

Newton County, Missouri

Basic Financial Statements
Year Ended December 31, 2020

KPM
CPAS & ADVISORS

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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, 2020, 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 1; 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 from material misstatement.

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

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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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, 2020, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 and budgetary comparison information, 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. 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*, and is also not a required part of the basic financial statements.

The Combining Nonmajor fund financial statements and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Nonmajor fund financial statements and Schedule of Federal Awards 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 30, 2021, 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 30, 2021

Management's Discussion and Analysis

Newton County

Management's Discussion and Analysis

December 31, 2020

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, 2020, within the limitations of the County's modified cash basis of accounting. Please read it in conjunction with the County's financial statements.

Financial Highlights

- The overall net position of the County increased by \$6,780,746.
- The fund balance for the General Fund increased by \$40,263.
- The fund balance for the Road and Bridge Fund increased by \$327,497.
- On a government-wide basis, the cost of the County's governmental activities was \$17,951,249 compared to \$16,423,503 in 2019.

Road sales tax funds held at year end equaled \$969,534; these funds will be used on County roads in 2021 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.

Newton County

Management's Discussion and Analysis

December 31, 2020

Supplementary Information

The Management's Discussion and Analysis 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 Reporting Requirements

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.

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.

Newton County

Management's Discussion and Analysis

December 31, 2020

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,	
	2020	2019
Assets		
Cash and investments - unrestricted	\$ 5,898,304	\$ 5,670,971
Cash and investments - restricted	13,290,406	6,736,992
Total Assets	<u>\$ 19,188,710</u>	<u>\$ 12,407,963</u>
Net Position		
Restricted	\$ 13,290,406	\$ 6,736,992
Unrestricted	5,898,304	5,670,971
Total Net Position	<u>\$ 19,188,710</u>	<u>\$ 12,407,963</u>

Newton County

Management's Discussion and Analysis

December 31, 2020

Changes in Net Position – Modified Cash Basis

	Year Ended December 31,	
	2020	2019
Receipts		
Program Receipts		
Charges for services	\$ 3,332,486	\$ 3,191,253
Operating grants and contributions	7,288,724	260,895
Capital grants and contributions	210,875	2,210,060
General Receipts		
Ad valorem taxes	1,602,623	1,487,760
Sales taxes	10,192,785	9,382,357
Motor vehicle sales and gas taxes	1,290,244	1,343,940
Telephone tax	313,293	365,876
Other taxes	129,532	114,173
Interest	186,706	147,321
Other receipts	140,508	20,134
Special Items		
Sale of property	44,220	35,708
Total Receipts	<u>24,731,996</u>	<u>18,559,477</u>
Disbursements		
General government	4,798,552	3,287,857
Judicial	1,420,499	1,377,950
Public safety	5,554,794	5,618,088
Health and welfare	730,765	736,773
Fair	88,788	82,676
Highway and roads	4,913,649	4,988,263
Capital improvements	291,449	179,173
Debt service	152,753	152,723
Total Disbursements	<u>17,951,249</u>	<u>16,423,503</u>
Increase in Net Position	<u>\$ 6,780,747</u>	<u>\$ 2,135,974</u>

Newton County

Management's Discussion and Analysis

December 31, 2020

Overall receipts of the County increased by \$6,172,518 over the prior year. Taxes as a whole increased \$834,371. Taxes comprise 55% of total receipts, charges for services comprise 13% of receipts, and the balance is comprised of grants, interest, sale of property, lease proceeds and other receipts.

Disbursements for general government increased 46%. Public safety comprises 31% of total disbursements, general government comprises 27%, highway and roads 27%, judicial 8%, with the fair, health and welfare, capital improvements, and debt service 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 \$40,263 for the year ended December 31, 2020.
- The Road and Bridge Fund balance increased by \$327,497 for the year ended December 31, 2020.
- The E-911 Fund balance decreased by \$77,220 for the year ended December 31, 2020. This decrease is due to the declining tax revenues.
- The Mental Health Fund balance increased by \$79,738 for the year ended December 31, 2020.
- The Road Sales Tax Fund balance decreased by \$729,054, which decreased the fund balance to \$969,534 as of December 31, 2020.
- The Newton County Assessment Fund increased by \$233,923. This fund now has a balance of \$1.9 million. General Revenue benefits from the Assessment fund only when the annual statute required transfer of approximately \$83,000 is waived by the Assessor.
- Road Sales Tax amounts have grown to \$2.2 million for County and Special Road Districts. \$1,299,788 was disbursed and spent in 2020 on projects. An additional \$1,640,000 was transferred to the Road and Bridge Fund in the current year to be used on additional projects. The Road Sales Tax Fund has a remaining balance of \$969,534 to be used in 2021.
- The CARES Fund increased \$6,021,377 for the year ended December 31, 2020. The County received \$6.8 million in the current year and disbursed \$847,098 to be used for expenses in response to the COVID-19 pandemic, with a carryover of \$6,021,377 to be used in 2021.

Newton County

Management's Discussion and Analysis

December 31, 2020

Statutory Funds

(Funds established by State statute; held by the Treasurer for the benefit of the Officeholder for specific purposes)

<u>Department</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Balance</u> <u>12/31/2020</u>	<u>% Change +/-</u>
Recorder's User Fund	\$ 99,111	\$ 94,291	-4.86%
Recorder's Technology Fund	\$ 190,956	\$ 213,756	11.94%
Collector Tax Maintenance Fund	\$ 257,252	\$ 266,848	3.73%
Law Library Fund	\$ 15,250	\$ 20,815	36.49%
Election Fund	\$ 64,256	\$ 126,591	97.01%
Election Improvement Fund	\$ 23,869	\$ 46,091	93.10%
Sheriff Civil Charges Fund	\$ 66,113	\$ 61,373	-7.17%
Sheriff's Revolving Fund	\$ 35,842	\$ 42,552	18.72%
Sheriff's Criminal Activity Forfeiture Fund	\$ 16,196	\$ 15,092	-6.82%
Law Enforcement Training Fund	\$ 3,763	\$ 2,027	-46.13%
Inmate Security Fund	\$ 43,692	\$ 37,047	-15.21%
Prosecuting Attorney Administrative Fund	\$ 5,172	\$ 7,862	52.01%
Prosecuting Attorney Training Fund	\$ 15,498	\$ 17,539	13.17%
Prosecuting Attorney Delinquent Tax Fund	\$ 56,595	\$ 72,041	27.29%

