

**Baxter County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2020**

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LEGISLATIVE JOINT AUDITING COMMITTEE



BAXTER COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Independent Auditor's Report  
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*  
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	4-3

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Baxter County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Baxter County, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Baxter County, Arkansas, as of December 31, 2020, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Baxter County, Arkansas, as of December 31, 2020, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Other Matters***

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
August 12, 2021  
LOCO00320

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Baxter County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Baxter County, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated August 12, 2021. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, 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*.

We also reported to management of the County in a separate letter dated August 12, 2021.

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 result 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. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 12, 2021

# Arkansas

**Sen. Ronald Caldwell**  
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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Baxter County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2020:

County Judge: Mickey Pendergrass  
Treasurer: Jenay Mize  
Sheriff: John Montgomery  
Tax Collector: Teresa Smith  
County and Circuit Clerk: Canda Reese  
Assessor: Jayme Nicholson  
County Librarian: Kim Crow-Sheaner  
Airport Manager: Kathy Frederick

No issues came to our attention that we considered necessary of reporting to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Marti Steel".

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 12, 2021

BAXTER COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2020

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,309,223	\$ 1,336,100	\$ 5,527,200
Accounts receivable	162,662	45,018	189,873
<b>TOTAL ASSETS</b>	<b>\$ 5,471,885</b>	<b>\$ 1,381,118</b>	<b>\$ 5,717,073</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 85,464	\$ 104,466	\$ 122,070
Settlements pending			1,083,615
<b>Total Liabilities</b>	<b>85,464</b>	<b>104,466</b>	<b>1,205,685</b>
Fund Balances:			
Restricted	18,554	1,276,652	4,402,515
Committed	45,115		
Assigned	1,709,651		109,132
Unassigned	3,613,101		(259)
<b>Total Fund Balances</b>	<b>5,386,421</b>	<b>1,276,652</b>	<b>4,511,388</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,471,885</b>	<b>\$ 1,381,118</b>	<b>\$ 5,717,073</b>

The accompanying notes are an integral part of these financial statements.



BAXTER COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 938,106	\$ 2,319,926	\$ 436,591
Federal aid	1,071,110	330,867	181,888
Property taxes	1,903,002	1,349,067	652,106
Sales taxes	4,638,670		2,011,814
Fines, forfeitures, and costs	528,239		170,778
Interest	61,635	23,544	63,914
Officers' fees	112,970		461,462
Jail fees			330,065
Donations			330,674
911 fees			783,455
Airport sales and rental income			123,648
Treasurer's commission	155,630		44,832
Collector's commission	386,849		129,366
Taxes apportioned - Assessor's salary and expense	718,113		
Other	546,818	102,168	192,881
	<u>11,061,142</u>	<u>4,125,572</u>	<u>5,913,474</u>
TOTAL REVENUES			
Less: Treasurer's commission	72,423	37,444	40,781
	<u>10,988,719</u>	<u>4,088,128</u>	<u>5,872,693</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	3,656,874		359,841
Law enforcement	3,753,189		2,169,051
Highways and streets	22,384	4,354,131	
Public safety	511,850		458,001
Health	32,467		
Recreation and culture			1,110,693
Social services	78,746		
Airport	89,500		460,794
Total Current	<u>8,145,010</u>	<u>4,354,131</u>	<u>4,558,380</u>
Debt Service:			
Bond principal			33,494
Bond interest and other charges			10,935
	<u>8,145,010</u>	<u>4,354,131</u>	<u>4,602,809</u>
TOTAL EXPENDITURES			

BAXTER COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,843,709	\$ (266,003)	\$ 1,269,884
OTHER FINANCING SOURCES (USES)			
Transfers in			124,950
Transfers out	(14,644)		(110,306)
TOTAL OTHER FINANCING SOURCES (USES)	(14,644)		14,644
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,829,065	(266,003)	1,284,528
FUND BALANCES - JANUARY 1	2,557,356	1,542,655	3,226,860
FUND BALANCES - DECEMBER 31	\$ 5,386,421	\$ 1,276,652	\$ 4,511,388

The accompanying notes are an integral part of these financial statements.

