

JASPER COUNTY, MISSOURI

Independent Auditor's Report, Financial Statements
and Supplementary Information

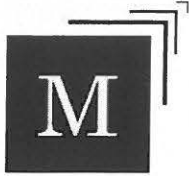
For the year ended December 31, 2018

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**The Mense
CPA Firm, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
of Jasper County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Jasper County, Missouri as of and for year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise Jasper County, Missouri's 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 regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note 1 of the accompanying financial statements. This includes determining that the regulatory 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 an opinion 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 misstatements.

**JASPER COUNTY, MISSOURI
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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 opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements were prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Jasper County, Missouri, as of December 31, 2018 or the changes in its financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balance of each fund of Jasper County, Missouri, as of December 31, 2018, and their respective receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

**JASPER COUNTY, MISSOURI
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Jasper County, Missouri's financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole, in accordance with the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, on our consideration of Jasper County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jasper County Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Missouri's internal control over financial reporting and compliance.



The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
June 14, 2019

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
All Funds - Regulatory Basis
For the year ended December 31, 2018

Fund	Beginning Cash January 1, 2018	Receipts	Disbursements	Ending Cash December 31, 2018
General Revenue	\$ 3,286,555	\$ 16,621,255	\$ 16,736,390	\$ 3,171,420
Assessment	548,081	1,051,406	1,093,174	506,313
Highway Department	3,893,909	8,678,564	8,219,047	4,353,426
Law Enforcement Sales Tax Operating	1,116,548	3,939,126	3,821,933	1,233,741
Law Enforcement Sales Tax Trust	593,859	4,624,283	4,440,797	777,345
Law Enforcement Sales Tax Grant	220,929	189,075	193,954	216,050
Juvenile Center and Courthouse Renovation Sales Tax	4,788,887	4,741,947	2,763,840	6,766,994
Special Road and Bridge	3,506,820	4,202,481	4,144,094	3,565,207
Amendment II	82,559	694,402	698,721	78,240
Inmate Health	160,273	3,350	5,235	158,388
Sheriff's Fund	42,865	50,000	19,325	73,540
Law Enforcement Training	11,939	15,213	7,028	20,124
Sheriff's Contingency	97,275	106,729	94,969	109,035
Inmate Prisoner Detainee	89,102	65,033	32,093	122,042
Sheriff's Revolving	78,541	38,275	72,838	43,978
Sheriff's Contract Services	11,060	126,209	137,269	-
Sheriff's Salary Supplementation	2,365	32,210	32,395	2,180
Law Enforcement Restitution	33,345	21,068	11,077	43,336
Prosecuting Attorney Training	19,397	2,537	14,891	7,043
Prosecuting Attorney Delinquent Tax	40,641	2,641	-	43,282
Prosecuting Attorney Administration	129,119	34,271	25,891	137,499
Prosecuting Attorney Contingency	3,104	20,571	20,000	3,675
Prosecuting Attorney Law Enforcement Sales Tax	75,920	222,776	223,901	74,795
Recorder's User Fee	600,877	49,448	86,258	564,067
Recorder's Technology	-	26,318	7,728	18,590
Recorder's Passport	11,991	33,884	13,124	32,751
Collector's Maintenance	143,109	166,005	185,872	123,242
Election Services	73,385	36,715	6,110	103,990
Election Program	44,679	33,537	-	78,216
Mental Health	1,252,608	1,584,878	1,639,602	1,197,884
Domestic Violence	19,338	33,493	34,190	18,641
Miscellaneous	92,735	46,749	59,691	79,793
Grants	121,259	856,274	882,340	95,193
County Trustee	-	4,780	4,780	-
Discretionary	28,970	21,383	13,868	36,485
Financial Institution Tax	-	66,747	66,747	-
Health Insurance Trust	135,582	1,660,568	1,750,076	46,074
County Retirement	101,266	1,251,052	1,237,088	115,230
Reserve	1,012,096	1,734,802	1,949,884	797,014
Blanche Dumbauld Trust	1,031	4	1,035	-
Ozarks Drug Enforcement Team	359,402	435,416	623,154	171,664
Juvenile Center and Courthouse Renovation Project	10,106,468	2,838,673	9,876,125	3,069,016
County School	490,146	526,585	477,756	538,975
General School	3,316,979	3,229,043	3,418,927	3,127,095
Temporary School	352,456	251,339	261,297	342,498
Unclaimed Fees	11,925	11,579	11,290	12,214
County Depository Accounts	6,692,737	111,262,123	110,807,418	7,147,442
	<u>\$ 43,802,132</u>	<u>\$ 171,644,817</u>	<u>\$ 176,223,222</u>	<u>\$ 39,223,727</u>

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
General Revenue Fund - Regulatory Basis
For the year ended December 31, 2018

