605
Sheriff's Operational		1,542
Juvenile Office Operations		1,110
Park Development		55,278
Recording		55,813
Archive Fund		1,403
Early Warning Siren Project		<u>17,292</u>
Total Assigned		5,127,043
Unassigned:		
General	\$	2,690,989
Juvenile Grant Fund		<u>(37,881)</u>
Total Unassigned		<u>2,653,108</u>
Total Fund Balance		\$ <u><u>12,152,988</u></u>

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13: INTERFUND TRANSFERS:

The County Collector receives most of the real estate and personal property taxes in December of each year. The tax receipts are disbursed in the subsequent month to the various entities. Interfund balances at December 31, 2016 included the tax receipts held by the County Collector and various funds held by the County as an agent for various entities. These balances will be disbursed within the next year.

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Assessment Fund	\$ 189,408	Expense Reimbursements
General Fund	County Improvements (Debt)	554,003	Principal and Interest
General Fund	Election Services Fund	175,874	Election Cost Coverage
General Fund	Capital Improvements Fund	225,000	Expense Reimbursements
Use Tax Fund	Capital Improvements Fund	1,060,099	Expense Reimbursements
Election Services	Road and Bridge Fund	1,056	Expense Reimbursements
Election Services	General Fund	79,969	Expense Reimbursements
Sheriff Revolving Fund	Sheriff Training Fund	21,412	Training Reimbursements
Assessment Fund	General Fund	55,000	Expense Reimbursements
P.A. Training Fund	General Fund	1,186	Expense Reimbursements
P.A. Contingent Fund	General Fund	46,085	Expense Reimbursements
Proposition 1 Tax Fund	General Fund	31,860	Tax Allocation
Proposition 1 Tax Fund	Assessment Fund	23,098	Tax Allocation
Proposition 1 Tax Fund	Road and Bridge Fund	156,905	Expense Reimbursements
Proposition 1 Tax Fund	Road and Bridge Fund	1,631,867	Tax Allocation
Total Interfund Transfers		<u>\$ 4,252,822</u>	

NOTE 14: DEFICIT FUND BALANCE:

The juvenile grant fund's expenditures exceeded its revenues and currently has a deficit fund balance of (\$37,881). This deficit will be financed through future revenues of the fund.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15: GASB STATEMENTS:

The following GASB statements are effective in the year ending December 31, 2016 and, if applicable, have been implemented by the County:

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In addition to addressing the specific criteria, the Statement establishes additional note disclosure requirements.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pension through the pension plan). This Statement established requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements, (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15: GASB STATEMENTS: (Continued)

