

**COUNTY OF
CAPE GIRARDEAU, MISSOURI**



December 31, 2017

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COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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Jackson, Missouri

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STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



GARY G. STANLEY, CPA
STEVEN K. DIRNBERGER, CPA
DONALD J. HOPPER, CPA
GREGORY J. LAURENTIUS, CPA
FRANK R. DIETIKER, JR., CPA
PATRICK W. KINTNER, CPA

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 Fax: 573-334-2588

BRADLEY H. MUETH, CPA
C. DON PRIEST
VICKI M. MCLEMORE
THOMAS T. WOOD

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, 2017, 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, 2017, 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 8, 2018, 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 8, 2018

REQUIRED SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU COUNTY

Jackson MO

Year Ended December 31, 2017

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, 2017. 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 2016 information to conform to the 2017 presentation. Also refer to Note 16 which discusses a prior period adjustment made by the County during the year ended December 31, 2017. For comparative purposes, 2016 information has been restated consistent with the 2017 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 exceeded total expenses by \$1,823,380 for the year ended December 31, 2017. This figure is illustrated in the Statement of Activities - Cash Basis. Prior year total revenue was less than total expenses by \$1,376,603. The County's total net position was \$14,464,544 on December 31, 2017 while the adjusted beginning net position on January 1, 2017 was \$12,641,164, representing the increase of \$1,823,380 or 14.42%.

General revenues overall increased by \$613,269 from \$20,542,788 in 2016 to \$21,156,057 for 2017. The increase was largely the result of an increase in tax collections. Missouri sales tax collections increased by only \$91,705 (compared to a prior year increase of \$26,240) and the Proposition 1 tax revenues increased by \$93,796 (compared to a prior year increase of \$25,911). 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 2017 totaled \$983,194 as compared to 2016 receipts of \$928,515. The property tax levy for the County General Revenue Fund increased total tax receipts by \$291,807, in line with the increase in assessed valuation and in the levy from \$0.0506 to \$0.0719. General fees, fines and commissions decreased by \$216,606 to \$1,752,678 in total for 2017. 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. Because of concealed weapon legislative changes, fees earned from permits declined by \$138,217. Fees earned for boarding federal prisoners also declined by \$104,719. General intergovernmental revenues decreased by \$68,226 to \$261,206 in total for 2017. Other general revenues increased by \$234,294 due largely to increases in Sheriff Commissary Fund receipts and proceeds from the sale of County property.

Net program expenses decreased this year by \$2,586,714 from \$21,919,391 in 2016 to \$19,332,677 in 2017. Net program expenses for 2017 were comprised of \$24,478,336 of program expenses offset by \$5,145,659 in program revenues. Net program expenses for 2016 were comprised of \$25,571,736 of program expenses offset by \$3,652,345 in program revenues.

Gross program expenses decreased by \$1,093,400 from \$25,571,736 in 2016 to \$24,478,336 in 2017, compared to a prior year increase of \$3,111,420. Major fluctuations in expenses were as follows: (1) salaries and related payroll taxes, which comprises 35% of total County expenses, increased by \$287,864 for the County as a whole, and (2) capital improvements decreased by \$1,385,251 (total capital improvement expenses of \$125,717) as the County in the prior year completed the HVAC replacement project in the County administration building and made additional building improvements throughout the County facilities costing \$1,491,935. From a functional perspective, other fluctuations were: public safety expenses increased by \$178,661, cultural and recreation expenses increased by \$311,547 from mostly park improvements, judicial expenses declined by \$175,147 and road and bridge expenses declined by \$197,334.

Gross program revenues increased from \$3,652,345 in 2016 to \$5,145,659 in 2017. This increase of \$1,493,314 is largely attributable to the timing of processing cases by the Circuit Court and State as the total state bill of costs and change in venue fees increased by \$732,462 compared to a prior year decrease from 2015 to 2016 of \$431,964. An increase in the federal and state funded road and bridge projects compared to 2016 accounted for a \$414,696 increase in gross program revenues. The County received an additional \$328,130 in program revenues as compared to the prior year in agreed upon road improvement program payments from Capital Sand Company on County roads 346 and 347 as well as additional Delta Regional Authority grant funds for improvements on those roads.

	Beginning Net Position +	General Revenues -	Net Program Expenses +	Special Revenues =	Ending Net Position	% Increase (Decrease)
2017	\$ 12,641,164	\$ 21,156,057	\$ 19,332,677	\$ 0	\$ 14,464,544	14.42%
2016	\$ 14,017,767	\$ 20,542,788	\$ 21,919,391	\$ 0	\$ 12,641,164	(9.82%)

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 19 and 20 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 21 through 28, 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 2017 to 2016:

	2017	2016
Assets		
Cash and Cash Equivalents	\$ 10,136,037	\$ 6,122,902
Investments	2,520,000	5,000,000
Due from Other Funds	<u>1,808,507</u>	<u>1,518,262</u>
Total Assets	<u>\$ 14,464,544</u>	<u>\$ 12,641,164</u>
Net Position		
Restricted for:		
Road and Bridge	\$ 883,676	\$ 673,494
Capital Projects and Improvements	1,009,058	89,744
911 Operations	56,833	218,846
Law Enforcement & Road Improvements (Prop 1)	1,876,443	1,688,470
Election Services	49,657	42,097
Collectors Tax Maintenance	76,669	60,997
Public Safety	766,783	747,242
Health and Welfare	68,862	49,234
Administration of Justice	41,166	12,758
Property Assessment	590,936	588,856
Recording	135,795	100,309
Debt Service	49	3
Unrestricted	<u>8,908,617</u>	<u>8,369,114</u>
Total Net Position	<u>\$ 14,464,544</u>	<u>\$ 12,641,164</u>

The cash deposits of the County consist of non-interest bearing and interest bearing deposit accounts while the investments held at December 31, 2017 and 2016 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 2017 increased by 2.9% and the tax rate specifically for the General Revenue Fund increased from \$0.0506 to \$0.0719. This 42.1% 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 \$264,270. An increase in the "Due from Other Funds" account within the Assessment Fund of \$23,151 is for similar reasons.

The County's total net position was \$14,464,544 per the Statement of Net Position - Cash Basis. The County's unrestricted amount is \$8,908,617 and the restricted funds were \$5,555,927. The County's 2016 unrestricted amount was \$8,369,114 and the restricted net position amounted to \$4,272,050.

The unrestricted net position increase of \$539,503, resulting in an ending balance of \$8,908,617, was largely the result of General Fund revenues exceeding disbursements and net transfers out by \$630,698 and Capital Improvement Fund revenues and net transfers in exceeding disbursements by \$192,924. Offsetting these increases was an overall reduction in the Self Insured Health Fund by \$251,140. As discussed below, the General Fund revenues increased by \$901,156 while General Fund disbursements increased over 2017 by only \$198,226. Net transfers out of the General Fund totaled \$368,709 in 2017 compared to net transfers out of \$930,185 in 2016. The decrease in net transfers out of the General Fund was the result of prior year transfers of \$225,000 to the Capital Improvements Fund and \$175,874 to the Election Services Fund not occurring in the current year combined with a transfer in the current year from the Self Insured Health Fund to the General Fund for \$234,900.

The restricted funds increase of \$1,247,203 is the result of fluctuations in restricted balances in the following main areas: **(1)** the County spent \$235,071 less in 2017 (for a total of \$3,320,550) as compared to 2016 on necessary Road and Bridge equipment, repairs, etc. which correspondingly resulted in the restricted Road and Bridge Fund growth of \$210,182, **(2)** the County grew the Capital Improvements Use Tax Fund by \$919,314 as there were no significant capital improvements during 2017 (compared to 2016 where the County spent \$1,060,099 in Capital Improvements Use Tax restricted funds), **(3)** 911 operational disbursements continue to exceed the 911 tariff's and other revenues, in 2017 by \$162,013 compared to 2016 by \$103,154, **(4)** Proposition 1 tax receipts exceeded governmental distributions, transfers, public safety expenses and road and bridges upkeep by \$187,973, and **(5)** the Capital Improvements Fund increased by \$192,924 largely from the proceeds received on the sale of certain County equipment.

The following tables show the receipts and disbursements for each governmental fund of the County for the years ended December 31, 2017 and 2016:

2017					
Funds	Revenues	Expenditures	Transfers In (Out)	Special / Extraordinary	Change
General Fund	\$ 12,104,856	\$ 11,105,449	\$ (368,709)	\$ 0	\$ 630,698
Road and Bridge Fund	1,771,181	3,320,550	1,759,551	0	210,182
911 Tax Fund	365,866	527,879	0	0	(162,013)
Assessment Fund	1,010,232	1,200,753	192,601	0	2,080
Capital Imp Use Tax Fund	990,386	0	(71,072)	0	919,314
Proposition 1 Tax Fund	7,389,065	5,436,782	(1,764,310)	0	187,973
Capital Improvements Fund	1,024,244	898,633	67,313	0	192,924
Debt Service Fund	49	555,505	555,502	0	46
Nonmajor Gov't Funds	1,454,168	1,289,976	(70,876)	0	93,316
Total	<u>\$ 26,110,047</u>	<u>\$ 24,335,527</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,074,520</u>

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	1,389,159	1,277,511	47,578	0	159,226
Total	<u>\$ 23,882,987</u>	<u>\$ 25,213,027</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,330,040)</u>

The County's General Fund increased this year by \$630,698, compared to a \$633,708 decrease in 2016. Total General Fund revenues for 2017 were \$12,104,856 as compared to \$11,203,700 in 2016. A significant increase 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 \$732,462 accounted for the largest portion of this increase. Note in the prior year revenues declined by \$431,964 due to the delay in processing by the Circuit Clerk and State. The property tax levy for the County General Revenue Fund increased total tax receipts by \$291,807, in line with the increase in assessed valuation and in the levy from \$0.0506 to \$0.0719. Total General Fund expenditures for 2017 were \$11,105,449 as compared to \$10,907,223 in 2016. This increase was again largely within wages and taxes which increased by \$174,896 in 2017 over 2016.