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Receipts:				
Taxes	\$ 8,783,532	\$ 8,783,532	\$ 8,890,587	\$ 107,055
Intergovernmental Receipts	1,237,099	1,237,099	1,138,795	(98,304)
Licenses, Fees, and Permits	2,991,614	2,991,614	2,849,893	(141,721)
Use of Money and Property	16,817	16,817	59,637	42,820
Other	529,011	529,011	672,897	143,886
Operating Transfers	3,087,211	3,087,211	3,009,446	(77,765)
Total Receipts	\$ 16,645,284	\$ 16,645,284	\$ 16,621,255	\$ (24,029)
Disbursements:				
Child Support Enforcement	\$ 173,650	\$ 173,650	\$ 158,770	\$ 14,880
Prosecuting Attorney	1,049,200	1,049,200	990,620	58,580
Sheriff	2,694,217	2,694,217	2,626,017	68,200
Jail	2,779,774	2,779,774	2,643,843	135,931
Coroner	90,665	90,665	88,917	1,748
Court System	2,080,830	2,080,830	1,889,181	191,649
Health	1,015,803	1,015,803	864,712	151,091
GIS	68,423	68,423	67,387	1,036
Information Technology	52,500	52,500	46,859	5,641
Collector	357,265	357,265	333,784	23,481
Treasurer	123,000	124,200	118,368	5,832
Recorder	188,240	188,240	176,312	11,928
Elections	540,012	540,012	447,856	92,156
Public Administrator	244,105	244,105	227,652	16,453
Commission	3,656,914	3,740,178	2,912,525	827,653
County Clerk	2,618,927	2,637,927	2,599,692	38,235
Auditor	123,452	129,058	128,711	347
Carthage Courthouse	49,350	51,420	51,385	35
Annex 2 - Bank Building	35,000	36,595	36,582	13
Carpenter Shop	600	430	430	-
Joplin Courthouse	66,000	66,035	66,026	9
Annex 1 - Lincoln Street	12,600	11,800	11,701	99
Operating Transfers	249,060	249,060	249,060	-
Total Disbursements	\$ 18,269,587	\$ 18,381,387	\$ 16,736,390	\$ 1,644,997
Excess of Receipts Over (Under) Disbursements	\$ (1,624,303)	\$ (1,736,103)	\$ (115,135)	\$ 1,620,968
Beginning Cash	1,839,687	1,839,687	3,286,555	1,446,868
Ending Cash	<u>\$ 215,384</u>	<u>\$ 103,584</u>	<u>\$ 3,171,420</u>	<u>\$ 3,067,836</u>

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Assessment Fund - Regulatory Basis
For the year ended December 31, 2018

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Receipts:				
Taxes	\$ 558,396	\$ 558,396	\$ 581,165	\$ 22,769
Intergovernmental Receipts	178,281	178,281	178,281	-
Use of Money and Property	1,500	1,500	5,381	3,881
Other	30,946	30,946	37,519	6,573
Operating Transfers	249,060	249,060	249,060	-
Total Receipts	\$ 1,018,183	\$ 1,018,183	\$ 1,051,406	\$ 33,223
Disbursements:				
Data Processing Software	\$ 130,000	\$ 130,000	\$ 129,635	\$ 365
Data Processing Program	7,500	7,500	5,000	2,500
Computer Service and Maintenance	23,900	23,900	20,598	3,302
Computer Monitoring and Backup	1,000	1,000	609	391
Internet Service	480	480	480	-
Computer Hardware	7,150	7,150	7,150	-
GIS Support	4,000	4,000	3,428	572
Salaries	531,706	545,206	544,796	410
Social Security	39,000	40,000	39,834	166
Health and Life Insurance	92,250	92,250	90,462	1,788
Local Government Employees Retirement System	55,700	59,700	59,530	170
Workman's Compensation	5,700	3,700	3,695	5
Mapping Updates	102,820	102,820	90,436	12,384
Seminars	14,000	14,000	13,353	647
Mileage	500	500	107	393
Vehicle Maintenance	8,000	8,000	3,080	4,920
Printing and Binding	30,000	30,000	20,825	9,175
Machine Contract	1,250	1,250	898	352
Supplies	7,000	7,000	6,794	206
Postage	28,000	28,000	25,977	2,023
Fuel and Oil	11,000	11,000	8,726	2,274
New Equipment	7,000	7,000	6,584	416
Contingency Reserve	29,127	12,627	10,128	2,499
County Employee Retirement Fund	1,100	1,100	1,049	51
Total Disbursements	\$ 1,138,183	\$ 1,138,183	\$ 1,093,174	\$ 45,009
Excess of Receipts Over (Under) Disbursements	\$ (120,000)	\$ (120,000)	\$ (41,768)	\$ 78,232
Beginning Cash	129,609	129,609	548,081	418,472
Ending Cash	<u>\$ 9,609</u>	<u>\$ 9,609</u>	<u>\$ 506,313</u>	<u>\$ 496,704</u>

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Highway Department Fund - Regulatory Basis
For the year ended December 31, 2018

