

**NEWTON COUNTY, MISSOURI**  
**BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2015**

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## **INDEPENDENT AUDITORS' REPORT**

Newton County Commission  
Newton County  
Neosho, Missouri

### **Report on Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newton County, Missouri, as of and for the year ended December 31, 2015, 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 modified cash basis of accounting described in Note A; this includes determining that the modified 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 County'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 County'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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information, as of December 31, 2015, and the respective changes in modified cash basis financial position and cash flows, where applicable, for the year then ended in accordance with the basis of accounting described in Note A.

### **Basis of Accounting**

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

### **Disclaimer of Opinion on Supplementary 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 Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and budgetary comparison information on pages 8-15 and 40-51, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Newton County, Missouri's basic financial statements. The Combining Nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements

Newton County Commission  
Newton County  
Neosho, Missouri

The Combining Nonmajor fund 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 addition 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 Nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2016, on our consideration of Newton 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 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 Newton County's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC  
Springfield, Missouri  
July 11, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NEWTON COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015**

Our discussion and analysis of the financial performance of Newton County, Missouri, provides an overview of the County's financial activities for the year ended December 31, 2015, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements, which begin on page 16.

**FINANCIAL HIGHLIGHTS**

- The overall net position of the County increased by \$2,502,287.
- The fund balance for the General Fund increased by \$497,700.
- The fund balance for the Road and Bridge Fund increased by \$419,780.
- On a government-wide basis, the cost of the County's governmental activities was \$13,681,220 compared to \$14,120,816 in 2014.
- Road sales tax funds held at year end equaled \$848,860; these funds will be used on County roads in 2016 and future years.

**USING THIS ANNUAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the County's modified cash basis of accounting. These financial statements only include the funds of Newton County, Missouri.

**Report Components**

**Government-Wide Financial Statements:** The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances.

**Fund Financial Statements:** Fund financial statements focus on the individual parts of the County government. Fund financial statements also report the County's operations in more detail than government-wide statements by providing information about the County's major funds. These statements tell how these services were financed in the short-term, as well as what remains for future spending.



**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Supplementary Information:** The Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and the Budgetary Comparison Schedules represent supplementary financial information to the basic financial statements. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

**Other Financial Information:** This part of the annual report includes optional financial information, which includes the combining statements for the County's nonmajor funds. This other financial information is provided to address certain needs of various users of the County's annual report.

### **Basis of Accounting**

The County has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. 'Basis of accounting' is a reference to *when* financial events are recorded, such as the timing for recognizing receipts, disbursements, and their related assets and liabilities. Under the County's modified cash basis of accounting, receipts and disbursements, and the related assets, are recorded when they result from cash transactions. The modification to the cash basis relates to the presentation of investments.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable billed or services provided but not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

### **Government-wide Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the County's assets resulting from the use of the modified cash basis of accounting.

The statements report the County's net position and changes in them. Over time, increases and decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. However, the reader will need to consider other non-financial factors, such as changes in the County's tax base and the condition of the County's facilities, to assess the overall health of the County.

NEWTON COUNTY, MISSOURI  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
December 31, 2015

The Statement of Activities is presented by its governmental functions which include general government, judicial, public safety, health and welfare, fair, and highway and roads. The Statement of Activities shows the net cost of these functions before considering the general receipts of the County.

**Fund Financial Statements**

The fund financial statements provide detailed information about the County’s funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for County programs.

- Governmental Funds – Most of the County’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs.
- Proprietary Funds – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. The Internal Service Funds are used to account for charges made to other units of government for employee retirement and deferred compensation benefits.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net Position – Modified Cash Basis**

	December 31,	
	2015	2014
ASSETS		
Cash and investments - unrestricted	\$ 3,789,918	\$ 3,160,788
Cash and investments - restricted	4,157,569	2,284,412
TOTAL ASSETS	<u>\$ 7,947,487</u>	<u>\$ 5,445,200</u>
NET POSITION		
Restricted	\$ 4,157,569	\$ 2,284,412
Unrestricted	3,789,918	3,160,788
TOTAL NET POSITION	<u>\$ 7,947,487</u>	<u>\$ 5,445,200</u>

NEWTON COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**Changes in Net Position – Modified Cash Basis**

	<u>Year Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
<b>RECEIPTS</b>		
<u>Program Receipts</u>		
Charges for services	\$ 2,850,587	\$ 2,747,708
Operating grants and contributions	243,528	375,741
Capital grants and contributions	3,901	6,716
<u>General Receipts</u>		
Ad valorem taxes	1,312,706	1,259,438
Sales taxes	8,535,417	8,175,700
Motor vehicle sales and gas taxes	1,245,739	1,196,019
Telephone tax	408,499	464,982
Other taxes	106,926	104,918
Interest	14,063	11,890
Other receipts	151,160	110,287
<u>Special Items</u>		
Lease proceeds	1,300,000	-
Sale of property	10,981	41,124
	<u>16,183,507</u>	<u>14,494,523</u>
<b>TOTAL RECEIPTS</b>		
<b>DISBURSEMENTS</b>		
General government	3,259,013	3,586,223
Judicial	1,464,490	1,566,037
Public safety	4,810,912	4,882,410
Health and welfare	609,553	603,839
Fair	78,395	94,019
Highway and roads	3,295,873	3,388,288
Capital improvements	162,984	-
	<u>13,681,220</u>	<u>14,120,816</u>
<b>TOTAL DISBURSEMENTS</b>		
<b>INCREASE IN NET POSITION</b>	<u><u>\$ 2,502,287</u></u>	<u><u>\$ 373,707</u></u>

NEWTON COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

Overall receipts of the County increased by \$1,688,984 over the prior year. Taxes as a whole increased \$408,230. Taxes comprise 72% of total receipts, charges for services comprise 18% of receipts, and the balance is comprised of grants, interest, sale of property, and other receipts.

Disbursements for general government decreased 5%. Public safety comprises 35% of total disbursements, general government comprises 25%, highway and roads 24%, judicial 11%, with the fair, and health and welfare making up the balance of disbursements.

### **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The General Fund balance increased by \$497,700 for the year ended December 31, 2015.
- The Road and Bridge Fund balance increased by \$419,780 for the year ended December 31, 2015.
- The E-911 Fund balance increased by \$71,250 for the year ended December 31, 2015. This increase is due to the timing of transfers of funds from General Revenue to supplement declining tax revenues and continue to provide services to residents.
- The Assessment Fund increased \$16,536, which raised the fund balance to \$1,300,042 as of December 31, 2015.
- The Mental Health Fund balance increased by \$71,273 for the year ended December 31, 2015.
- The Road Sales Tax Fund, balance increased by \$67,876, which raised the fund balance to \$848,860 as of December 31, 2015.
- The Newton County Assessment Fund continues to grow. This fund now has a balance of \$1.3 million. General Revenue benefits from the Assessment fund only when the annual statute required transfer of approximately \$82,000 is waived by the Assessor.
- Road Sales Tax amounts continue to grow to almost \$1.8 million for County and Special Road Districts. \$1.1 million was disbursed and spent in 2015 on projects, with a carryover of \$848,860 to be used in 2016. Approximately 300 miles of roadways have now been improved using these funds.