General Fund net transfers out decreased from \$930,185 in 2016 to \$368,709 in 2017. Specific transfers in 2016 were not necessary in 2017 and the County transferred \$234,900 in the current year from the Self Insured Health Fund to the General Fund for expense reimbursements. In the prior year, the County transferred \$175,874 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 \$883,676 as of December 31, 2017, an increase from 2016 of \$210,182. Expenditures for 2017 totaled \$3,320,550 as compared to \$3,555,621 for 2016, a decrease of \$235,071. The decrease in expenditures is the result of decreased improvements necessary on County roadways. Revenues increased from \$1,323,472 in 2016 to \$1,771,181 in 2017 due mostly to Federal grant reimbursements for 2016 and 2017 expenses totaling \$194,000 on the County roads 346 and 347 projects, \$134,130 more in other revenues (total of \$194,883 in 2017 vs \$60,753 in 2016) received on an agreement with Capital Sand Company as reimbursement for road maintenance and improvements, and increased monies received on the sale of County equipment. Transfers in, mostly from Prop 1 sales tax allocations and expense reimbursements from the Prop 1 Fund, remained steady (\$1,789,828 in 2016 compared to \$1,759,551 in 2017).

The Capital Improvements Fund shows a balance of \$5,251,642 at December 31, 2017, an increase from 2016 by \$192,924. In the prior year the County spent \$1,510,968 in building improvements such as for the new HVAC system in the admin building, elevator repairs and other improvements. During 2017, there were no major capital improvement projects and thus the County only spent \$125,717. The County also spent \$772,916 in bridge repairs, which were fully funded from Federal and State sources. With the reduction in general capital improvement projects, the County only transferred \$67,313 (net) into this fund from other funds (compared to 2016 where the County transferred \$1,060,099 from the capital improvement use tax funds and \$225,000 from the General Fund into this fund).

Principal, interest and fees paid in 2017 totaled \$555,505 (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 \$162,013 as compared to a \$103,154 reduction in 2016. Expenditures for 2017 totaled \$527,879 as compared to \$506,304 in 2016 whereas revenues for 2017 only totaled \$365,866 as compared to \$403,150 in 2016. Revenues continue to decline annually, in 2017 there was a 9.2% decline compared to a 2.5% decline in 2016 and a 4.7% decline in 2015. The reduction in revenues is directly correlated to the reduced amount of land line phone numbers that are eligible for collections.

The County assessment fund balance remained steady in 2017 increasing by only \$2,080. Total expenditures of \$1,200,753 were higher than the expenditures in 2016 of \$1,143,786 due to continued and increasing legal fees associated with the cell tower legal action as well as the action taken regarding assessed valuations on property owned by Ameren. Revenues collected in 2017 totaled \$1,010,232 as compared to \$865,073 in 2016 with the growth being largely the result of donations from outside entities impacted by the previously mentioned legal actions.

The 2017 Proposition 1 sales tax collected was \$7,364,867 vs. 2016 collections of \$7,271,071, an increase of \$93,796. Expenditures of \$5,436,782 in 2017 were higher than in 2016 by \$74,535. This increase is the result of increased spending in public safety by \$269,145, an expected increase in the tax distributions to outside recipient entities of \$53,070, offset by a reduction in road and bridges upkeep by \$247,680. The public safety expenditures increased in the area of salaries, taxes and benefits (which comprise the majority of the public safety expenditures paid from the Proposition 1 funds). The transfers out decline of \$79,420 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 \$93,316. The major increases were within the prosecuting attorney admin fees fund by \$29,638, the recorder of deeds fees fund by \$35,486, the drug court treatment fund by \$18,063, the collector's tax maintenance fund by \$15,672, and the county law enforcement restitution fund by \$48,229. Offsetting these increases was a \$31,497 reduction in the sheriff's revolving fund and a \$36,437 reduction in the park development fund.

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 program and general revenues, by major source, for the County as a whole for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Program Revenues:			
Charges for Services	\$ 2,750,574	\$ 2,262,399	\$ 488,175
Operating Grants and Contributions	1,042,080	945,062	97,018
Capital Grants and Contributions	1,353,005	444,884	908,121
General Revenues:			
Taxes	17,822,480	17,259,726	562,754
911 Tariff	364,840	402,732	(37,892)
Fees, Fines and Commissions	1,752,678	1,946,638	(193,960)
Intergovernmental Revenues	261,206	329,432	(68,226)
Interest	145,666	29,367	116,299
Other	809,187	574,893	234,294
Total Revenues	<u>\$ 26,301,716</u>	<u>\$ 24,195,133</u>	<u>\$ 2,106,583</u>

The following table is a comparison of functional level expenses for the County as a whole for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
General Government	\$ 8,096,036	\$ 7,941,566	\$ 154,470
Public Safety	7,007,178	6,828,517	178,661
Health and Welfare	127,879	142,353	(14,474)
Cultural and Recreation	679,663	368,116	311,547
911 Operations	527,879	506,304	21,575
Judicial	1,938,179	2,098,690	(160,511)
Roads and Bridges Upkeep	5,420,300	5,617,634	(197,334)
Capital Improvements	125,717	1,510,968	(1,385,251)
Debt Service:			
Principal	465,000	450,000	15,000
Interest and Fiscal Charges	90,505	107,588	(17,083)
Total Expenses	<u>\$ 24,478,336</u>	<u>\$ 25,571,736</u>	<u>\$ (1,093,400)</u>

ECONOMIC FACTORS AND RECENT COUNTY EVENTS IMPACTING COUNTY OPERATIONS

Currently, the general sales tax numbers for the 2018 year, January through May, have been slightly up from what we saw in 2017 for the same period. The trend does not look to be changing from last year's numbers and it appears that the overall sales tax collection for fiscal year 2018 will come in roughly the same or slightly higher than what we saw from 2017. While it is always difficult to predict any type of long term projections for 2018 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. Since Amazon has built a location in the state of Missouri, there is more opportunity to collect revenue from internet sales purchased from them in the future. The Cape Girardeau County sales tax over the past few years has seen moderate increases annually, increasing from \$7,245,079 in 2015 to \$7,271,319 in 2016 and to \$7,365,011 in 2017. 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 was \$984,415. The amount collected from January 2018 thru the end of May 2018 is \$674,392.

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 2018 contract amounts to \$100,000 which is the same as 2017. Last year the amount requested was \$100,000 and the previous three years were \$100,000, \$100,000 and \$129,000 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, ½ cent General Revenue from Cape Girardeau County, and a ½ cent Prop 1 tax 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 2017 and 2016) by the County on this Sears project.

On June 14, 2004, a development agreement between Drury Land Development, Inc. and Cape Girardeau County for the construction of certain public improvements was executed. 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 2017 and 2016, Cape Girardeau County paid \$69,898 and \$74,475, respectively, to Drury Land Development Corporation. Cape Girardeau County has paid Drury Development Corporation \$548,789 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 Revised Statutes of Missouri. 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 (50%) of the gross rental revenues received by the developer from NARS or any other such tenant occupying the NARS site will be applied to reduce 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 2017 the County paid \$0 from sales tax revenue. In the years 2016, 2015 and 2014, the County paid \$0, \$723 and \$1,828, respectively. Total payments made through December 31, 2017 are \$27,160. While NARS no longer exists, there have been two new businesses move into that location in 2018 with plans to add multiple vendors as soon as the required remodels have been completed.

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 individual aggregate deductible (paid only one time). 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 \$1,378,338. Employees have the option of choosing a \$2,500 individual (\$5,000 family) deductible with PPO out of pocket limit of \$4,500 (\$9,000 family) or a \$5,000 individual (\$10,000 family) with PPO out of pocket limit of \$7,350 individual (\$14,700 family). Regardless of the option chosen, for 2017 the County paid a monthly per employee amount of \$560 (paid \$527 per employee in 2016). 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 209 participants, including 7 retirees who reimburse the County for their monthly premiums, is \$1,786,524.

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 allow for \$0.15/ton of material removed from the plant and funds 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, \$194,883 in 2017 and has received \$111,924 in 2018 through May 31, 2018.

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 is \$1,290,974. The actual expenditures for 2016 was \$1,181,030 with the final payment for the project taking place in 2017 for \$64,113 to complete the project, making the total overall project cost of \$1,245,143. Funding for this project came from revenue in the Capital Improvements 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.

The County Commission has begun the process of building the County Justice Center by narrowing the design-build contractor bids down to two applicants and has requested that they submit formal proposals for consideration. The County Commission has entered into an agreement with Navigate Solutions to assist in the planning process of building a County Justice Center. The agreement is \$347,735 for the design-builder services and \$19,854 per month for post design-builder selection and construction services. The project is expected to be funded via the issuance of bonds that will be paid from the revenue collected by the Capital Improvements Use Tax Fund, as defined when the ballot issue was passed. The County expects to use existing and future monies in the Capital Improvements Use Tax Fund for any project costs in excess of the bond issuance.

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. A preliminary budget is approved before December 31 with a final operational budget being approved after January 1 in accordance with Missouri State statutes.
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.

County finances for general operations come from taxes and other sources. The sources of revenue anticipated by the County for 2018 are anticipated to be consistent with prior years.

