

Newton County, Missouri

Basic Financial Statements Year Ended December 31, 2021

KPM
CPAS & ADVISORS

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Newton County Commission
Newton County
Neosho, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Newton County, Missouri, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Newton County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management’s Discussion and Analysis and budgetary comparison schedules but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022, on our consideration of Newton County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Newton County, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
September 26, 2022

Management's Discussion and Analysis

Newton County

Management's Discussion and Analysis

December 31, 2021

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, 2021, 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 \$6,609,349.
- The fund balance for the General Fund increased by \$3,019,852.
- The fund balance for the Road and Bridge Fund increased by \$214,188.
- On a government-wide basis, the cost of the County's governmental activities was \$22,664,690 compared to \$17,951,249 in 2020.

Road sales tax funds held at year end equaled \$924,321; these funds will be used on County roads in 2022 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, 2021

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, 2021

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,	
	2021	2020
Assets		
Cash and investments - unrestricted	\$ 10,542,069	\$ 5,898,304
Cash and investments - restricted	15,255,992	13,290,406
Total Assets	<u>\$ 25,798,061</u>	<u>\$ 19,188,710</u>
Net Position		
Restricted	\$ 15,255,992	\$ 13,290,406
Unrestricted	10,542,069	5,898,304
Total Net Position	<u>\$ 25,798,061</u>	<u>\$ 19,188,710</u>

Newton County

Management's Discussion and Analysis

December 31, 2021

Changes in Net Position – Modified Cash Basis

	Year Ended December 31,	
	2021	2020
Receipts		
Program Receipts		
Charges for services	\$ 3,261,983	\$ 3,332,486
Operating grants and contributions	5,978,311	7,288,724
Capital grants and contributions	266,236	210,875
General Receipts		
Ad valorem taxes	1,631,978	1,602,623
Sales taxes	16,293,544	10,192,785
Motor vehicle sales and gas taxes	1,409,008	1,290,244
Telephone tax	2,675	313,293
Other taxes	125,158	129,532
Interest	151,443	186,706
Other receipts	136,587	140,508
Special Items		
Sale of property	16,816	44,220
Total Receipts	<u>29,273,739</u>	<u>24,731,996</u>
Disbursements		
General government	8,531,246	4,798,552
Judicial	1,492,473	1,420,499
Public safety	6,063,833	5,554,794
Health and welfare	756,230	730,765
Fair	89,476	88,788
Highway and roads	4,917,637	4,913,649
Capital improvements	660,769	291,449
Debt service	152,724	152,753
Total Disbursements	<u>22,664,388</u>	<u>17,951,249</u>
Increase in Net Position	<u>\$ 6,609,351</u>	<u>\$ 6,780,747</u>

Newton County

Management's Discussion and Analysis

December 31, 2021

Overall receipts of the County increased by \$4,541,743 over the prior year. Taxes as a whole increased \$5,933,886. Taxes comprise 66% of total receipts, charges for services comprise 11% of receipts, and the balance is comprised of grants, interest, sale of property, lease proceeds and other receipts.

Disbursements for general government increased 78%. Public safety comprises 27% of total disbursements, general government comprises 38%, highway and roads 22%, judicial 7%, 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 \$2,991,335 for the year ended December 31, 2021.
- The Road and Bridge Fund balance increased by \$214,188 for the year ended December 31, 2021.
- The E-911 Fund balance increased by \$1,526,346 for the year ended December 31, 2021.
- The Mental Health Fund balance increased by \$119,626 for the year ended December 31, 2021.
- The Road Sales Tax Fund balance decreased by \$45,213, which decreased the fund balance to \$924,321 as of December 31, 2021.
- The Newton County Assessment Fund increased by \$135,869. This fund now has a balance of \$2.1 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 \$2.5 million for County and Special Road Districts. \$934,365 was disbursed and spent in 2021 on projects. An additional \$1,640,000 was transferred to the Road and Bridge Fund in the current year reimbursing project costs.
- The CARES Fund was disbursed in 2021 with \$40,513.46 in unused funds being returned in October 2021.
- The ARP Fund increased \$5,668,625 for the year ended December 31, 2021. The County received \$5.7 million in the current year and disbursed \$4,000 to be used for expenses in response to the COVID-19 pandemic, with a carryover of \$5,668,625 to be used in 2022.

Newton County

Management's Discussion and Analysis

December 31, 2021

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>12/31/2020</u>	<u>Balance</u> <u>12/31/2021</u>	<u>% Change +/-</u>
Recorder's User Fund	\$ 94,291	\$ 95,746	1.54%
Recorder's Technology Fund	\$ 213,756	\$ 230,662	7.91%
Collector Tax Maintenance Fund	\$ 266,848	\$ 246,718	-7.54%
Law Library Fund	\$ 20,815	\$ 31,192	49.85%
Election Fund	\$ 126,591	\$ 137,469	8.59%
Election Improvement Fund	\$ 46,091	\$ 18,671	-59.49%
Sheriff Civil Charges Fund	\$ 61,373	\$ 64,767	5.53%
Sheriff's Revolving Fund	\$ 42,552	\$ 50,586	18.88%
Sheriff's Criminal Activity Forfeiture Fund	\$ 15,092	\$ 14,682	-2.72%
Law Enforcement Training Fund	\$ 2,027	\$ 2,121	4.64%
Inmate Security Fund	\$ 37,047	\$ 28,230	-23.80%
Prosecuting Attorney Administrative Fund	\$ 7,862	\$ 18,646	137.17%
Prosecuting Attorney Training Fund	\$ 17,539	\$ 19,666	12.13%
Prosecuting Attorney Delinquent Tax Fund	\$ 72,041	\$ 72,024	-0.02%

Newton County

Management's Discussion and Analysis

December 31, 2021

County Funds

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

<u>Department</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Balance</u> <u>12/31/2021</u>	<u>% Change +/-</u>
Assessment Fund	\$ 1,942,448	\$ 2,078,317	6.99%
E-911 Fund	\$ 100,877	\$ 1,627,223	1513.08%
Road Sales Tax Fund	\$ 969,534	\$ 924,321	-4.66%
Road & Bridge Fund	\$ 3,257,168	\$ 3,471,356	6.58%
Bridge Demolition Fund	\$ 84,119	\$ 84,638	0.62%
Mental Health Fund	\$ 277,923	\$ 397,549	43.04%
Newton County Fair Fund	\$ 32,057	\$ 39,415	22.95%
Local Emergency Planning Council Fund	\$ 34,985	\$ 46,303	32.35%
Sheriff Donation Fund	\$ 27,585	\$ 29,059	5.34%
Domestic Violence Fund	\$ 6,038	\$ 5,240	-13.22%
Capital Expenditures Fund	\$ 1,468,479	\$ 1,154,986	-21.35%
Capital Improvement Fund	\$ 79,832	\$ 85,614	7.24%
Court Preservation Fund	\$ 679	\$ 679	0.00%
CARES Fund	\$ 6,021,377	\$ -	-100.00%
ARP fund	\$ -	\$ 5,668,625	100.00%
Sheriff Public Safety Sales Tax Fund	\$ 65,636	\$ 921,176	1303.46%
Public Safety Reserve Fund	\$ 32,818	\$ 519,970	1484.40%
Public Safety Grant Fund	\$ 16,681	\$ 17,482	4.80%
Public Administration Donation Fund	\$ 257	\$ 285	10.89%
Sheriff Capital Improvement Fund	\$ 49,227	\$ 764,230	1452.46%
Public Safety 911 Capital Improvement Fund	\$ 16,409	\$ 258,420	1474.87%