NEWTON COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)**

**Statutory Funds**

(Funds established by State statute; controlled and disbursed by the Officeholder)

Department	Balance 12/31/2014	Balance 12/31/2015	% Change +/-
Recorder's Fund	\$ 331,292	\$ 254,013	-23.33%
Collector Tax Maintenance Fund	\$ 170,528	\$ 173,608	1.81%
Law Library Fund	\$ 25,667	\$ 23,749	-7.47%
Election Fund	\$ 59,643	\$ 59,804	0.27%
Election Improvement Fund	\$ 6,913	\$ 6,321	-8.56%
Sheriff Civil Charges Fund	\$ 19,959	\$ 35,292	76.82%
Sheriff's Revolving Fund	\$ 11,390	\$ 28,322	148.66%
Sheriff's Criminal Activity Forfeiture Fund	\$ 17,181	\$ 4,697	-72.66%
Law Enforcement Training Fund	\$ 5,624	\$ 3,945	-29.85%
Inmate Security Fund	\$ 17,872	\$ 26,165	46.40%
Prosecuting Attorney Administrative Fund	\$ 8,894	\$ 12,808	44.01%
Prosecuting Attorney Training Fund	\$ 22,944	\$ 25,132	9.54%
Prosecuting Attorney Delinquent Tax Fund	\$ 41,592	\$ 53,188	27.88%

**County Funds**

(Funds established by the County Commission; controlled and disbursed for a specific service)

Department	Balance 12/31/2014	Balance 12/31/2015	% Change +/-
Assessment Fund	\$ 1,283,506	\$ 1,300,042	1.29%
Road Sales Tax Fund	\$ 780,984	\$ 848,860	8.69%
Road & Bridge Fund	\$ 604,548	\$ 1,024,328	69.44%
Bridge Demolition Fund	\$ 81,295	\$ 81,445	0.18%
Mental Health Fund	\$ 91,001	\$ 162,274	78.32%
Newton County Fair Fund	\$ 230	\$ 2,755	1097.83%
Local Emergency Planning Council Fund	\$ 15,432	\$ 20,071	30.06%
K9/DARE Program Fund	\$ 2,020	\$ 11,661	477.28%
Domestic Violence Fund	\$ 4,003	\$ 3,846	-3.92%
Capital Expenditures Fund	\$ -	\$ 1,337,016	100.00%
Capital Improvement Fund	\$ -	\$ 39,658	100.00%

**FINANCIAL ANALYSIS BUDGET VERSUS ACTUAL RESULTS – GENERAL FUND**

	Budget		Actual
	Original	Final	
<b>RECEIPTS</b>			
Taxes	\$ 6,550,500	\$ 6,550,500	\$ 6,700,519
Commissions	755,250	755,250	700,576
Intergovernmental revenues	377,228	377,228	226,974
Fees and charges	875,300	875,300	932,144
Other	70,200	70,200	52,345
<b>TOTAL RECEIPTS</b>	<b>\$ 8,628,478</b>	<b>\$ 8,628,478</b>	<b>\$ 8,612,558</b>
<b>DISBURSEMENTS</b>			
General government	\$ 3,958,000	\$ 3,958,000	\$ 2,474,008
Judicial	1,381,482	1,381,482	1,411,649
Public safety	3,802,423	3,802,423	3,804,080
Health and welfare	7,000	7,000	2,400
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 9,148,905</b>	<b>\$ 9,148,905</b>	<b>\$ 7,692,137</b>

Budget efficiency is obvious and showed marked improvement when observing the differences between original budgets and what the County actually received and expended in 2015. Each officeholder works to be prudent with the funds available to them each year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Commission has awarded a construction bid to Construction Services Group of Neosho to complete the renovation of the property at 123 E. Main St. into a Judicial Center. The renovation is anticipated to be complete in late 2016.

E911 revenue from land line telephone tax continues to decrease. The County budget must supplement the cost to operate the emergency call center. Regardless of declining revenue the County continues to replace equipment and required updates to the system.

Health care costs for County employees and insurance in general remain unstable. The County has been cautioned to anticipate an increase in all insurance costs for the County. The Commission is reviewing every option available to them in anticipation of this increase. It is their intent to continue to pursue other options even after a policy is established for 2016 in order to best provide for County employees.

Financial software, telephone systems, internet services and hardware will be reviewed in 2016 to determine the best course of action in making improvements and advances that will support electronic services for taxpayers.

NEWTON COUNTY, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2015

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

For more information, you may contact the Presiding Commissioner at (417) 451-8223, the County Clerk at (417) 451-8221, or the County Auditor at (417) 451-8379, or by mail: 101 South Wood Street, Neosho, Missouri 64850.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
 December 31, 2015

	Total Governmental Activities
	<u>                    </u>
<b>ASSETS</b>	
Cash and investments - unrestricted	\$ 3,789,918
Cash and investments - restricted	<u>4,157,569</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 7,947,487</u></u>
<b>NET POSITION</b>	
Restricted	\$ 4,157,569
Unrestricted	<u>3,789,918</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 7,947,487</u></u>

See accompanying notes.



NEWTON COUNTY, MISSOURI  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
Year Ended December 31, 2015

Functions/Programs	Disbursements	Program Receipts			Net (Disbursements), Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
General government	\$ (3,259,013)	\$ 1,706,130	\$ 23,247	\$ -	\$ (1,529,636)
Judicial	(1,464,490)	196,619	76,502	-	(1,191,369)
Public safety	(4,810,912)	940,846	143,779	3,768	(3,722,519)
Health and welfare	(609,553)	6,992	-	-	(602,561)
Fair	(78,395)	-	-	-	(78,395)
Highway and roads	(3,295,873)	-	-	-	(3,295,873)
Capital Improvements	(162,984)	-	-	133	(162,851)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ (13,681,220)</b>	<b>\$ 2,850,587</b>	<b>\$ 243,528</b>	<b>\$ 3,901</b>	<b>(10,583,204)</b>
		General Receipts:			
					1,312,706
					8,535,417
					1,245,739
					408,499
					106,926
					14,063
					151,160
				Total General Receipts	11,774,510
		Special Items:			
					1,300,000
					10,981
				Total Special Items	1,310,981
				Increase in Net Position	2,502,287
				Net Position, Beginning of year	5,445,200
				Net Position, End of year	\$ 7,947,487

See accompanying notes.

NEWTON COUNTY, MISSOURI  
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
December 31, 2015