Newton County

Management's Discussion and Analysis

December 31, 2020

County Funds

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

<u>Department</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Balance</u> <u>12/31/2020</u>	<u>% Change +/-</u>
Assessment Fund	\$ 1,708,525	\$ 1,942,448	13.69%
E-911 Fund	\$ 178,097	\$ 100,877	-43.36%
Road Sales Tax Fund	\$ 1,698,588	\$ 969,534	-42.92%
Road & Bridge Fund	\$ 2,929,671	\$ 3,257,168	11.18%
Bridge Demolition Fund	\$ 83,362	\$ 84,119	0.91%
Mental Health Fund	\$ 198,185	\$ 277,923	40.23%
Newton County Fair Fund	\$ 25,482	\$ 32,057	25.80%
Local Emergency Planning Council Fund	\$ 34,866	\$ 34,985	0.34%
Sheriff Donation Fund	\$ 17,710	\$ 27,585	55.76%
Domestic Violence Fund	\$ 4,435	\$ 6,038	36.14%
Capital Expenditures Fund	\$ 907,181	\$ 1,468,479	61.87%
Capital Improvement Fund	\$ 79,832	\$ 79,832	0.00%
Court Preservation Fund	\$ 776	\$ 679	-12.50%
CARES Fund	\$ -	\$ 6,021,377	100.00%
Sheriff Public Safety Sales Tax Fund	\$ -	\$ 65,636	100.00%
Public Safety Reserve Fund	\$ -	\$ 32,818	100.00%
Public Safety Grant Fund	\$ -	\$ 16,681	100.00%
Public Administration Donation Fund	\$ -	\$ 257	100.00%
Sheriff Capital Improvement Fund	\$ -	\$ 49,227	100.00%
Public Safety 911 Capital Improvement Fund	\$ -	\$ 16,409	100.00%

Newton County

Management's Discussion and Analysis

December 31, 2020

Financial Analysis Budget Versus Actual Results – General Fund

	Budget		Actual
	Original	Final	
Receipts			
Taxes	\$ 7,307,500	\$ 7,307,500	\$ 7,724,036
Commissions	909,000	909,000	959,390
Intergovernmental revenues	588,429	588,429	303,648
Fees and charges	907,350	907,350	871,119
Other	117,950	117,950	190,758
Total Receipts	\$ 9,830,229	\$ 9,830,229	\$ 10,048,951
Disbursements			
General government	\$ 4,340,678	\$ 4,350,440	\$ 3,116,495
Judicial	1,595,297	1,585,535	1,378,283
Public safety	4,969,637	4,969,637	4,454,913
Health and welfare	4,000	4,000	510
Total Disbursements	\$ 10,909,612	\$ 10,909,612	\$ 8,950,201

Budget efficiency is obvious and showed marked improvement when observing the differences between original budgets and what the County actually received and expended in 2020. Each officeholder works to be prudent with the funds available to them each year.

Economic Factors and Next Year's Budget

Remaining funding for CARES programs will be disbursed by June 30, 2021. The impact of the CARES programs has and will assist multiple school districts and other agencies within Newton County.

The County will continue to make technology upgrades in improvements in response to the increased risk of cyber-attacks on government entities across the United States. This will include equipment and insurance improvements to better protect the County.

The County Bridge Department completed new bridge replacement project on Tiger Road. Several other bridge repairs were also completed. The County Road Districts collectively improved over 85 miles of county-maintained road using the ¼ cent Road Sales Tax Funding.

The County is partnering with the City of Neosho on a BRO funded, bridge replacement project over Hickory Creek on Coler Street. The County has engaged engineering design services and construction is anticipated to begin in summer 2021.

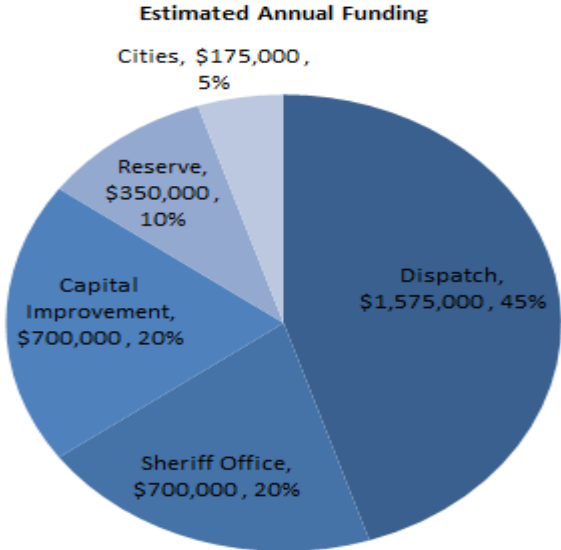
Newton County

Management's Discussion and Analysis

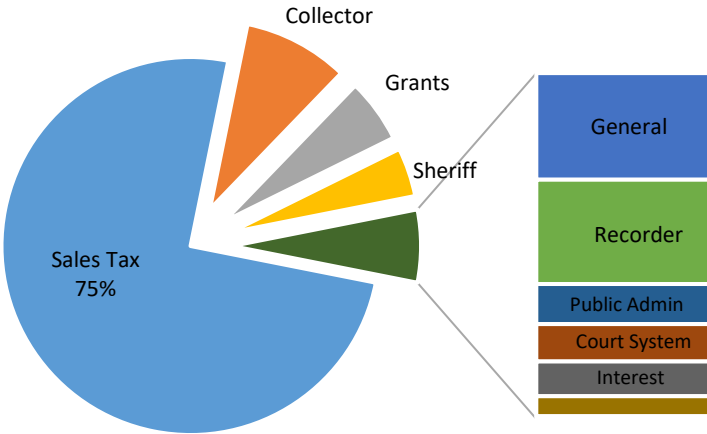
December 31, 2020

A Public Safety Tax was passed on the April 2020 ballot and voted on in June 2020. This 1/2 cent sales tax will fund county services as shown in the graph below:

