

**COUNTY OF
CAPE GIRARDEAU, MISSOURI**



December 31, 2018

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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, 2018, 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, 2018, 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

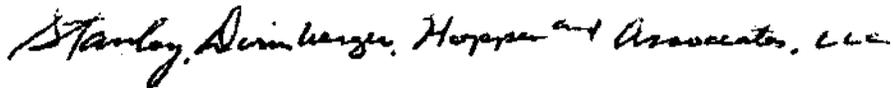
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements included as supplementary information are presented for purposes of additional analysis and are not a required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

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements 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 21, 2019, 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
Certified Public Accountants**

Cape Girardeau, Missouri
June 21, 2019

REQUIRED SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU COUNTY

Jackson MO

Year Ended December 31, 2018

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, 2018. 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 2017 information to conform to the 2018 presentation.

Our financial reporting plays a major role in fulfilling the government's duty to be publicly accountable. Accountability requires governments to provide credible 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, before special items, by \$478,646 for the year ended December 31, 2018. This figure is illustrated in the Statement of Activities - Cash Basis. Prior year total revenue exceeded total expenses by \$1,823,380. The County's total net position was \$34,948,085 on December 31, 2018 while the beginning net position on January 1, 2018 was \$14,464,544. The 2018 ending net position includes a remaining balance of \$18,836,518 of Series 2018 Certificates of Participation available for the construction of a new Justice Center and other capital improvements.

General revenues overall increased by \$31,083 from \$21,156,057 in 2017 to \$21,187,140 for 2018. Tax revenues, comprised of the Missouri sales tax collections, the Proposition 1 tax, a local use tax, motor vehicle fuel taxes and a local County General Revenue Fund property tax levy, represents 84% of total general revenues for 2018 and 2017. General fees, fines and commissions decreased slightly from \$1,752,678 to \$1,654,978. General fees, fines and commissions are largely comprised of commissions withheld on tax collections, recorder of deeds fees, fees for boarding federal prisoners and fees collected from the court system, among other items. General intergovernmental revenues remained consistent while interest revenues earned on County deposits increased from \$145,666 in 2017 to \$344,650 in 2018. Other general revenues decreased by \$117,144 due largely to a reduction in proceeds earned from the sale of County property.

Net program expenses increased this year by \$1,375,817 from \$19,332,677 in 2017 to \$20,708,494 in 2018. Net program expenses for 2018 were comprised of \$24,495,577 of program expenses offset by \$3,787,083 in program revenues. Net program expenses for 2017 were comprised of \$24,478,336 of program expenses offset by \$5,145,659 in program revenues. Reductions in program revenues is from a reduced amount of donations needed to support the dispute with Ameren Missouri regarding property valuations and a reduction in the Federal and State funded road and bridge projects.

Gross program expenses increased by only \$17,241 from \$24,478,336 in 2017 to \$24,495,577 in 2018. Major fluctuations in expenses were as follows: **(1)** public safety expenses declined by \$254,118 due largely to reductions in 911 operational expenses as the County funds available to support this operation continues to decline, **(2)** cultural and recreation expenses declined by \$241,890 due to the prior year completion of significant park improvement projects, **(3)** road and bridge expenses declined by \$1,379,776 as the County completed improvements on County roads 346 and 347 during 2018 with the 2017 related expenses exceeding 2018 expenses by \$403,893, a reduction in necessary road and bridge equipment purchases (2017 purchases in the Road and Bridge Fund were \$421,323 compared to \$101,109 in 2018), and a reduction of expenses by \$772,916 as the County in 2017 completed a Federal and State funded (BRO-BO16(31)) bridge project, **(4)** capital improvements increased by \$2,046,141 as the County made improvements to the 911 dispatch center, purchased land for expansion purposes related to the Justice Center construction project, and began construction on the new Justice Center utilizing the proceeds from the Series 2018 Certificates of Participation issuance.

Gross program revenues decreased from \$5,145,659 in 2017 to \$3,787,083 in 2018. This decrease of \$1,358,576 is partially 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 in 2017 over 2016 by \$732,462 compared to a current year decrease in 2018 from 2017 of \$92,713. As mentioned above, in 2017 the County finalized Federal and State funded road and bridge projects. The County received \$772,916 in 2017 for the BRO-BO16(31) project. The County also received \$182,500 less in intergovernmental funding to support the cell tower assessment dispute and property valuation dispute with Ameren.

	Beginning Net Position +	General Revenues -	Net Program Expenses +	Special Revenues =	Ending Net Position	% Increase (Decrease)
2018	\$ 14,464,544	\$ 21,187,140	\$ 20,708,494	\$ 20,004,895	\$ 34,948,085	141.61%
2017	\$ 12,641,164	\$ 21,156,057	\$ 19,332,677	\$ 0	\$ 14,464,544	14.42%

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.
- 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).
- COP Series 2011 Fund – This 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, along with the project costs.
- COP Series 2018 Fund – This fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on the County's Series 2018 Certificates of Participation, along with the project costs.

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 2018 to 2017:

	2018	2017
Assets		
Cash and Cash Equivalents	\$ 16,463,973	\$ 10,136,037
Investments	16,913,742	2,520,000
Due from Other Funds	<u>1,570,370</u>	<u>1,808,507</u>
Total Assets	<u>\$ 34,948,085</u>	<u>\$ 14,464,544</u>
Net Position		
Restricted for:		
Road and Bridge	\$ 1,977,943	\$ 883,676
Capital Projects and Improvements	20,451,345	1,009,058
Dutchtown Disincorporation	94,929	0
911 Operations	128,024	56,833
Law Enforcement & Road Improvements (Prop 1)	1,407,548	1,876,443
Election Services	50,077	49,657
Collectors Tax Maintenance	109,693	76,669
Public Safety	814,774	766,783
Health and Welfare	78,685	68,862
Administration of Justice	35,793	41,166
Property Assessment	578,251	590,936
Recording	152,755	135,795
Debt Service	178	49
Unrestricted	<u>9,068,090</u>	<u>8,908,617</u>
Total Net Position	<u>\$ 34,948,085</u>	<u>\$ 14,464,544</u>

The cash deposits of the County consist of non-interest bearing and interest bearing deposit accounts while the investments held at December 31, 2018 consist of time deposits and U.S. Treasury Notes (2017 consisted of time deposits). The U.S. Treasury Notes have varying maturities ranging from one month to thirteen months to coincide with the anticipated cash flow needs of the Certificates of Participation, Series 2018 construction project.

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 2018 increased by 2.97% but the tax rate specifically for the General Revenue Fund decreased from \$0.0719 to \$0.0587. This 18.36% rate decrease, along with the timing of collections, resulted in a decrease in the amount due from the County Collector agency fund to the General Fund by \$207,960.

The County's total net position was \$34,948,085 per the Statement of Net Position - Cash Basis. The County's unrestricted amount is \$9,068,090 and the restricted funds were \$25,879,995. The County's 2017 unrestricted amount was \$8,908,617 and the restricted net position amounted to \$5,555,927.

The unrestricted net position increase of \$159,473 resulting in an ending balance of \$9,068,090 was largely the result of an increase in the Self Insured Health Fund of \$82,551 and an increase in the General Fund of \$54,397. Refer below to discussions about the General Fund revenues, disbursements and net transfers. Self Insured Health Fund operating income, being operating revenues in excess of operating expenses, increased from \$48,860 in 2017 to \$82,551 in 2018. In 2017, the County did transfer \$300,000 of excess funds out of the Self Insured Health Fund. A similar transfer in 2018 did not occur.

The restricted funds increase of \$20,324,068 is the result of fluctuations in restricted balances in the following main areas: **(1)** the County issued \$20,055,000 in Series 2018 Certificates of Participation for the construction of a Justice Center and other capital improvements and as of December 31, 2018 had spent only \$1,147,979 towards this project, **(2)** a reduction in necessary spending on road and bridge equipment, repairs, etc. by \$789,759 (see below as the County did use Prop 1 funds to supplement the necessary road and bridge requirements) which contributed to the overall increase in the restricted Road and Bridge Fund of \$1,094,267, **(3)** the County again grew the Capital Improvements Use Tax Fund by \$605,769 (prior year growth was \$919,314) for expected use towards the Justice Center and other near term capital improvements, **(4)** Proposition 1 disbursements and transfers out exceeded the tax receipts by \$468,895 as the County spent \$486,114 in additional road and bridge improvements in 2018 as compared to 2017 and spent \$95,639 in additional public safety (Sheriff's office) expenses, and **(5)** the County received \$97,965 in restricted proceeds from the disincorporation of Dutchtown.