Special Revenue Funds

	General Fund	Road and Bridge Fund	E-911 Fund	Assessment Fund	Mental Health Fund	Road Sales Tax Fund	Capital Projects Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and investments-unrestricted	\$ 2,336,627	\$ -	\$ 71,860	\$ 1,300,042	\$ -	\$ -	\$ -	\$ 81,389	\$ 3,789,918
Cash and investments-restricted	-	1,024,328	-	-	162,274	848,860	1,337,016	785,091	4,157,569
<b>TOTAL ASSETS</b>	<b>\$ 2,336,627</b>	<b>\$ 1,024,328</b>	<b>\$ 71,860</b>	<b>\$ 1,300,042</b>	<b>\$ 162,274</b>	<b>\$ 848,860</b>	<b>\$ 1,337,016</b>	<b>\$ 866,480</b>	<b>\$ 7,947,487</b>
<b>FUND BALANCES</b>									
Fund Balances									
Restricted for:									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337,016	\$ 568,870	\$ 1,905,886
Judicial	-	-	-	-	-	-	-	91,128	91,128
Public safety	-	-	-	-	-	-	-	118,492	118,492
Health and welfare	-	-	-	-	162,274	-	-	3,846	166,120
Fair	-	-	-	-	-	-	-	2,755	2,755
Highways and roads	-	1,024,328	-	-	-	848,860	-	-	1,873,188
Committed to Capital Improvements	-	-	-	-	-	-	-	39,658	39,658
Assigned to:									
E-911	-	-	71,860	-	-	-	-	-	71,860
Assessment	-	-	-	1,300,042	-	-	-	-	1,300,042
Election	-	-	-	-	-	-	-	6,321	6,321
Law library	-	-	-	-	-	-	-	23,749	23,749
Public safety	-	-	-	-	-	-	-	11,661	11,661
Unassigned to:	2,336,627	-	-	-	-	-	-	-	2,336,627
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,336,627</b>	<b>\$ 1,024,328</b>	<b>\$ 71,860</b>	<b>\$ 1,300,042</b>	<b>\$ 162,274</b>	<b>\$ 848,860</b>	<b>\$ 1,337,016</b>	<b>\$ 866,480</b>	<b>\$ 7,947,487</b>

Fund Balance Governmental Funds \$ 7,947,487

Some of the amounts reported for Governmental activities in the Statement of Net Position are different because Internal Service Fund assets are included with Governmental activities.

Net Position of Governmental Activities \$ 7,947,487

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	General Fund	Road and Bridge Fund	E-911 Fund	Assessment Fund	Mental Health Fund	Road Sales Tax Fund	Capital Expenditures Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>RECEIPTS</b>									
Taxes	\$ 6,700,519	\$ 1,861,859	\$ 408,499	\$ -	\$ 670,621	\$ 1,886,919	\$ -	\$ 80,870	\$ 11,609,287
Collector's commission	700,576	-	-	-	-	-	-	-	700,576
Intergovernmental receipts	226,974	-	-	-	-	-	-	39,956	266,930
Fees and charges	932,144	-	294,007	604,427	-	-	-	317,358	2,147,936
Other	52,345	32,378	481	2,707	652	2,373	-	56,861	147,797
<b>TOTAL RECEIPTS</b>	<b>8,612,558</b>	<b>1,894,237</b>	<b>702,987</b>	<b>607,134</b>	<b>671,273</b>	<b>1,889,292</b>	<b>-</b>	<b>495,045</b>	<b>14,872,526</b>
<b>DISBURSEMENTS</b>									
Current									
General government	2,474,008	-	-	596,718	-	-	-	185,142	3,255,868
Judicial	1,411,649	-	-	-	-	-	-	52,841	1,464,490
Public safety	3,804,080	-	888,526	-	-	-	-	118,306	4,810,912
Health and welfare	2,400	-	-	-	600,000	-	-	7,153	609,553
Fair	-	-	-	-	-	-	-	78,395	78,395
Highway and roads	-	2,146,281	-	-	-	1,149,592	-	-	3,295,873
Capital Improvements	-	-	-	-	-	-	162,984	-	162,984
<b>TOTAL DISBURSEMENTS</b>	<b>7,692,137</b>	<b>2,146,281</b>	<b>888,526</b>	<b>596,718</b>	<b>600,000</b>	<b>1,149,592</b>	<b>162,984</b>	<b>441,837</b>	<b>13,678,075</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>920,421</b>	<b>(252,044)</b>	<b>(185,539)</b>	<b>10,416</b>	<b>71,273</b>	<b>739,700</b>	<b>(162,984)</b>	<b>53,208</b>	<b>1,194,451</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Lease proceeds	-	-	-	-	-	-	1,300,000	-	1,300,000
Sale of property	9,396	-	-	-	-	-	-	1,585	10,981
Operating transfers in (out)	(432,117)	671,824	256,789	6,120	-	(671,824)	200,000	(30,792)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(422,721)</b>	<b>671,824</b>	<b>256,789</b>	<b>6,120</b>	<b>-</b>	<b>(671,824)</b>	<b>1,500,000</b>	<b>(29,207)</b>	<b>1,310,981</b>
<b>EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>497,700</b>	<b>419,780</b>	<b>71,250</b>	<b>16,536</b>	<b>71,273</b>	<b>67,876</b>	<b>1,337,016</b>	<b>24,001</b>	<b>2,505,432</b>
FUND BALANCE, January 1	1,838,927	604,548	610	1,283,506	91,001	780,984	-	842,479	5,442,055
FUND BALANCE, December 31	\$ 2,336,627	\$ 1,024,328	\$ 71,860	\$ 1,300,042	\$ 162,274	\$ 848,860	\$ 1,337,016	\$ 866,480	\$ 7,947,487
Excess of Receipts and Other Sources Over Disbursements and Other (Uses)									\$ 2,505,432
Some of the amounts reported for Governmental activities in the Statement of Activities are different because the Internal Service Fund receipts and disbursements are included with Governmental activities.									(3,145)
Increase in Net Position									\$ 2,502,287

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS – MODIFIED CASH BASIS  
 December 31, 2015

	County Employee Retirement Fund	Deferred Compensation Fund
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash and investments	\$ -	\$ -
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Unrestricted	\$ -	\$ -
	<u>                    </u>	<u>                    </u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – INTERNAL  
 SERVICE FUNDS – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	County Employee Retirement Fund	Deferred Compensation Fund
	<u>          </u>	<u>          </u>
OPERATING RECEIPTS		
Charges for services	\$ 506,948	\$ 32,915
TOTAL OPERATING RECEIPTS	<u>506,948</u>	<u>32,915</u>
OPERATING DISBURSEMENTS		
Contributions	506,949	36,060
TOTAL OPERATING DISBURSEMENTS	<u>506,949</u>	<u>36,060</u>
OPERATING (LOSS)	(1)	(3,145)
NONOPERATING RECEIPTS		
Interest receipts	1	-
TOTAL NONOPERATING RECEIPTS	<u>1</u>	<u>-</u>
NET (LOSS)	-	(3,145)
NET POSITION, January 1	<u>-</u>	<u>3,145</u>
NET POSITION, December 31	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	County Employee Retirement Fund	Deferred Compensation Fund
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 506,948	\$ 32,915
Cash paid to suppliers	(506,949)	(36,060)
	<u>                    </u>	<u>                    </u>
NET CASH (USED) BY OPERATING ACTIVITIES	(1)	(3,145)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	1	-
	<u>                    </u>	<u>                    </u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	1	-
	<u>                    </u>	<u>                    </u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(3,145)
CASH AND CASH EQUIVALENTS, Beginning of year	-	3,145
	<u>                    </u>	<u>                    </u>
CASH AND CASH EQUIVALENTS, End of year	\$ -	\$ -
	<u>                    </u>	<u>                    </u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:</b>		
Operating (loss)	\$ (1)	\$ (3,145)
	<u>                    </u>	<u>                    </u>
NET CASH (USED) BY OPERATING ACTIVITIES	\$ (1)	\$ (3,145)
	<u>                    </u>	<u>                    </u>

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS  
 December 31, 2015

	Jail Commissary Fund	Circuit Clerk Fund	Collector of Revenue Fund	Land Tax Overplus Fund	Election Authority Fund	Payroll Withholding Fund
<b>ASSETS</b>						
Cash and investments	\$ 20,596	\$ 498,798	\$ 31,973,851	\$ 60,021	\$ 110	\$ 6
TOTAL ASSETS	<u>\$ 20,596</u>	<u>\$ 498,798</u>	<u>\$ 31,973,851</u>	<u>\$ 60,021</u>	<u>\$ 110</u>	<u>\$ 6</u>
<b>LIABILITIES</b>						
Due to others	\$ 20,596	\$ 498,798	\$ 79,758	\$ -	\$ 110	\$ -
Due to other funds	-	-	-	-	-	6
Due to other governments	-	-	31,894,093	60,021	-	-
TOTAL LIABILITIES	<u>\$ 20,596</u>	<u>\$ 498,798</u>	<u>\$ 31,973,851</u>	<u>\$ 60,021</u>	<u>\$ 110</u>	<u>\$ 6</u>

See accompanying notes.