1/2 Cent Public Safety Sales Tax



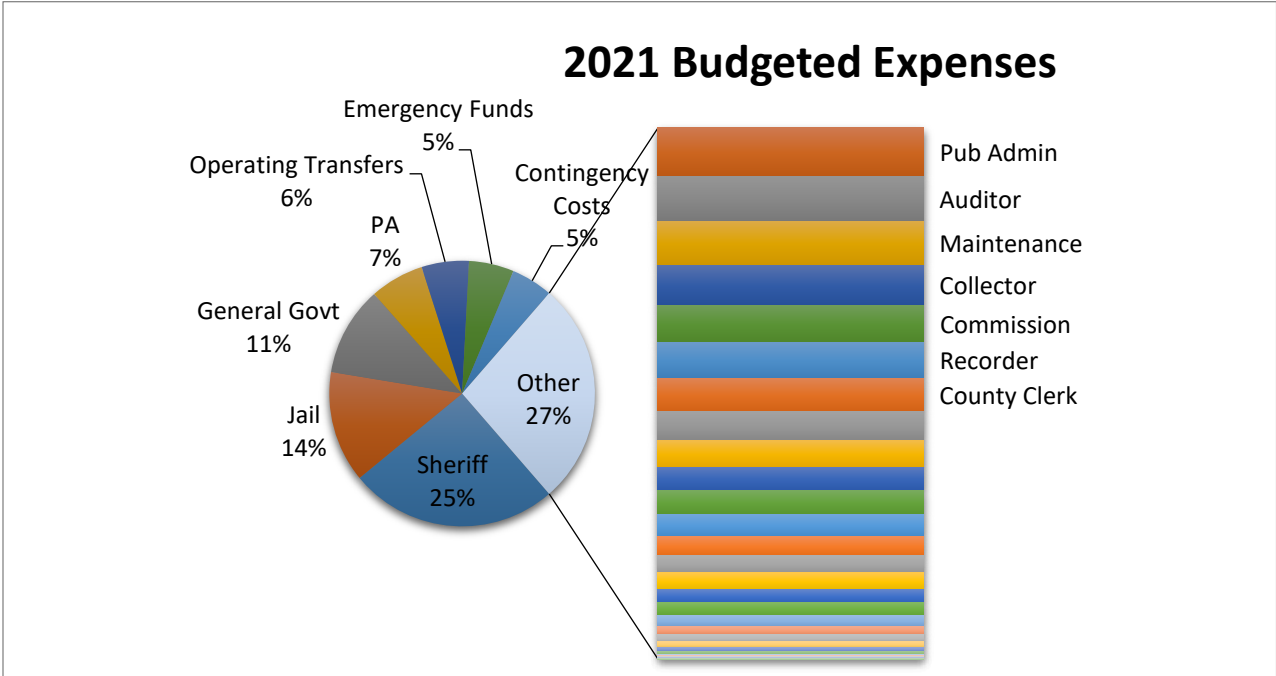
2021 General Fund Budgeted Receipts



Newton County

Management's Discussion and Analysis

December 31, 2020



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

Statement of Net Position – Modified Cash Basis

December 31, 2020

	Total Governmental Activities
Assets	
Cash and investments - unrestricted	\$ 5,898,304
Cash and investments - restricted	<u>13,290,406</u>
Total Assets	<u><u>\$ 19,188,710</u></u>
Net Position	
Restricted	\$ 13,290,406
Unrestricted	<u>5,898,304</u>
Total Net Position	<u><u>\$ 19,188,710</u></u>

See accompanying notes to the financial statements.

Newton County

Statement of Activities – Modified Cash Basis

Year Ended December 31, 2020

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	\$ (4,798,552)	\$ 2,201,423	\$ 7,029,327	\$ -	\$ 4,432,198
Judicial	(1,420,499)	220,241	53,940	-	(1,146,318)
Public safety	(5,554,794)	895,836	183,359	6,819	(4,468,780)
Health and welfare	(730,765)	9,486	-	-	(721,279)
Fair	(88,788)	-	-	-	(88,788)
Highway and roads	(4,913,649)	5,500	22,098	204,056	(4,681,995)
Capital improvement	(291,449)	-	-	-	(291,449)
Debt service	(152,753)	-	-	-	(152,753)
Total Governmental Activities	\$ (17,951,249)	\$ 3,332,486	\$ 7,288,724	\$ 210,875	(7,119,164)
		General Receipts			
					1,602,623
					10,192,785
					1,290,244
					313,293
					129,532
					186,706
					140,508
					13,855,691
		Special Items			
					44,220
					44,220
		<i>Increase in Net Position</i>			6,780,747
		Net Position, Beginning of year			12,407,963
		Net Position, End of year			\$ 19,188,710

See accompanying notes to the financial statements.

Newton County

Balance Sheet – Governmental Funds – Modified Cash Basis

December 31, 2020

	Special Revenue Funds							Nonmajor Special Revenue Funds	Total Governmental Funds	
	General Fund	Road and Bridge Fund	E-911 Fund	Assessment Fund	Mental Health Fund	Road Sales Tax Fund	Capital Expenditures Fund			CARES Fund
Assets										
Cash and investments-unrestricted	\$ 3,680,655	\$ -	\$ 100,877	\$ 1,942,448	\$ -	\$ -	\$ -	\$ -	\$ 174,323	\$ 5,898,303
Cash and investments-restricted	-	3,257,168	-	-	277,923	969,534	1,468,479	6,021,377	1,295,925	13,290,406
Total Assets	<u>\$ 3,680,655</u>	<u>\$ 3,257,168</u>	<u>\$ 100,877</u>	<u>\$ 1,942,448</u>	<u>\$ 277,923</u>	<u>\$ 969,534</u>	<u>\$ 1,468,479</u>	<u>\$ 6,021,377</u>	<u>\$ 1,470,248</u>	<u>\$ 19,188,709</u>
Fund Balances										
Fund Balances										
Restricted for										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,468,479	\$ -	\$ 785,862	\$ 2,254,341
Judicial	-	-	-	-	-	-	-	-	98,121	98,121
Public safety	-	-	-	-	-	-	-	-	373,847	373,847
Health and welfare	-	-	-	-	277,923	-	-	-	6,038	283,961
Fair	-	-	-	-	-	-	-	-	32,057	32,057
Highways and roads	-	3,257,168	-	-	-	969,534	-	-	-	4,226,702
CARES grant funds	-	-	-	-	-	-	-	6,021,377	-	6,021,377
Committed to Capital Improvements	-	-	-	-	-	-	-	-	79,832	79,832
Assigned to										
E-911	-	-	100,877	-	-	-	-	-	-	100,877
Assessment	-	-	-	1,942,448	-	-	-	-	-	1,942,448
Election	-	-	-	-	-	-	-	-	46,091	46,091
Law library	-	-	-	-	-	-	-	-	20,815	20,815
Public safety	-	-	-	-	-	-	-	-	27,585	27,585
Unassigned	3,680,655	-	-	-	-	-	-	-	-	3,680,655
Total Fund Balances	<u>\$ 3,680,655</u>	<u>\$ 3,257,168</u>	<u>\$ 100,877</u>	<u>\$ 1,942,448</u>	<u>\$ 277,923</u>	<u>\$ 969,534</u>	<u>\$ 1,468,479</u>	<u>\$ 6,021,377</u>	<u>\$ 1,470,248</u>	<u>\$ 19,188,709</u>
										Fund Balance Governmental Funds
										\$ 19,188,709
										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.
										<u>1</u>
										<u>\$ 19,188,710</u>

See accompanying notes to the financial statements.

Newton County

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

Year Ended December 31, 2020

	Special Revenue Funds							Nonmajor Special Revenue Funds	Total Governmental Funds	
	General Fund	Road and Bridge Fund	E-911 Fund	Assessment Fund	Mental Health Fund	Road Sales Tax Fund	Capital Expenditures Fund			CARES Fund
Receipts										
Taxes	\$ 7,724,036	\$ 2,066,592	\$ 513,451	\$ -	\$ 796,794	\$ 2,188,283	\$ -	\$ -	\$ 275,496	\$ 13,564,652
Collector's commission	959,390	-	-	-	-	-	-	-	-	959,390
Intergovernmental receipts	303,648	204,182	-	-	-	-	6,832,245	-	159,524	7,499,599
Fees and charges	871,119	-	357,802	778,042	-	-	5,500	-	324,458	2,336,921
Other	190,758	30,584	2,272	18,256	5,281	22,451	-	36,230	21,382	327,214
Total Receipts	<u>10,048,951</u>	<u>2,301,358</u>	<u>873,525</u>	<u>796,298</u>	<u>802,075</u>	<u>2,210,734</u>	<u>5,500</u>	<u>6,868,475</u>	<u>780,860</u>	<u>24,687,776</u>
Disbursements										
Current										
General government	3,116,495	-	-	645,375	-	-	-	847,098	182,288	4,791,256
Judicial	1,378,283	-	-	-	-	-	-	-	42,216	1,420,499
Public safety	4,454,913	-	1,000,745	-	-	-	-	-	99,137	5,554,795
Health and welfare	510	-	-	-	722,337	-	-	-	7,918	730,765
Fair	-	-	-	-	-	-	-	-	88,788	88,788
Highway and roads	-	3,613,861	-	-	-	1,299,788	-	-	-	4,913,649
Capital improvement	-	-	-	-	-	-	291,449	-	-	291,449
Debt service	-	-	-	-	-	-	152,753	-	-	152,753
Total Disbursements	<u>8,950,201</u>	<u>3,613,861</u>	<u>1,000,745</u>	<u>645,375</u>	<u>722,337</u>	<u>1,299,788</u>	<u>444,202</u>	<u>847,098</u>	<u>420,347</u>	<u>17,943,954</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	1,098,750	(1,312,503)	(127,220)	150,923	79,738	910,946	(438,702)	6,021,377	360,513	6,743,822
Other Financing Sources (Uses)										
Sale of property	42,940	-	-	-	-	-	-	-	1,280	44,220
Operating transfers in (out)	(1,101,427)	1,640,000	50,000	83,000	-	(1,640,000)	1,000,000	-	(31,573)	-
Total Other Financing Sources (Uses)	<u>(1,058,487)</u>	<u>1,640,000</u>	<u>50,000</u>	<u>83,000</u>	<u>-</u>	<u>(1,640,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>(30,293)</u>	<u>44,220</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	40,263	327,497	(77,220)	233,923	79,738	(729,054)	561,298	6,021,377	330,220	6,788,042
Fund Balance, January 1	3,640,392	2,929,671	178,097	1,708,525	198,185	1,698,588	907,181	-	1,140,028	12,400,667
Fund Balance, December 31	<u>\$ 3,680,655</u>	<u>\$ 3,257,168</u>	<u>\$ 100,877</u>	<u>\$ 1,942,448</u>	<u>\$ 277,923</u>	<u>\$ 969,534</u>	<u>\$ 1,468,479</u>	<u>\$ 6,021,377</u>	<u>\$ 1,470,248</u>	<u>\$ 19,188,709</u>