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Receipts:				
Taxes	\$ 4,450,670	\$ 4,450,670	\$ 4,623,867	\$ 173,197
Intergovernmental Receipts	2,176,585	2,176,585	2,075,198	(101,387)
Use of Money and Property	40,000	40,000	120,962	80,962
Other	86,330	86,330	284,604	198,274
Operating Transfers	1,544,959	1,544,959	1,573,933	28,974
Total Receipts	\$ 8,298,544	\$ 8,298,544	\$ 8,678,564	\$ 380,020
Disbursements:				
Cell Phone Service	\$ 4,000	\$ 4,000	\$ 2,789	\$ 1,211
Salaries	999,014	999,014	955,091	43,923
County Engineer	15,000	14,780	1,267	13,513
Social Security	75,000	75,000	70,275	4,725
Health and Life Insurance	140,725	139,405	130,020	9,385
Local Government Employees Retirement System	102,000	103,320	103,311	9
Workman's Compensation	35,000	35,000	29,829	5,171
Seminars	3,500	3,500	2,966	534
Mileage	500	500	-	500
Employee Screening	1,500	1,500	1,080	420
Utilities	21,000	22,600	22,567	33
Storm Water	12,000	12,000	1,395	10,605
Repairs and Maintenance	180,000	180,000	166,228	13,772
Road Maintenance	700,000	700,000	650,858	49,142
Publications	1,000	1,000	470	530
Insurance	110,000	110,000	89,552	20,448
Miscellaneous	15,000	13,278	8,382	4,896
Supplies	1,000	1,000	1,000	-
First Aid	2,000	2,000	1,493	507
Uniforms	32,500	32,500	24,988	7,512
Fuel and Oil	175,000	175,122	175,122	-
Signs	16,500	16,500	16,500	-
Culvert Pipe	60,000	60,000	58,249	1,751
Flood Plain	6,000	6,220	6,214	6
New Equipment	759,000	759,000	756,298	2,702
Capital Outlay	50,000	50,000	-	50,000
New Road Overlay	2,975,000	2,975,000	2,063,954	911,046
Bridges - Current Projects	3,250,000	3,250,000	1,031,846	2,218,154
Joplin Bridge Project	200,000	200,000	200,000	-
New Bridges	979,585	979,585	931,033	48,552
Contingency Reserve	500,000	500,000	300,334	199,666
Region M Grant	1,500	1,500	-	1,500
TIF Payments - City of Sarcoxie	2,900	2,900	2,636	264
TIF Payments - Northpark Crossing	60,000	60,000	56,071	3,929
TIF Payments - 1717 Marketplace	52,000	52,000	50,722	1,278
TIF Payments - Joplin Recovery Zone	120,000	120,000	101,507	18,493
Operating Transfer to General Fund - Administrative Fee	205,000	205,000	205,000	-
Total Disbursements	\$ 11,863,224	\$ 11,863,224	\$ 8,219,047	\$ 3,644,177
Excess of Receipts Over (Under) Disbursements	\$ (3,564,680)	\$ (3,564,680)	\$ 459,517	\$ 4,024,197
Beginning Cash	3,879,341	3,879,341	3,893,909	14,568
Ending Cash	\$ 314,661	\$ 314,661	\$ 4,353,426	\$ 4,038,765

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Law Enforcement Sales Tax Operating Fund - Regulatory Basis
For the year ended December 31, 2018

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Receipts:				
Use of Money and Property	\$ 14,000	\$ 14,000	\$ 26,120	\$ 12,120
Other	30,000	30,000	69,200	39,200
Operating Transfers	3,820,932	3,820,932	3,843,806	22,874
Total Receipts	<u>\$ 3,864,932</u>	<u>\$ 3,864,932</u>	<u>\$ 3,939,126</u>	<u>\$ 74,194</u>
Disbursements:				
Salaries	\$ 1,867,951	\$ 1,867,951	\$ 10,677	\$ 1,857,274
Supplies	15,600	15,600	11,950	3,650
Equipment	592,040	592,040	(1,805,620)	2,397,660
Food Service Contract	2,000	2,000	1,242	758
Fuel and Oil	17,000	18,600	18,582	18
Utilities and Rent	36,000	39,250	37,750	1,500
Repairs	27,000	27,000	27,000	-
Internet	8,500	8,500	7,392	1,108
Uniforms	8,500	8,500	5,492	3,008
Vehicle Maintenance	159,819	159,819	124,450	35,369
Cell Phones	27,500	29,050	29,041	9
Seminars and Training	5,000	5,000	5,000	-
New Vehicles / Up Fit	85,000	85,000	72,876	12,124
Jasco Drug Task Force	5,000	5,000	3,186	1,814
Tower Lease Contract	45,560	45,560	33,088	12,472
Range/Ammunition	40,000	40,000	23,044	16,956
Computer Technology	220,000	220,000	199,106	20,894
DARE/SRO Programs	2,500	2,500	1,760	740
Maintenance Agreement	40,000	40,000	35,946	4,054
Jail Doctor Contract	16,000	16,000	16,000	-
Inmate Drug Contract	19,000	19,000	16,686	2,314
Inmate Drug Other	220,000	220,000	168,352	51,648
Stipends	25,000	25,000	12,022	12,978
Special Services	336,081	336,081	384,762	(48,681)
Radio System	4,000	-	-	-
Capital Projects	77,000	77,000	61,396	15,604
Public Relations	31,000	31,006	31,006	-
Capital Improvements	-	4,000	4,000	-
Uniform Cleaning	844,381	837,975	23,470	814,505
Cell Phone Stipend	32,500	32,500	29,388	3,112
Law Enforcement Sales Tax Reserve Fund	55,000	55,000	49,363	5,637
Operating Transfers to General Fund	-	-	2,377,906	(2,377,906)
Total Disbursements	<u>\$ 4,864,932</u>	<u>\$ 4,864,932</u>	<u>\$ 3,821,933</u>	<u>\$ 1,042,999</u>
Excess of Receipts Over (Under) Disbursements	\$ (1,000,000)	\$ (1,000,000)	\$ 117,193	\$ 1,117,193
Beginning Cash	1,084,647	1,084,647	1,116,548	31,901
Ending Cash	<u>\$ 84,647</u>	<u>\$ 84,647</u>	<u>\$ 1,233,741</u>	<u>\$ 1,149,094</u>