NEWTON COUNTY, MISSOURI  
 STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS – MODIFIED CASH BASIS (continued)  
 December 31, 2015

	Unclaimed Fee Fund	Prosecuting Attorney Fund	Fines and Forfeitures Fund	Recorder's Office Fund	Sheriff Fund	Sheriff's Seized Evidence Fund	Total
<b>ASSETS</b>							
Cash and investments	\$ 7,510	\$ 3	\$ 247,653	\$ 31,242	\$ 4,514	\$ 38,822	\$ 32,883,126
<b>TOTAL ASSETS</b>	<u>\$ 7,510</u>	<u>\$ 3</u>	<u>\$ 247,653</u>	<u>\$ 31,242</u>	<u>\$ 4,514</u>	<u>\$ 38,822</u>	<u>\$ 32,883,126</u>
<b>LIABILITIES</b>							
Due to others	\$ 7,510	\$ 3	\$ -	\$ -	\$ 4,514	\$ 38,822	\$ 650,111
Due to other funds	-	-	-	-	-	-	6
Due to other governments	-	-	247,653	31,242	-	-	32,233,009
<b>TOTAL LIABILITIES</b>	<u>\$ 7,510</u>	<u>\$ 3</u>	<u>\$ 247,653</u>	<u>\$ 31,242</u>	<u>\$ 4,514</u>	<u>\$ 38,822</u>	<u>\$ 32,883,126</u>

See accompanying notes.



## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Newton County, Missouri, (the County) is a county of the 2nd class and operates under a three-member County Commission.

The accounting methods and procedures adopted by Newton County, Missouri, conform to the modified cash basis of accounting as applied to governmental entities. The following is a summary of the more significant policies.

### Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will, or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is a primary government, which is governed by a three member county commission. As required by accounting principles generally accepted in the United States of America, the County has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The County has determined that no other outside entity meets the above criteria and therefore, no other entity has been included as a component unit in the County's financial statements. In addition, the County is not aware of any entity for which the County would be considered as a component unit of that entity.

### *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide statements display information about the primary government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, the governmental activities are consolidated and presented on the modified cash basis of accounting.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide Statement of Activities presents a comparison between direct disbursements and program receipts for each function of the County's governmental activities. Direct disbursements are those that are specifically associated with a program or a function. Program receipts include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital disbursements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

*FUND FINANCIAL STATEMENTS*

Separate fund financial statements report information on the County's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

The County reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in other funds.

Road and Bridge Fund: The Road and Bridge Fund of the County is used to account for resources restricted for highway and road disbursements.

E-911 Fund: The E-911 Fund is used to account for resources assigned for emergency 911 operations.

Assessment Fund: The Assessment Fund is used to account for the resources designated for assessment operations.

Mental Health Fund: The Mental Health Fund is used to account for resources restricted for the operations of the Lafayette House and the Ozark Center mental health facilities.

Road Sales Tax Fund: The Road Sales Tax fund is used to account for the sales taxes restricted for Highways and Roads.

Capital Expenditures Fund: The Capital Expenditures Fund is used to account for the resources designated for capital expenditures.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County also reports the following fund types:

The Internal Service Funds account for employee retirement and deferred compensation benefits of the County on a cost reimbursement basis.

Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The agency funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting

The government-wide Statement of Net Position, the Statement of Activities, and the fund financial statements for the County are presented using a modified cash basis of accounting. This basis recognizes assets, net position /fund equity, revenues, and expenditures/expenses when they result from cash transactions. The cash basis has been modified to include investments of the County. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Also, as a result of the modified cash basis, capital assets and long-term debt of the County are not presented in the financial statements.

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

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. Investments of the County are carried at cost and consist of Certificates of Deposit.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

The assigned and unassigned fund balances for Governmental Fund Types represent the amount available for budgeting future operations.

Equity Classification

Equity is classified as net position and displayed in two components:

- a. Restricted net position – Consists of net position with constraints placed on the 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 legislations.
- b. Unrestricted net position – All other net position that do not meet the definition of “restricted”.

It is the County’s policy to first use restricted net position prior to the use of unrestricted net position when a disbursement is made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance* – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance* – This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County removes the specified use by taking the same type of action imposing the commitment.

*Assigned fund balance* – This classification reflects the amounts constrained by the County’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

NEWTON COUNTY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences is not expected to be liquidated with expendable available financial resources.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all accounts subject to withdrawal by check or “on demand” to be cash and cash equivalents. All other deposits are considered to be investments.

Pensions

Financial reporting information included in the notes to the financial statements pertaining to the County’s participation in the State of Missouri County Employees’ Retirement Fund (CERF) is prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the County’s modified cash basis of accounting

The financial statements were prepared using the modified cash basis of accounting. Therefore, employee and employer contributions are recognized when paid and the County’s net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

NOTE B – CASH

State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all cash balances on deposit are entirely insured or collateralized with securities.

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE C – INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed as “Cash and investments”. In addition, investments are separately held by two of the County’s funds. County investments consist of Certificates of Deposit.

Investments of the County as of December 31, 2015, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	1/13/2016	\$ 20,000
Certificates of Deposit	3/7/2016	5,072
		<u>\$ 25,072</u>

Certificates of Deposit

Certificates of Deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County’s deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2015, all Certificates of Deposit were entirely insured or collateralized with securities.

NOTE D – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2015, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

There are a number of claims and/or 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 and legal counsel 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 E – EMPLOYEE PENSION PLAN

**State of Missouri County Employees' Retirement Fund**

General Information about the Pension Plan

*Plan Description.* Newton County of Missouri's defined benefit pension plan provides certain retirement and death benefits to its members. The County participates in the State of Missouri County Employees' Retirement Fund (CERF). CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government.

CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF was established by an act of the Missouri General Assembly effective August 28, 1994 and administered in accordance with RSMo. 50.1000 – 50.1300. As such, it is CERF's responsibility to administer the law in accordance with the intent of the General Assembly. The plan as amended through November 1, 2010 is in a form acceptable under the Internal Revenue Code. The responsibility for the operations and administration of CERF is vested in the CERF Board of Directors consisting of eleven members. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at [www.mocerf.org](http://www.mocerf.org).

*Benefits Provided.* CERF provides 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. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature.

NOTE E – EMPLOYEE PENSION PLAN (continued)

*Cost-of-Living Adjustments (“COLA”).* The Missouri Legislature has established a policy of providing an annual increase in the retirement benefit of the lesser of 1% and the February increase in CPI with the increase to take effect each July. The first increase will occur in the year following retirement so long as the retiree has been receiving benefits for at least one year on July 1<sup>st</sup>. The total of all increases shall not exceed 50% of the initial benefit.