Property Valuation

The following table shows the total 2017 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2017 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 648,545,710	19%	\$ 3,413,398,474
Commercial	320,140,440	32%	1,000,438,875
Agricultural	23,643,620	12%	197,030,167
Sub-Total	\$ 992,329,770		\$ 4,610,867,516
Personal Property	280,790,135	33 1/3%	842,378,829
Locally Assessed Railroad & Utility:			
Real Estate	2,719,010	32%	8,496,906
Personal Property	1,792,848	33 1/3%	5,378,598
State Assessed Railroad & Utility:			
Real Estate	44,831,217	32%	140,097,553
Personal Property	10,766,154	33 1/3%	32,298,785
Total Assessed Valuation	\$ 1,333,229,134		\$ 5,639,518,187

The County levied \$75,315,199 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$72,371,328, which includes \$2,547,235 in taxes collected under protest, a collection rate of 96.09%. The balance of all delinquent taxes owed as of February 28, 2018 (the collection year-end) is \$2,863,601. The total abatements issued during the County Collector's year ending February 28, 2018 was \$80,270. (Source: Cape Girardeau County Collector)

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:

	Beginning Balance	Issuance	Principal Payments	Ending Balance
Series 2011 Certificates	\$ 2,990,000	\$ -	\$ 465,000	\$ 2,525,000

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, 2017 was \$90,505.

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

Year Ending December 31,	Principal	Interest	Total
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	\$ 2,525,000	\$ 244,264	\$ 2,769,264

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, 2017

ASSETS

Cash and Cash Equivalents	\$ 10,136,037
Investments	2,520,000
Due from Other Funds	<u>1,808,507</u>
Total Assets	<u>\$ 14,464,544</u>

NET POSITION

Restricted for:	
Road and Bridge	\$ 883,676
Capital Projects and Improvements	1,009,058
911 Operations	56,833
Law Enforcement and Road Improvements (Prop 1)	1,876,443
Election Services	49,657
Collectors Tax Maintenance	76,669
Public Safety	766,783
Health and Welfare	68,862
Administration of Justice	41,166
Property Assessment	590,936
Recording	135,795
Debt Service	49
Unrestricted	<u>8,908,617</u>
Total Net Position	<u>\$ 14,464,544</u>

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

STATEMENT OF ACTIVITIES - CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Cash Receipts</u>				Net Expenses and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 8,096,036	\$ 1,417,122	\$ 265,223	\$ -	\$ (6,413,691)
Public Safety	7,007,178	578,864	342,867	-	(6,085,447)
Health and Welfare	127,879	-	99,562	-	(28,317)
Cultural and Recreation	679,663	-	-	138,177	(541,486)
911 Operations	527,879	-	-	-	(527,879)
Judicial	1,938,179	754,588	267,299	-	(916,292)
Roads and Bridges Upkeep	5,420,300	-	-	1,161,799	(4,258,501)
Capital Improvements	125,717	-	67,129	53,029	(5,559)
Debt Service:					
Principal	465,000	-	-	-	(465,000)
Interest and Fiscal Charges	90,505	-	-	-	(90,505)
Totals	\$ 24,478,336	\$ 2,750,574	\$ 1,042,080	\$ 1,353,005	\$ (19,332,677)

General Revenues:

Taxes	\$ 17,822,480
911 Tariff	364,840
Fees, Fines and Commissions	1,752,678
Intergovernmental Revenues	261,206
Interest	145,666
Other	809,187
Total General Revenues	\$ 21,156,057

Change in Net Position	\$ 1,823,380
Net Position at January 1, 2017	\$ 12,677,838
Adjustment for Prior Period Items	(36,674)
Adjusted Net Position at January 1, 2017	\$ 12,641,164
Net Position at December 31, 2017	\$ 14,464,544

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, 2017

	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	\$ 2,112,635	\$ 846,565	\$ 56,833	\$ 89,618	\$ 1,009,058	\$ 1,876,443	\$ 2,731,642	\$ 49	\$ 1,139,484	\$ 9,862,327
Investments	-	-	-	-	-	-	2,520,000	-	-	2,520,000
Due from Other Funds	1,267,517	37,111	-	501,318	-	-	-	-	2,561	1,808,507
Total Assets	\$ 3,380,152	\$ 883,676	\$ 56,833	\$ 590,936	\$ 1,009,058	\$ 1,876,443	\$ 5,251,642	\$ 49	\$ 1,142,045	\$ 14,190,834
FUND BALANCES										
Restricted	\$ -	\$ 883,676	\$ 56,833	\$ 590,936	\$ 1,009,058	\$ 1,876,443	\$ -	\$ 49	\$ 1,138,932	\$ 5,555,927
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	49,344	-	-	-	-	-	5,251,642	-	31,957	5,332,943
Unassigned	3,330,808	-	-	-	-	-	-	-	(28,844)	3,301,964
Total Fund Balances	\$ 3,380,152	\$ 883,676	\$ 56,833	\$ 590,936	\$ 1,009,058	\$ 1,876,443	\$ 5,251,642	\$ 49	\$ 1,142,045	\$ 14,190,834

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, 2017

Total fund balances for the County governmental funds	\$	14,190,834
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>273,710</u>
Total net position of the County	\$	<u><u>14,464,544</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, 2017

	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
RECEIPTS										
Taxes	\$ 8,305,878	\$ 1,168,541	\$ -	\$ -	\$ 983,194	\$ 7,364,867	\$ -	\$ -	\$ -	\$ 17,822,480
Fees, Fines and Commissions	2,350,437	-	-	627,554	-	-	-	-	570,578	3,548,569
Intergovernmental Revenues	1,366,424	194,000	-	362,303	-	419	825,945	-	481,825	3,230,916
Interest	27,556	4,755	806	1,330	7,192	23,779	73,171	49	7,028	145,666
911 Tariff	-	-	364,840	-	-	-	-	-	-	364,840
Other	54,561	403,885	220	19,045	-	-	125,128	-	394,737	997,576
Total Receipts	<u>\$ 12,104,856</u>	<u>\$ 1,771,181</u>	<u>\$ 365,866</u>	<u>\$ 1,010,232</u>	<u>\$ 990,386</u>	<u>\$ 7,389,065</u>	<u>\$ 1,024,244</u>	<u>\$ 49</u>	<u>\$ 1,454,168</u>	<u>\$ 26,110,047</u>
DISBURSEMENTS										
General Government	\$ 4,456,690	\$ -	\$ -	\$ 1,200,753	\$ -	\$ 2,263,076	\$ -	\$ -	\$ 131,798	\$ 8,052,317
Public Safety	4,297,750	-	-	-	-	1,865,114	-	-	781,260	6,944,124
Health and Welfare	-	-	-	-	-	-	-	-	127,879	127,879
Cultural and Recreation	441,854	-	-	-	-	-	-	-	234,728	676,582
911 Operations	-	-	527,879	-	-	-	-	-	-	527,879
Judicial	1,909,155	-	-	-	-	-	-	-	14,311	1,923,466
Roads and Bridges Upkeep	-	3,320,550	-	-	-	1,308,592	772,916	-	-	5,402,058
Capital Improvements	-	-	-	-	-	-	125,717	-	-	125,717
Debt Service:										
Principal	-	-	-	-	-	-	-	465,000	-	465,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	90,505	-	90,505
Total Disbursements	<u>\$ 11,105,449</u>	<u>\$ 3,320,550</u>	<u>\$ 527,879</u>	<u>\$ 1,200,753</u>	<u>\$ -</u>	<u>\$ 5,436,782</u>	<u>\$ 898,633</u>	<u>\$ 555,505</u>	<u>\$ 1,289,976</u>	<u>\$ 24,335,527</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>\$ 999,407</u>	<u>\$ (1,549,369)</u>	<u>\$ (162,013)</u>	<u>\$ (190,521)</u>	<u>\$ 990,386</u>	<u>\$ 1,952,283</u>	<u>\$ 125,611</u>	<u>\$ (555,456)</u>	<u>\$ 164,192</u>	<u>\$ 1,774,520</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 406,342	\$ 1,759,551	\$ -	\$ 233,851	\$ -	\$ -	\$ 71,072	\$ 555,502	\$ 47,285	\$ 3,073,603
Transfers Out	(775,051)	-	-	(41,250)	(71,072)	(1,764,310)	(3,759)	-	(118,161)	(2,773,603)
Total Other Financing Sources (Uses)	<u>\$ (368,709)</u>	<u>\$ 1,759,551</u>	<u>\$ -</u>	<u>\$ 192,601</u>	<u>\$ (71,072)</u>	<u>\$ (1,764,310)</u>	<u>\$ 67,313</u>	<u>\$ 555,502</u>	<u>\$ (70,876)</u>	<u>\$ 300,000</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Uses)	<u>\$ 630,698</u>	<u>\$ 210,182</u>	<u>\$ (162,013)</u>	<u>\$ 2,080</u>	<u>\$ 919,314</u>	<u>\$ 187,973</u>	<u>\$ 192,924</u>	<u>\$ 46</u>	<u>\$ 93,316</u>	<u>\$ 2,074,520</u>
Fund Balances at January 1, 2017	\$ 2,749,454	\$ 673,494	\$ 218,846	\$ 588,856	\$ 89,744	\$ 1,688,470	\$ 5,058,718	\$ 3	\$ 1,085,403	\$ 12,152,988
Adjustment for Prior Period Items	-	-	-	-	-	-	-	-	(36,674)	(36,674)
Adjusted Fund Balances at January 1, 2017	<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>\$ 1,048,729</u>	<u>\$ 12,116,314</u>
Fund Balances at December 31, 2017	<u>\$ 3,380,152</u>	<u>\$ 883,676</u>	<u>\$ 56,833</u>	<u>\$ 590,936</u>	<u>\$ 1,009,058</u>	<u>\$ 1,876,443</u>	<u>\$ 5,251,642</u>	<u>\$ 49</u>	<u>\$ 1,142,045</u>	<u>\$ 14,190,834</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 RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES - CASH BASIS**