Excess of Receipts and Other Sources Over Disbursements and Other (Uses)

\$ 6,788,042

Some of the amounts reported for Governmental activities in the Statement of Activities are different because of the Internal Service Fund receipts and disbursements are included with Governmental activities.

(7,295)

Increase in Net Position

See accompanying notes to the financial statements.

\$ 6,780,747

Newton County

Statement of Net Position – Internal Service Funds – Modified Cash Basis

December 31, 2020

	County Employee Retirement Fund	Deferred Compensation Fund
Assets		
Cash and cash equivalents	\$ 1	\$ -
Total Assets	<u>\$ 1</u>	<u>\$ -</u>
Net Position		
Unrestricted	\$ 1	\$ -
Total Net Position	<u>\$ 1</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Newton County

Statement of Receipts, Disbursements, and Changes in Net Position – Internal Service Funds – Modified Cash Basis
Year Ended December 31, 2020

	County Employee Retirement Fund	Deferred Compensation Fund
Operating Receipts		
Charges for services	\$ 461,786	\$ 60
Total Operating Receipts	461,786	60
Operating Disbursements		
Contributions	461,829	7,354
Total Operating Disbursements	461,829	7,354
<i>Operating (Loss)</i>	(43)	(7,294)
Nonoperating Receipts		
Interest receipts	42	-
Total Nonoperating Receipts	42	-
<i>Net (Loss)</i>	(1)	(7,294)
Net Position, January 1	2	7,294
Net Position, December 31	\$ 1	\$ -

See accompanying notes to the financial statements.

Newton County

Statement of Cash Flows – Internal Service Funds – Modified Cash Basis

Year Ended December 31, 2020

	County Employee Retirement Fund	Deferred Compensation Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 461,786	\$ 60
Cash paid to suppliers	(461,829)	(7,354)
Net Cash (Used) by Operating Activities	(43)	(7,294)
Cash Flows from Investing Activities		
Interest received on investments	42	-
Net Cash Provided by Investing Activities	42	-
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(1)	(7,294)
Cash and Cash Equivalents, Beginning of year	2	7,294
Cash and Cash Equivalents, End of year	\$ 1	\$ -
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities		
Operating (loss)	\$ (43)	\$ (7,294)
Net Cash (Used) by Operating Activities	\$ (43)	\$ (7,294)

See accompanying notes to the financial statements.

Newton County

Statement of Net Position – Custodial Funds – Modified Cash Basis

December 31, 2020

	Custodial Fund
Assets	
Cash and investments	\$ 39,516,088
Total Assets	<u>\$ 39,516,088</u>
Liabilities	
Due to others	\$ 739,333
Due to other funds	30
Due to other governments	38,776,725
Total Liabilities	<u>\$ 39,516,088</u>
Net Position	
Unrestricted	\$ -
Total Net Position	<u>\$ -</u>

See accompanying notes to the financial statements.

Newton County

Statement of Changes in Net Position – Custodial Funds – Modified Cash Basis

December 31, 2020

	Custodial Funds
Additions	
Contributions	
Taxes collected for other governments	\$ 53,950,346
Fees	3,755,172
Interest	27,842
Other	396,871
Total Receipts	<u>58,130,231</u>
Deductions	
Distributions	
Taxes distributed to other governments	53,626,968
Other distributions	4,503,263
Total Disbursements	<u>58,130,231</u>
<i>Excess of Additions Over Deductions</i>	-
Net Position, Beginning of year	-
Net Position, End of year	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

Newton County

Notes to the Financial Statements

December 31, 2020

1. 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.

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.

Newton County

Notes to the Financial Statements

December 31, 2020

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.

Coronavirus Aid Relief (CARES) Fund: The CARES Fund is used to account for COVID-19 relief funds provided by the Treasury Department for navigating the impact of the COVID-19 outbreak.

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.

Custodial funds are used to account for resources held by the County as an agent for individuals, private organizations, or other governmental units.

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.

Newton County

Notes to the Financial Statements

December 31, 2020

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 used 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.

Net Position

In the government-wide financial statements, equity is displayed, when applicable, in two components as follows:

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does 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.

Fund Balance Classification

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.

Newton County

Notes to the Financial Statements

December 31, 2020

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.

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.

2. 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, 2020, all cash balances on deposit are entirely insured or collateralized with securities.

3. 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.

Newton County

Notes to the Financial Statements

December 31, 2020

Investments of the County as of December 31, 2020, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of Deposit	4/13/2021	\$ 20,000
Certificates of Deposit	7/3/2022	249,000
		<u>\$ 269,000</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, 2020, all Certificates of Deposit were entirely insured or collateralized with securities.

4. Claims, Judgments, & 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, 2020, 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.

5. 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

Newton County

Notes to the Financial Statements

December 31, 2020

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 expressed 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.

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.

Cost-of-Living Adjustments (COLA). Annual cost-of-living adjustments not to exceed 1% are provided by eligible retirees and survivor annuitants, up to a lifetime maximum of 50% and may be amended only by action of Missouri Legislature.

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. As of December 31, 2020, the County has elected that employees will pay the full 4% 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 merchant and manufacturer's 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.
- Interest earned on investment of the above collections prior to remittance to CERF.

Newton County

Notes to the Financial Statements

December 31, 2020

The County's contributions to CERF were \$461,829 for the year ended December 31, 2020. In addition, the County collected and remitted \$329,908 related to employee payroll withholdings at the required contribution rates.