Newton County

Management's Discussion and Analysis

December 31, 2021

Financial Analysis Budget Versus Actual Results – General Fund

	Budget		Actual
	Original	Final	
Receipts			
Taxes	\$ 7,871,000	\$ 7,871,000	\$ 8,867,931
Commissions	927,500	927,500	977,106
Intergovernmental revenues	579,822	579,822	306,486
Fees and charges	859,450	859,450	1,066,096
Other	117,950	117,950	100,661
Total Receipts	<u>\$ 10,355,722</u>	<u>\$ 10,355,722</u>	<u>\$ 11,318,280</u>
Disbursements			
General government	\$ 4,601,987	\$ 4,601,248	\$ 3,052,467
Judicial	1,651,896	1,652,635	1,452,747
Public safety	4,890,599	4,890,599	4,251,754
Health and welfare	34,000	34,000	51,639
Total Disbursements	<u>\$ 11,178,482</u>	<u>\$ 11,178,482</u>	<u>\$ 8,808,607</u>

Budget efficiency is obvious and showed marked improvement when observing the differences between original budgets and what the County actually received and expended in 2021. Each officeholder works to be prudent with the funds available to them each year.

Economic Factors and Next Year's Budget

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.

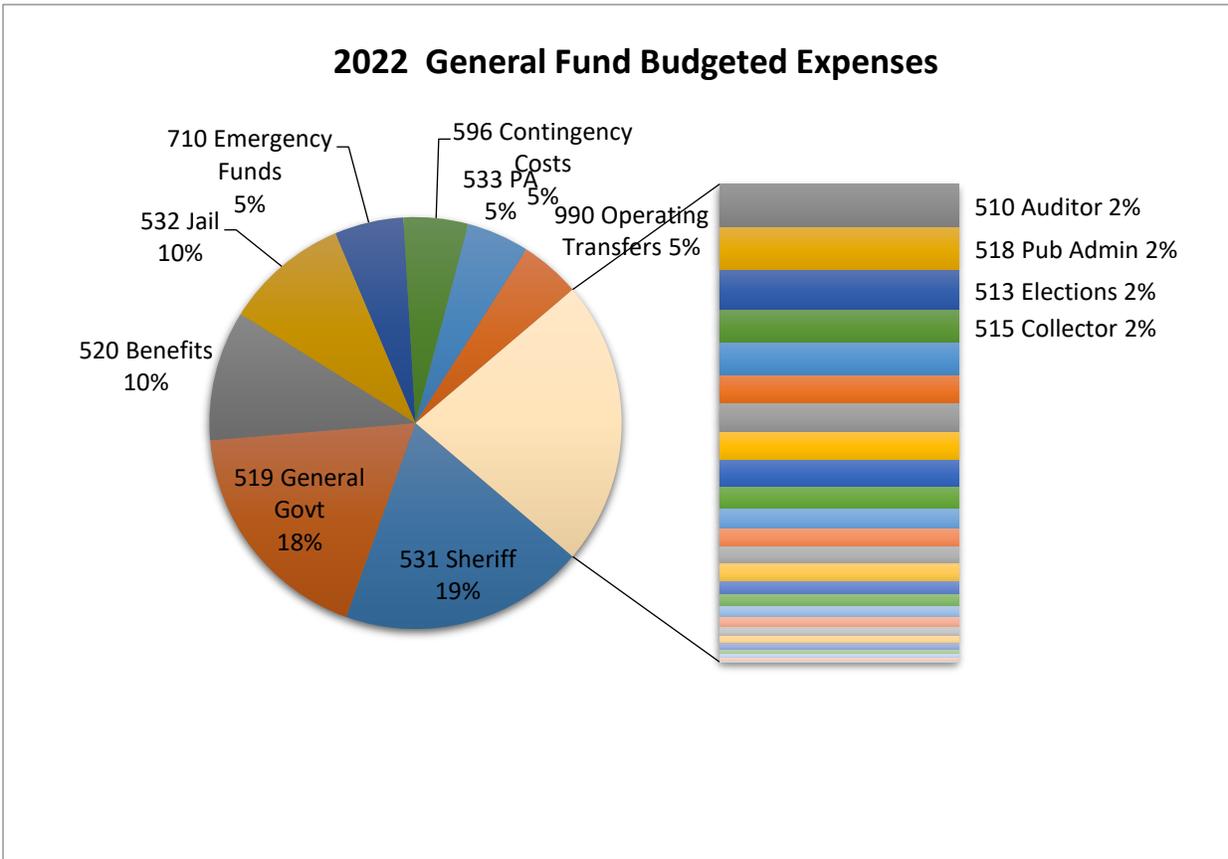
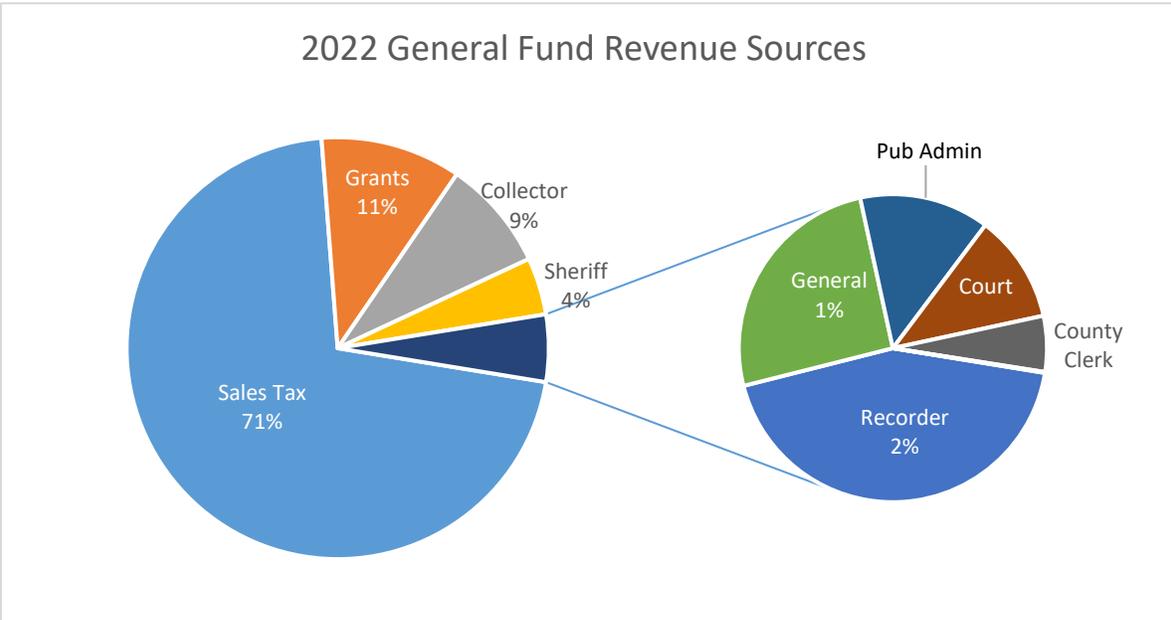
The County is partnering with the City of Neosho on a BRO funded, bridge replacement project over Hickory Creek on Coler Street. The County has awarded engineering services and construction will be completed in Fall, 2022.