The following tables show the receipts and disbursements for each governmental fund of the County for the years ended December 31, 2018 and 2017:

2018					
Funds	Revenues	Expenditures	Transfers In (Out)	Special / Extraordinary	Change
General Fund	\$ 11,827,809	\$ 11,028,321	\$ (745,091)	\$ 0	\$ 54,397
Road and Bridge Fund	1,543,504	2,530,791	2,081,554	0	1,094,267
Assessment Fund	806,870	992,299	172,744	0	(12,685)
Capital Imp Use Tax Fund	1,270,190	654,897	(9,524)	0	605,769
Proposition 1 Tax Fund	7,405,663	5,753,668	(2,120,890)	0	(468,895)
Capital Improvements Fund	381,955	368,982	(1,202)	0	11,771
COP Series 2011	183	551,555	551,501	0	129
COP Series 2018	(20,398)	1,147,979	0	20,004,895	18,836,518
Nonmajor Gov't Funds	1,633,377	1,424,566	70,908	0	279,719
Total	<u>\$ 24,849,153</u>	<u>\$ 24,453,058</u>	<u>\$ 0</u>	<u>\$ 20,004,895</u>	<u>\$ 20,400,990</u>

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
COP Series 2011	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>

The County's General Fund held constant this year increasing by \$54,397 compared to a prior year increase of \$630,698. Total General Fund revenues for 2018 were \$11,827,809 as compared to \$12,104,856 in 2017. A reduction in the state bill of costs and change in venue fees accounted for \$92,713 of this decline along with a reduction in the County General Revenue Fund property tax levy of approximately \$189,467 due to the timing of collections as well as a reduction in the levy from 2017 to 2018 from \$0.0719 to \$0.0587. Total General Fund expenditures for 2018 were \$11,028,321 as compared to \$11,105,449 in 2017. This minor decrease was not the result of any one specific area but rather a continued effort by the County to actively manage and minimize operational expenditures. The County did utilize other available and allowable monies in other funds to cover certain costs such as insurance expenses. County net transfers out in 2018 were \$745,091 compared to \$368,709 and are largely comprised of the transfer to the COP Series 2011 Fund for principal and interest payments. The increase in net transfers out is largely the result of the County in 2017 transferring \$300,000 out of the Self Insured Health Fund with the majority going to the General Fund. The County also transferred out \$116,679 to the Election Services Fund to cover 2018 election expenses.

The Road and Bridge Fund had an ending fund balance of \$1,977,943 as of December 31, 2018, an increase from 2017 of \$1,094,267. Expenditures for 2018 totaled \$2,530,791 as compared to \$3,320,550 for 2017, a decrease of \$789,759. The County completed improvements on County roads 346 and 347 during 2018 with the 2017 related expenses exceeding 2018 expenses by \$403,893 and there was a reduction in necessary road and bridge equipment purchases (2017 purchases in the Road and Bridge Fund were \$421,323 compared to \$101,109 in 2018). Major planned road and bridge equipment purchases for 2018 were delayed by delivery dates and manufacturing dates and as a result will be purchased in 2019. Revenues decreased from \$1,771,181 in 2017 to \$1,543,504 in 2018 due mostly to a reduction in Federal grant reimbursements and lower proceeds received from the sale of capital assets. Transfers in, mostly from Prop 1 sales tax allocations and expense reimbursements from the Prop 1 Fund, increased (\$1,759,551 in 2017 compared to \$2,081,554 in 2018) due to road and bridge expense reimbursements.

The County assessment fund balance remained steady in 2018 decreasing by only \$12,685. Total expenditures of \$992,299 were lower than the expenditures in 2017 of \$1,200,753 due to a reduction in the professional 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 2018 totaled \$806,870 as compared to \$1,010,232 in 2017 with the decline being largely the result of donations from outside entities impacted by the previously mentioned disputes.

The Capital Improvements Use Tax Fund increased by \$605,769 ending with a fund balance of \$1,614,827 at December 31, 2018. Use tax receipts increased from \$983,194 in 2017 to \$1,238,001 in 2018. The County has been building balances in this fund in anticipation for the Justice Center construction project that began late in 2018. The County did use \$654,897 of these available funds in 2018 for the Justice Center project (via land purchases for the expansion) as well as other capital improvements.

The 2018 Proposition 1 sales tax collected was \$7,356,562 vs. 2017 collections of \$7,364,867. Expenditures of \$5,753,668 in 2018 were higher than in 2017 by \$316,886. The increase was in the public safety (Sheriff's office) area as well as with road and bridge upkeep and improvements. The transfer out increase of \$356,580 is the result of the County transferring funds as reimbursement for road and bridge work to the Road and Bridge Fund.

The Capital Improvements Fund shows a balance of \$5,263,413 at December 31, 2018, an increase from 2017 by \$11,771. In the prior year the County spent \$772,916 in bridge repairs, which were fully funded from Federal and State sources. Excluding the aforementioned Federal and State funded bridge repair reimbursements, revenue increased by \$130,627 as the result of additional proceeds received on the sale of capital assets and additional interest revenues earned on deposits.

Principal, interest and fees paid in 2018 totaled \$551,555 (in line with requirements). The principal and interest obligations of the \$5,145,000 Series 2011 certificates of participation began on November 1, 2012 and are scheduled to end on November 1, 2022. Effective November 1, 2018, the County did issue \$20,055,000 in Series 2018 certificates of participation. Refer to Note 4 in the notes to the financial statements.

Other governmental funds, comprised of the 911 operations fund, sheriff's revolving fund, park development fund, collector's tax maintenance fund, juvenile grants fund, recorder of deeds fees fund, County law enforcement restitution fund, and other funds, increased in total by \$279,719. The County received \$97,965 in funds from the Dutchtown disincorporation restricted for use toward necessary expenses to support that area. The 911 tax fund also increased by \$71,191 as the County re-directed 911 operational expenses to other funds due to dwindling balances in this fund. The Sheriff's commissary fund grew by \$38,852 while the collector's tax maintenance fund grew by \$33,024.

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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Program Revenues:			
Charges for Services	\$ 2,549,572	\$ 2,750,574	\$ (201,002)
Operating Grants and Contributions	706,688	1,042,080	(335,392)
Capital Grants and Contributions	530,823	1,353,005	(822,182)
General Revenues:			
Taxes	17,891,157	17,822,480	68,677
911 Tariff	338,604	364,840	(26,236)
Fees, Fines and Commissions	1,654,978	1,752,678	(97,700)
Intergovernmental Revenues	265,708	261,206	4,502
Interest	344,650	145,666	198,984
Other	692,043	809,187	(117,144)
Total Revenues Before Special Items	<u>\$ 24,974,223</u>	<u>\$ 26,301,716</u>	<u>\$ (1,327,493)</u>

The following table is a comparison of functional level expenses for the County as a whole for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
General Government	\$ 8,013,985	\$ 8,096,036	\$ (82,051)
Public Safety	7,280,939	7,535,057	(254,118)
Health and Welfare	119,084	127,879	(8,795)
Cultural and Recreation	437,773	679,663	(241,890)
Judicial	1,879,859	1,938,179	(58,320)
Roads and Bridges Upkeep	4,040,524	5,420,300	(1,379,776)
Capital Improvements	2,171,858	125,717	2,046,141
Debt Service:			
Principal	475,000	465,000	10,000
Interest and Fiscal Charges	76,555	90,505	(13,950)
Total Expenses	<u>\$ 24,495,577</u>	<u>\$ 24,478,336</u>	<u>\$ 17,241</u>

ECONOMIC FACTORS AND RECENT COUNTY EVENTS IMPACTING COUNTY OPERATIONS

Currently, the general sales tax numbers for the 2019 year, January through May, have been slightly up from what we saw in 2018 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 2019 will come in roughly the same or slightly higher than what we saw from 2018. While it is always difficult to predict any type of long term projections for 2019 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 \$7,271,319 in 2016 to \$7,365,011 in 2017 and to \$7,356,616 in 2018. 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 is not required to be filed by persons whose purchases from out-of-state vendors do not in total exceed \$2,000 in any calendar year. 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 \$983,194 and in 2018 it was \$1,238,001. The amount collected from January 2019 thru the end of May 2019 is \$665,017.

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 2019 contract amounts to \$100,000 which is the same as 2018 as well as the three previous years.

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

On June 21, 2004, Cape Girardeau County and the City of Cape Girardeau entered into a development agreement with Sears, Roebuck and Company, a New York Corporation. The maximum amount to be reimbursed by the City of Cape Girardeau is \$2,134,917 and the County is to reimburse \$533,729 over the 15-year contract. The agreement is related to a sales tax sharing incentive provided by Cape Girardeau County and the City of Cape Girardeau to assist Sears with the construction of the Sears Grand located at 330 Seimers Drive at Cape Girardeau, Missouri. Cape Girardeau County would be responsible for 75% of net revenues from the new sales tax generated from the project during a calendar quarter that exceeds the base of \$16,000 per quarter. A total amount of \$25,659 has been paid to date (\$0 in 2018, 2017 and 2016) by the County on this Sears project.