6. Assessed Valuation, Tax Levy, & 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 2020 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	\$ 621,531,950
Personal property	216,597,803
Railroad and utilities	99,275,630
	<u>\$ 937,405,383</u>

Tax Levy	
Common road	\$.2476
Fair	.0098
Mental Health	.0819
	<u>\$.3393</u>

The legal debt margin at December 31, 2020, is computed as follows:

Constitutional debt limit	\$ 93,740,538
General obligation bonds payable	-
Legal Debt Margin	<u>\$ 93,740,538</u>

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

Notes to the Financial Statements

December 31, 2020

7. General Long-Term Liabilities

Leases Payable

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%. In the event of a default, Lessor may take appropriate action to collect amounts dues, repossess the Property, sell the Property, or pursue and exercise any other remedy available at law or in equity.

On February 27, 2018, the County entered into a lease purchase agreement with Community Bank and Trust to finance the purchase of Superior public safety and law enforcement software equipment. The agreement requires annual payments of \$80,000, plus accrued interest at 1.98%. In the event of a default, Lessor may declare all payments due, retake possession of Equipment, sell Equipment or sublease Equipment.

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 leases (assuming noncancellation):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 160,205	\$ 21,803	\$ 182,008
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>\$ 727,328</u>	<u>\$ 65,572</u>	<u>\$ 792,900</u>

The following are the changes in General Long-Term Liabilities for the year ended December 31, 2020:

	<u>Direct Borrowing</u>					
	<u>Balance</u>				<u>Balance</u>	<u>Due</u>
	<u>December 31,</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u>	<u>Within</u>	
	<u>2019</u>			<u>2020</u>	<u>One Year</u>	
Leases Payable						
E-911 Equipment	\$ 9,566	\$ -	\$ 9,566	\$ -	\$ -	
Technology Lease	826,192	-	127,594	698,598	131,475	
Equipment Lease	110,555	-	81,825	28,730	28,730	
Compensated Absences Payable	200,272	30,855	-	231,127	-	
	<u>\$ 1,146,585</u>	<u>\$ 30,855</u>	<u>\$ 218,985</u>	<u>\$ 958,455</u>	<u>\$ 160,205</u>	

8. 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

Newton County

Notes to the Financial Statements

December 31, 2020

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.

9. Interfund Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following:

	Transfers In (Out)
General Fund	\$ (1,101,427)
Road and Bridge Fund	1,640,000
E-911 Fund	50,000
Assessment Fund	83,000
Tax Maintenance Fund	(31,573)
Road Sales Tax Fund	(1,640,000)
Capital Expenditures Fund	1,000,000
	<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.

10. Tax Abatements

As of December 31, 2020, the County did not provide tax abatements to any businesses. However, the County's property taxes were reduced by programs entered into by the governments under the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing), Enhanced Enterprise Zones Program, and Urban Redevelopment Corporation Law.

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased assessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to the cities that authorized the TIF, these funds are then distributed to a TIF special allocation fund or other political subdivisions.

The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer.

Newton County

Notes to the Financial Statements

December 31, 2020

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

As of December 31, 2020, the amount of these abatements was as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Tax Incremental Financing (TIF)	\$ 19,823
Enhanced Enterprise Zone Program	1,543
Urban Redevelopment Corporation Law (Chapter 353)	1,794
	<u>\$ 23,160</u>

11. Commitments

As of December 31, 2020, the County was committed to the following:

<u>Company</u>	<u>Project</u>	<u>Amount</u>
Eagleview	Aerial photos	\$ 58,700

Supplementary Information

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes				
County sales taxes	\$ 7,250,000	\$ 7,250,000	\$ 7,659,869	\$ 409,869
State assessed railroad and utilities	25,000	25,000	23,681	(1,319)
Surtax	13,000	13,000	14,070	1,070
Payment in lieu of taxes	12,000	12,000	11,566	(434)
Other	7,500	7,500	14,850	7,350
	7,307,500	7,307,500	7,724,036	416,536
Collector's Commission				
Collection commissions	909,000	909,000	959,390	50,390
Intergovernmental Receipts				
Federal	385,019	385,019	124,825	(260,194)
Other	203,410	203,410	178,823	(24,587)
	588,429	588,429	303,648	(284,781)
Fees and Charges				
Public administration	50,000	50,000	103,765	53,765
County clerk	37,500	37,500	34,942	(2,558)
Recorder of deeds	190,000	190,000	231,516	41,516
Court	95,000	95,000	64,262	(30,738)
Extraditions	10,000	10,000	23,933	13,933
Sheriff fees	479,850	479,850	394,969	(84,881)
Phone	45,000	45,000	17,732	(27,268)
	907,350	907,350	871,119	(36,231)
Other				
Interest receipts	65,450	65,450	62,521	(2,929)
Miscellaneous	52,500	52,500	128,237	75,737
	117,950	117,950	190,758	72,808
Total Receipts	9,830,229	9,830,229	10,048,951	218,722

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Disbursements				
Current				
General Government				
Collector of revenue	266,345	266,345	250,733	15,612
Treasurer	76,725	76,725	70,726	5,999
Recorder of deeds	212,180	212,180	210,241	1,939
County commission	235,365	235,365	202,227	33,138
General services	2,323,075	2,332,837	1,294,649	1,038,188
Construction	103,920	103,920	79,113	24,807
Election and voter registration	218,216	218,216	203,533	14,683
County clerk	206,015	206,015	199,481	6,534
Auditor	270,740	270,740	246,166	24,574
Building and grounds	239,305	239,305	171,600	67,705
Custodial Services	132,825	132,825	121,451	11,374
Various Grants	55,967	55,967	66,575	(10,608)
	4,340,678	4,350,440	3,116,495	1,233,945
Judicial				
Circuit clerk	67,375	67,375	48,799	18,576
Circuit court	22,700	22,700	7,832	14,868
Coroner	140,252	140,252	91,922	48,330
Court reporter	2,500	2,500	2,029	471
Public administrator	295,378	295,378	262,551	32,827
Juvenile	150,445	139,745	118,689	21,056
Court services	147,500	147,500	136,706	10,794
Prosecuting attorney	769,147	770,085	709,755	60,330
	1,595,297	1,585,535	1,378,283	207,252
Public Safety				
Sheriff	3,239,803	3,239,803	2,962,645	277,158
Jail	1,614,901	1,614,901	1,397,005	217,896
Emergency management	114,933	114,933	95,263	19,670
	4,969,637	4,969,637	4,454,913	514,724
Health and Welfare				
Health and welfare	4,000	4,000	510	3,490
Total Disbursements	10,909,612	10,909,612	8,950,201	1,959,411

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(1,079,383)	(1,079,383)	1,098,750	2,178,133
Other Financing Sources (Uses)				
Lease proceeds	209,445	209,445	-	(209,445)
Sale of property	25,000	25,000	42,940	17,940
Operating transfers in	15,000	15,000	31,573	16,573
Operating transfers (out)	(833,000)	(833,000)	(1,133,000)	(300,000)
Total Other Financing Sources (Uses)	(583,555)	(583,555)	(1,058,487)	(474,932)
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(1,662,938)	(1,662,938)	40,263	1,703,201
Fund Balance, January 1	3,640,392	3,640,392	3,640,392	-
Fund Balance, December 31	\$ 1,977,454	\$ 1,977,454	\$ 3,680,655	\$ 1,703,201