DECEMBER 31, 2017

Net change in fund balances for the County governmental funds	\$	2,074,520
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 change in net position of the internal service funds are included in governmental activities in the Statement of Activities.		<u>(251,140)</u>
Total change in net position of the County	\$	<u><u>1,823,380</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, 2017

	Self Insured Health Fund
ASSETS	
Cash and Cash Equivalents	\$ 273,710
Investments	-
Total Assets	<u>\$ 273,710</u>
NET POSITION	
Restricted	\$ -
Unrestricted	273,710
Total Net Position	<u>\$ 273,710</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, 2017

	<u>Self Insured Health Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,605,599
Miscellaneous	6,494
Total Operating Revenues	<u>\$ 1,612,093</u>
OPERATING EXPENSES	
Claims Expense	\$ 1,144,032
Reinsurance Premiums	305,746
Administrative Fees and Commissions	89,745
Employee Benefits	23,710
Total Operating Expenses	<u>\$ 1,563,233</u>
Operating Income	<u>\$ 48,860</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers Out	\$ (300,000)
Interest Income	-
Total Nonoperating Revenues (Expenses)	<u>\$ (300,000)</u>
Change in Net Position	\$ (251,140)
Net Position - January 1, 2017	<u>524,850</u>
Net Position - December 31, 2017	<u><u>\$ 273,710</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, 2017

	Agency Funds	Private Purpose Trust Funds	Total Fiduciary Funds
ASSETS			
Cash and Cash Equivalents	\$ 62,302,972	\$ 103,142	\$ 62,406,114
Due from Other Funds	4,956,666	1,283	4,957,949
Total Assets	<u>\$ 67,259,638</u>	<u>\$ 104,425</u>	<u>\$ 67,364,063</u>
LIABILITIES			
Due to Others	\$ 60,493,182	\$ -	\$ 60,493,182
Due to Other Funds	6,766,456	-	6,766,456
Total Liabilities	<u>\$ 67,259,638</u>	<u>\$ -</u>	<u>\$ 67,259,638</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	-	104,425	104,425
Total Net Position	<u>\$ -</u>	<u>\$ 104,425</u>	<u>\$ 104,425</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, 2017

	<u>Private Purpose Trust Funds</u>
RECEIPTS	
Taxes	\$ 1,878
Intergovernmental	46,090
Interest	754
Total Receipts	<u>\$ 48,722</u>
DISBURSEMENTS	
Public Safety	\$ 52,423
Other Charges and Services	2,034
Total Disbursements	<u>\$ 54,457</u>
Change in Net Position	(5,735)
Net Position at January 1, 2017	<u>110,160</u>
Net Position at December 31, 2017	<u><u>\$ 104,425</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, 2017

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 8, 2018, 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, 2017

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, 2017

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, 2017

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, 2017

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, 2017 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, 2017, the amortized cost of the County's investments totaled \$2,520,000.

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, 2017

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, 2017

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	\$ 550,000
3 Months to 6 Months	700,567
6 Months to 12 months	1,019,433
12 Months and Greater	<u>250,000</u>
Total Investments	\$ <u>2,520,000</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, 2017, the amortized cost of the County's investments totaled \$2,520,000.

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, 2017

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 Pocahontas. The tax rates assessed at that time per \$100 assessed valuation were as follows:

Mental Health	\$0.0772
State Tax	\$0.0300
General Revenue	\$0.0719
County Health Tax	\$0.0960
School Districts	Varies from \$3.1000 to \$4.3100
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	\$0.7076
Fire Districts	Varies from \$0.2561 to \$0.7706
City Tax	Varies from \$0.3528 to \$1.0911

The following table shows the total 2017 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2017 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 648,545,710	19%	\$ 3,413,398,474
Commercial	320,140,440	32%	1,000,438,875
Agricultural	23,643,620	12%	197,030,167
Sub-Total	\$ 992,329,770		\$ 4,610,867,516
Personal Property	280,790,135	33 1/3%	842,378,829
Locally Assessed Railroad & Utility:			
Real Estate	2,719,010	32%	8,496,906
Personal Property	1,792,848	33 1/3%	5,378,598
State Assessed Railroad & Utility:			
Real Estate	44,831,217	32%	140,097,553
Personal Property	10,766,154	33 1/3%	32,298,785
Total Assessed Valuation	\$ 1,333,229,134		\$ 5,639,518,187

The County levied \$75,315,199 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$72,371,328, which includes \$2,547,235 in taxes collected under protest, a collection rate of 96.09%. The balance of all delinquent taxes owed as of February 28, 2018 (the collection year-end) is \$2,863,601. The total abatements issued during the County Collector's year ending February 28, 2018 was \$80,270. (Source: Cape Girardeau County Collector)

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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:

	Beginning Balance	Issuance	Principal Payments	Ending Balance
Series 2011 Certificates	\$ 2,990,000	\$ -	\$ 465,000	\$ 2,525,000

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, 2017 was \$90,505.

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

Year Ending December 31,	Principal	Interest	Total
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	\$ 2,525,000	\$ 244,264	\$ 2,769,264

NOTE 5: LINE OF CREDIT ARRANGEMENT:

In 2016, within the Capital Improvements Fund, the County entered into a short-term line of credit arrangement for \$1,380,000. The arrangement called for monthly interest only payments at a rate of 2.897% and all outstanding principal and unpaid interest was due on June 24, 2017, the maturity date. During the year ended December 31, 2017, the County paid \$0 in interest expense. As of December 31, 2017, the County no longer has the line of credit arrangement.

NOTE 6: 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 2018. Future minimum annual rental commitments under the non-cancelable leases are as follows:

Year Ending December 31,	
2018	\$ 32,870
2019	29,385
2020	23,364
2021	23,364
2022	11,682

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7: 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, 2017, which was year 18 of 30, the discount factor was 0.3677 and resulted in a total tax abatement from the above PILOT payment agreement of \$967,240.

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, 2017, which was year 16 of 20, the discount factor was 0.7130 and resulted in a total tax abatement from the above PILOT payment agreement of \$290,079.

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, 2017, which was year 13 of 25, the fixed PILOT payment was \$103,317 which resulted in a total tax abatement from the above PILOT payment agreement of \$38,175.

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, 2017, 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 2017 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, 2017

NOTE 7: 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
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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, 2017, the total tax abatement resulting from the above PILOT payment agreement was \$85,774.

✓ *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, 2017, the total tax abatement resulting from the above PILOT payment agreement was \$21,130 in real property taxes and \$9,498 in personal property taxes.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8: 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 28, 2017 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, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Retirees and beneficiaries	81	27
Inactive, nonretired members	63	35
Active employees	136	46

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 were 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM: (Continued)

Actuarial Assumptions: The total pension liability in the February 28, 2017 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 28, 2017 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	43.00%	5.29%
Fixed Income	26.00%	2.93%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8: 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, 2016	\$ 32,750,371	\$ 30,337,411	\$ 2,412,960
Changes for the Year:			
Service cost	\$ 787,523	\$ -	\$ 787,523
Interest	2,351,621	-	2,351,621
Difference - expected & actual experience	(377,983)	-	(377,983)
Contributions – employer	-	1,138,195	(1,138,195)
Contributions – employee	-	-	-
Net investment income	-	3,606,385	(3,606,385)
Changes of assumptions	-	-	-
Benefit payments, including refunds	(1,427,154)	(1,427,154)	-
Administrative expense	-	(29,164)	29,164
Other changes	-	(141,693)	141,693
Net changes for the year	\$ 1,334,007	\$ 3,146,569	\$ (1,812,562)
Balances at June 30, 2017	\$ 34,084,378	\$ 33,483,980	\$ 600,398

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	\$ 3,933,030	\$ 552,077	\$ (2,216,442)
Police	\$ 1,790,629	\$ 48,321	\$ (1,356,354)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions: For the fiscal year ending June 30, 2017, the fiscal year for LAGERS, the County's pension expense, under the basis of accounting as used by LAGERS, was \$1,255,711 for the General division and \$437,470 for the Police division.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8: 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	\$ 21,310	\$ (593,089)
Changes in assumptions	737,913	-
Net difference between projected and actual earnings	834,844	-
Contributions subsequent to the measurement date *	576,330	-
Total	\$ 2,170,397	\$ (593,089)

*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, 2018.

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
2018	\$	566,266
2019		563,912
2020		226,528
2021		(348,930)
2022		(6,798)
Thereafter		-
Total	\$	1,000,978

Payable to the Pension Plan: At December 31, 2017, 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, 2017

NOTE 9: 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, 2017

NOTE 9: 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, 2016, 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 2022 using Scale BB.

The following actuarial assumption and method was changed for the actuarial valuation used for the reporting period: a) mortality rates were changed from the RP-2000 Combined Mortality projected to 2010 using Scale AA to the RP-2000 Combined Mortality projected to 2022 using Scale BB, as indicated above.

The actuarial assumptions used in the December 31, 2016 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, 2016 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	21.00%	2.90%
Absolute Return	9.00%	4.01%
U.S. Large Cap Equity	25.00%	6.10%
U. S. Small Cap Equity	10.00%	6.62%
Non-U.S. Equity	15.00%	6.19%
Long / Short Equity	10.00%	6.46%
Private Equity	5.00%	7.16%
Core Real Estate	5.00%	5.48%

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9: 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 2016 County contributions, as included in CERF's determination of the County's net pension liability as of December 31, 2016, the most recent measurement date, was \$405,652 and represented 1.99921% of the total employer contributions from all participating entities as remitted to CERF during the year ended December 31, 2016.