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Law Enforcement Sales Tax Trust Fund - Regulatory Basis
For the year ended December 31, 2018

	<u>Budget *</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Receipts:			
Taxes	\$ 4,441,000	\$ 4,608,022	\$ 167,022
Use of Money and Property	6,000	16,261	10,261
Total Receipts	<u>\$ 4,447,000</u>	<u>\$ 4,624,283</u>	<u>\$ 177,283</u>
Disbursements:			
TIF Payments - City of Sarcoxie	\$ 2,900	\$ 2,636	\$ 264
TIF Payments - Northpark Crossing	60,000	56,071	3,929
TIF Payments - Marketplace	52,000	50,722	1,278
TIF Payments - Joplin Recovery Zone	120,000	101,507	
Operating Transfer to Prosecuting Attorney Law Enforcement Sales Tax Fund	210,305	219,854	(9,549)
Operating Transfer to Reserve Fund	525,000	-	525,000
Operating Transfer to Law Enforcement Sale Tax Grant Fund	180,863	189,075	(8,212)
Operating Transfer to Law Enforcement Sales Tax Operating Fund	3,820,932	3,820,932	-
Total Disbursements	<u>\$ 4,972,000</u>	<u>\$ 4,440,797</u>	<u>\$ 512,710</u>
Excess of Receipts Over (Under) Disbursements	\$ (525,000)	\$ 183,486	\$ 689,993
Beginning Cash	593,186	593,859	673
Ending Cash	<u>\$ 68,186</u>	<u>\$ 777,345</u>	<u>\$ 690,666</u>

* Original and Final Budget

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual
Juvenile Center and Courthouse Renovation Sales Tax Fund - Regulatory Basis
For the year ended December 31, 2018

	<u>Budget *</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Receipts:			
Taxes	\$ 4,604,913	\$ 4,604,913	\$ -
Use of Money and Property	<u>143,041</u>	<u>137,034</u>	<u>(6,007)</u>
Total Receipts	<u>\$ 4,747,954</u>	<u>\$ 4,741,947</u>	<u>\$ (6,007)</u>
Disbursements:			
Administrative Fees	\$ 1,908	\$ 1,907	\$ 1
Debt Service	<u>2,761,933</u>	<u>2,761,933</u>	<u>-</u>
Total Disbursements	<u>\$ 2,763,841</u>	<u>\$ 2,763,840</u>	<u>\$ 1</u>
Excess of Receipts Over (Under) Disbursements	\$ 1,984,113	\$ 1,978,107	\$ (6,006)
Beginning Cash	<u>4,782,881</u>	<u>4,788,887</u>	<u>6,006</u>
Ending Cash	<u>\$ 6,766,994</u>	<u>\$ 6,766,994</u>	<u>\$ -</u>

* Original and Final Budget

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

JASPER COUNTY, MISSOURI
Statement of Receipts, Disbursements, and Changes in Cash
County Officer's Depository Accounts - Regulatory Basis
For the year ended December 31, 2018

	Beginning Cash January 1, 2018	Receipts	Disbursements	Ending Cash December 31, 2018
Health	\$ 2,496	\$ 149,393	\$ 149,175	\$ 2,714
Election	35,367	361,739	348,362	48,744
Public Administrator	661,128	4,810,358	4,349,489	1,121,997
County Collector	4,845,665	99,403,812	99,537,657	4,711,820
County Clerk	306	109,273	109,293	286
Recorder of Deeds	250	755,366	755,316	300
Prosecuting Attorney	5,921	546,521	543,323	9,119
Sheriff	45,511	1,554,795	1,552,936	47,370
Circuit Court	1,095,372	3,535,551	3,426,327	1,204,596
Probate Court Division 3	25	-	25	-
Commission	100	-	-	100
Assessor	146	35,315	35,315	146
Juvenile Court	200	-	-	200
Juvenile Detention	200	-	200	-
Maintenance	50	-	-	50
	<u>\$ 6,692,737</u>	<u>\$ 111,262,123</u>	<u>\$ 110,807,418</u>	<u>\$ 7,147,442</u>

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

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. REPORTING ENTITY

Jasper County, Missouri (“County”), a county of the first-class, is governed by the Board of County Commissioners. The Board is composed of three members elected by the citizens of the County.

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services

The financial statements referred to above include only the primary government of Jasper County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

The accompanying financial statements present the receipts, disbursements, and changes in cash balances of the various funds of Jasper County, Missouri, and comparisons of such information with the corresponding budgeted information for those funds for which a budget is prepared. The General Fund is the County’s general operating fund, accounting for all financial resources except those legally or administratively required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted by law or administrative action for specified purposes.

I.B. BASIS OF PRESENTATION

The accompanying financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash, for all funds and Comparative Statements of Receipts, Disbursements and Changes in Cash for all budgeted funds, and a Statement of Receipts, Disbursements and Changes in Cash for the County Officers’ Depository Accounts.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separated accounting entity with self-balancing accounts. The following fund types are used by the County:

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.B. BASIS OF PRESENTATION (CONTINUED)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organization, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the County Collector and other officeholders.