The County purchased the former Canopy building and will work on completing the space for the function of the Courts and additional office space.

Newton County

Management's Discussion and Analysis

December 31, 2021



Newton County

Management's Discussion and Analysis

December 31, 2021

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, 2021

	Total Governmental Activities
Assets	
Cash and investments - unrestricted	\$ 10,542,069
Cash and investments - restricted	15,255,992
Total Assets	<u>\$ 25,798,061</u>
Net Position	
Restricted	\$ 15,255,992
Unrestricted	10,542,069
Total Net Position	<u>\$ 25,798,061</u>

See accompanying notes to the financial statements.

Newton County

Statement of Activities – Modified Cash Basis

Year Ended December 31, 2021

Functions/Programs	<u>Disbursements</u>	<u>Program Receipts</u>			Net (Disbursements), Receipts, and Changes in Net Position	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>	
Governmental Activities						
General government	\$ (8,531,246)	\$ 2,310,251	\$ 5,706,688	\$ -	\$ (514,307)	
Judicial	(1,492,473)	212,229	48,894	-	(1,231,350)	
Public safety	(6,063,833)	724,485	222,729	-	(5,116,619)	
Health and welfare	(756,230)	9,518	-	-	(746,712)	
Fair	(89,476)	-	-	-	(89,476)	
Highway and roads	(4,917,637)	5,500	-	266,236	(4,645,901)	
Capital improvement	(660,769)	-	-	-	(660,769)	
Debt service	(152,724)	-	-	-	(152,724)	
Total Governmental Activities	<u>\$ (22,664,388)</u>	<u>\$ 3,261,983</u>	<u>\$ 5,978,311</u>	<u>\$ 266,236</u>	<u>(13,157,858)</u>	
		General Receipts				
					1,631,978	
					16,293,544	
					1,409,008	
					2,675	
					125,158	
					151,443	
					136,587	
					<u>19,750,393</u>	
			Special Items			
					16,816	
					<u>16,816</u>	
					6,609,351	
					19,188,710	
					<u>\$ 25,798,061</u>	

See accompanying notes to the financial statements.

Newton County

Balance Sheet – Governmental Funds – Modified Cash Basis

December 31, 2021

	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			ARP Fund
Assets											
Cash and investments- unrestricted	\$ 6,671,990	\$ -	\$ 1,627,223	\$ 2,078,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,536	\$ 10,542,066
Cash and investments- restricted	-	3,471,356	-	-	397,549	924,321	1,154,986	-	5,668,625	3,639,155	15,255,992
Total Assets	<u>\$ 6,671,990</u>	<u>\$ 3,471,356</u>	<u>\$ 1,627,223</u>	<u>\$ 2,078,317</u>	<u>\$ 397,549</u>	<u>\$ 924,321</u>	<u>\$ 1,154,986</u>	<u>\$ -</u>	<u>\$ 5,668,625</u>	<u>\$ 3,803,691</u>	<u>\$ 25,798,058</u>
Fund Balances											
Fund Balances											
Restricted for											
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,154,986	\$ -	\$ -	\$ 795,518	\$ 1,950,504
Judicial	-	-	-	-	-	-	-	-	-	111,015	111,015
Public safety	-	-	-	-	-	-	-	-	-	2,687,967	2,687,967
Health and welfare	-	-	-	-	397,549	-	-	-	-	5,240	402,789
Fair	-	-	-	-	-	-	-	-	-	39,415	39,415
Highways and roads	-	3,471,356	-	-	-	924,321	-	-	-	-	4,395,677
APRA grant funds	-	-	-	-	-	-	-	5,668,625	-	-	5,668,625
Committed to Capital Improvements	-	-	-	-	-	-	-	-	-	85,614	85,614
Assigned to											
E-911	-	-	1,627,223	-	-	-	-	-	-	-	1,627,223
Assessment	-	-	-	2,078,317	-	-	-	-	-	-	2,078,317
Election	-	-	-	-	-	-	-	-	-	18,671	18,671
Law library	-	-	-	-	-	-	-	-	-	31,192	31,192
Public safety	-	-	-	-	-	-	-	-	-	29,059	29,059
Unassigned	6,671,990	-	-	-	-	-	-	-	-	-	6,671,990
Total Fund Balances	<u>\$ 6,671,990</u>	<u>\$ 3,471,356</u>	<u>\$ 1,627,223</u>	<u>\$ 2,078,317</u>	<u>\$ 397,549</u>	<u>\$ 924,321</u>	<u>\$ 1,154,986</u>	<u>\$ -</u>	<u>\$ 5,668,625</u>	<u>\$ 3,803,691</u>	<u>\$ 25,798,058</u>
Fund Balance Governmental Funds											\$ 25,798,058
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>3</u>
Net Position of Governmental Activities											<u>\$ 25,798,061</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, 2021