GASB Statement 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*. This Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement also clarifies, (1) information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported, (2) accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions, and (3) timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. This Statement established a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 7,897,820	\$ 7,929,016	\$ 7,944,187	\$ 15,171
Fees, Fines and Commissions	2,389,110	2,469,190	2,508,894	39,704
Intergovernmental Revenues	1,055,600	700,602	700,602	-
Interest	1,581	1,535	1,535	-
911 Tariff	-	-	-	-
Other	291,550	48,482	48,482	-
Total Receipts	<u>\$ 11,635,661</u>	<u>\$ 11,148,825</u>	<u>\$ 11,203,700</u>	<u>\$ 54,875</u>
DISBURSEMENTS				
General Government	\$ 4,963,343	\$ 5,078,953	\$ 4,401,618	\$ 677,335
Public Safety	4,089,911	4,291,243	4,147,199	144,044
Health and Welfare	-	-	-	-
Cultural and Recreation	341,749	342,561	342,561	-
911 Operations	-	-	-	-
Judicial	2,168,212	2,247,196	2,015,845	231,351
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 11,563,215</u>	<u>\$ 11,959,953</u>	<u>\$ 10,907,223</u>	<u>\$ 1,052,730</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 72,446</u>	<u>\$ (811,128)</u>	<u>\$ 296,477</u>	<u>\$ 1,107,605</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 161,500	\$ 214,100	\$ 214,100	\$ -
Transfers Out	(922,408)	(1,148,912)	(1,144,285)	4,627
Total Other Financing Sources (Uses)	<u>\$ (760,908)</u>	<u>\$ (934,812)</u>	<u>\$ (930,185)</u>	<u>\$ 4,627</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (688,462)</u>	<u>\$ (1,745,940)</u>	<u>\$ (633,708)</u>	<u>\$ 1,112,232</u>
Fund Balances at January 1, 2016	<u>3,383,162</u>	<u>3,383,162</u>	<u>3,383,162</u>	<u>-</u>
Fund Balances at December 31, 2016	<u>\$ 2,694,700</u>	<u>\$ 1,637,222</u>	<u>\$ 2,749,454</u>	<u>\$ 1,112,232</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
ROAD AND BRIDGE FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 1,016,700	\$ 1,115,953	\$ 1,115,953	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	30,388	30,388	-
Interest	356	271	271	-
911 Tariff	-	-	-	-
Other	17,100	176,860	176,860	-
Total Receipts	<u>\$ 1,034,156</u>	<u>\$ 1,323,472</u>	<u>\$ 1,323,472</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	3,251,860	3,555,621	3,555,621	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 3,251,860</u>	<u>\$ 3,555,621</u>	<u>\$ 3,555,621</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (2,217,704)</u>	<u>\$ (2,232,149)</u>	<u>\$ (2,232,149)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,636,200	\$ 1,789,828	\$ 1,789,828	\$ -
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 1,636,200</u>	<u>\$ 1,789,828</u>	<u>\$ 1,789,828</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (581,504)</u>	<u>\$ (442,321)</u>	<u>\$ (442,321)</u>	<u>\$ -</u>
Fund Balances at January 1, 2016	<u>1,115,815</u>	<u>1,115,815</u>	<u>1,115,815</u>	<u>-</u>
Fund Balances at December 31, 2016	<u>\$ 534,311</u>	<u>\$ 673,494</u>	<u>\$ 673,494</u>	<u>\$ -</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
911 TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest	1,125	106	106	-
911 Tariff	404,775	402,732	402,732	-
Other	1,100	312	312	-
Total Receipts	<u>\$ 407,000</u>	<u>\$ 403,150</u>	<u>\$ 403,150</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	709,500	709,500	506,304	203,196
Judicial	-	-	-	-
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 709,500</u>	<u>\$ 709,500</u>	<u>\$ 506,304</u>	<u>\$ 203,196</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (302,500)</u>	<u>\$ (306,350)</u>	<u>\$ (103,154)</u>	<u>\$ 203,196</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (302,500)</u>	<u>\$ (306,350)</u>	<u>\$ (103,154)</u>	<u>\$ 203,196</u>
Fund Balances at January 1, 2016	<u>322,000</u>	<u>322,000</u>	<u>322,000</u>	<u>-</u>
Fund Balances at December 31, 2016	<u><u>\$ 19,500</u></u>	<u><u>\$ 15,650</u></u>	<u><u>\$ 218,846</u></u>	<u><u>\$ 203,196</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
ASSESSMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	544,000	573,244	604,577	31,333
Intergovernmental Revenues	110,000	117,218	117,218	-
Interest	200	162	162	-
911 Tariff	-	-	-	-
Other	78,700	143,116	143,116	-
Total Receipts	<u>\$ 732,900</u>	<u>\$ 833,740</u>	<u>\$ 865,073</u>	<u>\$ 31,333</u>
DISBURSEMENTS				
General Government	\$ 1,146,844	\$ 1,205,933	\$ 1,143,786	\$ 62,147
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 1,146,844</u>	<u>\$ 1,205,933</u>	<u>\$ 1,143,786</u>	<u>\$ 62,147</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (413,944)</u>	<u>\$ (372,193)</u>	<u>\$ (278,713)</u>	<u>\$ 93,480</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 209,708	\$ 212,506	\$ 212,506	\$ -
Transfers Out	(55,000)	(55,000)	(55,000)	-
Total Other Financing Sources (Uses)	<u>\$ 154,708</u>	<u>\$ 157,506</u>	<u>\$ 157,506</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (259,236)</u>	<u>\$ (214,687)</u>	<u>\$ (121,207)</u>	<u>\$ 93,480</u>
Fund Balances at January 1, 2016	710,063	710,063	710,063	-
Fund Balances at December 31, 2016	<u>\$ 450,827</u>	<u>\$ 495,376</u>	<u>\$ 588,856</u>	<u>\$ 93,480</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
CAPITAL IMPROVEMENTS USE TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,000,000	\$ 928,515	\$ 928,515	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest	100	236	236	-
911 Tariff	-	-	-	-
Other	-	-	-	-
Total Receipts	<u>\$ 1,000,100</u>	<u>\$ 928,751</u>	<u>\$ 928,751</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 1,000,100</u>	<u>\$ 928,751</u>	<u>\$ 928,751</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	(1,060,099)	(1,060,099)	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (1,060,099)</u>	<u>\$ (1,060,099)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ 1,000,100</u>	<u>\$ (131,348)</u>	<u>\$ (131,348)</u>	<u>\$ -</u>
Fund Balances at January 1, 2016	<u>221,092</u>	<u>221,092</u>	<u>221,092</u>	<u>-</u>
Fund Balances at December 31, 2016	<u>\$ 1,221,192</u>	<u>\$ 89,744</u>	<u>\$ 89,744</u>	<u>\$ -</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
PROPOSITION 1 TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Taxes	\$ 7,371,320	\$ 7,271,071	\$ 7,271,071	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	8,264	8,264	-
Interest	450	870	870	-
911 Tariff	-	-	-	-
Other	100	-	-	-
Total Receipts	<u>\$ 7,371,870</u>	<u>\$ 7,280,205</u>	<u>\$ 7,280,205</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ 2,190,046	\$ 2,210,006	\$ 2,210,006	\$ -
Public Safety	1,532,867	1,595,969	1,595,969	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	1,744,000	1,707,095	1,556,272	150,823
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 5,466,913</u>	<u>\$ 5,513,070</u>	<u>\$ 5,362,247</u>	<u>\$ 150,823</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 1,904,957</u>	<u>\$ 1,767,135</u>	<u>\$ 1,917,958</u>	<u>\$ 150,823</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(1,781,828)	(1,843,730)	(1,843,730)	-
Total Other Financing Sources (Uses)	<u>\$ (1,781,828)</u>	<u>\$ (1,843,730)</u>	<u>\$ (1,843,730)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ 123,129</u>	<u>\$ (76,595)</u>	<u>\$ 74,228</u>	<u>\$ 150,823</u>
Fund Balances at January 1, 2016	<u>1,614,242</u>	<u>1,614,242</u>	<u>1,614,242</u>	<u>-</u>
Fund Balances at December 31, 2016	<u><u>\$ 1,737,371</u></u>	<u><u>\$ 1,537,647</u></u>	<u><u>\$ 1,688,470</u></u>	<u><u>\$ 150,823</u></u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2016

LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

LAGERS Fiscal Year Ending June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability:										
Service Cost	\$ 742,166	\$ 718,346	\$	\$	\$	\$	\$	\$	\$	\$
Interest	2,180,052	2,069,379								
Changes of Benefit Terms	-	-								
Difference Between Expected and Actual Experience	(437,220)	(304)								
Changes of Assumptions	1,236,509	-								
Benefit Payments, Including Refunds	(1,329,193)	(1,217,965)								
Net Change	<u>\$ 2,392,314</u>	<u>\$ 1,569,456</u>	<u>\$ -</u>							
Total Pension Liability - Beginning	<u>30,358,057</u>	<u>28,788,601</u>								
Total Pension Liability - Ending	<u><u>\$ 32,750,371</u></u>	<u><u>\$ 30,358,057</u></u>	<u><u>\$ -</u></u>							
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 1,093,718	\$ 1,080,662	\$	\$	\$	\$	\$	\$	\$	\$
Contributions - Employee	-	-								
Net Investment Income	(35,459)	611,616								
Benefit Payments, Including Refunds	(1,329,193)	(1,217,966)								
Administrative Expense	(28,015)	(29,732)								
Other (Net Transfer)	6,251	207,318								
Net Change	<u>\$ (292,698)</u>	<u>\$ 651,898</u>	<u>\$ -</u>							
Plan Fiduciary Net Position - Beginning	<u>30,630,109</u>	<u>29,978,211</u>								
Plan Fiduciary Net Position - Ending	<u><u>\$ 30,337,411</u></u>	<u><u>\$ 30,630,109</u></u>	<u><u>\$ -</u></u>							
Net Pension Liability	<u><u>\$ 2,412,960</u></u>	<u><u>\$ (272,052)</u></u>	<u><u>\$ -</u></u>							
Plan Fiduciary Net Position as a % of the Total Pension Liability	92.63%	100.90%								
Covered-Employee Payroll	\$ 6,709,777	\$ 6,380,102	\$	\$	\$	\$	\$	\$	\$	\$
Net Pension Liability as a % of Covered Employee Payroll	35.96%	-4.26%								