On June 14, 2004, per the Cape Girardeau Commission on behalf of the County authorized to execute a development agreement between Drury Land Development, Inc. and Cape Girardeau County for the construction of certain public improvements in the City and County of Cape Girardeau. The development agreement is subject to the Intergovernmental Cooperation Act (Section 70.210 ET SEQ). Another development agreement dated June 21, 2004, involving the City of Cape Girardeau, County of Cape Girardeau, and Drury Land Development along with Kohl's Department Stores, Inc. was approved in connection with the construction of the Kohl's Department Store whereby the County has agreed to reimburse Drury Land Development Corporation 50% of the net general sales tax collected. The County approved a phase two reimbursement agreement dated October 15, 2012 which includes the Academy Store development, and which limits the total project reimbursable development costs as paid by Drury Land Development, Inc. to a maximum aggregate amount of \$3,000,000. In 2018 and 2017, Cape Girardeau County paid \$67,783 and \$69,898, respectively, to Drury Land Development Corporation. Cape Girardeau County has paid Drury Development Corporation \$616,572 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. 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 2018 and 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, 2018 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) with PPO out of pocket limit of \$7,350 individual (\$14,700) deductible Plan. Regardless of the option chosen, for 2018 the County paid a monthly per employee amount of \$605 (paid \$560 per employee in 2017). 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 205 full-time employees, paying 100% of the employee premium, is \$1,659,701.

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. An amendment was approved in August of 2018 between the Capital Sand and Cape Girardeau County to provide an additional \$300,000 for continued road maintenance and upkeep. 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, \$249,511 in 2018 and has received a total of \$32,172 through May 31, 2019. The total collected thru May 31, 2019 for the project is \$537,319.

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 on February 24, 2017 of \$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 use tax fund. The County is also considering a similar improvement project to the Jackson Courthouse as well as the County Jail building. No date has been set for consideration on either the Jackson Courthouse or County Jail project.

The County Commission is in the process of building the County Justice Center with Penzel Construction as their design-build contractor. The project is estimated to cost \$20 million and will be funded by the issuance of the \$20,055,000 Series 2018 Certificates of Participation as well as the County Improvements Use Tax Fund as defined when the ballot issue was passed. The project is expected to be completed by the fall of 2020. The contractual obligation with Penzel Construction is currently \$18,480,662 with the County having paid \$784,884 as of December 31, 2018.

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 2019 are anticipated to be consistent with prior years.

Property Valuation

The following table shows the total 2018 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2018 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 660,432,390	19%	\$ 3,475,959,947
Commercial	331,697,960	32%	1,036,556,125
Agricultural	24,083,470	12%	200,695,583
Sub-Total	\$ 1,016,213,820		\$ 4,713,211,655
Personal Property	297,233,580	33 1/3%	891,709,657
Locally Assessed Railroad & Utility:			
Real Estate	3,453,686	32%	10,792,769
Personal Property	2,592,645	33 1/3%	7,778,013
State Assessed Railroad & Utility:			
Real Estate	42,339,988	32%	132,312,462
Personal Property	10,960,162	33 1/3%	32,880,815
Total Assessed Valuation	\$ 1,372,793,881		\$ 5,788,685,371

The County levied \$77,337,110 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$73,908,914, which includes \$3,158,973 in taxes collected under protest, a collection rate of 95.57%. The balance of all delinquent taxes owed as of February 28, 2019 (the collection year-end) is \$2,998,639. The total abatements issued during the County Collector's year ending February 28, 2019 was \$429,557. (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	\$ 2,525,000	\$ -	\$ 475,000	\$ 2,050,000
Series 2018 Certificates	-	20,055,000	-	20,055,000
	\$ 2,525,000	\$ 20,055,000	\$ 475,000	\$ 22,105,000

Effective November 1, 2011, the County issued the \$5,145,000 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, 2018 was \$76,555.

The following is a summary of debt service requirements to maturity for the Series 2011 Certificates:

Year Ending December 31,	Principal	Interest	Total
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
	\$ 2,050,000	\$ 167,709	\$ 2,217,709

Effective November 1, 2018, the County issued the \$20,055,000 Series 2018 Certificates with variable interest rates ranging from 3.50% to 5.00%. The first principal payment and final principal payment on the Series 2018 Certificates are due November 1, 2019 and November 1, 2045, respectively. Interest is paid semi-annually on May 1 and November 1.

The following is a summary of debt service requirements to maturity for the Series 2018 Certificates:

Year Ending December 31,	Principal	Interest	Total
2019	\$ 440,000	\$ 801,469	\$ 1,241,469
2020	460,000	783,869	1,243,869
2021	475,000	765,469	1,240,469
2022	495,000	746,469	1,241,469
2023	515,000	726,669	1,241,669
2024-2028	2,945,000	3,266,793	6,211,793
2029-2033	3,600,000	2,613,293	6,213,293
2034-2038	4,320,000	1,885,650	6,205,650
2039-2043	5,255,000	957,000	6,212,000
2044-2045	1,550,000	76,800	1,626,800
	\$ 20,055,000	\$ 12,623,481	\$ 32,678,481

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, 2018

ASSETS

Cash and Cash Equivalents	\$ 16,463,973
Investments	16,913,742
Due from Other Funds	<u>1,570,370</u>
Total Assets	<u>\$ 34,948,085</u>

NET POSITION

Restricted for:	
Road and Bridge	\$ 1,977,943
Capital Projects and Improvements	20,451,345
Dutchtown Disincorporation	94,929
911 Operations	128,024
Law Enforcement and Road Improvements (Prop 1)	1,407,548
Election Services	50,077
Collectors Tax Maintenance	109,693
Public Safety	814,774
Health and Welfare	78,685
Administration of Justice	35,793
Property Assessment	578,251
Recording	152,755
Debt Service	178
Unrestricted	<u>9,068,090</u>
Total Net Position	<u>\$ 34,948,085</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, 2018

	Program Cash Receipts				Net Expenses and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 8,013,985	\$ 1,254,738	\$ 83,708	\$ -	\$ (6,675,539)
Public Safety	7,280,939	632,960	295,185	32,012	(6,320,782)
Health and Welfare	119,084	-	93,832	-	(25,252)
Cultural and Recreation	437,773	-	-	11,823	(425,950)
Judicial	1,879,859	661,874	233,963	-	(984,022)
Roads and Bridges Upkeep	4,040,524	-	-	435,806	(3,604,718)
Capital Improvements	2,171,858	-	-	51,182	(2,120,676)
Debt Service:					
Principal	475,000	-	-	-	(475,000)
Interest and Fiscal Charges	76,555	-	-	-	(76,555)
Totals	\$ 24,495,577	\$ 2,549,572	\$ 706,688	\$ 530,823	\$ (20,708,494)

General Revenues:

Taxes	\$ 17,891,157
911 Tariff	338,604
Fees, Fines and Commissions	1,654,978
Intergovernmental Revenues	265,708
Interest	344,650
Other	692,043

Total General Revenues \$ 21,187,140

Change in Net Position before Special Items \$ 478,646

Special Items:

Net Proceeds from Issuance of Certificates 20,004,895

Change in Net Position \$ 20,483,541

Net Position at January 1, 2018 14,464,544

Net Position at December 31, 2018 \$ 34,948,085

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, 2018

	Special Revenue Funds									Total County Funds
	General Fund	Road and Bridge Fund	Assessment Fund	Capital Improvements Use Tax Fund	Proposition 1 Tax Fund	Capital Improvements Fund	COP Series 2011	COP Series 2018	Nonmajor Governmental Funds	
ASSETS										
Cash and Cash Equivalents	\$ 2,374,992	\$ 1,944,619	\$ 103,108	\$ 1,614,827	\$ 1,407,548	\$ 4,863,980	\$ 178	\$ 2,322,209	\$ 1,476,251	\$ 16,107,712
Investments	-	-	-	-	-	399,433	-	16,514,309	-	16,913,742
Due from Other Funds	1,059,557	33,324	475,143	-	-	-	-	-	2,346	1,570,370
Total Assets	\$ 3,434,549	\$ 1,977,943	\$ 578,251	\$ 1,614,827	\$ 1,407,548	\$ 5,263,413	\$ 178	\$ 18,836,518	\$ 1,478,597	\$ 34,591,824
FUND BALANCES										
Restricted	\$ -	\$ 1,977,943	\$ 578,251	\$ 1,614,827	\$ 1,407,548	\$ -	\$ 178	\$ 18,836,518	\$ 1,464,730	\$ 25,879,995
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	45,107	-	-	-	-	5,263,413	-	-	30,733	5,339,253
Unassigned	3,389,442	-	-	-	-	-	-	-	(16,866)	3,372,576
Total Fund Balances	\$ 3,434,549	\$ 1,977,943	\$ 578,251	\$ 1,614,827	\$ 1,407,548	\$ 5,263,413	\$ 178	\$ 18,836,518	\$ 1,478,597	\$ 34,591,824

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, 2018

Total fund balances for the County governmental funds	\$	34,591,824
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>356,261</u>
Total net position of the County	\$	<u><u>34,948,085</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, 2018