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Road and Bridge Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 1,976,500	\$ 1,976,500	\$ 2,066,592	\$ 90,092
Intergovernmental receipts	1,865,250	1,865,250	204,182	(1,661,068)
Other receipts	26,000	26,000	30,584	4,584
Total Receipts	3,867,750	3,867,750	2,301,358	(1,566,392)
Disbursements				
Highway and Roads				
Wages and benefits	585,056	585,056	486,601	98,455
Supplies	180,925	180,925	100,566	80,359
Repairs and maintenance	60,000	60,000	32,045	27,955
Engineering	36,525	36,525	12,979	23,546
Capital outlay	3,484,500	3,484,500	2,132,559	1,351,941
Contracted labor	3,000	3,000	3,725	(725)
Rental equipment	25,000	25,000	2,330	22,670
Special road districts	822,105	822,105	820,517	1,588
Other	357,500	357,500	22,539	334,961
Total Disbursements	5,554,611	5,554,611	3,613,861	1,940,750
<i>(Deficit) of Receipts Over Disbursements</i>	(1,686,861)	(1,686,861)	(1,312,503)	374,358
Other Financing Sources				
Operating transfers in	1,614,500	1,614,500	1,640,000	25,500
Total Other Financing Sources	1,614,500	1,614,500	1,640,000	25,500
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(72,361)	(72,361)	327,497	399,858
Fund Balance, January 1	2,929,671	2,929,671	2,929,671	-
Fund Balance, December 31	\$ 2,857,310	\$ 2,857,310	\$ 3,257,168	\$ 399,858

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – E-911 Fund – Modified Cash Basis

Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Receipts				
Taxes	\$ 375,000	\$ 375,000	\$ 513,451	\$ 138,451
Charges for services	359,117	359,117	357,802	(1,315)
Other receipts	1,600	1,600	2,272	672
Total Receipts	<u>735,717</u>	<u>735,717</u>	<u>873,525</u>	<u>137,808</u>
Disbursements				
Public safety	<u>1,059,153</u>	<u>1,059,153</u>	<u>1,000,745</u>	<u>58,408</u>
Total Disbursements	<u>1,059,153</u>	<u>1,059,153</u>	<u>1,000,745</u>	<u>58,408</u>
<i>(Deficit) of Receipts Over Disbursements</i>	(323,436)	(323,436)	(127,220)	196,216
Other Financing Sources				
Operating transfers in	<u>250,000</u>	<u>250,000</u>	<u>50,000</u>	<u>(200,000)</u>
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>50,000</u>	<u>(200,000)</u>
<i>(Deficit) of Receipts and Other Sources Over Disbursements</i>	(73,436)	(73,436)	(77,220)	(3,784)
Fund Balance, January 1	<u>178,097</u>	<u>178,097</u>	<u>178,097</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 104,661</u>	<u>\$ 104,661</u>	<u>\$ 100,877</u>	<u>\$ (3,784)</u>

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Assessment Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Charges for services	\$ 779,500	\$ 779,500	\$ 778,042	\$ (1,458)
Other receipts	18,000	18,000	18,256	256
Total Receipts	797,500	797,500	796,298	(1,202)
Disbursements				
General government	1,229,590	1,229,590	645,375	584,215
Total Disbursements	1,229,590	1,229,590	645,375	584,215
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(432,090)	(432,090)	150,923	583,013
Other Financing Sources				
Operating transfers in	83,000	83,000	83,000	-
Total Other Financing Sources	83,000	83,000	83,000	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(349,090)	(349,090)	233,923	583,013
Fund Balance, January 1	1,708,525	1,708,525	1,708,525	-
Fund Balance, December 31	\$ 1,359,435	\$ 1,359,435	\$ 1,942,448	\$ 583,013

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Mental Health Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 775,213	\$ 775,213	\$ 796,794	\$ 21,581
Other receipts	4,000	4,000	5,281	1,281
Total Receipts	779,213	779,213	802,075	22,862
Disbursements				
Health and welfare	748,205	748,205	722,337	25,868
Total Disbursements	748,205	748,205	722,337	25,868
<i>Excess of Receipts Over Disbursements</i>	31,008	31,008	79,738	48,730
Fund Balance, January 1	198,185	198,185	198,185	-
Fund Balance, December 31	\$ 229,193	\$ 229,193	\$ 277,923	\$ 48,730

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Road Sales Tax Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 2,126,500	\$ 2,126,500	\$ 2,188,283	\$ 61,783
Other receipts	17,000	17,000	22,451	5,451
Total Receipts	2,143,500	2,143,500	2,210,734	67,234
Disbursements				
Highway and Roads	2,324,000	2,324,000	1,299,788	1,024,212
Total Disbursements	2,324,000	2,324,000	1,299,788	1,024,212
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(180,500)	(180,500)	910,946	1,091,446
Other Financing (Uses)				
Operating transfers (out)	(1,514,500)	(1,514,500)	(1,640,000)	(125,500)
Total Other Financing (Uses)	(1,514,500)	(1,514,500)	(1,640,000)	(125,500)
<i>(Deficit) of Receipts Over Disbursements and Other (Uses)</i>	(1,695,000)	(1,695,000)	(729,054)	965,946
Fund Balance, January 1	1,698,588	1,698,588	1,698,588	-
Fund Balance, December 31	\$ 3,588	\$ 3,588	\$ 969,534	\$ 965,946

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Capital Expenditures Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Other receipts	\$ 100,000	\$ 100,000	5,500	\$ (94,500)
Total Receipts	100,000	100,000	5,500	(94,500)
Disbursements				
Capital outlay	1,165,000	1,165,000	291,449	873,551
Debt service	153,000	153,000	152,753	247
Total Disbursements	1,318,000	1,318,000	444,202	873,798
<i>(Deficit) of Receipts Over Disbursements</i>	(1,218,000)	(1,218,000)	(438,702)	779,298
Other Financing Sources				
Operating transfers in	500,000	500,000	1,000,000	500,000
Total Other Financing Sources	500,000	500,000	1,000,000	500,000
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(718,000)	(718,000)	561,298	1,279,298
Fund Balance, January 1	907,181	907,181	907,181	-
Fund Balance, December 31	\$ 189,181	\$ 189,181	\$ 1,468,479	\$ 1,279,298

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – CARES Fund – Modified Cash Basis

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Intergovernmental revenues	\$ -	\$ 6,832,245	\$ 6,832,245	\$ -
Interest	-	10,000	36,230	26,230
Total Receipts	-	6,842,245	6,868,475	26,230
Disbursements				
CARES disbursements	-	6,832,245	847,098	5,985,147
Total Disbursements	-	6,832,245	847,098	5,985,147
<i>Excess of Receipts Over Disbursements</i>	-	10,000	6,021,377	6,011,377
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ 10,000	\$ 6,021,377	\$ 6,011,377

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2020

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

Combining Statement of Assets and Fund Balances – Nonmajor Special Revenue Funds – Modified Cash Basis