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The accompanying notes to required supplementary information are an integral part of this statement.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SCHEDULE OF PROPORTIONATE SHARE

FOR THE YEAR ENDED DECEMBER 31, 2016

COUNTY EMPLOYEES RETIREMENT FUND (CERF)

CERF Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County Proportion of the Net Pension Liability (Asset)	1.88%	1.90%								
County Proportionate Share of the Net Pension Liability (Asset)	\$ 3,633,751	\$ 2,216,942	\$	\$	\$	\$	\$	\$	\$	\$
County Covered Employee Payroll	\$ 6,721,043	\$ 6,708,519	\$	\$	\$	\$	\$	\$	\$	\$
County Net Pension Liability (Asset) as a Percentage of its Covered Payroll	54.07%	33.05%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.11%	78.83%								

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The accompanying notes to required supplementary information are an integral part of this statement.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SCHEDULES OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

LAGERS Fiscal Year Ending	Actuarially Determined Contribution	Actual County Contributions	Contribution Excess / (Deficiency)	Actual Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
6/30/2016	\$ 1,103,205	\$ 1,103,206	\$ 1	\$ 7,055,300	15.64%
6/30/2015	1,093,805	1,093,806	1	6,598,663	16.58%
6/30/2014	1,067,686	1,067,686	-	6,452,868	16.55%
6/30/2013	1,091,523	1,077,996	(13,527)	6,168,901	17.47%
6/30/2012	1,105,143	1,025,424	(79,719)	6,224,835	16.47%
6/30/2011	1,031,448	943,229	(88,219)	6,094,676	15.48%
6/30/2010	1,066,530	907,428	(159,102)	6,266,532	14.48%
6/30/2009	838,755	820,114	(18,641)	6,085,074	13.48%
6/30/2008	820,247	820,247	-	5,800,639	14.14%
6/30/2007	791,101	790,833	(268)	5,328,295	14.84%

COUNTY EMPLOYEES RETIREMENT FUND (CERF)

CERF Fiscal Year Ending	Statutorily Required Contributions	Actual County Contributions	Contribution Excess / (Deficiency)	Actual Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
12/31/2015	\$ 375,271	\$ 375,271	\$ -	\$ 6,721,043	5.58%
12/31/2014	375,790	375,790	-	6,708,519	5.60%
12/31/2013			-		
12/31/2012			-		
12/31/2011			-		
12/31/2010			-		
12/31/2009			-		
12/31/2008			-		
12/31/2007			-		
12/31/2006			-		

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The accompanying notes to required supplementary information are an integral part of this statement.

COUNTY OF CAPE GIRARDEAU MISSOURI
Jackson, Missouri

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: BUDGETARY ACCOUNTING

The accompanying Budgetary Comparison Schedules of the County of Cape Girardeau, Missouri (the "County") are presented on the cash basis of accounting, consistent with the preparation of the basic financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis recognizes revenue when received, and expenditures are recognized when the obligation is paid.

The budget is prepared according to Missouri Statute Chapter 67 RSMO whereby:

- The Commission receives a proposed operating budget for the calendar year. The operating budget includes proposed expenditures and means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to January 1, the budget is legally enacted.
- Formal budgetary integration is employed as a management control device during the year for most funds.

The County amends the budget throughout the year as significant events occur, with sole approval being from the County Commissioners.