	Special Revenue Funds									Total County Funds
	General Fund	Road and Bridge Fund	Assessment Fund	Capital Improvements Use Tax Fund	Proposition 1 Tax Fund	Capital Improvements Fund	COP Series 2011	COP Series 2018	Nonmajor Governmental Funds	
RECEIPTS										
Taxes	\$ 8,130,397	\$ 1,166,197	\$ -	\$ 1,238,001	\$ 7,356,562	\$ -	\$ -	\$ -	\$ -	\$ 17,891,157
Fees, Fines and Commissions	2,326,501	-	582,088	-	-	-	-	-	476,369	3,384,958
Intergovernmental Revenues	1,206,229	76,782	179,803	-	4,670	51,183	-	-	433,464	1,952,131
Interest (Net of Purchased Interest)	108,423	31,875	5,332	32,189	44,431	114,316	183	(20,398)	28,299	344,650
911 Tariff	-	-	-	-	-	-	-	-	338,604	338,604
Other	56,259	268,650	39,647	-	-	216,456	-	-	356,641	937,653
Total Receipts	\$ 11,827,809	\$ 1,543,504	\$ 806,870	\$ 1,270,190	\$ 7,405,663	\$ 381,955	\$ 183	\$ (20,398)	\$ 1,633,377	\$ 24,849,153
DISBURSEMENTS										
General Government	\$ 4,431,230	\$ -	\$ 992,299	\$ -	\$ 2,289,286	\$ -	\$ -	\$ -	\$ 287,910	\$ 8,000,725
Public Safety	4,362,486	-	-	-	1,960,753	-	-	-	938,928	7,262,167
Health and Welfare	-	-	-	-	-	-	-	-	119,084	119,084
Cultural and Recreation	375,400	-	-	-	-	-	-	-	61,470	436,870
Judicial	1,859,205	-	-	-	-	-	-	-	16,484	1,875,689
Roads and Bridges Upkeep	-	2,530,791	-	-	1,503,629	-	-	-	690	4,035,110
Capital Improvements	-	-	-	654,897	-	368,982	-	1,147,979	-	2,171,858
Debt Service:										
Principal	-	-	-	-	-	-	475,000	-	-	475,000
Interest and Fiscal Charges	-	-	-	-	-	-	76,555	-	-	76,555
Total Disbursements	\$ 11,028,321	\$ 2,530,791	\$ 992,299	\$ 654,897	\$ 5,753,668	\$ 368,982	\$ 551,555	\$ 1,147,979	\$ 1,424,566	\$ 24,453,058
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ 799,488	\$ (987,287)	\$ (185,429)	\$ 615,293	\$ 1,651,995	\$ 12,973	\$ (551,372)	\$ (1,168,377)	\$ 208,811	\$ 396,095
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 117,654	\$ 2,081,554	\$ 213,994	\$ -	\$ -	\$ -	\$ 551,501	\$ -	\$ 138,982	\$ 3,103,685
Transfers Out	(862,745)	-	(41,250)	(9,524)	(2,120,890)	(1,202)	-	-	(68,074)	(3,103,685)
Net Proceeds from Issuance of Certificates	-	-	-	-	-	-	-	20,004,895	-	20,004,895
Total Other Financing Sources (Uses)	\$ (745,091)	\$ 2,081,554	\$ 172,744	\$ (9,524)	\$ (2,120,890)	\$ (1,202)	\$ 551,501	\$ 20,004,895	\$ 70,908	\$ 20,004,895
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Uses)	\$ 54,397	\$ 1,094,267	\$ (12,685)	\$ 605,769	\$ (468,895)	\$ 11,771	\$ 129	\$ 18,836,518	\$ 279,719	\$ 20,400,990
Fund Balances at January 1, 2018	3,380,152	883,676	590,936	1,009,058	1,876,443	5,251,642	49	-	1,198,878	14,190,834
Fund Balances at December 31, 2018	\$ 3,434,549	\$ 1,977,943	\$ 578,251	\$ 1,614,827	\$ 1,407,548	\$ 5,263,413	\$ 178	\$ 18,836,518	\$ 1,478,597	\$ 34,591,824

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, 2018

Net change in fund balances for the County governmental funds	\$	20,400,990
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>82,551</u>
Total change in net position of the County	\$	<u><u>20,483,541</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, 2018

	Self Insured Health Fund
ASSETS	
Cash and Cash Equivalents	\$ 356,261
Investments	-
Total Assets	<u>\$ 356,261</u>
NET POSITION	
Restricted	\$ -
Unrestricted	356,261
Total Net Position	<u>\$ 356,261</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, 2018

	<u>Self Insured Health Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 1,569,842
Miscellaneous	15,451
Total Operating Revenues	<u>\$ 1,585,293</u>
OPERATING EXPENSES	
Claims Expense	\$ 1,117,171
Reinsurance Premiums	276,469
Administrative Fees and Commissions	86,673
Employee Benefits	22,429
Total Operating Expenses	<u>\$ 1,502,742</u>
Operating Income	<u>\$ 82,551</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers In (Out)	\$ -
Interest Income	-
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>
Change in Net Position	\$ 82,551
Net Position - January 1, 2018	<u>273,710</u>
Net Position - December 31, 2018	<u><u>\$ 356,261</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, 2018

	Agency Funds	Private Purpose Trust Funds	Total Fiduciary Funds
ASSETS			
Cash and Cash Equivalents	\$ 59,751,431	\$ 120,720	\$ 59,872,151
Due from Other Funds	4,709,497	867	4,710,364
Total Assets	<u>\$ 64,460,928</u>	<u>\$ 121,587</u>	<u>\$ 64,582,515</u>
LIABILITIES			
Due to Others	\$ 58,180,192	\$ -	\$ 58,180,192
Due to Other Funds	6,280,736	-	6,280,736
Total Liabilities	<u>\$ 64,460,928</u>	<u>\$ -</u>	<u>\$ 64,460,928</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	-	121,587	121,587
Total Net Position	<u>\$ -</u>	<u>\$ 121,587</u>	<u>\$ 121,587</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, 2018

	Private Purpose Trust Funds
RECEIPTS	
Taxes	\$ 2,061
Intergovernmental	22,960
Interest	2,339
Total Receipts	<u>\$ 27,360</u>
DISBURSEMENTS	
Public Safety	\$ 10,198
Other Charges and Services	-
Total Disbursements	<u>\$ 10,198</u>
Change in Net Position	17,162
Net Position at January 1, 2018	<u>104,425</u>
Net Position at December 31, 2018	<u><u>\$ 121,587</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, 2018

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 21, 2019, 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, 2018

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, 2018

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.

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).

COP Series 2011 – This 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 along with the project costs.

COP Series 2018 – This fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on the County's Series 2018 Certificates of Participation along with the project costs.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018

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, 2018 consist of certificates of deposit, regardless of maturity, and United States Treasury Notes. 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.

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, 2018

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, 2018

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, and United States Treasury Notes. The County investments are as follows:

Certificates of Deposit	\$ 399,433
United States Treasury Notes	<u>16,514,309</u>
Total Investments	<u>\$ 16,913,742</u>

The certificates of deposit have a maturity of less than one year and the United States Treasury Notes have varying maturities ranging from one month to thirteen months to coincide with the anticipated cash flow needs of the Certificates of Participation, Series 2018 construction project. 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, 2018, the amortized cost of the County's investments totaled \$16,913,742 while the fair-market value totaled \$16,947,600. Even though they are recorded at their amortized cost, all investments are considered Level 1 investments as their reported fair-market value is based on quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

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, 2018

NOTE 3: TAXES:

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

Mental Health	\$0.0772
State Tax	\$0.0300
General Revenue	\$0.0587
County Health Tax	\$0.0960
School Districts	Varies from \$3.1000 to \$4.4500
Regional Library	\$0.0729
Cape Girardeau Public Library	\$0.3143
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 \$1.0897

The following table shows the total 2018 assessed valuations and the estimated actual valuations, by category, of all taxable tangible property in the County.

Category	2018 Assessment	Assessment Rate	Estimated Valuation
Real Estate:			
Residential	\$ 660,432,390	19%	\$ 3,475,959,947
Commercial	331,697,960	32%	1,036,556,125
Agricultural	24,083,470	12%	200,695,583
Sub-Total	\$ 1,016,213,820		\$ 4,713,211,655
Personal Property	297,233,580	33 1/3%	891,709,657
Locally Assessed Railroad & Utility:			
Real Estate	3,453,686	32%	10,792,769
Personal Property	2,592,645	33 1/3%	7,778,013
State Assessed Railroad & Utility:			
Real Estate	42,339,988	32%	132,312,462
Personal Property	10,960,162	33 1/3%	32,880,815
Total Assessed Valuation	\$ 1,372,793,881		\$ 5,788,685,371

The County levied \$77,337,110 in current, back and protested taxes, interest, penalties, fees and licenses. The County collected \$73,908,914, which includes \$3,158,973 in taxes collected under protest, a collection rate of 95.57%. The balance of all delinquent taxes owed as of February 28, 2019 (the collection year-end) is \$2,998,639. The total abatements issued during the County Collector's year ending February 28, 2019 was \$429,557. (Source: Cape Girardeau County Collector)

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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	\$ 2,525,000	\$ -	\$ 475,000	\$ 2,050,000
Series 2018 Certificates	-	20,055,000	-	20,055,000
	<u>\$ 2,525,000</u>	<u>\$ 20,055,000</u>	<u>\$ 475,000</u>	<u>\$ 22,105,000</u>

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. Principal and interest payments are funded by the General Revenue Fund. Total interest expense paid during the year ended December 31, 2018 was \$76,555.