	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			ARP Fund
Receipts											
Taxes	\$ 8,867,931	\$ 2,210,112	\$ 2,484,721	\$ -	\$ 809,750	\$ 2,519,335	\$ -	\$ -	\$ -	\$ 2,624,477	\$ 19,516,326
Collector's commission	977,106	-	-	-	-	-	-	-	-	-	977,106
Intergovernmental receipts	306,486	247,765	-	-	-	-	-	5,655,830	-	34,466	6,244,547
Fees and charges	1,066,096	-	2,223	820,492	-	-	-	-	-	336,604	2,225,415
Other	100,661	96,585	5,497	13,483	4,133	9,817	-	15,615	16,795	25,443	288,029
Total Receipts	<u>11,318,280</u>	<u>2,554,462</u>	<u>2,492,441</u>	<u>833,975</u>	<u>813,883</u>	<u>2,529,152</u>	<u>-</u>	<u>15,615</u>	<u>5,672,625</u>	<u>3,020,990</u>	<u>29,251,423</u>
Disbursements											
Current											
General government	3,052,467	-	-	784,091	-	-	-	4,544,049	4,000	146,638	8,531,245
Judicial	1,452,747	-	-	-	-	-	-	-	-	39,726	1,492,473
Public safety	4,251,754	-	1,472,117	-	-	-	-	-	-	339,965	6,063,836
Health and welfare	51,639	-	-	-	694,257	-	-	-	-	10,334	756,230
Fair	-	-	-	-	-	-	-	-	-	89,476	89,476
Highway and roads	-	3,306,772	-	-	-	1,610,865	-	-	-	-	4,917,637
Capital improvement	-	-	-	-	-	-	660,769	-	-	-	660,769
Debt service	-	-	-	-	-	-	152,724	-	-	-	152,724
Total Disbursements	<u>8,808,607</u>	<u>3,306,772</u>	<u>1,472,117</u>	<u>784,091</u>	<u>694,257</u>	<u>1,610,865</u>	<u>813,493</u>	<u>4,544,049</u>	<u>4,000</u>	<u>626,139</u>	<u>22,664,390</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	2,509,673	(752,310)	1,020,324	49,884	119,626	918,287	(813,493)	(4,528,434)	5,668,625	2,394,851	6,587,033
Other Financing Sources (Uses)											
Sale of property	16,816	-	-	-	-	-	-	-	-	5,500	22,316
Operating transfers in (out)	464,846	966,498	506,022	85,985	-	(963,500)	500,000	(1,492,943)	-	(66,908)	-
Total Other Financing Sources (Uses)	<u>481,662</u>	<u>966,498</u>	<u>506,022</u>	<u>85,985</u>	<u>-</u>	<u>(963,500)</u>	<u>500,000</u>	<u>(1,492,943)</u>	<u>-</u>	<u>(61,408)</u>	<u>22,316</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	2,991,335	214,188	1,526,346	135,869	119,626	(45,213)	(313,493)	(6,021,377)	5,668,625	2,333,443	6,609,349
Fund Balance, January 1	3,680,655	3,257,168	100,877	1,942,448	277,923	969,534	1,468,479	6,021,377	-	1,470,248	19,188,709
Fund Balance, December 31	<u>\$ 6,671,990</u>	<u>\$ 3,471,356</u>	<u>\$ 1,627,223</u>	<u>\$ 2,078,317</u>	<u>\$ 397,549</u>	<u>\$ 924,321</u>	<u>\$ 1,154,986</u>	<u>\$ -</u>	<u>\$ 5,668,625</u>	<u>\$ 3,803,691</u>	<u>\$ 25,798,058</u>
Excess of Receipts and Other Sources Over Disbursements and Other (Uses)											\$ 6,609,349
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.											<u>2</u>
Increase in Net Position											<u>\$ 6,609,351</u>

See accompanying notes to the financial statements.

Newton County

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

December 31, 2021

	County Employee Retirement Fund
Assets	
Cash and cash equivalents	\$ 3
Total Assets	<u>\$ 3</u>
Net Position	
Unrestricted	\$ 3
Total Net Position	<u>\$ 3</u>

See accompanying notes to the financial statements.

Newton County

Statement of Receipts, Disbursements, and Changes in Net Position – Internal Service Fund – Modified Cash Basis
Year Ended December 31, 2021

	County Employee Retirement Fund
Operating Receipts	
Charges for services	\$ 495,687
Total Operating Receipts	<u>495,687</u>
Operating Disbursements	
Contributions	495,740
Total Operating Disbursements	<u>495,740</u>
<i>Operating (Loss)</i>	(53)
Nonoperating Receipts	
Interest receipts	55
Total Nonoperating Receipts	<u>55</u>
<i>Net Income</i>	2
Net Position, January 1	1
Net Position, December 31	<u><u>\$ 3</u></u>

See accompanying notes to the financial statements.

Newton County

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

Year Ended December 31, 2021

	County Employee Retirement Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 495,687
Cash paid to suppliers	(495,740)
Net Cash (Used) by Operating Activities	<u>(53)</u>
Cash Flows from Investing Activities	
Interest received on investments	55
Net Cash Provided by Investing Activities	<u>55</u>
<i>Net Increase in Cash and Cash Equivalents</i>	2
Cash and Cash Equivalents, Beginning of year	1
Cash and Cash Equivalents, End of year	<u><u>\$ 3</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (loss)	\$ (53)
Net Cash (Used) by Operating Activities	<u><u>\$ (53)</u></u>

See accompanying notes to the financial statements.

Newton County

Statement of Net Position – Custodial Funds – Modified Cash Basis

December 31, 2021

	Custodial Fund
Assets	
Cash and investments	\$ 41,278,363
Total Assets	<u>\$ 41,278,363</u>
Liabilities	
Due to others	\$ 949,642
Due to other funds	246
Due to other governments	40,328,475
Total Liabilities	<u>\$ 41,278,363</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, 2021

	Custodial Funds
Additions	
Contributions	
Taxes collected for other governments	\$ 56,050,264
Fees	4,004,684
Interest	22,588
Other	360,291
Total Receipts	<u>60,437,827</u>
Deductions	
Distributions	
Taxes distributed to other governments	53,599,598
Other distributions	6,838,229
Total Disbursements	<u>60,437,827</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, 2021

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, 2021

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.

American Rescue Plan (ARP) Fund: The ARP Fund is used to account for the relief funds provided through the American Rescue Plan Act.

The County also reports the following fund types:

The Internal Service Funds account for employee retirement 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, 2021

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, 2021

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, 2021, 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, 2021

Investments of the County as of December 31, 2021, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of Deposit	1/13/2022	\$ 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, 2021, 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, 2021, 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, 2021

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, 2021, 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 merchants and manufacturers license issued.
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded.
- Five ninths 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, 2021

The County's contributions to CERF were \$495,740 for the year ended December 31, 2021. In addition, the County collected and remitted \$332,999 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 2021 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	\$ 652,316,030
Personal property	233,812,496
Railroad and utilities	98,299,512
	<u>\$ 984,428,038</u>
Tax Levy	
Common road	\$.2451
Fair	.0097
Mental Health	.0808
	<u>\$.3356</u>

The legal debt margin at December 31, 2021, is computed as follows:

Constitutional debt limit	\$ 98,442,804
General obligation bonds payable	-
Legal Debt Margin	<u>\$ 98,442,804</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, 2021

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.