The County's proportionate share of the net pension liability based upon CERF's most recent measurement date of December 31, 2016 was \$4,498,601. The County's proportionate share of the total pension expense for the year ended December 31, 2016 was \$1,027,382.

For the year ended December 31, 2017, 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 between expected and actual experience	\$ 110,579	\$ (236,295)
Net difference between projected and actual earnings	683,042	-
Change in assumptions	877,821	-
Change in proportion and difference between employer contributions and proportionate share of contributions	247,570	(13,206)
Contributions subsequent to the measurement date *	347,115	-
Total	\$ 2,266,127	\$ (249,501)

*The amount of deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability during CERF's year ending December 31, 2017.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9: 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.

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)	\$ 6,288,714	\$ 4,498,601	\$ 3,013,462

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

At December 31, 2017, 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.

NOTE 10: 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, 2017, 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.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11: TAX INCREMENTAL FINANCING:

Within the County the following redevelopment projects were approved for tax incremental financing ("TIF"):

- ✓ *City of Jackson TIF District 1, Phase 1:*
Issued in 1998 (the base year) and extends for twenty-three years from the date of adoption of the ordinance approving the redevelopment project (ending with the 2020 tax year). Taxes levied on any increase in the assessed valuation of any entities residing within the redevelopment project area over the base year assessed valuation are collected and re-distributed back to the appropriate entities. For the year ended December 31, 2017, the TIF amount collected and re-distributed was \$218,530. Also, 50% of the total additional revenue from taxes which are imposed by the municipality or other taxing districts shall be allocated to a Special Allocation Fund and re-distributed back to the appropriate entities.
- ✓ *City of Jackson TIF District 1, Phase 2:*
Issued in 2008 (the base year) and extends for twenty-three years from the date of adoption of the ordinance approving the redevelopment project (ending with the 2031 tax year). Taxes levied on any increase in the assessed valuation of any entities residing within the redevelopment project area over the base year assessed valuation are collected and re-distributed back to the appropriate entities. For the year ended December 31, 2017, the TIF amount collected and re-distributed was \$545. Also, 50% of the total additional revenue from taxes which are imposed by the municipality or other taxing districts shall be allocated to a Special Allocation Fund and re-distributed back to the appropriate entities.
- ✓ *City of Cape Girardeau Downtown, RPA 1:*
Issued in 2015 (the base year) and extends for twenty-three years from the date of adoption of the ordinance approving the redevelopment project (ending with the 2038 tax year). Taxes levied on any increase in the assessed valuation of any entities residing within the redevelopment project area over the base year assessed valuation are collected and re-distributed back to the appropriate entities. For the year ended December 31, 2017, the TIF amount collected and re-distributed was \$74,969. Also, 50% of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the RPA 1 area, over the amount of such taxes in the calendar year prior to the adoption of the ordinance, but excluding certain defined taxes, shall also be collected and re-distributed back to the appropriate entities.
- ✓ *City of Cape Girardeau Downtown, RPA 2:*
Issued in 2016 (the base year) and extends for twenty-three years from the date of adoption of the ordinance approving the redevelopment project (ending with the 2039 tax year). Taxes levied on any increase in the assessed valuation of any entities residing within the redevelopment project area over the base year assessed valuation are collected and re-distributed back to the appropriate entities. For the year ended December 31, 2017, the TIF amount collected and re-distributed was \$12,262. Also, 50% of the total additional revenue from taxes, penalties and interest that are imposed by the City or other taxing districts, and which are generated by economic activities within the RPA 2 area, over the amount of such taxes in the calendar year prior to the adoption of the ordinance, but excluding certain defined taxes, shall also be collected and re-distributed back to the appropriate entities.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12: COMMITMENTS AND CONTINGENCIES:

In 2006 but 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 ½ 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. Coinciding with the above, the County also entered into an agreement with the Cape Special Road District to establish a funding mechanism in lieu of collecting their property tax consistent with the terms previously described.

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 2017 and has secured these services for 2018 at a cost of \$100,000.

In 2004, the County and City of Cape Girardeau entered into a development agreement with Drury Land Development, Inc. ("Drury Land"), 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 2017, the County paid \$69,898 pursuant to this agreement. Total payments made by the County through December 31, 2017 are \$548,789.

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 2017, the County paid \$0. Total payments made through December 31, 2017 are \$25,659.

In 2007, the County and the City of Cape Girardeau entered into a development agreement with The Greater Missouri Builders ("GMB") to which the County and 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 receives from retail sales at the site, subject to annual appropriation by the County Commission, for a term of 25 years. In 2017, the County paid \$0 from its sales tax revenue in connection with this project. Total payments through December 31, 2017 are \$27,160.

The County paid \$113,970 in 2017 and has again agreed to pay the University Extension Center \$113,970 to provide educational related community activities for 2018.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12: COMMITMENTS AND CONTINGENCIES: (Continued)

The County annually enters into a contract with the Humane Society to provide animal housing services. The County paid \$27,000 for services in 2017 and has secured services for 2018 at a cost of \$33,000.

The County Commission has entered into an agreement with Navigate Solutions to assist in the planning process of building a County Justice Center. The agreement is \$347,735 for the design-builder services and \$19,854 per month for post design-builder selection and construction services. The project is expected to be funded via the issuance of bonds that will be paid from the revenue collected by the Capital Improvements Use Tax Fund, as defined when the ballot issue was passed.

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 \$107,180 in unused “comp” time owed to employees. Employees will be paid for any unused “comp” time upon termination of their employment.

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 \$1,378,338. Employees have the option of choosing a \$2,500 individual (\$5,000 family) deductible with a PPO out of pocket limit of \$4,500 individual (\$9,000 family), or a \$5,000 individual (\$10,000 family) deductible Plan with a PPO out of pocket limit of \$7,350 (\$14,700 family). Regardless of the option chosen, for 2017 the County paid a monthly per employee amount of \$560 (monthly premiums for 2018 are \$605). 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, 2017, the County has a balance of \$273,710 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 \$25,000 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 209 participants, including 7 retirees who reimburse the County for their own monthly premiums, is \$1,786,524.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 13: 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	\$	883,676	
Capital Projects and Improvements		1,009,058	
911 Operations		56,833	
Law Enforcement and Road Improvements (Prop 1)		1,876,443	
Election Services		49,657	
Collector's Tax Maintenance		76,669	
Public Safety		766,783	
Health and Welfare		68,862	
Administration of Justice		41,166	
Property Assessment		590,936	
Recording		135,795	
Debt Service		49	
Total Restricted		5,555,927	\$ 5,555,927
Committed:			
None			-
Assigned:			
Capital Improvements	\$	5,251,642	
Sheriff's Operational		1,729	
Juvenile Office Operations		997	
Park Development		18,841	
Recording		46,618	
Archive Fund		1,403	
Early Warning Siren Project		11,713	
Total Assigned		5,332,943	5,332,943
Unassigned:			
General	\$	3,330,808	
Juvenile Grant Fund		(23,430)	
Drug Court Grant Fund		(5,414)	
Total Unassigned		3,301,964	3,301,964
Total Fund Balance		14,190,834	\$ 14,190,834

Authorizations to purchase or enter into contractual obligations using restricted funds or with the expectations that such purchases or contractual obligations will be funded with future revenue sources are not reported as committed funds.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14: 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, 2017 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, 2017 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Assessment Fund	\$ 189,549	Expense Reimbursements
General Fund	Debt Service Fund	555,502	Principal and Interest
General Fund	Park Development Fund	30,000	Expense Reimbursements
Self Insured Health Fund	General Fund	234,900	Expense Reimbursements
Self Insured Health Fund	Assessment Fund	20,640	Expense Reimbursements
Self Insured Health Fund	Juvenile Grants Fund	4,770	Expense Reimbursements
Self Insured Health Fund	Road and Bridge Fund	39,690	Expense Reimbursements
Capital Improvements Fund	Road and Bridge Fund	3,759	Expense Reimbursements
Use Tax Fund	Capital Improvements Fund	71,072	Expense Reimbursements
Election Services	Road and Bridge Fund	8,092	Expense Reimbursements
Election Services	General Fund	55,649	Expense Reimbursements
Sheriff Revolving Fund	Sheriff Training Fund	12,515	Training Reimbursements
Assessment Fund	General Fund	41,250	Expense Reimbursements
P.A. Training Fund	General Fund	2,401	Expense Reimbursements
P.A. Contingent Fund	General Fund	39,504	Expense Reimbursements
Proposition 1 Tax Fund	General Fund	32,638	Tax Allocation
Proposition 1 Tax Fund	Assessment Fund	23,662	Tax Allocation
Proposition 1 Tax Fund	Road and Bridge Fund	1,708,010	Tax Allocation
Total Interfund Transfers		<u>\$ 3,073,603</u>	

NOTE 15: DEFICIT FUND BALANCE:

The juvenile grant fund and drug court grant fund currently have deficit fund balances of (\$23,430) and (\$5,414), respectively. These deficits will be financed through future revenues of the respective fund.