The following is a summary of debt service requirements to maturity for the Series 2011 Certificates:

Year Ending December 31,	Principal	Interest	Total
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
	<u>\$ 2,050,000</u>	<u>\$ 167,709</u>	<u>\$ 2,217,709</u>

Effective November 1, 2018, the County issued \$20,055,000 in Certificates of Participation, Series 2018 (the "Series 2018 Certificates") with variable interest rates ranging from 3.50% to 5.00% to pay the costs of constructing, furnishing and equipping a new Justice Center and other miscellaneous capital improvements, and to pay certain costs in connection with the execution and delivery of the Series 2018 Certificates. The first principal payment and final principal payment on the Series 2018 Certificates are due November 1, 2019 and November 1, 2045, respectively. Principal and interest payments will be funded by the Capital Improvements Use Tax Fund. Interest is paid semi-annually on May 1 and November 1. Total interest expense paid during the year ended December 31, 2018 was \$0.

The Series 2018 Certificates were issued at a premium and after deducting the costs in connection with the execution and delivery, the issuance resulted in \$20,004,895 in net proceeds available for the construction, furnishing and equipping of a new Justice Center and other miscellaneous capital improvements.

Principal Proceeds	\$ 20,055,000
Original Issue Premium	175,000
Costs of Issuance	<u>(225,105)</u>
	<u>\$ 20,004,895</u>

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4: CERTIFICATES OF PARTICIPATION: (Continued)

The following is a summary of debt service requirements to maturity for the Series 2018 Certificates:

Year Ending December 31,	Principal	Interest	Total
2019	\$ 440,000	\$ 801,469	\$ 1,241,469
2020	460,000	783,869	1,243,869
2021	475,000	765,469	1,240,469
2022	495,000	746,469	1,241,469
2023	515,000	726,669	1,241,669
2024-2028	2,945,000	3,266,793	6,211,793
2029-2033	3,600,000	2,613,293	6,213,293
2034-2038	4,320,000	1,885,650	6,205,650
2039-2043	5,255,000	957,000	6,212,000
2044-2045	1,550,000	76,800	1,626,800
	<u>\$ 20,055,000</u>	<u>\$ 12,623,481</u>	<u>\$ 32,678,481</u>

NOTE 5: OPERATING LEASES:

The County leases machinery and equipment, copiers, office space, software, and communication tower space under operating lease agreements expiring at various times through 2018. Future minimum annual rental commitments under the non-cancelable leases are as follows:

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

NOTE 6: TAXABLE INDUSTRIAL REVENUE BONDS:

✓ *Proctor & Gamble Paper Products Company:*

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

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6: TAXABLE INDUSTRIAL REVENUE BONDS: (Continued)

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, 2018, which was year 19 of 30, the discount factor was 0.3971 and resulted in a total tax abatement from the above PILOT payment agreement of \$937,406.

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, 2018, which was year 17 of 20, the discount factor was 0.7629 and resulted in a total tax abatement from the above PILOT payment agreement of \$241,685.

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, 2018, which was year 14 of 25, the fixed PILOT payment was \$111,617 which resulted in a total tax abatement from the above PILOT payment agreement of \$40,814.

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, 2018

NOTE 6: TAXABLE INDUSTRIAL REVENUE BONDS: (Continued)

✓ *North Hubble Creek Development, LLC:*

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

Series 2011	\$10,600,000
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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, 2018, the total tax abatement resulting from the above PILOT payment agreement was \$85,567.

✓ *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, 2018, the total tax abatement resulting from the above PILOT payment agreement was \$21,285 in real property taxes and \$14,913 in personal property taxes.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7: MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM:

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

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

	<u>February 28, 2018 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, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Retirees and beneficiaries	86	29
Inactive, nonretired members	65	37
Active employees	132	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 for 2018 were 15.8% for General and 13.9% for Police of annual covered payroll (rates are same for 2019).

Net Pension Liability: The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Actuarial Assumptions: The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Remaining Amortization Period	Multiple bases from 11 to 16 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
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, 2018 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	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets	23.50%	3.42%

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

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 34,084,378	\$ 33,483,980	\$ 600,398
Changes for the Year:			
Service cost	\$ 824,664	\$ -	\$ 824,664
Interest	2,446,994	-	2,446,994
Difference - expected & actual experience	83,836	-	83,836
Contributions – employer	-	1,136,698	(1,136,698)
Contributions – employee	-	-	-
Net investment income	-	4,120,297	(4,120,297)
Changes of assumptions	-	-	-
Benefit payments, including refunds	(1,501,977)	(1,501,977)	-
Administrative expense	-	(30,220)	30,220
Other changes	-	(60,563)	60,563
Net changes for the year	\$ 1,853,517	\$ 3,664,235	\$ (1,810,718)
Balances at June 30, 2018	\$ 35,937,895	\$ 37,148,215	\$ (1,210,320)

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	\$ 2,673,138	\$ (827,057)	\$ (3,693,318)
Police	\$ 1,468,170	\$ (383,263)	\$ (1,878,005)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions: For the fiscal year ending June 30, 2018, the fiscal year for LAGERS, the County's pension expense, under the basis of accounting as used by LAGERS, was \$922,816 for the General division and \$268,657 for the Police division.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 118,294	\$ (461,722)
Changes in assumptions	488,615	-
Net difference between projected and actual earnings	-	(1,009,702)
Contributions subsequent to the measurement date *	541,099	-
Total	\$ 1,148,008	\$ (1,471,424)

*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, 2019.

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 (Inflows) of Resources
2019	\$	238,024
2020		(99,360)
2021		(674,818)
2022		(331,629)
2023		3,268
Thereafter		-
Total	\$	(864,515)

Payable to the Pension Plan: At December 31, 2018, 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, 2018

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND:

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

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

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, 2018

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

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

The total pension liability as of December 31, 2017, the most recent measurement date for CERF, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Discount	7.5%
Inflation	2.5%
Compensation increases	2.5% plus merit
Mortality rates	RP-2000 Combined Mortality projected to 2022 using Scale BB.

The actuarial assumptions used in the December 31, 2017 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, 2017 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, 2018

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

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

Pension Expense, Net Pension Liability and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The 2017 County contributions, as included in CERF's determination of the County's net pension liability as of December 31, 2017, the most recent measurement date, was \$402,069 and represented 1.91466% of the total employer contributions from all participating entities as remitted to CERF during the year ended December 31, 2017.

The County's proportionate share of the net pension liability based upon CERF's most recent measurement date of December 31, 2017 was \$3,790,933. The County's proportionate share of the total pension expense for the year ended December 31, 2017 was \$864,403.

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	\$ 70,317	\$ 213,947
Net difference between projected and actual earnings	-	45,874
Change in assumptions	589,931	-
Change in proportion and difference between employer contributions and proportionate share of contributions	181,534	203,711
Contributions subsequent to the measurement date *	705,654	-
Total	\$ 1,547,436	\$ 463,532

*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, 2018.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8: COUNTY EMPLOYEES RETIREMENT FUND: (Continued)

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

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.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,566,715	\$ 3,790,933	\$ 2,316,260

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

At December 31, 2018, 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 9: POST EMPLOYMENT BENEFITS:

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

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

NOTE 10: DEFICIT FUND BALANCE:

The juvenile grant fund currently has a deficit fund balances of (\$16,866). The deficit will be financed through future revenues of the respective fund.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018, the TIF amount to be re-distributed is \$220,869. 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, 2018, the TIF amount to be re-distributed is \$630. 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, 2018, the TIF amount to be re-distributed is \$74,847. 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, 2018, the TIF amount to be re-distributed is \$12,162. 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, 2018

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 2018 and has secured these services for 2019 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 2018, the County paid \$67,783 pursuant to this agreement. Total payments made by the County through December 31, 2018 are \$616,572.

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 2018, the County paid \$0. Total payments made through December 31, 2018 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 2018, the County paid \$0 from its sales tax revenue in connection with this project. Total payments through December 31, 2018 are \$27,160.

The County paid \$113,970 in 2018 and has again agreed to pay the University Extension Center \$105,000 to provide educational related community activities for 2019.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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 \$33,000 for services in 2018 and has secured services for 2019 at a cost of \$33,000.

The County Commission entered into an agreement with Navigate Solutions to assist in the planning process of the Justice Center. The agreement was \$347,735 for the design-builder services (paid in full as of December 31, 2018) and \$19,854 per month for post design-builder selection and construction services. The County entered into an agreement with Penzel Construction as the design-build contractor for \$18,480,662 with the County having paid \$784,884 as of December 31, 2018. The project is being funded via the issuance of the Series 2018 Certificates of Participation and 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 \$113,895 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 2018 the County paid a monthly per employee amount of \$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, 2018, the County has a balance of \$356,261 to cover future self-insured health fund administrative costs and claims.

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

The estimated maximum annual plan cost to the County for employee healthcare based on 205 full-time employees is \$1,659,701.

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12: COMMITMENTS AND CONTINGENCIES: (Continued)

The County receives federal and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed or other noncompliance with the terms of the grants and funding. The County is not aware of any noncompliance with federal or state provisions that might require the County to provide reimbursement.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in the County's insurance coverage.