NOTE 2: PENSION REPORTING

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

SUPPLEMENTARY INFORMATION

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Election Services Fund	Archive Fund	Collectors Tax Maintenance Fund	Sheriff's Revolving Fund	Inmate Security Fund	Prosecuting Attorney Bad Check Collection Fund	Juvenile Grants Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Contingency Fund
ASSETS									
Cash and Cash Equivalents	\$ 42,097	\$ 1,403	\$ 57,653	\$ 339,811	\$ 32,239	\$ 36,674	\$ (37,881)	\$ 8,957	\$ 2,500
Due from Other Funds	-	-	3,344	-	-	-	-	-	-
Total Assets	\$ 42,097	\$ 1,403	\$ 60,997	\$ 339,811	\$ 32,239	\$ 36,674	\$ (37,881)	\$ 8,957	\$ 2,500
FUND BALANCES									
Restricted	\$ 42,097	\$ -	\$ 60,997	\$ 339,811	\$ 32,239	\$ 36,674	\$ -	\$ 8,957	\$ 2,500
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	1,403	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(37,881)	-	-
Total Fund Balances	\$ 42,097	\$ 1,403	\$ 60,997	\$ 339,811	\$ 32,239	\$ 36,674	\$ (37,881)	\$ 8,957	\$ 2,500

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Park Development Fund	Sheriff's Equitable Sharing Fund	Drug Court Grant Fund	Drug Court Treatment Fund	Prosecuting Attorney Training Fund	Recorder of Deeds Fees Fund	Sheriff's Training Fund	Domestic Violence Fund	Early Warning Siren Project
ASSETS									
Cash and Cash Equivalents	\$ 55,278	\$ 24,463	\$ 454	\$ 37,449	\$ 1,301	\$ 100,309	\$ -	\$ 11,331	\$ 17,292
Due from Other Funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 55,278	\$ 24,463	\$ 454	\$ 37,449	\$ 1,301	\$ 100,309	\$ -	\$ 11,331	\$ 17,292
FUND BALANCES									
Restricted	\$ -	\$ 24,463	\$ 454	\$ 37,449	\$ 1,301	\$ 100,309	\$ -	\$ 11,331	\$ -
Committed	-	-	-	-	-	-	-	-	-
Assigned	55,278	-	-	-	-	-	-	-	17,292
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 55,278	\$ 24,463	\$ 454	\$ 37,449	\$ 1,301	\$ 100,309	\$ -	\$ 11,331	\$ 17,292

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 139,271	\$ 211,458	\$ 1,082,059
Due from Other Funds	-	-	3,344
Total Assets	<u>\$ 139,271</u>	<u>\$ 211,458</u>	<u>\$ 1,085,403</u>
FUND BALANCES			
Restricted	\$ 139,271	\$ 211,458	\$ 1,049,311
Committed	-	-	-
Assigned	-	-	73,973
Unassigned	-	-	(37,881)
Total Fund Balances	<u>\$ 139,271</u>	<u>\$ 211,458</u>	<u>\$ 1,085,403</u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI

Jackson, Missouri

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Election Services Fund	Archive Fund	Collectors Tax Maintenance Fund	Sheriff's Revolving Fund	Inmate Security Fund	Prosecuting Attorney Bad Check Collection Fund	Juvenile Grants Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Contingency Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	176,019	-	82,513	155,066	4,762	22,646	-	3	46,085
Intergovernmental	8,495	-	-	-	5,104	-	206,040	-	-
Interest	23	-	18	112	10	12	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Receipts	\$ 184,537	\$ -	\$ 82,531	\$ 155,178	\$ 9,876	\$ 22,658	\$ 206,040	\$ 3	\$ 46,085
DISBURSEMENTS									
General Government	\$ 330,994	\$ -	\$ 49,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	36,604	1,100	-	212,338	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	14,636	-	-	-
Total Disbursements	\$ 330,994	\$ -	\$ 49,415	\$ 36,604	\$ 1,100	\$ 14,636	\$ 212,338	\$ -	\$ -
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ (146,457)	\$ -	\$ 33,116	\$ 118,574	\$ 8,776	\$ 8,022	\$ (6,298)	\$ 3	\$ 46,085
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 175,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(81,025)	-	-	(21,412)	-	-	-	-	(46,085)
Total Other Financing Sources (Uses)	\$ 94,849	\$ -	\$ -	\$ (21,412)	\$ -	\$ -	\$ -	\$ -	\$ (46,085)
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ (51,608)	\$ -	\$ 33,116	\$ 97,162	\$ 8,776	\$ 8,022	\$ (6,298)	\$ 3	\$ -
Fund Balances at January 1, 2016	93,705	1,403	27,881	242,649	23,463	28,652	(31,583)	8,954	2,500
Fund Balances at December 31, 2016	\$ 42,097	\$ 1,403	\$ 60,997	\$ 339,811	\$ 32,239	\$ 36,674	\$ (37,881)	\$ 8,957	\$ 2,500