NOTE 16: PRIOR PERIOD ADJUSTMENT:

The beginning net position for the governmental activities in the Statement of Activities – Cash Basis, and the beginning fund balance in the Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis – Governmental Funds for the nonmajor governmental funds has been restated to reflect a decrease of \$36,674 for the reclassification of the Prosecuting Attorney Bad Check Collection Fund as a fiduciary (agency) fund. Such was reported in the prior year as a governmental fund.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 8,004,000	\$ 8,305,878	\$ 8,305,878	\$ -
Fees, Fines and Commissions	2,352,015	2,350,437	2,350,437	-
Intergovernmental Revenues	1,100,950	1,366,424	1,366,424	-
Interest	1,571	27,556	27,556	-
911 Tariff	-	-	-	-
Other	185,450	54,561	54,561	-
Total Receipts	<u>\$ 11,643,986</u>	<u>\$ 12,104,856</u>	<u>\$ 12,104,856</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ 4,747,034	\$ 4,480,688	\$ 4,456,690	\$ 23,998
Public Safety	4,308,622	4,447,692	4,297,750	149,942
Health and Welfare	-	-	-	-
Cultural and Recreation	358,528	441,854	441,854	-
911 Operations	-	-	-	-
Judicial	2,155,879	1,909,042	1,909,155	(113)
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 11,570,063</u>	<u>\$ 11,279,276</u>	<u>\$ 11,105,449</u>	<u>\$ 173,827</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 73,923</u>	<u>\$ 825,580</u>	<u>\$ 999,407</u>	<u>\$ 173,827</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 136,700	\$ 406,342	\$ 406,342	\$ -
Transfers Out	(745,055)	(775,051)	(775,051)	-
Total Other Financing Sources (Uses)	<u>\$ (608,355)</u>	<u>\$ (368,709)</u>	<u>\$ (368,709)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (534,432)</u>	<u>\$ 456,871</u>	<u>\$ 630,698</u>	<u>\$ 173,827</u>
Fund Balances at January 1, 2017	<u>2,749,454</u>	<u>2,749,454</u>	<u>2,749,454</u>	<u>-</u>
Fund Balances at December 31, 2017	<u><u>\$ 2,215,022</u></u>	<u><u>\$ 3,206,325</u></u>	<u><u>\$ 3,380,152</u></u>	<u><u>\$ 173,827</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 -
ROAD AND BRIDGE FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,111,425	\$ 1,164,934	\$ 1,168,541	\$ 3,607
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	120,000	194,000	194,000	-
Interest	303	4,754	4,755	1
911 Tariff	-	-	-	-
Other	27,450	491,983	403,885	(88,098)
Total Receipts	\$ 1,259,178	\$ 1,855,671	\$ 1,771,181	\$ (84,490)
DISBURSEMENTS				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	3,170,300	3,357,107	3,320,550	36,557
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	\$ 3,170,300	\$ 3,357,107	\$ 3,320,550	\$ 36,557
Excess (Deficiency) of Receipts Over Disbursements	\$ (1,911,122)	\$ (1,501,436)	\$ (1,549,369)	\$ (47,933)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,741,700	\$ 1,708,010	\$ 1,759,551	\$ 51,541
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	\$ 1,741,700	\$ 1,708,010	\$ 1,759,551	\$ 51,541
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	\$ (169,422)	\$ 206,574	\$ 210,182	\$ 3,608
Fund Balances at January 1, 2017	673,494	673,494	673,494	-
Fund Balances at December 31, 2017	\$ 504,072	\$ 880,068	\$ 883,676	\$ 3,608

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest	600	806	806	-
911 Tariff	380,809	364,840	364,840	-
Other	225	220	220	-
Total Receipts	<u>\$ 381,634</u>	<u>\$ 365,866</u>	<u>\$ 365,866</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	599,950	527,879	527,879	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 599,950</u>	<u>\$ 527,879</u>	<u>\$ 527,879</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (218,316)</u>	<u>\$ (162,013)</u>	<u>\$ (162,013)</u>	<u>\$ -</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>\$ (218,316)</u>	<u>\$ (162,013)</u>	<u>\$ (162,013)</u>	<u>\$ -</u>
Fund Balances at January 1, 2017	<u>218,846</u>	<u>218,846</u>	<u>218,846</u>	<u>-</u>
Fund Balances at December 31, 2017	<u>\$ 530</u>	<u>\$ 56,833</u>	<u>\$ 56,833</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 -
ASSESSMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	585,000	604,402	627,554	23,152
Intergovernmental Revenues	178,000	292,303	362,303	70,000
Interest	175	1,331	1,330	(1)
911 Tariff	-	-	-	-
Other	3,850	39,684	19,045	(20,639)
Total Receipts	<u>\$ 767,025</u>	<u>\$ 937,720</u>	<u>\$ 1,010,232</u>	<u>\$ 72,512</u>
DISBURSEMENTS				
General Government	\$ 984,261	\$ 1,200,753	\$ 1,200,753	\$ -
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>\$ 984,261</u>	<u>\$ 1,200,753</u>	<u>\$ 1,200,753</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (217,236)</u>	<u>\$ (263,033)</u>	<u>\$ (190,521)</u>	<u>\$ 72,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 214,550	\$ 213,211	\$ 233,851	\$ 20,640
Transfers Out	(55,000)	(41,250)	(41,250)	-
Total Other Financing Sources (Uses)	<u>\$ 159,550</u>	<u>\$ 171,961</u>	<u>\$ 192,601</u>	<u>\$ 20,640</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (57,686)</u>	<u>\$ (91,072)</u>	<u>\$ 2,080</u>	<u>\$ 93,152</u>
Fund Balances at January 1, 2017	<u>588,856</u>	<u>588,856</u>	<u>588,856</u>	<u>-</u>
Fund Balances at December 31, 2017	<u><u>\$ 531,170</u></u>	<u><u>\$ 497,784</u></u>	<u><u>\$ 590,936</u></u>	<u><u>\$ 93,152</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 -
CAPITAL IMPROVEMENTS USE TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 1,000,000	\$ 983,194	\$ 983,194	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest	200	7,192	7,192	-
911 Tariff	-	-	-	-
Other	-	-	-	-
Total Receipts	<u>\$ 1,000,200</u>	<u>\$ 990,386</u>	<u>\$ 990,386</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>\$ 1,000,200</u>	<u>\$ 990,386</u>	<u>\$ 990,386</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	(71,072)	(71,072)	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (71,072)</u>	<u>\$ (71,072)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ 1,000,200</u>	<u>\$ 919,314</u>	<u>\$ 919,314</u>	<u>\$ -</u>
Fund Balances at January 1, 2017	<u>89,744</u>	<u>89,744</u>	<u>89,744</u>	<u>-</u>
Fund Balances at December 31, 2017	<u><u>\$ 1,089,944</u></u>	<u><u>\$ 1,009,058</u></u>	<u><u>\$ 1,009,058</u></u>	<u><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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 7,270,000	\$ 7,379,304	\$ 7,364,867	\$ (14,437)
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	419	419	-
Interest	750	9,702	23,779	14,077
911 Tariff	-	-	-	-
Other	-	-	-	-
Total Receipts	<u>\$ 7,270,750</u>	<u>\$ 7,389,425</u>	<u>\$ 7,389,065</u>	<u>\$ (360)</u>
DISBURSEMENTS				
General Government	\$ 2,319,068	\$ 2,321,268	\$ 2,263,076	\$ 58,192
Public Safety	1,958,666	1,865,114	1,865,114	-
Health and Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
911 Operations	-	-	-	-
Judicial	-	-	-	-
Roads and Bridges Upkeep	1,683,850	1,676,262	1,308,592	367,670
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>\$ 5,961,584</u>	<u>\$ 5,862,644</u>	<u>\$ 5,436,782</u>	<u>\$ 425,862</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 1,309,166</u>	<u>\$ 1,526,781</u>	<u>\$ 1,952,283</u>	<u>\$ 425,502</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(1,709,289)	(1,701,673)	(1,764,310)	(62,637)
Total Other Financing Sources (Uses)	<u>\$ (1,709,289)</u>	<u>\$ (1,701,673)</u>	<u>\$ (1,764,310)</u>	<u>\$ (62,637)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	\$ (400,123)	\$ (174,892)	\$ 187,973	\$ 362,865
Fund Balances at January 1, 2017	<u>1,688,470</u>	<u>1,688,470</u>	<u>1,688,470</u>	<u>-</u>
Fund Balances at December 31, 2017	<u>\$ 1,288,347</u>	<u>\$ 1,513,578</u>	<u>\$ 1,876,443</u>	<u>\$ 362,865</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, 2017

LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

LAGERS Fiscal Year Ending June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability:										
Service Cost	\$ 787,523	\$ 742,166	\$ 718,346	\$	\$	\$	\$	\$	\$	\$
Interest	2,351,621	2,180,052	2,069,379							
Changes of Benefit Terms	-	-	-							
Difference Between Expected and Actual Experience	(377,983)	(437,220)	(304)							
Changes of Assumptions	-	1,236,509	-							
Benefit Payments, Including Refunds	(1,427,154)	(1,329,193)	(1,217,965)							
Net Change	<u>\$ 1,334,007</u>	<u>\$ 2,392,314</u>	<u>\$ 1,569,456</u>	<u>\$ -</u>						
Total Pension Liability - Beginning	32,750,371	30,358,057	28,788,601							
Total Pension Liability - Ending	<u>\$ 34,084,378</u>	<u>\$ 32,750,371</u>	<u>\$ 30,358,057</u>	<u>\$ -</u>						
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 1,138,195	\$ 1,093,718	\$ 1,080,662	\$	\$	\$	\$	\$	\$	\$
Contributions - Employee	-	-	-							
Net Investment Income	3,606,385	(35,459)	611,616							
Benefit Payments, Including Refunds	(1,427,154)	(1,329,193)	(1,217,966)							
Administrative Expense	(29,164)	(28,015)	(29,732)							
Other (Net Transfer)	(141,693)	6,251	207,318							
Net Change	<u>\$ 3,146,569</u>	<u>\$ (292,698)</u>	<u>\$ 651,898</u>	<u>\$ -</u>						
Plan Fiduciary Net Position - Beginning	30,337,411	30,630,109	29,978,211							
Plan Fiduciary Net Position - Ending	<u>\$ 33,483,980</u>	<u>\$ 30,337,411</u>	<u>\$ 30,630,109</u>	<u>\$ -</u>						
Net Pension Liability	<u>\$ 600,398</u>	<u>\$ 2,412,960</u>	<u>\$ (272,052)</u>	<u>\$ -</u>						
Plan Fiduciary Net Position as a % of the Total Pension Liability	98.24%	92.63%	100.90%							
Covered Payroll	\$ 7,053,479	\$ 6,709,777	\$ 6,380,102	\$	\$	\$	\$	\$	\$	\$
Net Pension Liability as a % of Covered Payroll	8.51%	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, 2017