*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 6% contribution on behalf of employees. As of December 31, 2015, the County has elected that employees will pay the full 6% required to be contributed to the plan.

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 recorders of deeds, with an additional one dollar on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF

The County’s contributions to CERF were \$243,746 for the year ended December 31, 2015. In addition, the County collected and remitted \$263,203 related to employee payroll withholdings at the required contribution rates.

*Pension Liability.* At December 31, 2015, the County had a liability of \$1,406,627 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of December 31, 2014, and determined by an actuarial valuation as of that date. The County’s proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$238,435 paid to CERF for the year ended December 31, 2014, relative to the actual contributions of \$19,781,513 from all participating employers. At December 31, 2014, the County’s proportionate share was 1.2053%.



NOTE E – EMPLOYEE PENSION PLAN (continued)

*Actuarial Assumptions.* Actuarial valuations of the Plan involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future compensation increases. 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 actuarial assumptions are based on an experience study covering the period January 1, 2002, through December 31, 2007. A new experience study was recently completed for the period January 1, 2008, through December 31, 2013. However, assumption changes that were otherwise indicated have not been adopted because of the aberrant economic conditions during that time period.

The total pension liability as of December 31, 2014, was based on the most recent actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014, using the following actuarial assumptions:

- Measurement date - December 31, 2014
- Valuation date - December 31, 2014
- Actuarial cost method – Entry age
- Investment rate of return – 8%
- Inflation – 3%
- Compensation increases – Inflation plus an age-graded allowance for merit, promotion, and seniority. Total average increases, including inflation, are approximately 5.3%
- Mortality rates – RP 2000 table separately for males and females projected for mortality improvement through 2010.
- Fiduciary Net Position – CERF issues a publicly available financial report that can be obtained at [www.mocerf.org](http://www.mocerf.org).

The long-term expected rate of return on the Plan'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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target allocation as of June 30, 2013 is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. This method eliminates the effects created by cash flows.

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE E – EMPLOYEE PENSION PLAN (continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Arithmetic Basis</u>	
		<u>Expected Real Return</u>	<u>Weighted Expected Real Return</u>
Core Plus	15.00%	3.11%	0.47%
Absolute Return	15.00%	4.35%	0.65%
U.S. Large Cap Equity	25.00%	7.77%	1.94%
U.S. Small Cap Equity	10.00%	9.03%	0.90%
Non-U.S. Equity	15.00%	8.99%	1.35%
Long/Short Equity	10.00%	7.64%	0.76%
Private Equity	5.00%	1.65%	0.08%
Core Real Estate	5.00%	5.30%	0.27%
Total	<u>100.00%</u>		6.42%
		Inflation	3.00%
		Long-term expected geometric return	<u>9.42%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 8.0%. 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 the Plan's revenue sources (various fees and penalties paid by the counties). Such revenue was assumed to increase at the rate of 1.0% per year. This increase assumption has been used by the Plan in prior funding status projects. Historically, revenue increase has averaged more than 1.0% per year. Based on the assumptions, the Plan'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 into the future. The long-term expected rate of return on the Plan's investments was applied to projected benefit payments.

*Discount Rate Sensitivity.* The sensitivity of the net pension liability to changes in the discount rate is presented below. The net pension liability calculated using the discount rate of 8.0% is presented as well as what the net pension liability would be using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	<u>1.0% Decrease (7.0%)</u>	<u>Current Rate (8.0%)</u>	<u>1.0% Increase (9.0%)</u>
Proportionate share of the Net Pension Liability/(Asset)	\$ 2,279,078	\$ 1,406,578	\$ 720,289

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE F – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31.

The 2015 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	
Real estate	\$ 535,890,820
Personal property	194,365,875
Railroad and utilities	<u>80,360,455</u>
	<u><u>\$ 810,617,150</u></u>
TAX LEVY	
Common road	\$ .2317
Fair	.0100
Mental Health	.0822
Senate Bill 40	<u>.0598</u>
	<u><u>\$ .3837</u></u>

The legal debt margin at December 31, 2015, is computed as follows:

Constitutional debt limit	\$ 81,061,716
General obligation bonds payable	<u>-</u>
	<u><u>LEGAL DEBT MARGIN \$ 81,061,716</u></u>

- (1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE G – GENERAL LONG-TERM DEBT

Leases Payable

On August 20, 2013, the County entered into a lease purchase agreement with US Bank to finance the purchase of radio equipment. The agreement requires annual payments of \$40,998, which includes interest at 2.62%

On April 10, 2015, the County entered into a lease purchase agreement with Arvest Bank to finance the purchase of a 911 dispatch system. The agreement requires annual payments of \$9,858, which includes interest at 3.00%.

On July 25, 2015, the County entered into a lease purchase agreement with Arvest Bank to finance the purchase of technology equipment. The agreement requires annual payments of \$152,723, which includes interest at 3.00%.

The County's lease purchase agreements provide for the cancellation of the leases at the County's option on the renewal dates each year per State statute, however the County does not foresee exercising its option to cancel.

The following is a schedule of future lease payments under the lease (assuming noncancellation):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 159,571	\$ 44,008	\$ 203,579
2017	164,276	39,303	203,579
2018	169,122	34,457	203,579
2019	133,113	29,468	162,581
2020	137,160	25,421	162,581
2021	131,475	21,248	152,723
2022	135,474	17,249	152,723
2023	139,594	13,129	152,723
2024	143,840	8,883	152,723
2025	148,215	4,508	152,723
	<u>\$ 1,461,840</u>	<u>\$ 237,674</u>	<u>\$ 1,699,514</u>

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE G – GENERAL LONG-TERM DEBT (continued)

The following are the changes in General Long-Term Debt for the year ended December 31, 2015:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Due Within One Year
Leases Payable					
E-911 Equipment	\$ -	\$ 45,094	\$ -	\$ 45,094	\$ 8,487
Radio Equipment	153,668	-	36,922	116,746	37,901
Technology Lease	-	1,300,000	-	1,300,000	113,183
Compensated Absences Payable	201,880	5,522	-	207,402	-
	<u>\$ 355,548</u>	<u>\$ 1,350,616</u>	<u>\$ 36,922</u>	<u>\$ 1,669,242</u>	<u>\$ 159,571</u>

NOTE H – 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 has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NEWTON COUNTY, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

NOTE I – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2015, consisted of the following:

	Transfers In (Out)
General Fund	\$ (432,117)
Road and Bridge Fund	671,824
Tax Maintenance Fund	(30,792)
Road Sales Tax Fund	(671,824)
E-911 Fund	256,789
Road Sales Tax Fund	(293,569)
Road and Bridge Fund	293,569
Assessment Fund	6,120
Capital Expenditures Fund	200,000
	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund where collection is required by statute or budget to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## **SUPPLEMENTARY INFORMATION**

NEWTON COUNTY, MISSOURI  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS  
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability (a)</u>	<u>Actual Covered Employee Payroll (b)</u>	<u>Net Pension Liability as a Percentage of Covered Payroll (a/b)</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2014	1.2053%	\$ 1,406,627	\$ 5,237,773	26.86%	78.83%

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

\*The data provided in the schedule is based as of the measurement date of CERF's net pension liability, which is as of the beginning of the County's fiscal year.