I.C. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BUDGETARY POLICIES

The County is required by State Statutes sections 50.525 through 50.745 to prepare an annual operating budget. The budget shall present a complete financial plan for the ensuing budget year and shall include at least the following information:

- (1) A budget message outlining the fiscal policy of the County for the budget year and describing the important features of the budget plan, giving a general budget summary setting forth the aggregate figures of the budget in a manner to show the balanced relations between total proposed expenditures and total expected income and other means of financing the budget compared with the corresponding figures for the last completed fiscal year and the current fiscal year, including explanatory schedules classifying expenditures by organization units, objects and funds, and income by organization units, sources and funds;
- (2) The detailed budget estimates showing the recommendations of the budget officer compared with the figures for the last complete fiscal year and the estimates for the current year; and
- (3) Complete drafts of appropriation and revenue orders to put the budget into effect if approved by the county commission.

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

- (1) Prior to September 1, each department, office, institution, commission or court of the county receiving funds from the county prepares and submits a request to the budget officer, the request includes estimates of its requirements for the next budget year compared with figures for the last completed year and estimates for the current year.
- (2) The County Budget Officer prepares the budget in the prescribed form and transmits it to the County Commission, no later than November 15th.
- (3) The County Commission holds at least one public hearing on the proposed budget before final action is taken. At least 5 days' notice of the hearing is given and the hearing is not held until ten days after the budget document is made available to the public.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BUDGETARY POLICIES (CONTINUED)

(4) The annual budget is adopted on or before January 10th.

The budget may be amended as provided for in State Statutes.

Budgets are prepared on the regulatory basis of accounting.

The Statement of Receipts, Disbursements, and Changes in Cash Balances – Budget and Actual – General Revenue Fund, Assessment Fund, Common Road Fund, Law Enforcement Sales Tax Fund, Law Enforcement Sales Tax Trust Fund and Juvenile Center and Courthouse Renovation Sales Tax Fund present comparisons of the legally adopted budget with actual data.

I.E. CASH AND INVESTMENTS

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than in depository accounts at financial institutions in this state to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

Additional cash and investment disclosures are presented in Note III.A.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. COMPENSATED ABSENCES

The County allows employees to accumulate sick leave to a maximum of 60 days. Upon termination of employment unused sick leave is forfeited.

Vacation time is awarded as follows:

Starting date to 1 year	0	days
1 year to 2 years	5	days (1 work week)
2 years to 10 years	10	days (2 work weeks)
Over 10 years	15	days (3 work weeks)
Over 20 years	20	days (4 work weeks)

All vacation must be approved in advance by the elected official or departmental head. Leave for vacation shall be used in its entirety within one year after being earned unless approved differently by the elected official or departmental head and County Commission. Each elected official or departmental head is responsible for maintaining records regarding their employee's sick leave and vacation.

I.G. CASH RECEIPTS AND DISBURSEMENTS

I.G.1. SALES TAX

Jasper County levies a tax on taxable sales within the County. The tax is collected by the Missouri Department of Revenue and remitted to the County. The sales tax is composed of four levies, each authorized by State Statutes. Three-eighths of one percent is deposited in the General Fund and used for general government operations. One-quarter of one percent is placed in the Common Road Fund and used for construction of bridges. One-tenth of one percent is paid directly to the Jasper County Emergency Services Dispatch Board. One-quarter of one percent is deposited into the Law Enforcement Sales Tax Fund and used for law enforcement purposes.

On April 5, 2016, the citizens of Jasper County approved a one-quarter of one percent sales tax, effective October 1, 2016, for the purpose of providing funds to construct a new juvenile center in Joplin, Missouri and to make renovations and improvements to the Carthage Courthouse Building (the "Project"). The tax is for a period of seven years from the date on which the tax is first imposed, September 30, 2023, or whenever the final payment on the financing for the Project occurs, whichever comes first.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G.2. PROPERTY TAXES

Property taxes are an enforceable lien on property as of January 1. Taxes are levied November 1 and are due and payable in full by December 31; unpaid taxes become delinquent after December 31. The County bills and collects its own property taxes.

The assessed valuation of the tangible taxable property of County of Jasper, Missouri for the calendar year 2018 for purposes of local taxation was:

Real Estate	\$ 1,139,389,940
Personal Property	445,152,202
State Assessed Railroad and Utility	<u>87,125,206</u>
Total	<u>\$ 1,671,667,348</u>

The tax levy for each \$100.00 of assessed valuation of real estate and tangible property for the calendar year was:

Fund -	
General	\$.1005
Highway Department	\$.2154

The tax levy for each \$100.00 of assessed valuation of Commercial Property (Sub-Class 3) was \$1.02.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

Missouri Revised Statutes require that the annual budget present a complete financial plan of the County. A budget is not prepared for all funds. (RSMo 50.525 to 50.745)

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES

III.A. DEPOSITS AND INVESTMENTS

Deposits –

Custodial Credit Risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. RSMo Chapter 110 requires that public funds shall be secured by the deposit of securities of the character prescribed by section 30.270, RSMo. The value of which shall at all times be not less than one hundred percent of the actual amount of the funds on deposit with the depository less the amount, if any, insured by the Federal Deposit Insurance Corporation.

At December 31, 2018, the County’s carrying amounts of deposits was \$39,220,682 and the bank balance was \$53,829,780. 63% of the bank balance was held by one bank. Of the bank balance, \$1,005,205 was secured by Federal Depository Insurance and \$52,824,575 was collateralized with letters of credit and securities held by the pledging financial institutions’ agents in the County’s name.