COUNTY EMPLOYEES RETIREMENT FUND (CERF)										
CERF Year Ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
County Proportion of the Net Pension Liability (Asset)	2.00%	1.88%	1.90%							
County Proportionate Share of the Net Pension Liability (Asset)	\$ 4,498,601	\$ 3,633,751	\$ 2,216,942	\$	\$	\$	\$	\$	\$	\$
County Covered Payroll	\$ 7,833,190	\$ 6,721,043	\$ 6,708,519	\$	\$	\$	\$	\$	\$	\$
County Net Pension Liability (Asset) as a Percentage of its Covered Payroll	57.43%	54.07%	33.05%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.70%	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, 2017

LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

LAGERS Fiscal Year Ending	Actuarially Determined Contribution	Actual County Contributions	Contribution Excess / (Deficiency)	Actual Covered Payroll	Contribution as a Percentage of Covered Payroll
6/30/2017	\$ 1,148,911	\$ 1,148,913	\$ 2	\$ 7,315,318	15.71%
6/30/2016	1,103,588	1,103,590	1	7,057,666	15.64%
6/30/2015	1,093,805	1,093,806	1	6,598,563	16.58%
6/30/2014	1,067,686	1,067,686	(0)	6,452,868	16.55%
6/30/2013	1,091,523	1,077,997	(13,526)	6,168,901	17.47%
6/30/2012	1,105,143	1,025,424	(79,719)	6,224,836	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	(18,642)	6,085,074	13.48%
6/30/2008	820,247	820,247	(1)	5,800,639	14.14%

COUNTY EMPLOYEES RETIREMENT FUND (CERF)

CERF Fiscal Year Ending	Statutorily Required Contributions	Actual County Contributions	Contribution Excess / (Deficiency)	Actual Covered Payroll	Contribution as a Percentage of Covered Payroll
12/31/2016	\$ 405,652	\$ 405,652	\$ -	\$ 7,833,190	5.18%
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			-		

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, 2017

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, 2017

	Election Services Fund	Archive Fund	Collectors Tax Maintenance Fund	Sheriff's Revolving Fund	Inmate Security Fund	Prosecuting Attorney Admin Fees Fund	Juvenile Grants Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Contingency Fund
ASSETS									
Cash and Cash Equivalents	\$ 49,657	\$ 1,403	\$ 74,108	\$ 308,314	\$ 41,202	\$ 29,638	\$ (23,430)	\$ 9,028	\$ 2,500
Due from Other Funds	-	-	2,561	-	-	-	-	-	-
Total Assets	\$ 49,657	\$ 1,403	\$ 76,669	\$ 308,314	\$ 41,202	\$ 29,638	\$ (23,430)	\$ 9,028	\$ 2,500
FUND BALANCES									
Restricted	\$ 49,657	\$ -	\$ 76,669	\$ 308,314	\$ 41,202	\$ 29,638	\$ -	\$ 9,028	\$ 2,500
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	1,403	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(23,430)	-	-
Total Fund Balances	\$ 49,657	\$ 1,403	\$ 76,669	\$ 308,314	\$ 41,202	\$ 29,638	\$ (23,430)	\$ 9,028	\$ 2,500

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	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	\$ 18,841	\$ 28,975	\$ (5,414)	\$ 55,512	\$ -	\$ 135,795	\$ -	\$ 13,350	\$ 11,713
Due from Other Funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 18,841	\$ 28,975	\$ (5,414)	\$ 55,512	\$ -	\$ 135,795	\$ -	\$ 13,350	\$ 11,713
FUND BALANCES									
Restricted	\$ -	\$ 28,975	\$ -	\$ 55,512	\$ -	\$ 135,795	\$ -	\$ 13,350	\$ -
Committed	-	-	-	-	-	-	-	-	-
Assigned	18,841	-	-	-	-	-	-	-	11,713
Unassigned	-	-	(5,414)	-	-	-	-	-	-
Total Fund Balances	\$ 18,841	\$ 28,975	\$ (5,414)	\$ 55,512	\$ -	\$ 135,795	\$ -	\$ 13,350	\$ 11,713

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 128,605	\$ 259,687	\$ 1,139,484
Due from Other Funds	-	-	2,561
Total Assets	<u>\$ 128,605</u>	<u>\$ 259,687</u>	<u>\$ 1,142,045</u>
FUND BALANCES			
Restricted	\$ 128,605	\$ 259,687	\$ 1,138,932
Committed	-	-	-
Assigned	-	-	31,957
Unassigned	-	-	(28,844)
Total Fund Balances	<u>\$ 128,605</u>	<u>\$ 259,687</u>	<u>\$ 1,142,045</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, 2017

	Election Services Fund	Archive Fund	Collectors Tax Maintenance Fund	Sheriff's Revolving Fund	Inmate Security Fund	Prosecuting Attorney Admin Fees Fund	Juvenile Grants Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Contingency Fund
RECEIPTS									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	112,719	-	80,875	16,849	4,340	43,860	-	71	39,504
Intergovernmental	12,723	-	-	-	4,315	-	216,442	-	-
Interest	403	-	582	2,577	308	89	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Receipts	\$ 125,845	\$ -	\$ 81,457	\$ 19,426	\$ 8,963	\$ 43,949	\$ 216,442	\$ 71	\$ 39,504
DISBURSEMENTS									
General Government	\$ 54,544	\$ -	\$ 65,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	38,408	-	-	206,761	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	14,311	-	-	-
Total Disbursements	\$ 54,544	\$ -	\$ 65,785	\$ 38,408	\$ -	\$ 14,311	\$ 206,761	\$ -	\$ -
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ 71,301	\$ -	\$ 15,672	\$ (18,982)	\$ 8,963	\$ 29,638	\$ 9,681	\$ 71	\$ 39,504
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,770	\$ -	\$ -
Transfers Out	(63,741)	-	-	(12,515)	-	-	-	-	(39,504)
Total Other Financing Sources (Uses)	\$ (63,741)	\$ -	\$ -	\$ (12,515)	\$ -	\$ -	\$ 4,770	\$ -	\$ (39,504)
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ 7,560	\$ -	\$ 15,672	\$ (31,497)	\$ 8,963	\$ 29,638	\$ 14,451	\$ 71	\$ -
Adjusted Fund Balances at January 1, 2017	42,097	1,403	60,997	339,811	32,239	-	(37,881)	8,957	2,500
Fund Balances at December 31, 2017	\$ 49,657	\$ 1,403	\$ 76,669	\$ 308,314	\$ 41,202	\$ 29,638	\$ (23,430)	\$ 9,028	\$ 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, 2017

	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	20,682	-	-	22,750	1,100	45,938	-	16,450	-
Intergovernmental	138,177	4,302	99,563	-	-	-	6,303	-	-
Interest	-	210	-	-	-	1,017	-	-	-
Other	9,432	-	-	3,330	-	-	-	-	-
Total Receipts	\$ 168,291	\$ 4,512	\$ 99,563	\$ 26,080	\$ 1,100	\$ 46,955	\$ 6,303	\$ 16,450	\$ -
DISBURSEMENTS									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,469	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-	18,818	-	5,579
Health and Welfare	-	-	105,431	8,017	-	-	-	14,431	-
Cultural and Recreation	234,728	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 234,728	\$ -	\$ 105,431	\$ 8,017	\$ -	\$ 11,469	\$ 18,818	\$ 14,431	\$ 5,579
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ (66,437)	\$ 4,512	\$ (5,868)	\$ 18,063	\$ 1,100	\$ 35,486	\$ (12,515)	\$ 2,019	\$ (5,579)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,515	\$ -	\$ -
Transfers Out	-	-	-	-	(2,401)	-	-	-	-
Total Other Financing Sources (Uses)	\$ 30,000	\$ -	\$ -	\$ -	\$ (2,401)	\$ -	\$ 12,515	\$ -	\$ -
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ (36,437)	\$ 4,512	\$ (5,868)	\$ 18,063	\$ (1,301)	\$ 35,486	\$ -	\$ 2,019	\$ (5,579)
Adjusted Fund Balances at January 1, 2017	55,278	24,463	454	37,449	1,301	100,309	-	11,331	17,292
Fund Balances at December 31, 2017	\$ 18,841	\$ 28,975	\$ (5,414)	\$ 55,512	\$ -	\$ 135,795	\$ -	\$ 13,350	\$ 11,713

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, 2017

	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
RECEIPTS			
Taxes	\$ -	\$ -	\$ -
Fees, Fines and Commissions	-	165,440	570,578
Intergovernmental	-	-	481,825
Interest	623	1,219	7,028
Other	381,975	-	394,737
Total Receipts	\$ 382,598	\$ 166,659	\$ 1,454,168
DISBURSEMENTS			
General Government	\$ -	\$ -	\$ 131,798
Public Safety	393,264	118,430	781,260
Health and Welfare	-	-	127,879
Cultural and Recreation	-	-	234,728
Judicial	-	-	14,311
Total Disbursements	\$ 393,264	\$ 118,430	\$ 1,289,976
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ (10,666)	\$ 48,229	\$ 164,192
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ -	\$ -	\$ 47,285
Transfers Out	-	-	(118,161)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (70,876)
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ (10,666)	\$ 48,229	\$ 93,316
Adjusted Fund Balances at January 1, 2017	139,271	211,458	1,048,729
Fund Balances at December 31, 2017	\$ 128,605	\$ 259,687	\$ 1,142,045