NEWTON COUNTY, MISSOURI  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 Year Ended December 31, 2015

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 238,435	\$ 238,435	\$ -	\$ 5,237,773	4.55%
12/31/2015	243,476	243,476	-	5,249,712	4.64%

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

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes				
County sales taxes	\$ 6,500,000	\$ 6,500,000	\$ 6,648,498	\$ 148,498
State assessed railroad and utilities	20,000	20,000	19,705	(295)
Surtax	10,500	10,500	10,907	407
Payment in lieu of taxes	10,000	10,000	9,901	(99)
Other	10,000	10,000	11,508	1,508
	<u>6,550,500</u>	<u>6,550,500</u>	<u>6,700,519</u>	<u>150,019</u>
Collector's Commission				
Collection commissions	755,250	755,250	700,576	(54,674)
Intergovernmental Receipts				
Federal	210,742	210,742	105,121	(105,621)
Other	166,486	166,486	121,853	(44,633)
	<u>377,228</u>	<u>377,228</u>	<u>226,974</u>	<u>(150,254)</u>
Fees and Charges				
Auctioneer licenses	29,500	29,500	29,840	340
Public administration	60,000	60,000	51,574	(8,426)
County clerk	6,000	6,000	5,237	(763)
Recorder of deeds	202,000	202,000	204,291	2,291
Court	120,000	120,000	88,478	(31,522)
Extraditions	25,000	25,000	8,634	(16,366)
Sheriff fees	397,250	397,250	510,803	113,553
Phone	30,000	30,000	31,965	1,965
Other	5,550	5,550	1,322	(4,228)
	<u>875,300</u>	<u>875,300</u>	<u>932,144</u>	<u>56,844</u>
Other				
Interest receipts	3,700	3,700	5,096	1,396
Miscellaneous	66,500	66,500	47,249	(19,251)
	<u>70,200</u>	<u>70,200</u>	<u>52,345</u>	<u>(17,855)</u>
<b>TOTAL RECEIPTS</b>	<u>8,628,478</u>	<u>8,628,478</u>	<u>8,612,558</u>	<u>(15,920)</u>

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (continued)  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>DISBURSEMENTS</b>				
Current				
General Government				
Collector of revenue	195,964	195,964	211,406	(15,442)
Treasurer	68,967	68,967	72,473	(3,506)
Recorder of deeds	167,872	167,872	185,508	(17,636)
County commission	177,218	177,218	171,822	5,396
General services	1,970,125	1,970,125	947,312	1,022,813
Data processing	87,180	87,180	76,333	10,847
Election and voter registration	221,472	221,472	155,556	65,916
County clerk	222,949	222,949	195,845	27,104
Auditor	140,740	140,740	140,756	(16)
Building and grounds	705,513	705,513	316,997	388,516
	<u>3,958,000</u>	<u>3,958,000</u>	2,474,008	1,483,992
Judicial				
Circuit clerk	189,936	189,936	52,008	137,928
Circuit court	25,398	25,398	165,371	(139,973)
Coroner	128,779	128,779	120,758	8,021
Court reporter	4,200	4,200	4,180	20
Public administrator	174,564	174,564	178,152	(3,588)
Juvenile	124,687	124,687	114,272	10,415
Prosecuting attorney	733,918	733,918	776,908	(42,990)
	<u>1,381,482</u>	<u>1,381,482</u>	1,411,649	(30,167)
Public Safety				
Sheriff	2,602,099	2,602,099	2,515,232	86,867
Jail	1,084,961	1,084,961	1,176,492	(91,531)
Emergency management	115,363	115,363	112,356	3,007
	<u>3,802,423</u>	<u>3,802,423</u>	3,804,080	(1,657)
Health and Welfare				
Health and welfare	7,000	7,000	2,400	4,600
<b>TOTAL DISBURSEMENTS</b>	<u>9,148,905</u>	<u>9,148,905</u>	<u>7,692,137</u>	<u>1,456,768</u>

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (continued)  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(520,427)	(520,427)	920,421	1,440,848
OTHER FINANCING SOURCES (USES)				
Sale of property	25,000	25,000	9,396	(15,604)
Operating transfers in	532,500	532,500	30,792	(501,708)
Operating transfers (out)	-	-	(462,909)	(462,909)
TOTAL OTHER FINANCING SOURCES (USES)	<u>557,500</u>	<u>557,500</u>	<u>(422,721)</u>	<u>(980,221)</u>
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	37,073	37,073	497,700	460,627
FUND BALANCE, January 1	<u>1,838,927</u>	<u>1,838,927</u>	<u>1,838,927</u>	-
FUND BALANCE, December 31	<u>\$ 1,876,000</u>	<u>\$ 1,876,000</u>	<u>\$ 2,336,627</u>	<u>\$ 460,627</u>

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes	\$ 1,631,420	\$ 1,631,420	\$ 1,861,859	\$ 230,439
Intergovernmental receipts	2,665,000	2,665,000	-	(2,665,000)
Other receipts	4,600	4,600	32,378	27,778
<b>TOTAL RECEIPTS</b>	<b>4,301,020</b>	<b>4,301,020</b>	<b>1,894,237</b>	<b>(2,406,783)</b>
<b>DISBURSEMENTS</b>				
Highway and Roads				
Wages and benefits	556,113	556,113	515,453	40,660
Supplies	173,000	173,000	129,223	43,777
Repairs and maintenance	55,000	55,000	37,680	17,320
Engineering	5,000	5,000	272	4,728
Capital outlay	3,329,500	3,329,500	762,099	2,567,401
Contracted labor	3,000	3,000	2,914	86
Rental equipment	25,000	25,000	75	24,925
Special road districts	721,505	721,505	692,250	29,255
Other	2,500	2,500	6,315	(3,815)
<b>TOTAL DISBURSEMENTS</b>	<b>4,870,618</b>	<b>4,870,618</b>	<b>2,146,281</b>	<b>2,724,337</b>
<b>(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(569,598)</b>	<b>(569,598)</b>	<b>(252,044)</b>	<b>317,554</b>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	1,556,000	1,556,000	671,824	(884,176)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,556,000</b>	<b>1,556,000</b>	<b>671,824</b>	<b>(884,176)</b>
<b>EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS</b>	<b>986,402</b>	<b>986,402</b>	<b>419,780</b>	<b>(566,622)</b>
FUND BALANCE, January 1	604,548	604,548	604,548	-
FUND BALANCE, December 31	<u>\$ 1,590,950</u>	<u>\$ 1,590,950</u>	<u>\$ 1,024,328</u>	<u>\$ (566,622)</u>

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – E-911 FUND – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes	\$ 450,000	\$ 450,000	\$ 408,499	\$ (41,501)
Charges for services	297,007	297,007	294,007	(3,000)
Other receipts	300	300	481	181
<b>TOTAL RECEIPTS</b>	<u>747,307</u>	<u>747,307</u>	<u>702,987</u>	<u>(44,320)</u>
<b>DISBURSEMENTS</b>				
Public safety	958,548	958,548	888,526	70,022
<b>TOTAL DISBURSEMENTS</b>	<u>958,548</u>	<u>958,548</u>	<u>888,526</u>	<u>70,022</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(211,241)	(211,241)	(185,539)	25,702
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	250,000	250,000	256,789	6,789
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>250,000</u>	<u>250,000</u>	<u>256,789</u>	<u>6,789</u>
<b>EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS</b>	38,759	38,759	71,250	32,491
FUND BALANCE, January 1	610	610	610	-
FUND BALANCE, December 31	<u>\$ 39,369</u>	<u>\$ 39,369</u>	<u>\$ 71,860</u>	<u>\$ 32,491</u>