Investments –

As of December 31, 2018, the County had the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Open-ended Mutual Fund			
Morgan Stanley Institutional Liquidity Funds			
Government Portfolio (MSILF #8352)	Less than 1 year	<u>\$ 3,069,016</u>	<u>\$ 3,069,016</u>

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The above investments are made and held by UMB Corporate Trust Services, Kansas City, Missouri as trustee for the Jasper County, Missouri, Certificate of Participation, Series 2016 and 2017. (Jasper County, Missouri Juvenile Center and Courthouse Renovation Project). These investments are not bank deposits and are not covered by FDIC insurance. Due to the liquidity of the investments they are reported as cash for purposes of these regulatory basis financial statements.

Interest rate risk – Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

**III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES
(CONTINUED)**

III.B. LONG-TERM DEBT

Capital Leases Payable

Capital lease Certificate of Participation for Courthouse Renovation and Juvenile Center, Series 2016, dated June 15, 2016, original amount \$7,500,000 payable in annual installments ranging from \$1,825,000 to \$1,950,000, beginning October 15, 2018. Final payment due October 15, 2021. Interest rate of 1.000% to 1.500%. \$ 5,675,000

Capital lease Certificate of Participation for Courthouse Renovation and Juvenile Center, Series 2017, dated December 22, 2017, original amount \$8,000,000 payable in annual installments ranging from \$700,000 to \$2,500,000, beginning October 15, 2018. Final payment due October 15, 2023. Interest rate of 2.000% to 2.400%. 7,300,000

Total Capital Leases Payable \$ 12,975,000

Changes in Long-Term Debt

Description	Beginning Balance	Issued	Retired	Ending Balance
Capital Leases	\$ 15,784,997	\$ -	\$ 2,809,997	\$ 12,975,000

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

**III. DETAILED NOTES ON FUNDS AND ACCOUNT BALANCES
(CONTINUED)**

III.B. LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 2,550,000	\$ 237,650
2020	2,575,000	202,375
2021	2,650,000	164,000
2022	2,700,000	120,750
2023	2,500,000	60,000
Totals	<u>\$ 12,975,000</u>	<u>\$ 784,775</u>

III.C. TRANSFERS

Interfund transfers for the year ended December 31, 2018 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 3,009,446	\$ 249,060
Assessment	249,060	-
Highway Development	1,573,933	205,000
Law Enforcement Sales Tax Operating	3,843,806	2,377,906
Law Enforcement Sales Tax Trust	-	4,229,861
Prosecuting Attorney - LEST	219,854	163,145
Law Enforcement Sales Tax Grant	189,075	-
Health	-	149,000
Special Road and Bridge	-	1,573,933
Sheriff Contract Services	-	137,269

Transfers are made to (1) transfer receipts from the fund that is required to collect them to the fund that is required to disburse them, and (2) transfer amounts funds to other funds in accordance with budgetary authorizations.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

IV. RETIREMENT PLANS

IV.A. MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

Jasper County, Missouri's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Jasper County, Missouri 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 assessing 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. 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.

Contributions

Jasper County, Missouri is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.80% (General) and 13.50% (Sheriff). Contributions to the pension plan from Jasper County, Missouri were \$1,292,146 for the year.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

IV.B. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203, or by the following website, www.mocerf.org.

JASPER COUNTY, MISSOURI
Notes to Financial Statements
December 31, 2018

IV.B. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF) (CONTINUED)

Plan Description (Continued)

Contributions

In accordance with Missouri state statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. 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. During the year ended December 31, 2018 total contributions remitted to CERF were \$1,237,088. Employee contributions were \$297,424.

Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total county-paid member contributions for the year ended December 31, 2018 were \$14,013.

IV.C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, Jasper County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorney's Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Jasper County contributed \$8,000 during the year ended December 31, 2018.

V. CONDUIT DEBT OBLIGATIONS

From time to time, the County issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

VI. OTHER POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). Under COBRA, the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

VII. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

The County has a self-insured health plan for all its employees. The County has purchased stop-loss insurance in order to limit its exposure, which will reimburse the County for individual claims in excess of \$80,000 annually or aggregate claims exceeding \$1,000,000 annually.

VIII. CONTINGENCIES

Litigation

The County is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the County, the County feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the County.

Grant Program Involvement

In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

JASPER COUNTY, MISSOURI

Notes to Financial Statements

December 31, 2018

IX. PAYMENTS BY OTHER GOVERNMENTS

The State of Missouri makes payments directly to the judges and employees of the circuit courts in Jasper County for salaries and fringe benefits. Jasper County is not liable for these payments. The total amount of these on-behalf payments was not available and is unable to be estimated.

X. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
Juvenile Center and Courthouse Renovation	<u>\$ 15,500,000</u>	<u>\$ 12,547,983</u>

XI. TAX ABATEMENTS

The County participates in a number of Tax Increment Financing Districts and Enterprise Zone programs that provide property tax relief. During 2018, the total amount of property tax abated was \$205,832.

XII. SUBSEQUENT EVENTS

The County has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statements were available to be issued.

On April 2, 2019 the citizens of Jasper County approved the continuation of the one-quarter of one percent sales tax discussed in Note I.G.1 until September 30, 2038 or whenever the final payment on the financing for the improvements occur, whichever comes first. Improvements to be completed include a new County Court Building in Joplin; complete renovation and additions to the current County Jail Facility; and complete improvements to the County Courthouse including addressing security concerns, upgrading and modernizing existing courtrooms, and adding an additional courtroom.