December 31, 2020

	<u>Newton County Fair Fund</u>	<u>Prosecuting Attorney Administrative Fund</u>	<u>Tax Maintenance Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Sheriff Civil Charges Fund</u>	<u>Domestic Violence Fund</u>	<u>Election Improvement Fund</u>	<u>Sheriff's Revolving Fund</u>	<u>Inmate Security Fund</u>	<u>Capital Improvement Fund</u>	<u>Recorder's Technology Fund</u>
Assets											
Cash and cash equivalents - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,091	\$ -	\$ -	\$ 79,832	\$ -
Cash and cash equivalents - restricted	32,057	7,862	266,848	17,539	61,373	6,038	-	42,552	37,047	-	213,756
Total Assets	<u>\$ 32,057</u>	<u>\$ 7,862</u>	<u>\$ 266,848</u>	<u>\$ 17,539</u>	<u>\$ 61,373</u>	<u>\$ 6,038</u>	<u>\$ 46,091</u>	<u>\$ 42,552</u>	<u>\$ 37,047</u>	<u>\$ 79,832</u>	<u>\$ 213,756</u>
Fund Balances											
Restricted for											
General government	\$ -	\$ -	\$ 266,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,756
Judicial	-	7,862	-	17,539	-	-	-	-	-	-	-
Public safety	-	-	-	-	61,373	-	-	42,552	37,047	-	-
Health and welfare	-	-	-	-	-	6,038	-	-	-	-	-
Fair	32,057	-	-	-	-	-	-	-	-	-	-
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	79,832	-
Assigned to											
Election	-	-	-	-	-	-	46,091	-	-	-	-
Law library	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 32,057</u>	<u>\$ 7,862</u>	<u>\$ 266,848</u>	<u>\$ 17,539</u>	<u>\$ 61,373</u>	<u>\$ 6,038</u>	<u>\$ 46,091</u>	<u>\$ 42,552</u>	<u>\$ 37,047</u>	<u>\$ 79,832</u>	<u>\$ 213,756</u>

Newton County

Combining Statement of Assets and Fund Balances – Nonmajor Special Revenue Funds – Modified Cash Basis

December 31, 2020

	<u>Recorder's User Fund</u>	<u>Law Library Fund</u>	<u>Bridge Demolition Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Election Fund</u>	<u>Prosecuting Attorney Delinquent Tax Fund</u>	<u>Sheriff's Criminal Activity Forfeiture Fund</u>	<u>Local Emergency Planning Commission Fund</u>	<u>Sheriff Donation Fund</u>	<u>Court Preservation Fund</u>
Assets										
Cash and cash equivalents - unrestricted	\$ -	\$ 20,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,585	\$ -
Cash and cash equivalents - restricted	94,291	-	84,119	2,027	126,591	72,041	15,092	34,985	-	679
Total Assets	<u>\$ 94,291</u>	<u>\$ 20,815</u>	<u>\$ 84,119</u>	<u>\$ 2,027</u>	<u>\$ 126,591</u>	<u>\$ 72,041</u>	<u>\$ 15,092</u>	<u>\$ 34,985</u>	<u>\$ 27,585</u>	<u>\$ 679</u>
Fund Balances										
Restricted for										
General government	\$ 94,291	\$ -	\$ 84,119	\$ -	\$ 126,591	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-	-	72,041	-	-	-	679
Public safety	-	-	-	2,027	-	-	15,092	34,985	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Fair	-	-	-	-	-	-	-	-	-	-
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	-
Assigned to										
Election	-	-	-	-	-	-	-	-	-	-
Law library	-	20,815	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	27,585	-
Total Fund Balances	<u>\$ 94,291</u>	<u>\$ 20,815</u>	<u>\$ 84,119</u>	<u>\$ 2,027</u>	<u>\$ 126,591</u>	<u>\$ 72,041</u>	<u>\$ 15,092</u>	<u>\$ 34,985</u>	<u>\$ 27,585</u>	<u>\$ 679</u>

Newton County

Combining Statement of Assets and Fund Balances – Nonmajor Special Revenue Funds – Modified Cash Basis

December 31, 2020

	Sheriff Public Safety Sales Tax Fund	Public Safety Reserve Fund	Public Safety Grant Fund	Public Administration Donation Fund	Sheriff Capital Improvement Fund	Public Safety 911 Capital Improvement Fund	Total
Assets							
Cash and cash equivalents - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,323
Cash and cash equivalents - restricted	65,636	32,818	16,681	257	49,227	16,409	1,295,925
Total Assets	<u>\$ 65,636</u>	<u>\$ 32,818</u>	<u>\$ 16,681</u>	<u>\$ 257</u>	<u>\$ 49,227</u>	<u>\$ 16,409</u>	<u>\$ 1,470,248</u>
Fund Balances							
Restricted for							
General government	\$ -	\$ -	\$ -	\$ 257	\$ -	\$ -	\$ 785,862
Judicial	-	-	-	-	-	-	98,121
Public safety	65,636	32,818	16,681	-	49,227	16,409	373,847
Health and welfare	-	-	-	-	-	-	6,038
Fair	-	-	-	-	-	-	32,057
Committed to Capital Improvement	-	-	-	-	-	-	79,832
Assigned to							
Election	-	-	-	-	-	-	46,091
Law library	-	-	-	-	-	-	20,815
Public safety	-	-	-	-	-	-	27,585
Total Fund Balances	<u>\$ 65,636</u>	<u>\$ 32,818</u>	<u>\$ 16,681</u>	<u>\$ 257</u>	<u>\$ 49,227</u>	<u>\$ 16,409</u>	<u>\$ 1,470,248</u>

Newton County

Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Nonmajor Special Revenue Funds – Modified Cash Basis Year Ended December 31, 2020

	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	Recorder's Technology Fund
Receipts											
Taxes	\$ 94,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	84,085	-	5,109	-	-
Fees and charges	-	12,860	98,495	6,822	25,830	9,486	-	43,927	5,393	-	54,556
Other receipts	517	199	2,662	-	-	35	459	393	-	-	1,757
Total Receipts	95,363	13,059	101,157	6,822	25,830	9,521	84,544	44,320	10,502	-	56,313
Disbursements											
Current											
General government	-	-	59,988	-	-	-	62,322	-	-	-	33,513
Judicial	-	10,369	-	4,781	-	-	-	-	-	-	-
Public safety	-	-	-	-	31,850	-	-	37,610	17,147	-	-
Health and welfare	-	-	-	-	-	7,918	-	-	-	-	-
Fair	88,788	-	-	-	-	-	-	-	-	-	-
Total Disbursements	88,788	10,369	59,988	4,781	31,850	7,918	62,322	37,610	17,147	-	33,513
<i>Excess (Deficit) of Receipts Over Disbursements</i>	6,575	2,690	41,169	2,041	(6,020)	1,603	22,222	6,710	(6,645)	-	22,800
Other Financing Sources (Uses)											
Sale of property	-	-	-	-	1,280	-	-	-	-	-	-
Operating transfers in (out)	-	-	(31,573)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(31,573)	-	1,280	-	-	-	-	-	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	6,575	2,690	9,596	2,041	(4,740)	1,603	22,222	6,710	(6,645)	-	22,800
Fund Balance, January 1	25,482	5,172	257,252	15,498	66,113	4,435	23,869	35,842	43,692	79,832	190,956
Fund Balance, December 31	\$ 32,057	\$ 7,862	\$ 266,848	\$ 17,539	\$ 61,373	\$ 6,038	\$ 46,091	\$ 42,552	\$ 37,047	\$ 79,832	\$ 213,756

Newton County

Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Nonmajor Special Revenue Funds – Modified Cash Basis
Year Ended December 31, 2020