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – ASSESSMENT FUND – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Charges for services	\$ 610,483	\$ 610,483	\$ 604,427	\$ (6,056)
Other receipts	2,500	2,500	2,707	207
TOTAL RECEIPTS	612,983	612,983	607,134	(5,849)
<b>DISBURSEMENTS</b>				
General government	984,805	984,805	596,718	388,087
TOTAL DISBURSEMENTS	984,805	984,805	596,718	388,087
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>				
	(371,822)	(371,822)	10,416	382,238
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	82,500	82,500	6,120	(76,380)
TOTAL OTHER FINANCING SOURCES	82,500	82,500	6,120	(76,380)
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS</b>				
	(289,322)	(289,322)	16,536	305,858
FUND BALANCE, January 1	1,283,506	1,283,506	1,283,506	-
FUND BALANCE, December 31	\$ 994,184	\$ 994,184	\$ 1,300,042	\$ 305,858

NEWTON COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH FUND – MODIFIED CASH BASIS

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>RECEIPTS</b>				
Taxes	\$ 598,999	\$ 598,999	\$ 670,621	\$ 71,622
Other receipts	1,001	1,001	652	(349)
<b>TOTAL RECEIPTS</b>	<b>600,000</b>	<b>600,000</b>	<b>671,273</b>	<b>71,273</b>
<b>DISBURSEMENTS</b>				
Health and welfare	600,000	600,000	600,000	-
<b>TOTAL DISBURSEMENTS</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>				
	-	-	71,273	71,273
FUND BALANCE, January 1	91,001	91,001	91,001	-
FUND BALANCE, December 31	<u>\$ 91,001</u>	<u>\$ 91,001</u>	<u>\$ 162,274</u>	<u>\$ 71,273</u>



NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – ROAD SALES TAX FUND – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	\$ 1,865,000	\$ 1,865,000	\$ 1,886,919	\$ 21,919
Other receipts	2,000	2,000	2,373	373
TOTAL RECEIPTS	1,867,000	1,867,000	1,889,292	22,292
DISBURSEMENTS				
Highway and Roads	1,436,000	1,436,000	1,149,592	286,408
TOTAL DISBURSEMENTS	1,436,000	1,436,000	1,149,592	286,408
EXCESS OF RECEIPTS OVER DISBURSEMENTS	431,000	431,000	739,700	308,700
OTHER FINANCING (USES)				
Operating transfers (out)	(1,211,500)	(1,211,500)	(671,824)	539,676
TOTAL OTHER FINANCING (USES)	(1,211,500)	(1,211,500)	(671,824)	539,676
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(780,500)	(780,500)	67,876	848,376
FUND BALANCE, January 1	780,984	780,984	780,984	-
FUND BALANCE, December 31	\$ 484	\$ 484	\$ 848,860	\$ 848,376

NEWTON COUNTY, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE – CAPITAL EXPENDITURES FUND – MODIFIED CASH  
 BASIS  
 Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Other receipts	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
TOTAL RECEIPTS	500,000	500,000	-	(500,000)
DISBURSEMENTS				
Capital outlay	1,700,000	1,700,000	162,984	1,537,016
Debt service	150,000	150,000	-	150,000
TOTAL DISBURSEMENTS	1,850,000	1,850,000	162,984	1,687,016
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,350,000)	(1,350,000)	(162,984)	1,187,016
OTHER FINANCING SOURCES				
Lease proceeds	1,150,000	1,150,000	1,300,000	150,000
Operating transfers in	200,000	200,000	200,000	-
TOTAL OTHER FINANCING SOURCES	1,350,000	1,350,000	1,500,000	150,000
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	-	-	1,337,016	1,337,016
FUND BALANCE, January 1	-	-	-	-
FUND BALANCE, December 31	\$ -	\$ -	\$ 1,337,016	\$ 1,337,016

NEWTON COUNTY, MISSOURI  
NOTE TO BUDGETARY COMPARISON SCHEDULES  
December 31, 2015

Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the County adopts a budget for each fund.
- 2) Prior to January the Presiding Commissioner, who serves as the Budget Officer, submits to the Commission a proposed budget for the fiscal year beginning on the following January 1. The budget includes estimated receipts and proposed disbursements for all County funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Commission, the budget document is available for public inspection.
- 4) In January, the budget is legally enacted by a vote of the Commission.
- 5) Subsequent to its formal approval of the budget, the Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material to the original appropriations, which were amended.
- 6) Budgets for County funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

## **OTHER FINANCIAL INFORMATION**

NEWTON COUNTY, MISSOURI

COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS

December 31, 2015

	Newton County Fair Fund	Prosecuting Attorney Administrative Fund	Tax Maintenance Fund	Prosecuting Attorney Training Fund	Sheriff Civil Charges Fund	Domestic Violence Fund	Election Improvement Fund	Sheriff's Revolving Fund	Inmate Security Fund	Capital Improvement Fund
<b>ASSETS</b>										
Cash and investments - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,321	\$ -	\$ -	\$ 39,658
Cash and investments - restricted	2,755	12,808	173,608	25,132	35,292	3,846	-	28,322	26,165	-
<b>TOTAL ASSETS</b>	<b>\$ 2,755</b>	<b>\$ 12,808</b>	<b>\$ 173,608</b>	<b>\$ 25,132</b>	<b>\$ 35,292</b>	<b>\$ 3,846</b>	<b>\$ 6,321</b>	<b>\$ 28,322</b>	<b>\$ 26,165</b>	<b>\$ 39,658</b>
<b>FUND BALANCES</b>										
Restricted for:										
General government	\$ -	\$ -	\$ 173,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	-	12,808	-	25,132	-	-	-	-	-	-
Public safety	-	-	-	-	35,292	-	-	28,322	26,165	-
Health and welfare	-	-	-	-	-	3,846	-	-	-	-
Fair	2,755	-	-	-	-	-	-	-	-	-
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	39,658
Assigned to:										
Election	-	-	-	-	-	-	6,321	-	-	-
Law library	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,755</b>	<b>\$ 12,808</b>	<b>\$ 173,608</b>	<b>\$ 25,132</b>	<b>\$ 35,292</b>	<b>\$ 3,846</b>	<b>\$ 6,321</b>	<b>\$ 28,322</b>	<b>\$ 26,165</b>	<b>\$ 39,658</b>

NEWTON COUNTY, MISSOURI  
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS  
 (continued)  
 December 31, 2015