**The Mense
CPA Firm, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'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**

INDEPENDENT AUDITOR'S REPORT

To the County Commission
of Jasper County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jasper County, Missouri, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jasper County, Missouri's financial statements and have issued our report thereon dated June 14, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County, Missouri'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jasper County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, Missouri'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 County'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-1 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, Missouri'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*.

Jasper County, Missouri's Response to Findings

Jasper County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jasper County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
June 14, 2019



**The Mense
CPA Firm, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

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

INDEPENDENT AUDITOR'S REPORT

To the County Commission
of the Jasper County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Jasper County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jasper County, Missouri's major federal programs for the year ended December 31, 2018. Jasper County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Jasper County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

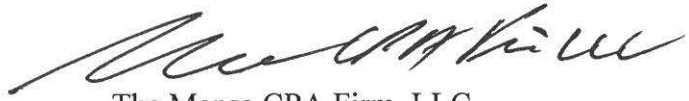
Report on Internal Control over Compliance

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

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

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

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



The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
June 14, 2019

JASPER COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2018

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
CCDF Cluster				
Department of Health and Human Services Pass-Through Programs From Missouri Department of Health and Senior Services Child Care and Development Block Grant	93.575	ERS 220-17048		\$ 4,340
<i>Total Department of Health and Human Services Pass-Through Programs</i>				<u>\$ 4,340</u>
Total CCDF Cluster				<u>\$ 4,340</u>
CDBG - Entitlement Grants Cluster				
Department of Housing and Urban Development Pass-Through Program From City of Joplin, Missouri Community Development Block Grants/Entitlement Grants	14.218	B-13-MS-29-0001		\$ 61,896
<i>Total Department of Housing and Urban Development Pass-Through Programs</i>				<u>\$ 61,896</u>
Total CDBG - Entitlement Grants Cluster				<u>\$ 61,896</u>
Child Nutrition Cluster				
Department of Agriculture Pass-Through Program From Missouri Department of Health and Senior Services Summer Food Service Program for Children	10.559	ERS 219-17471		\$ 625
<i>Total Department of Agriculture Pass-Through Programs</i>				<u>\$ 625</u>
Total Child Nutrition Cluster				<u>\$ 625</u>
Highway Planning and Construction Cluster				
Department of Transportation Pass-Through Programs From Missouri Department of Transportation Highway Planning and Construction	20.205	BRO-B049(33)		\$ 841,157
<i>Total Department of Transportation Pass-Through Programs</i>				<u>\$ 841,157</u>
Total Highway Planning and Construction Cluster				<u>\$ 841,157</u>
Highway Safety Cluster				
Department of Transportation Pass-Through Programs From Missouri Department of Transportation State and Community Highway Safety	20.600	19-PT-02-053		\$ 1,773
State and Community Highway Safety	20.600	18-PT-02-047		12,217
<i>Total Department of Transportation Pass-Through Programs</i>				<u>\$ 13,990</u>
Total Highway Safety Cluster				<u>\$ 13,990</u>
Other Programs				
Executive Office of the President Pass-Through Programs From Missouri Department of Public Safety High Intensity Drug Trafficking Areas Program	95.001	G17 MW0001A-PP		\$ 5,394
High Intensity Drug Trafficking Areas Program	95.001	G18 MW0001A-PP		83,528
<i>Total Executive Office of the President Pass-Through Programs</i>				<u>\$ 88,922</u>
Total Executive Office of the President				<u>\$ 88,922</u>

The accompanying notes are an integral part of this schedule.

JASPER COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards (Continued)
For the year ended December 31, 2018

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Homeland Security Pass-Through Program From Missouri State University Homeland Security Grant Program	97.067	EMW-2017-SS-00047		\$ 6,111
<i>Total Department of Homeland Security Pass-Through Programs</i>				<u>\$ 6,111</u>
<i>Total Department of Homeland Security</i>				<u>\$ 6,111</u>
Department of Interior Direct Program Civil War Battlefield Land Acquisition Grants	15.928			\$ 77,212
<i>Total Department of Interior Direct Program</i>				<u>\$ 77,212</u>
Department of Justice Direct Program Drug Court Discretionary Grant Program	16.585			\$ 15,795
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745			78,219
<i>Total Department of Justice Direct Program</i>				<u>\$ 94,014</u>
Department of Justice Pass-Through Program From Missouri Department of Public Safety Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	2013-Title2-22		\$ 8,198
Crime Victim Assistance	16.575	ER 130180073		37,173
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAG-009		124,763
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAG-012		124,436
<i>Total Department of Justice Pass-Through Programs</i>				<u>\$ 294,570</u>
<i>Total Department of Justice</i>				<u>\$ 388,584</u>
Department of Transportation Pass-Through Programs From Missouri Department of Transportation Alcohol Open Container Requirements	20.607	19-154-AL-056		\$ 575
Alcohol Open Container Requirements	20.607	18-154-AL-060		10,469
Missouri Emergency Response Commission Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			24,500
<i>Total Department of Transportation Pass-Through Programs</i>				<u>\$ 35,544</u>
<i>Total Department of Transportation</i>				<u>\$ 35,544</u>
Environmental Protection Agency Direct Program Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802			\$ 129,924
<i>Total Environmental Protection Agency Direct Program</i>				<u>\$ 129,924</u>
Environmental Protection Agency Pass-Through Programs From Missouri Department of Health and Senior Services Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	AOC16380068		\$ 92,335
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	AOC19380187		46,005
<i>Total Environmental Protection Agency Pass-Through Programs</i>				<u>\$ 138,340</u>
<i>Total Environmental Protection Agency</i>				<u>\$ 268,264</u>

The accompanying notes are an integral part of this schedule.