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	County Collector	Prosecuting Attorney Bad Check Collection Fund	Prosecuting Attorney Restitution Fund	Juvenile Restitution Fund	County Health	Mental Health	Sheltered Workshop	Cape Special Road District	Land Sale Surplus Fund
ASSETS									
Cash and Cash Equivalents	\$ 54,473,168	\$ 6,165	\$ 37,037	\$ 1,062	\$ -	\$ 403,826	\$ 5,515,803	\$ -	\$ 90,446
Due from Other Funds	-	-	-	-	957,257	796,996	578,670	60,782	-
Total Assets	<u>\$ 54,473,168</u>	<u>\$ 6,165</u>	<u>\$ 37,037</u>	<u>\$ 1,062</u>	<u>\$ 957,257</u>	<u>\$ 1,200,822</u>	<u>\$ 6,094,473</u>	<u>\$ 60,782</u>	<u>\$ 90,446</u>
LIABILITIES									
Due to Others	\$ 47,706,712	\$ 6,165	\$ 37,037	\$ 1,062	\$ 957,257	\$ 1,200,822	\$ 6,094,473	\$ 60,782	\$ 90,446
Due to Other Funds	6,766,456	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 54,473,168</u>	<u>\$ 6,165</u>	<u>\$ 37,037</u>	<u>\$ 1,062</u>	<u>\$ 957,257</u>	<u>\$ 1,200,822</u>	<u>\$ 6,094,473</u>	<u>\$ 60,782</u>	<u>\$ 90,446</u>

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	Senior Citizens	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
ASSETS									
Cash and Cash Equivalents	\$ 187,396	\$ 12,419	\$ 69,061	\$ 1,386,447	\$ 8,222	\$ 1,032	\$ 106,421	\$ 3,950	\$ -
Due from Other Funds	476,638	-	-	-	45,410	-	-	-	2,040,913
Total Assets	\$ 664,034	\$ 12,419	\$ 69,061	\$ 1,386,447	\$ 53,632	\$ 1,032	\$ 106,421	\$ 3,950	\$ 2,040,913
LIABILITIES									
Due to Others	\$ 664,034	\$ 12,419	\$ 69,061	\$ 1,386,447	\$ 53,632	\$ 1,032	\$ 106,421	\$ 3,950	\$ 2,040,913
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 664,034	\$ 12,419	\$ 69,061	\$ 1,386,447	\$ 53,632	\$ 1,032	\$ 106,421	\$ 3,950	\$ 2,040,913

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	<u>Financial Institution Tax</u>	<u>Unclaimed Property</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 517	\$ 62,302,972
Due from Other Funds	-	-	4,956,666
Total Assets	<u>\$ -</u>	<u>\$ 517</u>	<u>\$ 67,259,638</u>
LIABILITIES			
Due to Others	\$ -	\$ 517	\$ 60,493,182
Due to Other Funds	-	-	6,766,456
Total Liabilities	<u>\$ -</u>	<u>\$ 517</u>	<u>\$ 67,259,638</u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2017

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 102,547	\$ 595	\$ 103,142
Due from Other Funds	-	1,283	1,283
Total Assets	<u>\$ 102,547</u>	<u>\$ 1,878</u>	<u>\$ 104,425</u>
LIABILITIES			
Due to Others	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	102,547	1,878	104,425
Total Net Position	<u>\$ 102,547</u>	<u>\$ 1,878</u>	<u>\$ 104,425</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, 2017

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
RECEIPTS			
Taxes	\$ -	\$ 1,878	\$ 1,878
Intergovernmental	46,090	-	46,090
Interest	754	-	754
Total Receipts	<u>\$ 46,844</u>	<u>\$ 1,878</u>	<u>\$ 48,722</u>
DISBURSEMENTS			
Public Safety	\$ 52,423	\$ -	\$ 52,423
Other Charges and Services	-	2,034	2,034
Total Disbursements	<u>\$ 52,423</u>	<u>\$ 2,034</u>	<u>\$ 54,457</u>
Excess of Receipts Over Disbursements	\$ (5,579)	\$ (156)	\$ (5,735)
Net Position at January 1, 2017	<u>108,126</u>	<u>2,034</u>	<u>110,160</u>
Net Position at December 31, 2017	<u><u>\$ 102,547</u></u>	<u><u>\$ 1,878</u></u>	<u><u>\$ 104,425</u></u>

FEDERAL COMPLIANCE SECTION

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures	Pass-Thru Expenditures
<u>U.S. Department of Justice:</u>				
Direct Programs from the Department of Justice:				
Bulletproof Vest Partnership	16.607	2015-BUBX15079710	\$ 397	\$ -
Passed-Through Missouri Department of Public Safety:				
Crime Victim Assistance	16.575	ERS130180073	34,674	-
Violence Against Women Formula Grants	16.588	2013-VAWA-028-SE	15,912	-
<u>National Park Service: U.S. Department of the Interior :</u>				
Passed-Through Missouri Department of Natural Resources:				
Outdoor Recreation _ Acquisition, Development and Planning (Land and Water Conservation Fund)	15.916	29-01639	150,000	-
<u>U.S. Department of Transportation:</u>				
Passed-Through Missouri Department of Transportation:				
Alcohol Open Container Requirements	20.607	18-154-AL-009	459	-
National Priority Safety Programs	20.616	A 17-M5HVE-03-037	5,445	-
National Priority Safety Programs	20.616	A 17-M2HVE-05-012	3,500	-
National Priority Safety Programs	20.616	A 18-M2HVE-05-009	513	-
Highway Planning and Construction	20.205	BRO-BO1016(031)	618,332	-
Passed-Through Missouri Office of State Courts Administrator:				
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	A 16-012-04		
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	A 17-012-04	21,421	-
<u>Delta Regional Authority:</u>				
Direct Programs from the Delta Regional Authority:				
Delta Area Economic Development Assistance Program	90.201	MO-50148	62,192	-

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures	Pass-Thru Expenditures
<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	16-015-018	414	-
Passed-Through Missouri Department of Social Services: Child Support Enforcement IV-D	93.563	ER10217C013	102,224	-
Passed-Through the County of Dunklin, Missouri: Substance Abuse and Mental Health Services	93.243	1H79TI080284-01	7,638	-
<u>Executive Office of the President:</u>				
Passed-Through Missouri State Highway Patrol: High Intensity Drug Trafficking Areas	95.001	G16MW0001A-F	65,423	-
High Intensity Drug Trafficking Areas	95.001	G17MW0001A-F	36,073	-
<u>U.S. Department of Homeland Security:</u>				
Passed-Through Missouri State Emergency Management Agency: Disaster Grants - Public Assistance	97.036	FEMA-4317-DR-MO	96,207	-
Emergency Management Performance Grant - FY 2016	97.042	EMK-2016-EP-APP-00004-021	25,000	-
Emergency Management Performance Grant - FY 2017	97.042	EMK-2017-EP-APP-00006-022	64,590	-
TOTAL FEDERAL EXPENDITURES			\$ 1,310,414	\$ -
			\$ 30,879	\$ -

A = Highway Safety Cluster

The accompanying notes to schedule of expenditures of 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, 2017

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, 2017. 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, 2017 that the County passed-through to subrecipients.

NOTE 3: HIGHWAY PLANNING AND CONSTRUCTION – CFDA 20.205

As part of the Highway Planning and Construction grant that is passed through the Missouri Department of Transportation, the County receives "soft match" State funds representing 20% of the contractual expenditure. The remaining 80% is funded from Federal monies under the Highway Planning and Construction grant.

2017 Contractual Expenditures	\$ <u>772,915</u>
Federal Funds – CFDA 20.205	\$ 618,332
State "Soft Match" Funds	<u>154,583</u>
Total Funds Received – 2017	\$ <u>772,915</u>

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



GARY G. STANLEY, CPA
STEVEN K. DIRNBERGER, CPA
DONALD J. HOPPER, CPA
GREGORY J. LAURENTIUS, CPA
FRANK R. DIETIKER, JR., CPA
PATRICK W. KINTNER, CPA

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 Fax: 573-334-2588

BRADLEY H. MUETH, CPA
C. DON PRIEST
VICKI M. MCLEMORE
THOMAS T. WOOD

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, 2017, 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 8, 2018. 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.

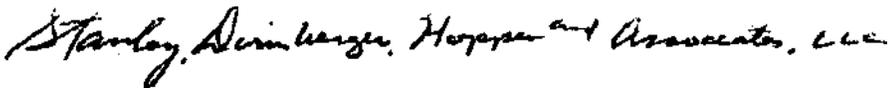
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
County of Cape Girardeau, Missouri**

Compliance and Other Matters

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

Purpose of this Report

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



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

Cape Girardeau, Missouri
June 8, 2018

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, 2017. 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, 2017.

**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**

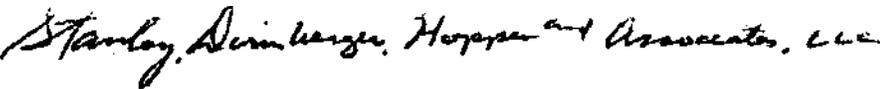
Report on Internal Control Over Compliance

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 8, 2018

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINANCIAL STATEMENT FINDINGS

The prior year audit report issued for the year ended December 31, 2016 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, 2016, 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.