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Park Development Fund	Sheriff's Equitable Sharing Fund	Drug Court Grant Fund	Drug Court Treatment Fund	Prosecuting Attorney Training Fund	Recorder of Deeds Fees Fund	Sheriff's Training Fund	Domestic Violence Fund	Early Warning Siren Project
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	31,370	-	-	24,326	1,301	44,897	-	17,249	-
Intergovernmental	-	23,946	118,132	-	-	6,815	5,101	-	-
Interest	-	4	-	-	-	30	-	-	-
Other	1,400	-	-	-	-	-	-	-	-
Total Receipts	\$ 32,770	\$ 23,950	\$ 118,132	\$ 24,326	\$ 1,301	\$ 51,742	\$ 5,101	\$ 17,249	\$ -
DISBURSEMENTS									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,595	\$ -	\$ -	\$ -
Public Safety	-	7,317	-	-	-	-	26,513	-	3,177
Health and Welfare	-	-	118,172	3,795	-	-	-	20,386	-
Cultural and Recreation	10,701	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 10,701	\$ 7,317	\$ 118,172	\$ 3,795	\$ -	\$ 21,595	\$ 26,513	\$ 20,386	\$ 3,177
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ 22,069	\$ 16,633	\$ (40)	\$ 20,531	\$ 1,301	\$ 30,147	\$ (21,412)	\$ (3,137)	\$ (3,177)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,412	\$ -	\$ -
Transfers Out	-	-	-	-	(1,186)	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ (1,186)	\$ -	\$ 21,412	\$ -	\$ -
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ 22,069	\$ 16,633	\$ (40)	\$ 20,531	\$ 115	\$ 30,147	\$ -	\$ (3,137)	\$ (3,177)
Fund Balances at January 1, 2016	33,209	7,830	494	16,918	1,186	70,162	-	14,468	20,469
Fund Balances at December 31, 2016	\$ 55,278	\$ 24,463	\$ 454	\$ 37,449	\$ 1,301	\$ 100,309	\$ -	\$ 11,331	\$ 17,292

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI

Jackson, Missouri

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
RECEIPTS			
Taxes	\$ -	\$ -	\$ -
Fees, Fines and Commissions	-	143,553	749,790
Intergovernmental	-	-	373,633
Interest	-	8	217
Other	286,777	-	288,177
Total Receipts	<u>\$ 286,777</u>	<u>\$ 143,561</u>	<u>\$ 1,411,817</u>
DISBURSEMENTS			
General Government	\$ -	\$ -	\$ 402,004
Public Safety	246,220	189,184	722,453
Health and Welfare	-	-	142,353
Cultural and Recreation	-	-	10,701
Judicial	-	-	14,636
Total Disbursements	<u>\$ 246,220</u>	<u>\$ 189,184</u>	<u>\$ 1,292,147</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>\$ 40,557</u>	<u>\$ (45,623)</u>	<u>\$ 119,670</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ -	\$ -	\$ 197,286
Transfers Out	-	-	(149,708)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,578</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	<u>\$ 40,557</u>	<u>\$ (45,623)</u>	<u>\$ 167,248</u>
Fund Balances at January 1, 2016	98,714	257,081	918,155
Fund Balances at December 31, 2016	<u><u>\$ 139,271</u></u>	<u><u>\$ 211,458</u></u>	<u><u>\$ 1,085,403</u></u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
AGENCY FUNDS