JASPER COUNTY, MISSOURI
Schedule of Expenditures of Federal Awards (Continued)
For the year ended December 31, 2018

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Health and Human Services Pass-Through Programs From				
Missouri Department of Social Services				
Child Support Enforcement	93.563			\$ 192,831
Missouri Department of Health and Senior Services				
Cancer Prevention and Control Programs for State Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	ERS 16118035		818
Cancer Prevention and Control Programs for State Territorial and Tribal Organizations	93.898	ERS 16119058		6,602
Maternal and Child Health Services Block Grant to the States	93.994	AOC 19380167		8,498
Maternal and Child Health Services Block Grant to the States	93.994	AOC 18380111		32,768
Maternal and Child Health Services Block Grant to the States	93.994			100
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	ERS166-17027		1,200
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092			709
Public Health Emergency Preparedness	93.069	AOC 18380049		57,546
Children's Health Insurance Program	93.767	AOC 15380253		34,167
<i>Total Department of Health and Human Services Pass-Through Programs</i>				<u>\$ 335,239</u>
<i>Total Department of Health and Human Services</i>				<u>\$ 335,239</u>
<i>Total Other Programs</i>				<u>\$ 1,199,876</u>
<i>Total Expenditures of Federal Awards</i>				<u><u>\$ 2,121,884</u></u>

The accompanying notes are an integral part of this schedule.

JASPER COUNTY, MISSOURI
Notes to Schedule of Expenditures of Federal Awards
December 31, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Jasper County, Missouri under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jasper County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jasper County, Missouri.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Jasper County, Missouri has elected not to use the 10 percent de-minimis indirect cost rate under the Uniform Guidance.

JASPER COUNTY, MISSOURI
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified - Regulatory Basis

Internal control over financial reporting:

- * Material weakness(es) identified? _____ yes X no
- * Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- * Material weakness(es) identified? _____ yes X no
- * Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)? _____yes X no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
20.600	State and Community Highway Safety

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

Auditee qualifies as a low-risk auditee? _____ yes X no

JASPER COUNTY, MISSOURI
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section II – Financial Statement Findings (Continued)

<u>2018-001</u>	<u>Preparation of the Financial Statements and Related Notes</u>
Criteria:	The financial statements and the related notes are the responsibility of the management of the County.
Condition:	County personnel are able to perform basic accounting functions necessary to maintain the general ledger and prepare financial statements for internal use but do not maintain the knowledge to prepare the financial statements and related notes in accordance with the Generally Accepted Accounting Principles.
Effect:	The financial statements may be misstated or may lack all required disclosures.
Recommendation:	County personnel continue to maintain the general ledger and prepare internal financial statements.
Management Response:	County personnel will review all proposed adjustments, draft financial statements, and assume responsibility for them.

JASPER COUNTY, MISSOURI
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section III – Federal Awards Findings and Questioned Costs

No matters were reported.

JASPER COUNTY, MISSOURI
Summary Schedule of Prior Audit Findings
For the year ended December 31, 2018

Item	Program Finding	Status
2017-001	Segregation of Duties	Condition Corrected
2017-002	Accounting Manual	Condition Corrected
2017-003	Preparation of Financial Statements and Related Notes	Condition Still Exists

Sarah D. Hoover



Jasper County Auditor

Corrective Action Plan
and Comments on Audit Resolution
Matters Relating to the Federal Award Programs

Jasper County, Missouri respectively submits the following corrective action plan for the year ended December 31, 2018.

Name and address of Independent Auditors: The Mense CPA Firm, LLC
2001 Byers Avenue
Joplin, MO 64804-1835

Audit period: January 1, 2018 through December 31, 2018

The findings from the December 31, 2018 Schedule of Findings and Questioned Cost relate to the Federal Award Programs and Financial Statements are discussed below. The findings are submitted consistently with the number assigned in the Schedule. Section I of the Schedule, Summary of Auditor's Results, does not include findings and is not addressed.

II. Financial Statement Findings

Finding 2018-001 County personnel will continue to prepare financial statements and budget comparisons for internal use and will review audited financial statements and related notes and accept responsibility for them.

III. Federal Awards Findings and Questioned Costs

None

IV. Status of Corrective Actions or Prior Findings

None

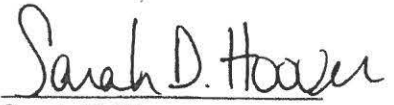
Jasper County Courthouse – 302 S Main Room 108 – Carthage MO 64836

Ph 417.358.0406 Fax 417.237.1097

email: shoover@jaspercountymo.gov

If there are any further questions regarding these matters, please call Sarah D. Hoover, County Auditor at (417) 358-0406.

Sincerely,

A handwritten signature in cursive script that reads "Sarah D. Hoover". The signature is written in black ink and is positioned above a horizontal line.

Sarah D. Hoover
Sarah D. Hoover
County Auditor