	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	Sheriff Donation Fund	Court Preservation Fund
Receipts										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	55,480	14,850	-	-	-	-
Fees and charges	20,648	32,532	-	8,032	5,877	-	-	-	-	-
Other receipts	971	2	757	-	978	596	137	315	11,200	-
Total Receipts	<u>21,619</u>	<u>32,534</u>	<u>757</u>	<u>8,032</u>	<u>62,335</u>	<u>15,446</u>	<u>137</u>	<u>315</u>	<u>11,200</u>	<u>-</u>
Disbursements										
Current										
General government	26,439	-	-	-	-	-	-	-	-	-
Judicial	-	26,969	-	-	-	-	-	-	-	97
Public safety	-	-	-	9,768	-	-	1,241	196	1,325	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Fair	-	-	-	-	-	-	-	-	-	-
Total Disbursements	<u>26,439</u>	<u>26,969</u>	<u>-</u>	<u>9,768</u>	<u>-</u>	<u>-</u>	<u>1,241</u>	<u>196</u>	<u>1,325</u>	<u>97</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(4,820)	5,565	757	(1,736)	62,335	15,446	(1,104)	119	9,875	(97)
Other Financing Sources (Uses)										
Sale of property	-	-	-	-	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(4,820)	5,565	757	(1,736)	62,335	15,446	(1,104)	119	9,875	(97)
Fund Balance, January 1	99,111	15,250	83,362	3,763	64,256	56,595	16,196	34,866	17,710	776
Fund Balance, December 31	<u>\$ 94,291</u>	<u>\$ 20,815</u>	<u>\$ 84,119</u>	<u>\$ 2,027</u>	<u>\$ 126,591</u>	<u>\$ 72,041</u>	<u>\$ 15,092</u>	<u>\$ 34,985</u>	<u>\$ 27,585</u>	<u>\$ 679</u>

Newton County

Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Nonmajor Special Revenue Funds – Modified Cash Basis

Year Ended December 31, 2020

	Sheriff Public Safety Sales Tax Fund	Public Safety Reserve Fund	Public Safety Grant Fund	Public Administration Donation Fund	Sheriff Capital Improvement Fund	Public Safety 911 Capital Improvement Fund	Total
Receipts							
Taxes	\$ 65,594	\$ 32,797	\$ 16,666	\$ -	\$ 49,195	\$ 16,398	\$ 275,496
Intergovernmental receipts	-	-	-	-	-	-	159,524
Fees and charges	-	-	-	-	-	-	324,458
Other receipts	42	21	15	283	32	11	21,382
Total Receipts	<u>65,636</u>	<u>32,818</u>	<u>16,681</u>	<u>283</u>	<u>49,227</u>	<u>16,409</u>	<u>780,860</u>
Disbursements							
Current							
General government	-	-	-	26	-	-	182,288
Judicial	-	-	-	-	-	-	42,216
Public safety	-	-	-	-	-	-	99,137
Health and welfare	-	-	-	-	-	-	7,918
Fair	-	-	-	-	-	-	88,788
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>420,347</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	65,636	32,818	16,681	257	49,227	16,409	360,513
Other Financing Sources (Uses)							
Sale of property	-	-	-	-	-	-	1,280
Operating transfers in (out)	-	-	-	-	-	-	(31,573)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,293)</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	65,636	32,818	16,681	257	49,227	16,409	330,220
Fund Balance, January 1	-	-	-	-	-	-	1,140,028
Fund Balance, December 31	<u>\$ 65,636</u>	<u>\$ 32,818</u>	<u>\$ 16,681</u>	<u>\$ 257</u>	<u>\$ 49,227</u>	<u>\$ 16,409</u>	<u>\$ 1,470,248</u>

Other Reporting Requirements



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, 2020, 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 30, 2021.

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 (internal control) as a basis for designing 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 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 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.

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1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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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 financial statements. 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 30, 2021



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Newton County Commission
Newton County
Neosho, Missouri

Report on Compliance for Each Major Federal Program

We have audited Newton 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 its major federal program for the year ended December 31, 2020. Newton County, Missouri's major federal program is identified in the summary of auditors' 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 program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Newton County, Missouri's major federal program 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 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 Newton 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 the major federal program. However, our audit does not provide a legal determination on Newton County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Newton County, Missouri, complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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Report on Internal Control over Compliance

Management of Newton 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 Newton 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 Newton 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 requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
July 30, 2021

Newton County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number/Other Identifying Number	Pass-through to Subrecipients	Total Expenditures of Federal Awards
U.S. Department of Justice				
Missouri Department of Public Safety				
Bulletproof Vest Partnership Program	16.607	2020BUBX20022654	\$ -	\$ 9,619
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-LLEBG-049	-	3,136
Direct				
Cooperative Agreement	16.000	N/A	-	1,240
Total U.S. Department of Justice			-	13,995
U.S. Department of Transportation				
Missouri Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	BRO-073(23)	-	19,056
		BRO-073(24)	-	35,497
			-	54,553
Highway Safety Cluster				
State and Community Highway Safety	20.600	21-PT-02-045	-	684
		20-PT-02-061	-	8,327
			-	9,011
University of Missouri				
Alcohol Open Container Requirements	20.607	20-154-AL-070	-	7,352
		21-154-AL-052	-	2,584
			-	9,936
			-	
National Priority Safety Programs	20.616	20-M2HVE-05-030	-	673
Total U.S. Department of Transportation			-	74,173

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Newton County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number/Other Identifying Number	Pass-though to Subrecipients	Total Expenditures of Federal Awards
U.S. Department of the Treasury				
Missouri State Treasurer Coronavirus Relief Fund	21.019	00299	424,528	847,098
Total U.S. Department of the Treasury			424,528	847,098
Election Assistance Commission				
Missouri Secretary of State COVID 19 2020 HAVA Election Security Grants	90.404	COVID 19 Newton	-	48,097
Total Election Assistance Commission			-	48,097
U.S. Department of Health and Human Services				
Missouri Department of Social Services Child Support Enforcement	93.563	ER10217C067	-	43,900
Total U.S. Department of Health and Human Services			-	43,900
U.S. Department of Homeland Security				
Missouri Department of Public Safety Emergency Management Performance Grant	97.042	EMK-2019-EP-00001-080 EMK-2020-EP-00004-81	-	8,297 14,403
FEMA Disaster Grant	97.036	FEMA-4250-DR-MO	-	25,308
Total U.S. Department of Homeland Security			-	48,008
Total Expenditures of Federal Awards			\$ 424,528	\$ 1,075,271

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Newton County

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Newton County under programs of the federal government for the year ended December 31, 2020. 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 Newton County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Newton County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting which is described in Note 1 to the County's financial statements. 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. Newton County elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Subrecipients

The County provided funds to subrecipients in the current year in the amount of \$424,528 for Coronavirus Relief.

Newton County

Summary Schedule of Finding and Questioned Costs

Year Ended December 31, 2020

Section I: Summary Schedule of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal program:		
CFDA Number(s)	Name of Federal Program or Cluster	
21.019	Coronavirus Relief Fund	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

Newton County

Summary Schedule of Finding and Questioned Costs

Year Ended December 31, 2020

Newton County

Schedule of Prior Audit Findings

Year Ended December 31, 2020

There were no prior audit findings.