DECEMBER 31, 2016

	County Collector	Prosecuting Attorney Restitution Fund	Juvenile Restitution Fund	County Health	Mental Health	Sheltered Workshop	Cape Special Road District	Land Sale Surplus Fund	Senior Citizens
ASSETS									
Cash and Cash Equivalents	\$ 51,357,790	\$ 29,491	\$ 1,293	\$ 23,302	\$ 521,786	\$ 13,795	\$ 683	\$ 49,239	\$ 188,599
Due from Other Funds	-	-	-	916,797	763,638	555,192	60,521	-	456,492
Total Assets	<u>\$ 51,357,790</u>	<u>\$ 29,491</u>	<u>\$ 1,293</u>	<u>\$ 940,099</u>	<u>\$ 1,285,424</u>	<u>\$ 568,987</u>	<u>\$ 61,204</u>	<u>\$ 49,239</u>	<u>\$ 645,091</u>
LIABILITIES									
Due to Others	\$ 45,005,333	\$ 29,491	\$ 1,293	\$ 940,099	\$ 1,285,424	\$ 568,987	\$ 61,204	\$ 49,239	\$ 645,091
Due to Other Funds	6,352,457	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 51,357,790</u>	<u>\$ 29,491</u>	<u>\$ 1,293</u>	<u>\$ 940,099</u>	<u>\$ 1,285,424</u>	<u>\$ 568,987</u>	<u>\$ 61,204</u>	<u>\$ 49,239</u>	<u>\$ 645,091</u>

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
AGENCY FUNDS

DECEMBER 31, 2016

	Juvenile Crime Victim Restitution	Crime Victim Restitution Fund	P&G Pilot Program	County Employers Retirement Fund	Criminal Cost Fund	School Fines and Forfeitures	School Building Revolving Fund	School Taxes and Interest	Financial Institution Tax
ASSETS									
Cash and Cash Equivalents	\$ 16,139	\$ 69,061	\$ -	\$ -	\$ 204	\$ 172,464	\$ 1,650	\$ -	\$ -
Due from Other Funds	-	-	-	49,058	-	-	-	2,030,536	-
Total Assets	\$ 16,139	\$ 69,061	\$ -	\$ 49,058	\$ 204	\$ 172,464	\$ 1,650	\$ 2,030,536	\$ -
LIABILITIES									
Due to Others	\$ 16,139	\$ 69,061	\$ -	\$ 49,058	\$ 204	\$ 172,464	\$ 1,650	\$ 2,030,536	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 16,139	\$ 69,061	\$ -	\$ 49,058	\$ 204	\$ 172,464	\$ 1,650	\$ 2,030,536	\$ -

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
AGENCY FUNDS

DECEMBER 31, 2016

	<u>Unclaimed Property</u>	<u>Total Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,451	\$ 52,447,947
Due from Other Funds	-	4,832,234
Total Assets	<u>\$ 2,451</u>	<u>\$ 57,280,181</u>
LIABILITIES		
Due to Others	\$ 2,451	\$ 50,927,724
Due to Other Funds	-	6,352,457
Total Liabilities	<u>\$ 2,451</u>	<u>\$ 57,280,181</u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUNDS

DECEMBER 31, 2016

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 108,126	\$ 73	\$ 108,199
Due from Other Funds	-	1,961	1,961
Total Assets	<u>\$ 108,126</u>	<u>\$ 2,034</u>	<u>\$ 110,160</u>
LIABILITIES			
Due to Others	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	108,126	2,034	110,160
Total Net Position	<u>\$ 108,126</u>	<u>\$ 2,034</u>	<u>\$ 110,160</u>

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
RECEIPTS			
Taxes	\$ -	\$ 2,257	\$ 2,257
Intergovernmental	23,460	-	23,460
Interest	36	-	36
Total Receipts	<u>\$ 23,496</u>	<u>\$ 2,257</u>	<u>\$ 25,753</u>
DISBURSEMENTS			
Public Safety	\$ 5,178	\$ -	\$ 5,178
Other Charges and Services	-	11,954	11,954
Total Disbursements	<u>\$ 5,178</u>	<u>\$ 11,954</u>	<u>\$ 17,132</u>
Excess of Receipts Over Disbursements	\$ 18,318	\$ (9,697)	\$ 8,621
Net Position at January 1, 2016	<u>89,808</u>	<u>11,731</u>	<u>101,539</u>
Net Position at December 31, 2016	<u><u>\$ 108,126</u></u>	<u><u>\$ 2,034</u></u>	<u><u>\$ 110,160</u></u>