	Recorder's User Fund	Law Library Fund	Bridge Demolition Fund	Law Enforcement Training Fund	Election Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff's Criminal Activity Forfeiture Fund	Local Emergency Planning Commission Fund	DARE Program Fund	Total
<b>ASSETS</b>										
Cash and investments-unrestricted	\$ -	\$ 23,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,661	\$ 81,389
Cash and investments-restricted	254,013	-	81,445	3,945	59,804	53,188	4,697	20,071	-	785,091
<b>TOTAL ASSETS</b>	<b>\$ 254,013</b>	<b>\$ 23,749</b>	<b>\$ 81,445</b>	<b>\$ 3,945</b>	<b>\$ 59,804</b>	<b>\$ 53,188</b>	<b>\$ 4,697</b>	<b>\$ 20,071</b>	<b>\$ 11,661</b>	<b>\$ 866,480</b>
<b>FUND BALANCES</b>										
Restricted for:										
General government	\$ 254,013	\$ -	\$ 81,445	\$ -	\$ 59,804	\$ -	\$ -	\$ -	\$ -	\$ 568,870
Judicial	-	-	-	-	-	53,188	-	-	-	91,128
Public safety	-	-	-	3,945	-	-	4,697	20,071	-	118,492
Health and welfare	-	-	-	-	-	-	-	-	-	3,846
Fair	-	-	-	-	-	-	-	-	-	2,755
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	39,658
Assigned to:										
Election	-	-	-	-	-	-	-	-	-	6,321
Law library	-	23,749	-	-	-	-	-	-	-	23,749
Public safety	-	-	-	-	-	-	-	-	11,661	11,661
<b>TOTAL FUND BALANCES</b>	<b>\$ 254,013</b>	<b>\$ 23,749</b>	<b>\$ 81,445</b>	<b>\$ 3,945</b>	<b>\$ 59,804</b>	<b>\$ 53,188</b>	<b>\$ 4,697</b>	<b>\$ 20,071</b>	<b>\$ 11,661</b>	<b>\$ 866,480</b>

NEWTON COUNTY, MISSOURI  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE  
 FUNDS – MODIFIED CASH BASIS  
 Year Ended December 31, 2015

	Newton County Fair Fund	Prosecuting Attorney Administrative Fund	Tax Maintenance Fund	Prosecuting Attorney Training Fund	Sheriff Civil Charges Fund	Domestic Violence Fund	Election Improvement Fund	Sheriff's Revolving Fund	Inmate Security Fund	Capital Improvement Fund
<b>RECEIPTS</b>										
Taxes	\$ 80,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	6,369	-	11,857	-
Fees and charges	-	28,970	78,373	2,188	34,095	6,992	-	69,772	8,596	-
Other receipts	50	457	371	-	-	4	190	40	-	39,658
<b>TOTAL RECEIPTS</b>	<b>80,920</b>	<b>29,427</b>	<b>78,744</b>	<b>2,188</b>	<b>34,095</b>	<b>6,996</b>	<b>6,559</b>	<b>69,812</b>	<b>20,453</b>	<b>39,658</b>
<b>DISBURSEMENTS</b>										
Current										
General government	-	-	44,872	-	-	-	7,151	-	-	-
Judicial	-	25,513	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	20,347	-	-	52,880	12,160	-
Health and welfare	-	-	-	-	-	7,153	-	-	-	-
Fair	78,395	-	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>78,395</b>	<b>25,513</b>	<b>44,872</b>	<b>-</b>	<b>20,347</b>	<b>7,153</b>	<b>7,151</b>	<b>52,880</b>	<b>12,160</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>2,525</b>	<b>3,914</b>	<b>33,872</b>	<b>2,188</b>	<b>13,748</b>	<b>(157)</b>	<b>(592)</b>	<b>16,932</b>	<b>8,293</b>	<b>39,658</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of property	-	-	-	-	1,585	-	-	-	-	-
Operating transfers (out)	-	-	(30,792)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(30,792)</b>	<b>-</b>	<b>1,585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>2,525</b>	<b>3,914</b>	<b>3,080</b>	<b>2,188</b>	<b>15,333</b>	<b>(157)</b>	<b>(592)</b>	<b>16,932</b>	<b>8,293</b>	<b>39,658</b>
FUND BALANCE, January 1	230	8,894	170,528	22,944	19,959	4,003	6,913	11,390	17,872	-
FUND BALANCE, December 31	\$ 2,755	\$ 12,808	\$ 173,608	\$ 25,132	\$ 35,292	\$ 3,846	\$ 6,321	\$ 28,322	\$ 26,165	\$ 39,658

NEWTON COUNTY, MISSOURI  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE  
 FUNDS – MODIFIED CASH BASIS (continued)  
 Year Ended December 31, 2015

	Recorder's User Fund	Law Library Fund	Bridge Demolition Fund	Law Enforcement Training Fund	Election Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff's Criminal Activity Forfeiture Fund	Local Emergency Planning Commission Fund	DARE Program Fund	Total
<b>RECEIPTS</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,870
Intergovernmental receipts	-	-	-	-	5,050	11,508	-	5,172	-	39,956
Fees and charges	48,702	25,408	-	12,592	1,670	-	-	-	-	317,358
Other receipts	467	2	150	-	112	88	16	31	15,225	56,861
<b>TOTAL RECEIPTS</b>	<b>49,169</b>	<b>25,410</b>	<b>150</b>	<b>12,592</b>	<b>6,832</b>	<b>11,596</b>	<b>16</b>	<b>5,203</b>	<b>15,225</b>	<b>495,045</b>
<b>DISBURSEMENTS</b>										
Current										
General government	126,448	-	-	-	6,671	-	-	-	-	185,142
Judicial	-	27,328	-	-	-	-	-	-	-	52,841
Public safety	-	-	-	14,271	-	-	12,500	564	5,584	118,306
Health and welfare	-	-	-	-	-	-	-	-	-	7,153
Fair	-	-	-	-	-	-	-	-	-	78,395
<b>TOTAL DISBURSEMENTS</b>	<b>126,448</b>	<b>27,328</b>	<b>-</b>	<b>14,271</b>	<b>6,671</b>	<b>-</b>	<b>12,500</b>	<b>564</b>	<b>5,584</b>	<b>441,837</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(77,279)</b>	<b>(1,918)</b>	<b>150</b>	<b>(1,679)</b>	<b>161</b>	<b>11,596</b>	<b>(12,484)</b>	<b>4,639</b>	<b>9,641</b>	<b>53,208</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of property	-	-	-	-	-	-	-	-	-	1,585
Operating transfers (out)	-	-	-	-	-	-	-	-	-	(30,792)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,207)</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>(77,279)</b>	<b>(1,918)</b>	<b>150</b>	<b>(1,679)</b>	<b>161</b>	<b>11,596</b>	<b>(12,484)</b>	<b>4,639</b>	<b>9,641</b>	<b>24,001</b>
FUND BALANCE, January 1	331,292	25,667	81,295	5,624	59,643	41,592	17,181	15,432	2,020	842,479
FUND BALANCE, December 31	\$ 254,013	\$ 23,749	\$ 81,445	\$ 3,945	\$ 59,804	\$ 53,188	\$ 4,697	\$ 20,071	\$ 11,661	\$ 866,480





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

Newton County Commission  
Newton County  
Neosho, 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 the governmental activities, each major fund and the aggregate remaining fund information of Newton County, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Newton County, Missouri's basic financial statements and have issued our report dated July 11, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Newton County, Missouri's internal control over financial reporting 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 Newton County, Missouri'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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

Newton County Commission  
Newton County  
Neosho, Missouri

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Newton 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*.

### **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.

KPM CPAs, PC

KPM CPAs, PC  
Springfield, Missouri  
July 11, 2016