There are claims and lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE 13: INTERFUND TRANSFERS:

The County Collector receives most of the real estate and personal property taxes in December of each year. The tax receipts are disbursed in the subsequent month to the various entities. Interfund balances at December 31, 2018 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, 2018 are as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Assessment Fund	\$ 189,601	Expense Reimbursements
General Fund	COP Series 2011 Fund	551,501	Principal and Interest
General Fund	Election Services	116,679	Expense Reimbursements
General Fund	Road and Bridge Fund	4,964	Expense Reimbursements
Dutchtown Fund	Road and Bridge Fund	2,346	Expense Reimbursements
Capital Improvements Fund	Road and Bridge Fund	1,202	Expense Reimbursements
Use Tax Fund	Road and Bridge Fund	9,524	Expense Reimbursements
Park Development Fund	Road and Bridge Fund	2,389	Expense Reimbursements
Sheriff Revolving Fund	Sheriff Training Fund	22,303	Training Reimbursements
Assessment Fund	General Fund	41,250	Expense Reimbursements
P.A. Training Fund	General Fund	1,088	Expense Reimbursements
P.A. Contingent Fund	General Fund	39,948	Expense Reimbursements
Proposition 1 Tax Fund	Road and Bridge Fund	291,077	Expense Reimbursements
Proposition 1 Tax Fund	General Fund	35,368	Tax Allocation
Proposition 1 Tax Fund	Assessment Fund	24,393	Tax Allocation
Proposition 1 Tax Fund	Road and Bridge Fund	1,770,052	Tax Allocation
Total Interfund Transfers		<u>\$ 3,103,685</u>	

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14: 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	\$	1,977,943	
Capital Projects and Improvements		20,451,345	
Dutchtown Disincorporation		94,929	
911 Operations		128,024	
Law Enforcement and Road Improvements (Prop 1)		1,407,548	
Election Services		50,077	
Collector's Tax Maintenance		109,693	
Public Safety		814,774	
Health and Welfare		78,685	
Administration of Justice		35,793	
Property Assessment		578,251	
Recording		152,755	
Debt Service		178	
Total Restricted			\$ 25,879,995
Committed:			
None			-
Assigned:			
Capital Improvements	\$	5,263,413	
Sheriff's Operational		1,429	
Juvenile Office Operations		664	
Park Development		21,080	
Recording		43,014	
Archive Fund		1,403	
Early Warning Siren Project		8,250	
Total Assigned			5,339,253
Unassigned:			
General	\$	3,389,442	
Juvenile Grant Fund		(16,866)	
Total Unassigned			3,372,576
Total Fund Balance			\$ 34,591,824

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.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Taxes	\$ 8,291,724	\$ 8,130,397	\$ 8,130,397	\$ -
Fees, Fines and Commissions	2,354,765	2,326,501	2,326,501	-
Intergovernmental Revenues	1,125,944	1,206,229	1,206,229	-
Interest	50,071	108,423	108,423	-
Other	76,050	56,259	56,259	-
Total Receipts	<u>\$ 11,898,554</u>	<u>\$ 11,827,809</u>	<u>\$ 11,827,809</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ 4,630,404	\$ 4,431,230	\$ 4,431,230	\$ -
Public Safety	4,551,145	4,362,486	4,362,486	-
Cultural and Recreation	358,727	375,400	375,400	-
Judicial	2,068,053	1,859,205	1,859,205	-
Total Disbursements	<u>\$ 11,608,329</u>	<u>\$ 11,028,321</u>	<u>\$ 11,028,321</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 290,225</u>	<u>\$ 799,488</u>	<u>\$ 799,488</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 128,200	\$ 117,654	\$ 117,654	\$ -
Transfers Out	(913,157)	(862,745)	(862,745)	-
Total Other Financing Sources (Uses)	<u>\$ (784,957)</u>	<u>\$ (745,091)</u>	<u>\$ (745,091)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (494,732)</u>	<u>\$ 54,397</u>	<u>\$ 54,397</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	<u>3,380,152</u>	<u>3,380,152</u>	<u>3,380,152</u>	<u>-</u>
Fund Balances at December 31, 2018	<u><u>\$ 2,885,420</u></u>	<u><u>\$ 3,434,549</u></u>	<u><u>\$ 3,434,549</u></u>	<u><u>\$ -</u></u>

The accompanying notes to required supplementary information
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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 1,078,650	\$ 1,166,197	\$ 1,166,197	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	76,782	76,782	-
Interest	9,003	31,875	31,875	-
911 Tariff	-	-	-	-
Other	269,600	268,650	268,650	-
Total Receipts	<u>\$ 1,357,253</u>	<u>\$ 1,543,504</u>	<u>\$ 1,543,504</u>	<u>\$ -</u>
DISBURSEMENTS				
Roads and Bridges Upkeep	\$ 3,415,905	\$ 2,530,791	\$ 2,530,791	\$ -
Total Disbursements	<u>\$ 3,415,905</u>	<u>\$ 2,530,791</u>	<u>\$ 2,530,791</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (2,058,652)</u>	<u>\$ (987,287)</u>	<u>\$ (987,287)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,796,522	\$ 2,081,554	\$ 2,081,554	\$ -
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 1,796,522</u>	<u>\$ 2,081,554</u>	<u>\$ 2,081,554</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (262,130)</u>	<u>\$ 1,094,267</u>	<u>\$ 1,094,267</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	<u>883,676</u>	<u>883,676</u>	<u>883,676</u>	<u>-</u>
Fund Balances at December 31, 2018	<u><u>\$ 621,546</u></u>	<u><u>\$ 1,977,943</u></u>	<u><u>\$ 1,977,943</u></u>	<u><u>\$ -</u></u>

The accompanying notes to required supplementary information
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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees, Fines and Commissions	620,000	582,088	582,088	-
Intergovernmental Revenues	110,000	179,803	179,803	-
Interest	2,750	5,332	5,332	-
911 Tariff	-	-	-	-
Other	143,350	39,647	39,647	-
Total Receipts	<u>\$ 876,100</u>	<u>\$ 806,870</u>	<u>\$ 806,870</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ 1,096,177	\$ 992,299	\$ 992,299	\$ -
Total Disbursements	<u>\$ 1,096,177</u>	<u>\$ 992,299</u>	<u>\$ 992,299</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (220,077)</u>	<u>\$ (185,429)</u>	<u>\$ (185,429)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 213,265	\$ 213,994	\$ 213,994	\$ -
Transfers Out	(55,000)	(41,250)	(41,250)	-
Total Other Financing Sources (Uses)	<u>\$ 158,265</u>	<u>\$ 172,744</u>	<u>\$ 172,744</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (61,812)</u>	<u>\$ (12,685)</u>	<u>\$ (12,685)</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	590,936	590,936	590,936	-
Fund Balances at December 31, 2018	<u><u>\$ 529,124</u></u>	<u><u>\$ 578,251</u></u>	<u><u>\$ 578,251</u></u>	<u><u>\$ -</u></u>

The accompanying notes to required supplementary information
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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 983,195	\$ 1,238,001	\$ 1,238,001	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Interest	11,000	32,189	32,189	-
911 Tariff	-	-	-	-
Other	-	-	-	-
Total Receipts	<u>\$ 994,195</u>	<u>\$ 1,270,190</u>	<u>\$ 1,270,190</u>	<u>\$ -</u>
DISBURSEMENTS				
Capital Improvements	\$ 910,000	\$ 654,897	\$ 654,897	-
Total Disbursements	<u>\$ 910,000</u>	<u>\$ 654,897</u>	<u>\$ 654,897</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 84,195</u>	<u>\$ 615,293</u>	<u>\$ 615,293</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	(9,524)	(9,524)	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (9,524)</u>	<u>\$ (9,524)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ 84,195</u>	<u>\$ 605,769</u>	<u>\$ 605,769</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	<u>1,009,058</u>	<u>1,009,058</u>	<u>1,009,058</u>	<u>-</u>
Fund Balances at December 31, 2018	<u><u>\$ 1,093,253</u></u>	<u><u>\$ 1,614,827</u></u>	<u><u>\$ 1,614,827</u></u>	<u><u>\$ -</u></u>

The accompanying notes to required supplementary information
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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Taxes	\$ 7,363,024	\$ 7,356,562	\$ 7,356,562	\$ -
Fees, Fines and Commissions	-	-	-	-
Intergovernmental Revenues	-	4,670	4,670	-
Interest	27,000	44,431	44,431	-
911 Tariff	-	-	-	-
Other	-	-	-	-
Total Receipts	<u>\$ 7,390,024</u>	<u>\$ 7,405,663</u>	<u>\$ 7,405,663</u>	<u>\$ -</u>
DISBURSEMENTS				
General Government	\$ 2,352,941	\$ 2,289,286	\$ 2,289,286	\$ -
Public Safety	1,754,319	1,960,753	1,960,753	-
Roads and Bridges Upkeep	1,665,520	1,503,629	1,503,629	-
Total Disbursements	<u>\$ 5,772,780</u>	<u>\$ 5,753,668</u>	<u>\$ 5,753,668</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 1,617,244</u>	<u>\$ 1,651,995</u>	<u>\$ 1,651,995</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	<u>(1,697,338)</u>	<u>(2,120,890)</u>	<u>(2,120,890)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ (1,697,338)</u>	<u>\$ (2,120,890)</u>	<u>\$ (2,120,890)</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements & Other Financing (Uses)	<u>\$ (80,094)</u>	<u>\$ (468,895)</u>	<u>\$ (468,895)</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	<u>1,876,443</u>	<u>1,876,443</u>	<u>1,876,443</u>	<u>-</u>
Fund Balances at December 31, 2018	<u><u>\$ 1,796,349</u></u>	<u><u>\$ 1,407,548</u></u>	<u><u>\$ 1,407,548</u></u>	<u><u>\$ -</u></u>