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>
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>\$ 567,123</u>	<u>\$ 43,769</u>	<u>\$ 610,892</u>

The following are the changes in General Long-Term Liabilities for the year ended December 31, 2021:

	<u>Direct Borrowing</u>				
	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2021</u>	<u>Due Within One Year</u>
Leases Payable					
Technology Lease	\$ 698,598	\$ -	\$ 131,475	\$ 567,123	\$ 135,474
Equipment Lease	28,730	-	28,730	-	-
Compensated Absences Payable	231,127	23,840	-	254,967	-
	<u>\$ 958,455</u>	<u>\$ 23,840</u>	<u>\$ 160,205</u>	<u>\$ 822,090</u>	<u>\$ 135,474</u>

Newton County

Notes to the Financial Statements

December 31, 2021

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 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, 2021, consisted of the following:

	Transfers In (Out)
General Fund	\$ 464,846
Road and Bridge Fund	966,498
Prosecuting Attorney Administrative Fund	3,207
E-911 Fund	506,022
Assessment Fund	85,985
Tax Maintenance Fund	(70,115)
Road Sales Tax Fund	(963,500)
Capital Expenditures Fund	500,000
CARES Fund	(1,492,943)
	<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, 2021, 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.

Newton County

Notes to the Financial Statements

December 31, 2021

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.

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, 2021, the amount of these abatements was as follows:

Tax Abatement Program	Amount of Taxes Abated
Tax Incremental Financing (TIF)	\$ 20,684
Enhanced Enterprise Zone Program	1,647
Urban Redevelopment Corporation Law (Chapter 353)	2,054
	<u>\$ 24,385</u>

Supplementary Information

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Receipts				
Taxes				
County sales taxes	\$ 7,810,000	\$ 7,810,000	\$ 8,818,042	\$ 1,008,042
State assessed railroad and utilities	25,000	25,000	23,365	(1,635)
Surtax	14,000	14,000	15,539	1,539
Payment in lieu of taxes	12,000	12,000	6,447	(5,553)
Other	10,000	10,000	4,538	(5,462)
	<u>7,871,000</u>	<u>7,871,000</u>	<u>8,867,931</u>	<u>996,931</u>
Collector's Commission				
Collection commissions	927,500	927,500	977,106	49,606
Intergovernmental Receipts				
Federal	371,412	371,412	118,549	(252,863)
Other	208,410	208,410	187,937	(20,473)
	<u>579,822</u>	<u>579,822</u>	<u>306,486</u>	<u>(273,336)</u>
Fees and Charges				
Public administration	75,000	75,000	87,112	12,112
County clerk	37,500	37,500	37,379	(121)
Recorder of deeds	195,000	195,000	277,120	82,120
Court	70,000	70,000	70,542	542
Extraditions	10,000	10,000	15,893	5,893
Sheriff fees	441,950	441,950	562,373	120,423
Phone	30,000	30,000	15,677	(14,323)
	<u>859,450</u>	<u>859,450</u>	<u>1,066,096</u>	<u>206,646</u>
Other				
Interest receipts	65,450	65,450	48,128	(17,322)
Miscellaneous	52,500	52,500	52,533	33
	<u>117,950</u>	<u>117,950</u>	<u>100,661</u>	<u>(17,289)</u>
Total Receipts	<u>10,355,722</u>	<u>10,355,722</u>	<u>11,318,280</u>	<u>962,558</u>

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Disbursements				
Current				
General Government				
Collector of revenue	246,580	246,580	226,884	19,696
Treasurer	77,125	77,125	73,960	3,165
Recorder of deeds	220,355	220,355	215,266	5,089
County commission	222,173	222,173	200,624	21,549
General services	2,474,600	2,473,861	1,258,717	1,215,144
Construction	103,275	103,275	92,398	10,877
Election and voter registration	143,090	143,090	41,909	101,181
County clerk	200,576	200,576	185,335	15,241
Auditor	271,070	271,070	252,861	18,209
Building and grounds	266,275	266,275	152,601	113,674
Custodial Services	143,115	143,115	113,140	29,975
Various Grants	233,753	233,753	238,772	(5,019)
	4,601,987	4,601,248	3,052,467	1,548,781
Judicial				
Circuit clerk	77,090	77,090	35,647	41,443
Circuit court	35,900	35,900	17,181	18,719
Coroner	102,765	102,765	75,435	27,330
Court reporter	4,500	4,500	3,229	1,271
Public administrator	296,685	296,685	250,456	46,229
Juvenile	158,460	158,460	159,990	(1,530)
Court services	193,000	193,000	150,726	42,274
Prosecuting attorney	783,496	784,235	760,083	24,152
	1,651,896	1,652,635	1,452,747	199,888
Public Safety				
Sheriff	3,073,576	3,073,576	2,766,678	306,898
Jail	1,608,980	1,608,980	1,377,124	231,856
Emergency management	208,043	208,043	107,952	100,091
	4,890,599	4,890,599	4,251,754	638,845
Health and Welfare				
Health and welfare	34,000	34,000	51,639	(17,639)
Total Disbursements	11,178,482	11,178,482	8,808,607	2,369,875

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(822,760)	(822,760)	2,509,673	3,332,433
Other Financing Sources (Uses)				
Sale of property	30,000	30,000	16,816	(13,184)
Operating transfers in	15,000	15,000	1,047,946	1,032,946
Operating transfers (out)	<u>(683,100)</u>	<u>(683,100)</u>	<u>(583,100)</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(638,100)</u>	<u>(638,100)</u>	<u>481,662</u>	<u>1,119,762</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(1,460,860)	(1,460,860)	2,991,335	4,452,195
Fund Balance, January 1	<u>3,680,655</u>	<u>3,680,655</u>	<u>3,680,655</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 2,219,795</u>	<u>\$ 2,219,795</u>	<u>\$ 6,671,990</u>	<u>\$ 4,452,195</u>

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

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

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 1,996,040	\$ 1,996,040	\$ 2,210,112	\$ 214,072
Intergovernmental receipts	1,865,250	1,865,250	247,765	(1,617,485)
Other receipts	30,000	30,000	96,585	66,585
Total Receipts	3,891,290	3,891,290	2,554,462	(1,336,828)
Disbursements				
Highway and Roads				
Wages and benefits	556,208	556,208	427,600	128,608
Supplies	156,850	156,850	113,035	43,815
Repairs and maintenance	75,000	75,000	58,968	16,032
Engineering	38,100	38,100	17,174	20,926
Capital outlay	4,149,443	4,149,443	1,855,663	2,293,780
Contracted labor	4,000	4,000	1,626	2,374
Rental equipment	25,000	25,000	2,086	22,914
Special road districts	821,597	821,597	821,597	-
Other	357,500	357,500	9,023	348,477
Total Disbursements	6,183,698	6,183,698	3,306,772	2,876,926
<i>(Deficit) of Receipts Over Disbursements</i>	(2,292,408)	(2,292,408)	(752,310)	1,540,098
Other Financing Sources (Uses)				
Operating transfers in	1,950,000	1,950,000	1,642,998	(307,002)
Operating transfers (out)	-	-	(676,500)	(676,500)
Total Other Financing Sources (Uses)	1,950,000	1,950,000	966,498	(983,502)
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and other (Uses)</i>	(342,408)	(342,408)	214,188	556,596
Fund Balance, January 1	3,257,168	3,257,168	3,257,168	-
Fund Balance, December 31	\$ 2,914,760	\$ 2,914,760	\$ 3,471,356	\$ 556,596