BAXTER COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 745,220	\$ 938,106	\$ 192,886	\$ 2,458,000	\$ 2,319,926	\$ (138,074)
Federal aid	33,000	1,071,110	1,038,110	320,000	330,867	10,867
Property taxes	1,730,900	1,903,002	172,102	1,239,000	1,349,067	110,067
Sales taxes	4,200,000	4,638,670	438,670			
Fines, forfeitures, and costs	444,400	528,239	83,839			
Interest	2,035	61,635	59,600	30,000	23,544	(6,456)
Officers' fees	86,000	112,970	26,970			
Jail fees	256,000		(256,000)			
Treasurer's commission	150,000	155,630	5,630			
Collector's commission	400,000	386,849	(13,151)			
Taxes apportioned - Assessor's salary and expense	600,000	718,113	118,113			
Other	687,445	546,818	(140,627)	58,000	102,168	44,168
<b>TOTAL REVENUES</b>	<b>9,335,000</b>	<b>11,061,142</b>	<b>1,726,142</b>	<b>4,105,000</b>	<b>4,125,572</b>	<b>20,572</b>
Less: Treasurer's commission		72,423	(72,423)		37,444	(37,444)
<b>NET REVENUES</b>	<b>9,335,000</b>	<b>10,988,719</b>	<b>1,653,719</b>	<b>4,105,000</b>	<b>4,088,128</b>	<b>(16,872)</b>
EXPENDITURES						
Current:						
General government	4,675,656	3,656,874	1,018,782			
Law enforcement	3,742,586	3,753,189	(10,603)			
Highways and streets		22,384	(22,384)	4,912,252	4,354,131	558,121
Public safety	600,375	511,850	88,525			
Sanitation	23,718		23,718			
Health	21,000	32,467	(11,467)			
Recreation and culture	3,500		3,500			
Social services	104,461	78,746	25,715			
Airport	93,280	89,500	3,780			
<b>TOTAL EXPENDITURES</b>	<b>9,264,576</b>	<b>8,145,010</b>	<b>1,119,566</b>	<b>4,912,252</b>	<b>4,354,131</b>	<b>558,121</b>

BAXTER COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 70,424	\$ 2,843,709	\$ 2,773,285	\$ (807,252)	\$ (266,003)	\$ 541,249
OTHER FINANCING SOURCES (USES)						
Transfers in	93,000		(93,000)			
Transfers out	(50,000)	(14,644)	35,356			
TOTAL OTHER FINANCING SOURCES (USES)	43,000	(14,644)	(57,644)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	113,424	2,829,065	2,715,641	(807,252)	(266,003)	541,249
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	104,514	2,557,356	2,452,842	1,200,000	1,542,655	342,655
FUND BALANCES - DECEMBER 31	\$ 217,938	\$ 5,386,421	\$ 5,168,483	\$ 392,748	\$ 1,276,652	\$ 883,904

The accompanying notes are an integral part of these financial statements.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

**B. Basis of Presentation - Regulatory**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

**General Fund** - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**Road Fund** - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and federal aid that are restricted or committed for maintaining and constructing roads.

**Other Funds in the Aggregate** - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Road Funds. The following types of funds are included in this column as follows:

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

**Capital Projects Funds** - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

**Debt Service Funds** - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for the Debt Service Fund reported with other funds in the aggregate.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation – Regulatory (Continued)**

**Other Funds in the Aggregate (Continued)**

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

**C. Basis of Accounting - Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury, as well as county sales taxes, is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

**D. Assets, Liabilities, and Fund Balances**

**Cash and Cash Equivalents**

For the purpose of financial reporting, "cash and cash equivalents" includes all demand accounts and certificates of deposit.

**Settlements Pending**

Settlements pending are considered fines, forfeitures, costs, property taxes, trusts, and excess commissions that have not been transferred to the appropriate entities.

**Fund Balance Classifications**

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Fund Balances (Continued)**

Fund Balance Classifications (Continued)

3. Assigned fund balance – amounts that are constrained by the Quorum Court’s intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**E. Property Taxes**

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15.

**F. Budget Law**

1. Legal Requirements

State law requires that the Quorum Court, before the end of each fiscal year, make appropriations, by ordinance, for the expenditures of County government for the following year. The Quorum Court may make appropriation amendments at any time during the current fiscal year. Appropriations lapse at the end of each year. Under certain conditions, the budget may be amended subsequent to the year-end.

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds.

**G. Fund Balance Classification Policies and Procedures**

The County’s highest level of decision-making authority is its Quorum Court. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the Quorum Court through passage of an ordinance. The Quorum Court is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,550,900	\$ 1,628,462
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	10,615,179	10,847,837
Total Deposits	\$ 12,166,079	\$ 12,476,299

The above total deposits do not include cash on hand of \$6,444.