The accompanying notes to required supplementary information
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, 2018

LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

LAGERS Fiscal Year Ending June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability:										
Service Cost	\$ 824,664	\$ 787,523	\$ 742,166	\$ 718,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,446,994	2,351,621	2,180,052	2,069,379						
Changes of Benefit Terms	-	-	-	-						
Difference Between Expected and Actual Experience	83,836	(377,983)	(437,220)	(304)						
Changes of Assumptions	-	-	1,236,509	-						
Benefit Payments, Including Refunds	(1,501,977)	(1,427,154)	(1,329,193)	(1,217,965)						
Net Change	\$ 1,853,517	\$ 1,334,007	\$ 2,392,314	\$ 1,569,456	\$ -					
Total Pension Liability - Beginning	34,084,378	32,750,371	30,358,057	28,788,601						
Total Pension Liability - Ending	<u>\$ 35,937,895</u>	<u>\$ 34,084,378</u>	<u>\$ 32,750,371</u>	<u>\$ 30,358,057</u>	<u>\$ -</u>					
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 1,136,698	\$ 1,138,195	\$ 1,093,718	\$ 1,080,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-						
Net Investment Income	4,120,297	3,606,385	(35,459)	611,616						
Benefit Payments, Including Refunds	(1,501,977)	(1,427,154)	(1,329,193)	(1,217,966)						
Administrative Expense	(30,220)	(29,164)	(28,015)	(29,732)						
Other (Net Transfer)	(60,563)	(141,693)	6,251	207,318						
Net Change	\$ 3,664,235	\$ 3,146,569	\$ (292,698)	\$ 651,898	\$ -					
Plan Fiduciary Net Position - Beginning	33,483,980	30,337,411	30,630,109	29,978,211						
Plan Fiduciary Net Position - Ending	<u>\$ 37,148,215</u>	<u>\$ 33,483,980</u>	<u>\$ 30,337,411</u>	<u>\$ 30,630,109</u>	<u>\$ -</u>					
Net Pension Liability (Asset)	<u>\$ (1,210,320)</u>	<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	103.37%	98.24%	92.63%	100.90%						
Covered Payroll	\$ 7,175,510	\$ 7,053,479	\$ 6,709,777	\$ 6,380,102	\$ -					
Net Pension Liability as a % of Covered Payroll	-16.87%	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, 2018

COUNTY EMPLOYEES RETIREMENT FUND (CERF)

CERF Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proportion of the Net Pension Liability (Asset)	1.91%	2.00%	1.88%	1.90%						
Proportionate Share of the Net Pension Liability (Asset)	\$ 3,790,933	\$ 4,498,601	\$ 3,633,751	\$ 2,216,942	\$	\$	\$	\$	\$	\$
Actual Covered Employee Payroll	\$ 7,678,530	\$ 7,832,951	\$ 6,994,144	\$ 7,056,859	\$	\$	\$	\$	\$	\$
Net Pension Liability (Asset) as a Percentage of its Covered Payroll	49.37%	57.43%	51.95%	31.42%						
Fiduciary Net Position as a Percentage of the Total Pension Liability	72.02%	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, 2018

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
6/30/2018	\$ 1,094,142	\$ 1,094,142	\$ 0	\$ 7,173,796	15.25%
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%

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
12/31/2017	\$ 402,069	\$ 402,069	\$ -	\$ 7,678,530	5.24%
12/31/2016	405,652	405,652	-	7,832,951	5.18%
12/31/2015	375,271	375,271	-	6,994,144	5.37%
12/31/2014	375,790	375,790	-	7,056,859	5.33%
12/31/2013			-		
12/31/2012			-		
12/31/2011			-		
12/31/2010			-		
12/31/2009			-		
12/31/2008			-		

Note: These schedules are 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, 2018

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, 2018

	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	\$ 50,077	\$ 1,403	\$ 107,347	\$ 306,481	\$ 54,228	\$ 24,052	\$ (16,866)	\$ 9,241	\$ 2,500
Due from Other Funds	-	-	2,346	-	-	-	-	-	-
Total Assets	\$ 50,077	\$ 1,403	\$ 109,693	\$ 306,481	\$ 54,228	\$ 24,052	\$ (16,866)	\$ 9,241	\$ 2,500
FUND BALANCES									
Restricted	\$ 50,077	\$ -	\$ 109,693	\$ 306,481	\$ 54,228	\$ 24,052	\$ -	\$ 9,241	\$ 2,500
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	1,403	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(16,866)	-	-
Total Fund Balances	\$ 50,077	\$ 1,403	\$ 109,693	\$ 306,481	\$ 54,228	\$ 24,052	\$ (16,866)	\$ 9,241	\$ 2,500

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	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	Dutchtown Fund
ASSETS									
Cash and Cash Equivalents	\$ 21,080	\$ 35,184	\$ 54	\$ 64,537	\$ -	\$ 152,755	\$ -	\$ 14,094	\$ 94,929
Due from Other Funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 21,080	\$ 35,184	\$ 54	\$ 64,537	\$ -	\$ 152,755	\$ -	\$ 14,094	\$ 94,929
FUND BALANCES									
Restricted	\$ -	\$ 35,184	\$ 54	\$ 64,537	\$ -	\$ 152,755	\$ -	\$ 14,094	\$ 94,929
Committed	-	-	-	-	-	-	-	-	-
Assigned	21,080	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 21,080	\$ 35,184	\$ 54	\$ 64,537	\$ -	\$ 152,755	\$ -	\$ 14,094	\$ 94,929

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	911 Tax Fund	Early Warning Siren Project	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 128,024	\$ 8,250	\$ 167,457	\$ 251,424	\$ 1,476,251
Due from Other Funds	-	-	-	-	2,346
Total Assets	<u>\$ 128,024</u>	<u>\$ 8,250</u>	<u>\$ 167,457</u>	<u>\$ 251,424</u>	<u>\$ 1,478,597</u>
FUND BALANCES					
Restricted	\$ 128,024	\$ -	\$ 167,457	\$ 251,424	\$ 1,464,730
Committed	-	-	-	-	-
Assigned	-	8,250	-	-	30,733
Unassigned	-	-	-	-	(16,866)
Total Fund Balances	<u>\$ 128,024</u>	<u>\$ 8,250</u>	<u>\$ 167,457</u>	<u>\$ 251,424</u>	<u>\$ 1,478,597</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, 2018

	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									
Fees, Fines and Commissions	\$ 84,609	\$ -	\$ 86,529	\$ 22,400	\$ 4,233	\$ 9,946	\$ -	\$ 213	\$ 39,948
Intergovernmental	-	-	-	-	21,799	-	194,578	-	-
Interest	1,069	-	2,228	7,382	994	952	-	-	-
911 Tariff	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 85,678</u>	<u>\$ -</u>	<u>\$ 88,757</u>	<u>\$ 29,782</u>	<u>\$ 27,026</u>	<u>\$ 10,898</u>	<u>\$ 194,578</u>	<u>\$ 213</u>	<u>\$ 39,948</u>
DISBURSEMENTS									
General Government	\$ 201,937	\$ -	\$ 55,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	9,312	14,000	-	188,014	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	16,484	-	-	-
Road and Bridges Upkeep	-	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 201,937</u>	<u>\$ -</u>	<u>\$ 55,733</u>	<u>\$ 9,312</u>	<u>\$ 14,000</u>	<u>\$ 16,484</u>	<u>\$ 188,014</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>\$ (116,259)</u>	<u>\$ -</u>	<u>\$ 33,024</u>	<u>\$ 20,470</u>	<u>\$ 13,026</u>	<u>\$ (5,586)</u>	<u>\$ 6,564</u>	<u>\$ 213</u>	<u>\$ 39,948</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 116,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	(22,303)	-	-	-	-	(39,948)
Total Other Financing Sources (Uses)	<u>\$ 116,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,303)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,948)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ 33,024</u>	<u>\$ (1,833)</u>	<u>\$ 13,026</u>	<u>\$ (5,586)</u>	<u>\$ 6,564</u>	<u>\$ 213</u>	<u>\$ -</u>
Fund Balances at January 1, 2018	49,657	1,403	76,669	308,314	41,202	29,638	(23,430)	9,028	2,500
Fund Balances at December 31, 2018	<u>\$ 50,077</u>	<u>\$ 1,403</u>	<u>\$ 109,693</u>	<u>\$ 306,481</u>	<u>\$ 54,228</u>	<u>\$ 24,052</u>	<u>\$ (16,866)</u>	<u>\$ 9,241</u>	<u>\$ 2,500</u>