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

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

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Receipts				
Taxes	\$ 1,821,000	\$ 1,821,000	\$ 2,484,721	\$ 663,721
Charges for services	2,520	2,520	2,223	(297)
Other receipts	1,600	1,600	5,497	3,897
Total Receipts	<u>1,825,120</u>	<u>1,825,120</u>	<u>2,492,441</u>	<u>667,321</u>
Disbursements				
Public safety	<u>1,561,427</u>	<u>1,561,427</u>	<u>1,472,117</u>	<u>89,310</u>
Total Disbursements	<u>1,561,427</u>	<u>1,561,427</u>	<u>1,472,117</u>	<u>89,310</u>
<i>Excess of Receipts Over Disbursements</i>	263,693	263,693	1,020,324	756,631
Other Financing Sources				
Operating transfers in	<u>100,000</u>	<u>100,000</u>	<u>506,022</u>	<u>406,022</u>
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>506,022</u>	<u>406,022</u>
<i>Excess of Receipts and Other Sources Over Disbursements</i>	363,693	363,693	1,526,346	1,162,653
Fund Balance, January 1	<u>100,877</u>	<u>100,877</u>	<u>100,877</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 464,570</u></u>	<u><u>\$ 464,570</u></u>	<u><u>\$ 1,627,223</u></u>	<u><u>\$ 1,162,653</u></u>

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Assessment Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Charges for services	\$ 779,500	\$ 779,500	\$ 820,492	\$ 40,992
Other receipts	18,000	18,000	13,483	(4,517)
Total Receipts	797,500	797,500	833,975	36,475
Disbursements				
General government	1,257,394	1,257,394	784,091	473,303
Total Disbursements	1,257,394	1,257,394	784,091	473,303
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(459,894)	(459,894)	49,884	509,778
Other Financing Sources				
Operating transfers in	83,100	83,100	85,985	2,885
Total Other Financing Sources	83,100	83,100	85,985	2,885
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(376,794)	(376,794)	135,869	512,663
Fund Balance, January 1	1,942,448	1,942,448	1,942,448	-
Fund Balance, December 31	\$ 1,565,654	\$ 1,565,654	\$ 2,078,317	\$ 512,663

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Mental Health Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 785,765	\$ 785,765	\$ 809,750	\$ 23,985
Other receipts	4,000	4,000	4,133	133
Total Receipts	789,765	789,765	813,883	24,118
Disbursements				
Health and welfare	761,765	761,765	694,257	67,508
Total Disbursements	761,765	761,765	694,257	67,508
<i>Excess of Receipts Over Disbursements</i>	28,000	28,000	119,626	91,626
Fund Balance, January 1	277,923	277,923	277,923	-
Fund Balance, December 31	\$ 305,923	\$ 305,923	\$ 397,549	\$ 91,626

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

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

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Taxes	\$ 2,232,050	\$ 2,232,050	\$ 2,519,335	\$ 287,285
Other receipts	21,000	21,000	9,817	(11,183)
Total Receipts	<u>2,253,050</u>	<u>2,253,050</u>	<u>2,529,152</u>	<u>276,102</u>
Disbursements				
Highway and Roads	2,359,000	2,359,000	1,610,865	748,135
Total Disbursements	<u>2,359,000</u>	<u>2,359,000</u>	<u>1,610,865</u>	<u>748,135</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(105,950)	(105,950)	918,287	1,024,237
Other Financing (Uses)				
Operating transfers (out)	(863,500)	(863,500)	(963,500)	(100,000)
Total Other Financing (Uses)	<u>(863,500)</u>	<u>(863,500)</u>	<u>(963,500)</u>	<u>(100,000)</u>
<i>(Deficit) of Receipts Over Disbursements and Other (Uses)</i>	(969,450)	(969,450)	(45,213)	924,237
Fund Balance, January 1	969,534	969,534	969,534	-
Fund Balance, December 31	<u>\$ 84</u>	<u>\$ 84</u>	<u>\$ 924,321</u>	<u>\$ 924,237</u>

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – Capital Expenditures Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Other receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Total Receipts	100,000	100,000	-	(100,000)
Disbursements				
Capital outlay	1,618,886	1,618,886	660,769	958,117
Debt service	153,000	153,000	152,724	276
Total Disbursements	1,771,886	1,771,886	813,493	958,393
<i>(Deficit) of Receipts Over Disbursements</i>	(1,671,886)	(1,671,886)	(813,493)	858,393
Other Financing Sources				
Operating transfers in	500,000	500,000	500,000	-
Total Other Financing Sources	500,000	500,000	500,000	-
<i>(Deficit) of Receipts and Other Sources Over Disbursements</i>	(1,171,886)	(1,171,886)	(313,493)	858,393
Fund Balance, January 1	1,468,479	1,468,479	1,468,479	-
Fund Balance, December 31	\$ 296,593	\$ 296,593	\$ 1,154,986	\$ 858,393

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – CARES Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Interest	\$ 40,000	\$ 40,000	\$ 15,615	\$ (24,385)
Total Receipts	40,000	40,000	15,615	(24,385)
Disbursements				
CARES disbursements	6,061,377	6,061,377	4,544,049	1,517,328
Total Disbursements	6,061,377	6,061,377	4,544,049	1,517,328
<i>(Deficit) of Receipts Over Disbursements</i>	(6,021,377)	(6,021,377)	(4,528,434)	1,492,943
Other Financing (Uses)				
Operating transfers (out)	-	-	(1,492,943)	(1,492,943)
Total other Financing (Uses)	-	-	(1,492,943)	(1,492,943)
<i>(Deficit) of Receipts Over Disbursements and Other (Uses)</i>	(6,021,377)	(6,021,377)	(6,021,377)	-
Fund Balance, January 1	6,021,377	6,021,377	6,021,377	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Budgetary Comparison Schedule – ARP Fund – Modified Cash Basis

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Receipts				
Intergovernmental receipts	\$ -	\$ -	\$ 5,655,830	\$ 5,655,830
Interest	-	-	16,795	16,795
Total Receipts	-	-	5,672,625	5,672,625
Disbursements				
ARP disbursements	-	-	4,000	(4,000)
Total Disbursements	-	-	4,000	(4,000)
<i>Excess of Receipts Over Disbursements</i>	-	-	5,668,625	5,668,625
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ 5,668,625	\$ 5,668,625

See accompanying notes to the Budgetary Comparison Schedules.