FEDERAL COMPLIANCE SECTION

COUNTY OF CAPE GIRARDEAU
Jackson, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
<u>U.S. Department of Justice:</u>			
Direct Programs from the Department of Justice:			
Bulletproof Vest Partnership	16.607	2015-BUBX15079710	\$ 419
Passed-Through Missouri Department of Public Safety:			
Violence Against Women Formula Grants	16.588	2013-VAWA-028-SE	21,595
<u>U.S Department of Transportation:</u>			
Passed-Through Missouri Department of Transportation:			
Alcohol Open Container Requirements	20.607	16-154-AL-135	15,775
National Priority Safety Programs	20.616	B 16-M2HVE-05-029	3,062
Highway Planning and Construction	20.205	A BRO-BO1016(030)	288,585
Highway Planning and Construction	20.205	A BRO-BO1016(031)	24,414
Passed-Through Missouri Office of State Courts Administrator:			
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	B 16-012-04	16,359
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	B 17-012-04	6,300
<u>Delta Regional Authority:</u>			
Direct Programs from the Delta Regional Authority:			
Delta Area Economic Development	90.201	MO-50148	131,808
<u>U.S. Election Assistance Commission:</u>			
Passed-Through Secretary of State's Office - Election Division:			
Help America Vote Act (Election Improvement Grant)	39.011		9,851
Help America Vote Act (Voting Systems)	90.401	2015-2016 HAVA Operations	9,661
<u>U.S. Department of Health & Human Services:</u>			
Passed-Through Missouri Office of State Courts Administrator:			
State Court Improvement Program - JCIP Sub-Grant	93.586	16-015-01	1,275
State Court Improvement Program - JCIP Sub-Grant	93.586	16-015-18	289
Passed-Through Missouri Department of Social Services:			
Child Support Enforcement IV-D	93.563	1604MOCSES	111,441
<u>Executive Office of the President:</u>			
Passed-Through Missouri State Highway Patrol:			
High Intensity Drug Trafficking Areas	95.001	G15MW0001A-F	77,777
High Intensity Drug Trafficking Areas	95.001	G16MW0001A-F	21,235
<u>U.S. Department of Homeland Security:</u>			
Passed-Through Missouri State Emergency Management Agency:			
Disaster Grants - Public Assistance	97.036	FEMA-4250-DR-MO	29,678
Emergency Management Performance Grant - FY 2016	97.042	EMK-2016-EP-APP-00004-021	76,853
TOTAL FEDERAL EXPENDITURES			\$ 846,377

A = Highway Planning and Construction Cluster	\$ 312,999
B = Highway Safety Cluster	\$ 25,721

The accompanying notes to schedule of expenditures federal awards
are an integral part of this statement.

COUNTY OF CAPE GIRARDEA, MISSOURI
Jackson, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis recognizes revenue when received, and expenditures are recognized when the obligation is paid. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

There were no federal expenditures during the year ended December 31, 2016 that the County passed-through to subrecipients.

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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

To the Board of Commissioners County of Cape Girardeau, Missouri

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Cape Girardeau, 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 and have issued our report thereon dated June 16, 2017. In our report, as described in Note 1, the County prepares its financial statements in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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

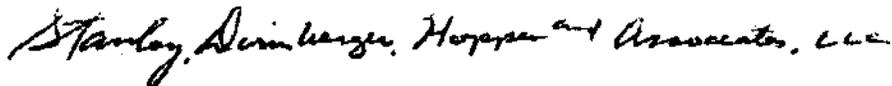
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**
County of Cape Girardeau, Missouri

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants

Cape Girardeau, Missouri
June 16, 2017

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

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

**To the Board of Commissioners
County of Cape Girardeau, Missouri**

Report on Compliance for Each Major Federal Program

We have audited the County of Cape Girardeau, Missouri's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
County of Cape Girardeau, Missouri**

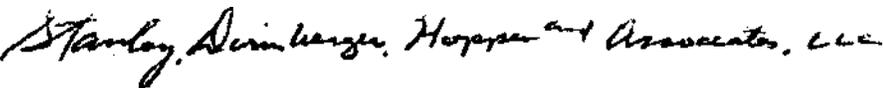
Report on Internal Control Over Compliance

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

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

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

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.



**STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants**

Cape Girardeau, Missouri
June 16, 2017

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2016

FINANCIAL STATEMENT FINDINGS

The prior year audit report issued for the year ended December 31, 2015 included no audit findings that *Government Auditing Standards* required to be reported for an audit of financial statements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The prior year audit report issued for the year ended December 31, 2015, included no audit findings as defined by the Uniform Guidance 2 CFR section 200.516(a) required to be reported for an audit of federal awards.