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, 2018

	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	Dutchtown Fund
RECEIPTS									
Fees, Fines and Commissions	\$ 33,832	\$ -	\$ -	\$ 23,528	\$ 1,088	\$ 41,807	\$ -	\$ 16,862	\$ -
Intergovernmental	11,823	5,455	93,831	-	-	1,718	6,295	-	97,965
Interest	-	754	-	-	-	3,675	-	-	-
911 Tariff	-	-	-	-	-	-	-	-	-
Other	20,443	-	-	100	-	-	985	-	-
Total Receipts	\$ 66,098	\$ 6,209	\$ 93,831	\$ 23,628	\$ 1,088	\$ 47,200	\$ 7,280	\$ 16,862	\$ 97,965
DISBURSEMENTS									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,240	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-	29,583	-	-
Health and Welfare	-	-	88,363	14,603	-	-	-	16,118	-
Cultural and Recreation	61,470	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Road and Bridges Upkeep	-	-	-	-	-	-	-	-	690
Total Disbursements	\$ 61,470	\$ -	\$ 88,363	\$ 14,603	\$ -	\$ 30,240	\$ 29,583	\$ 16,118	\$ 690
Excess (Deficiency) of Receipts Over (Under) Disbursements	\$ 4,628	\$ 6,209	\$ 5,468	\$ 9,025	\$ 1,088	\$ 16,960	\$ (22,303)	\$ 744	\$ 97,275
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,303	\$ -	\$ -
Transfers Out	(2,389)	-	-	-	(1,088)	-	-	-	(2,346)
Total Other Financing Sources (Uses)	\$ (2,389)	\$ -	\$ -	\$ -	\$ (1,088)	\$ -	\$ 22,303	\$ -	\$ (2,346)
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	\$ 2,239	\$ 6,209	\$ 5,468	\$ 9,025	\$ -	\$ 16,960	\$ -	\$ 744	\$ 94,929
Fund Balances at January 1, 2018	18,841	28,975	(5,414)	55,512	-	135,795	-	13,350	-
Fund Balances at December 31, 2018	\$ 21,080	\$ 35,184	\$ 54	\$ 64,537	\$ -	\$ 152,755	\$ -	\$ 14,094	\$ 94,929

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, 2018

	911 Tax Fund	Early Warning Siren Project	Sheriff's Commissary Fund	County Law Enforcement Restitution Fund	Total Other Governmental Funds
RECEIPTS					
Fees, Fines and Commissions	\$ -	\$ -	\$ -	\$ 111,374	\$ 476,369
Intergovernmental	-	-	-	-	433,464
Interest	2,471	-	3,371	5,403	28,299
911 Tariff	338,604	-	-	-	338,604
Other	6,368	-	328,745	-	356,641
Total Receipts	<u>\$ 347,443</u>	<u>\$ -</u>	<u>\$ 332,116</u>	<u>\$ 116,777</u>	<u>\$ 1,633,377</u>
DISBURSEMENTS					
General Government	\$ -	\$ -	\$ -	\$ -	\$ 287,910
Public Safety	276,252	3,463	293,264	125,040	938,928
Health and Welfare	-	-	-	-	119,084
Cultural and Recreation	-	-	-	-	61,470
Judicial	-	-	-	-	16,484
Road and Bridges Upkeep	-	-	-	-	690
Total Disbursements	<u>\$ 276,252</u>	<u>\$ 3,463</u>	<u>\$ 293,264</u>	<u>\$ 125,040</u>	<u>\$ 1,424,566</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>\$ 71,191</u>	<u>\$ (3,463)</u>	<u>\$ 38,852</u>	<u>\$ (8,263)</u>	<u>\$ 208,811</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 138,982
Transfers Out	-	-	-	-	(68,074)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,908</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other (Uses)	<u>\$ 71,191</u>	<u>\$ (3,463)</u>	<u>\$ 38,852</u>	<u>\$ (8,263)</u>	<u>\$ 279,719</u>
Fund Balances at January 1, 2018	56,833	11,713	128,605	259,687	1,198,878
Fund Balances at December 31, 2018	<u>\$ 128,024</u>	<u>\$ 8,250</u>	<u>\$ 167,457</u>	<u>\$ 251,424</u>	<u>\$ 1,478,597</u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	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	\$ 51,480,822	\$ 4,980	\$ 34,614	\$ 473	\$ 1,906	\$ 494,849	\$ 5,689,845	\$ -	\$ 68,536
Due from Other Funds	-	-	-	-	894,858	743,114	538,989	51,686	-
Total Assets	<u>\$ 51,480,822</u>	<u>\$ 4,980</u>	<u>\$ 34,614</u>	<u>\$ 473</u>	<u>\$ 896,764</u>	<u>\$ 1,237,963</u>	<u>\$ 6,228,834</u>	<u>\$ 51,686</u>	<u>\$ 68,536</u>
LIABILITIES									
Due to Others	\$ 45,200,086	\$ 4,980	\$ 34,614	\$ 473	\$ 896,764	\$ 1,237,963	\$ 6,228,834	\$ 51,686	\$ 68,536
Due to Other Funds	6,280,736	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 51,480,822</u>	<u>\$ 4,980</u>	<u>\$ 34,614</u>	<u>\$ 473</u>	<u>\$ 896,764</u>	<u>\$ 1,237,963</u>	<u>\$ 6,228,834</u>	<u>\$ 51,686</u>	<u>\$ 68,536</u>

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	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	\$ 259,140	\$ 13,004	\$ 69,061	\$ 1,506,691	\$ 4	\$ -	\$ 118,895	\$ 5,585	\$ -
Due from Other Funds	445,567	-	-	-	59,086	-	-	-	1,976,197
Total Assets	<u>\$ 704,707</u>	<u>\$ 13,004</u>	<u>\$ 69,061</u>	<u>\$ 1,506,691</u>	<u>\$ 59,090</u>	<u>\$ -</u>	<u>\$ 118,895</u>	<u>\$ 5,585</u>	<u>\$ 1,976,197</u>
LIABILITIES									
Due to Others	\$ 704,707	\$ 13,004	\$ 69,061	\$ 1,506,691	\$ 59,090	\$ -	\$ 118,895	\$ 5,585	\$ 1,976,197
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 704,707</u>	<u>\$ 13,004</u>	<u>\$ 69,061</u>	<u>\$ 1,506,691</u>	<u>\$ 59,090</u>	<u>\$ -</u>	<u>\$ 118,895</u>	<u>\$ 5,585</u>	<u>\$ 1,976,197</u>

Continued

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	Financial Institution Tax	Unclaimed Property	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 3,026	\$ 59,751,431
Due from Other Funds	-	-	4,709,497
Total Assets	<u>\$ -</u>	<u>\$ 3,026</u>	<u>\$ 64,460,928</u>
LIABILITIES			
Due to Others	\$ -	\$ 3,026	\$ 58,180,192
Due to Other Funds	-	-	6,280,736
Total Liabilities	<u>\$ -</u>	<u>\$ 3,026</u>	<u>\$ 64,460,928</u>

Concluded

COUNTY OF CAPE GIRARDEAU, MISSOURI
Jackson, Missouri

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

DECEMBER 31, 2018

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 117,648	\$ 3,072	\$ 120,720
Due from Other Funds	-	867	867
Total Assets	<u>\$ 117,648</u>	<u>\$ 3,939</u>	<u>\$ 121,587</u>
LIABILITIES			
Due to Others	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted	\$ -	\$ -	\$ -
Unrestricted	117,648	3,939	121,587
Total Net Position	<u>\$ 117,648</u>	<u>\$ 3,939</u>	<u>\$ 121,587</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, 2018

	LEPD	Drainage Districts	Total Private Purpose Trust Funds
RECEIPTS			
Taxes	\$ -	\$ 2,061	\$ 2,061
Intergovernmental	22,960	-	22,960
Interest	2,339	-	2,339
Total Receipts	<u>\$ 25,299</u>	<u>\$ 2,061</u>	<u>\$ 27,360</u>
DISBURSEMENTS			
Public Safety	\$ 10,198	\$ -	\$ 10,198
Other Charges and Services	-	-	-
Total Disbursements	<u>\$ 10,198</u>	<u>\$ -</u>	<u>\$ 10,198</u>
Excess of Receipts Over Disbursements	\$ 15,101	\$ 2,061	\$ 17,162
Net Position at January 1, 2018	<u>102,547</u>	<u>1,878</u>	<u>104,425</u>
Net Position at December 31, 2018	<u><u>\$ 117,648</u></u>	<u><u>\$ 3,939</u></u>	<u><u>\$ 121,587</u></u>

FEDERAL COMPLIANCE SECTION

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, 2018, 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 21, 2019. 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.

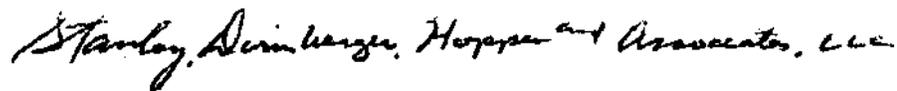
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
County of Cape Girardeau, Missouri**

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 21, 2019