Newton County

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2021

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, 2021

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,671	\$ -	\$ -	\$ 85,614	\$ -
Cash and cash equivalents - restricted	39,415	18,646	246,718	19,666	64,767	5,240	-	50,586	28,230	-	230,662
Total Assets	<u>\$ 39,415</u>	<u>\$ 18,646</u>	<u>\$ 246,718</u>	<u>\$ 19,666</u>	<u>\$ 64,767</u>	<u>\$ 5,240</u>	<u>\$ 18,671</u>	<u>\$ 50,586</u>	<u>\$ 28,230</u>	<u>\$ 85,614</u>	<u>\$ 230,662</u>
Fund Balances											
Restricted for											
General government	\$ -	\$ -	\$ 246,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,662
Judicial	-	18,646	-	19,666	-	-	-	-	-	-	-
Public safety	-	-	-	-	64,767	-	-	50,586	28,230	-	-
Health and welfare	-	-	-	-	-	5,240	-	-	-	-	-
Fair	39,415	-	-	-	-	-	-	-	-	-	-
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	85,614	-
Assigned to											
Election	-	-	-	-	-	-	18,671	-	-	-	-
Law library	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 39,415</u>	<u>\$ 18,646</u>	<u>\$ 246,718</u>	<u>\$ 19,666</u>	<u>\$ 64,767</u>	<u>\$ 5,240</u>	<u>\$ 18,671</u>	<u>\$ 50,586</u>	<u>\$ 28,230</u>	<u>\$ 85,614</u>	<u>\$ 230,662</u>

Newton County

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

December 31, 2021

	<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	\$ -	\$ 31,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,059	\$ -
Cash and cash equivalents - restricted	95,746	-	84,638	2,121	137,469	72,024	14,682	46,303	-	679
Total Assets	<u>\$ 95,746</u>	<u>\$ 31,192</u>	<u>\$ 84,638</u>	<u>\$ 2,121</u>	<u>\$ 137,469</u>	<u>\$ 72,024</u>	<u>\$ 14,682</u>	<u>\$ 46,303</u>	<u>\$ 29,059</u>	<u>\$ 679</u>
Fund Balances										
Restricted for										
General government	\$ 95,746	\$ -	\$ 84,638	\$ -	\$ 137,469	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	-	-	-	-	-	72,024	-	-	-	679
Public safety	-	-	-	2,121	-	-	14,682	46,303	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Fair	-	-	-	-	-	-	-	-	-	-
Committed to Capital Improvement	-	-	-	-	-	-	-	-	-	-
Assigned to										
Election	-	-	-	-	-	-	-	-	-	-
Law library	-	31,192	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	29,059	-
Total Fund Balances	<u>\$ 95,746</u>	<u>\$ 31,192</u>	<u>\$ 84,638</u>	<u>\$ 2,121</u>	<u>\$ 137,469</u>	<u>\$ 72,024</u>	<u>\$ 14,682</u>	<u>\$ 46,303</u>	<u>\$ 29,059</u>	<u>\$ 679</u>

Newton County

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

December 31, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,536
Cash and cash equivalents - restricted	921,176	519,970	17,482	285	764,230	258,420	3,639,155
Total Assets	\$ 921,176	\$ 519,970	\$ 17,482	\$ 285	\$ 764,230	\$ 258,420	\$ 3,803,691
Fund Balances							
Restricted for							
General government	\$ -	\$ -	\$ -	\$ 285	\$ -	\$ -	\$ 795,518
Judicial	-	-	-	-	-	-	111,015
Public safety	921,176	519,970	17,482	-	764,230	258,420	2,687,967
Health and welfare	-	-	-	-	-	-	5,240
Fair	-	-	-	-	-	-	39,415
Committed to Capital Improvement	-	-	-	-	-	-	85,614
Assigned to							
Election	-	-	-	-	-	-	18,671
Law library	-	-	-	-	-	-	31,192
Public safety	-	-	-	-	-	-	29,059
Total Fund Balances	\$ 921,176	\$ 519,970	\$ 17,482	\$ 285	\$ 764,230	\$ 258,420	\$ 3,803,691

Newton County

Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Nonmajor Special Revenue Funds – Modified Cash Basis Year Ended December 31, 2021

	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	\$ 96,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts	-	-	-	-	-	-	3,236	-	7,358	-	-
Fees and charges	-	15,348	98,501	8,188	25,670	9,518	-	48,992	6,478	-	56,615
Other receipts	440	229	1,907	-	-	18	223	586	-	282	1,339
Total Receipts	<u>96,834</u>	<u>15,577</u>	<u>100,408</u>	<u>8,188</u>	<u>25,670</u>	<u>9,536</u>	<u>3,459</u>	<u>49,578</u>	<u>13,836</u>	<u>282</u>	<u>57,954</u>
Disbursements											
Current											
General government	-	-	50,423	-	-	-	30,879	-	-	-	41,048
Judicial	-	8,000	-	6,061	-	-	-	-	-	-	-
Public safety	-	-	-	-	22,276	-	-	41,544	22,653	-	-
Health and welfare	-	-	-	-	-	10,334	-	-	-	-	-
Fair	89,476	-	-	-	-	-	-	-	-	-	-
Total Disbursements	<u>89,476</u>	<u>8,000</u>	<u>50,423</u>	<u>6,061</u>	<u>22,276</u>	<u>10,334</u>	<u>30,879</u>	<u>41,544</u>	<u>22,653</u>	<u>-</u>	<u>41,048</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	7,358	7,577	49,985	2,127	3,394	(798)	(27,420)	8,034	(8,817)	282	16,906
Other Financing Sources (Uses)											
Sale of property	-	-	-	-	-	-	-	-	-	5,500	-
Operating transfers in (out)	-	3,207	(70,115)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,207</u>	<u>(70,115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>-</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	7,358	10,784	(20,130)	2,127	3,394	(798)	(27,420)	8,034	(8,817)	5,782	16,906
Fund Balance, January 1	32,057	7,862	266,848	17,539	61,373	6,038	46,091	42,552	37,047	79,832	213,756
Fund Balance, December 31	<u>\$ 39,415</u>	<u>\$ 18,646</u>	<u>\$ 246,718</u>	<u>\$ 19,666</u>	<u>\$ 64,767</u>	<u>\$ 5,240</u>	<u>\$ 18,671</u>	<u>\$ 50,586</u>	<u>\$ 28,230</u>	<u>\$ 85,614</u>	<u>\$ 230,662</u>

Newton County

Combining Statement of Receipts, Disbursements, and Changes in Fund Balance – Nonmajor Special Revenue Funds – Modified Cash Basis
Year Ended December 31, 2021

	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	-	-	-	-	7,809	4,538	-	11,525	-	-
Fees and charges	24,182	31,039	-	8,944	3,129	-	-	-	-	-
Other receipts	604	3	519	-	805	445	90	253	9,925	-
Total Receipts	<u>24,786</u>	<u>31,042</u>	<u>519</u>	<u>8,944</u>	<u>11,743</u>	<u>4,983</u>	<u>90</u>	<u>11,778</u>	<u>9,925</u>	<u>-</u>
Disbursements										
Current										
General government	23,331	-	-	-	865	-	-	-	-	-
Judicial	-	20,665	-	-	-	5,000	-	-	-	-
Public safety	-	-	-	8,850	-	-	500	460	8,451	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Fair	-	-	-	-	-	-	-	-	-	-
Total Disbursements	<u>23,331</u>	<u>20,665</u>	<u>-</u>	<u>8,850</u>	<u>865</u>	<u>5,000</u>	<u>500</u>	<u>460</u>	<u>8,451</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	1,455	10,377	519	94	10,878	(17)	(410)	11,318	1,474	-
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>	1,455	10,377	519	94	10,878	(17)	(410)	11,318	1,474	-
Fund Balance, January 1	94,291	20,815	84,119	2,027	126,591	72,041	15,092	34,985	27,585	679
Fund Balance, December 31	<u>\$ 95,746</u>	<u>\$ 31,192</u>	<u>\$ 84,638</u>	<u>\$ 2,121</u>	<u>\$ 137,469</u>	<u>\$ 72,024</u>	<u>\$ 14,682</u>	<u>\$ 46,303</u>	<u>\$ 29,059</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, 2021

	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	\$ 971,233	\$ 485,616	\$ 100,000	\$ -	\$ 728,425	\$ 242,809	\$ 2,624,477
Intergovernmental receipts	-	-	-	-	-	-	34,466
Fees and charges	-	-	-	-	-	-	336,604
Other receipts	2,825	1,536	307	120	2,222	765	25,443
Total Receipts	<u>974,058</u>	<u>487,152</u>	<u>100,307</u>	<u>120</u>	<u>730,647</u>	<u>243,574</u>	<u>3,020,990</u>
Disbursements							
Current							
General government	-	-	-	92	-	-	146,638
Judicial	-	-	-	-	-	-	39,726
Public safety	118,518	-	99,506	-	15,644	1,563	339,965
Health and welfare	-	-	-	-	-	-	10,334
Fair	-	-	-	-	-	-	89,476
Total Disbursements	<u>118,518</u>	<u>-</u>	<u>99,506</u>	<u>92</u>	<u>15,644</u>	<u>1,563</u>	<u>626,139</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	855,540	487,152	801	28	715,003	242,011	2,394,851
Other Financing Sources (Uses)							
Sale of property	-	-	-	-	-	-	5,500
Operating transfers in (out)	-	-	-	-	-	-	(66,908)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,408)</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	855,540	487,152	801	28	715,003	242,011	2,333,443
Fund Balance, January 1	65,636	32,818	16,681	257	49,227	16,409	1,470,248
Fund Balance, December 31	<u>\$ 921,176</u>	<u>\$ 519,970</u>	<u>\$ 17,482</u>	<u>\$ 285</u>	<u>\$ 764,230</u>	<u>\$ 258,420</u>	<u>\$ 3,803,691</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 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, 2021, and the related notes to the financial statements, which collectively comprise Newton County, Missouri's basic financial statements, and have issued our report thereon, dated September 26, 2022.

Report on 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 of 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 were not identified.

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Report on 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
September 26, 2022



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

Opinion on Each Major Federal Program

We have audited Newton County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Newton County, Missouri's major federal program for the year ended December 31, 2021. Newton County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Newton County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Newton County, Missouri, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Newton County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Newton County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Newton County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Newton County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
September 26, 2022

Newton County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor Pass Through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number/Other Identifying Number	Pass-though to Subrecipients	Total Expenditures of Federal Awards
U.S. Department of Agriculture				
Natural Resources Conservation Service Emergency Watershed Protection Program - Floodplain Easements - Disaster Relief Appropriations Act	10.928	NR206424XXXXC048 NR206424XXXXC049	\$ - -	\$ 96,092 80,026
Total U.S. Department of Agriculture			-	176,118
U.S. Department of Justice				
Missouri Department of Public Safety Bulletproof Vest Partnership Program Edward Byrne Memorial Justice Assistance Grant Program	16.608 16.738	2020BUBX20022654 2018-MU-BX-0184	- -	881 16,000
Direct Cooperative Agreement	16.000	N/A	-	500
Total U.S. Department of Justice			-	17,381
U.S. Department of Transportation				
Missouri Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	BRO-073(24)	- -	38,427 38,427
Highway Safety Cluster State and Community Highway Safety	20.600	22-PT-02-027 21-PT-02-045	- -	1,419 6,215
			-	7,634
University of Missouri Alcohol Open Container Requirements	20.607	21-154-AL-052 21-154-AL-037 22-154-AL-030	- - -	3,928 2,158 1,980
			-	8,066
National Priority Safety Programs	20.616	21-M2VE-05-034	-	1,075
Total U.S. Department of Transportation			-	55,202

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

Newton County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor Pass Through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number/Other Identifying Number	Pass-through to Subrecipients	Expenditures of Federal Awards
U.S. Department of the Treasury				
Missouri State Treasurer				
COVID 19 - Coronavirus Relief Fund	21.019	00299	3,383,186	5,996,478
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	4,000
Total U.S. Department of the Treasury			<u>3,383,186</u>	<u>6,000,478</u>
Election Assistance Commission				
Missouri Secretary of State				
COVID 19 - 2021 HAVA Election Security Grants	90.404	COVID 19 Newton	-	4,578
Total Election Assistance Commission			-	<u>4,578</u>
U.S. Department of Health and Human Services				
Missouri Department of Social Services				
Child Support Enforcement	93.563	ER10217C067	-	43,287
Total U.S. Department of Health and Human Services			-	<u>43,287</u>
U.S. Department of Homeland Security				
Missouri Department of Public Safety				
Emergency Management Performance Grant	97.042	EMK-2020-EP-00004-081	-	20,988
		EMK-2021-EP-00006-082	-	20,144
FEMA Disaster Grant	97.036	FEMA-4451-DR-MO	-	7,795
			-	48,927
Federal Emergency Management Agency				
Flood Mitigation Grant Program	97.029	FMA-PJ-07-MO-2019-002	-	700
Total U.S. Department of Homeland Security			-	<u>49,627</u>
Total Expenditures of Federal Awards			<u>\$ 3,383,186</u>	<u>\$ 6,346,671</u>

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, 2021

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, 2021. 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 \$3,383,186 for Coronavirus Relief.

Newton County

Summary Schedule of Finding and Questioned Costs

Year Ended December 31, 2021

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:		
Assistance Listing Number(s)		Name of Federal Program or Cluster
21.019		COVID 19 – 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

Schedule of Prior Audit Findings

Year Ended December 31, 2021

There were no prior audit findings.