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid	\$ 7,141		
Fines, forfeitures, and costs	37,067		\$ 10,125
Interest	23		
Officers' fees	5,411		36,575
Jail fees			36,006
911 fees			14,964
Treasurer's commission	16,623		44,832
Other	9,385	\$ 2,945	3,028
Treasurer's commission charged	87,012	42,073	44,343
Totals	\$ 162,662	\$ 45,018	\$ 189,873



BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 85,464	\$ 104,466	\$ 122,070

**NOTE 6: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2020, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,526,541
Law enforcement			1,627,632
Highways and streets		\$ 1,276,652	
Public safety			352,819
Sanitation	\$ 18,554		
Recreation and culture			768,768
Airport			101,755
Debt service			25,000
Total Restricted	<u>18,554</u>	<u>1,276,652</u>	<u>4,402,515</u>
Committed for:			
General government	40,471		
Law enforcement	4,644		
Total Committed	<u>45,115</u>		
Assigned to:			
General government	1,611,031		
Law enforcement	98,620		
Public safety			25,000
Capital outlay			84,132
Total Assigned	<u>1,709,651</u>		<u>109,132</u>
Unassigned	<u>3,613,101</u>		<u>(259)</u>
Totals	<u>\$ 5,386,421</u>	<u>\$ 1,276,652</u>	<u>\$ 4,511,388</u>

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 7: Deficit Fund Balance**

The following fund has deficit fund balance as of December 31, 2020:

	December 31, 2020
Other Funds in the Aggregate:	
Special Revenue Funds:	
County Clerk's Election Grant	\$ (259)

**NOTE 8: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2020, the legal debt limit for bonded debt was \$75,691,418. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2020, the legal debt limit for short-term financing obligations was \$19,845,485. There were no short-term financing obligations.

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2020:

	December 31, 2020
Long-term liabilities	\$ 262,987
Reappraisal contract	664,800
 Total Commitments	 \$ 927,787

Long-term Liabilities

Long-term liabilities at December 31, 2020, are comprised of the following:

	December 31, 2020
<u>Bonds</u>	
Airport Refunding and Improvement Bond, Series 2012, dated October 11, 2012, in the amount of \$505,000, due in quarterly installments of \$11,107; interest rate of 3.85%. Payments are to be made from the Airport Revenue Bond Debt Service Fund.	\$ 262,987

Due to the County's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

The County's outstanding bonds payable of \$262,987 contain a provision that in an event of default, the Trustee may, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 9: Commitments (Continued)**

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2020	Maturities to December 31, 2020
<u>Bonds</u>					
10/11/12	10/1/27	3.85%	\$ 505,000	\$ 262,987	\$ 242,013

Changes in Long-Term Debt

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	\$ 296,481	\$ 0	\$ 33,494	\$ 262,987

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2020:

Years Ending December 31,	Bonds		
	Principal	Interest	Total
2021	\$ 25,976	\$ 7,345	\$ 33,321
2022	35,817	8,612	44,429
2023	37,216	7,213	44,429
2024	38,669	5,759	44,428
2025	40,180	4,249	44,429
2026 through 2027	85,129	3,728	88,857
Totals	\$ 262,987	\$ 36,906	\$ 299,893

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on October 25, 2017, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$27,700 for a total of \$1,662,000 beginning January 1, 2018. Contract expense for 2020 was \$332,400.

The County is obligated for the following amounts at December 31, 2020:

Year	December 31, 2020
2021	\$ 332,400
2022	332,400
Total	\$ 664,800

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 10: Interfund Transfers**

The General Fund transferred \$14,644 to the Other Funds in the Aggregate (Jail Operation and Maintenance \$1,908 and Health Unit Building \$12,736) for operating expenses. Within Other Funds in the Aggregate, Special Jail Fee transferred \$50,300 and County Detention Facility transferred \$15,500 to Jail Operation and Maintenance for operating expenses; Jail Operation and Maintenance transferred \$77 to Jail Construction Fund to eliminate a deficit fund balance; and Airport transferred \$44,429 to the Airport Revenue Bond Debt Service Fund for debt service payments.

**NOTE 11: Subsequent Events**

In May 2021, the County acquired a portable rock crusher plant for the Road and Bridge Department at a cost of \$715,000. Of this purchase price, \$350,000 was financed with Arvest Equipment Finance at an interest rate of 2.25%. The full amount of the note will be due on 5/3/2022 and will be paid from the Road Fund.

**NOTE 12: Pledged Revenues**

The County pledged future airport revenues to repay \$505,000 in bonds that were issued in 2012 to provide the funding for refunding airport debt and improvements. Total principal and interest remaining on the bonds are \$262,987 and \$36,906, respectively, payable through October 1, 2027. For 2020, principal and interest paid were \$33,494 and \$10,935, respectively. Airport sales and rental income for 2020 was \$123,648.

**NOTE 13: Jointly Governed Organizations**

Fourteenth Judicial Drug Task Force

The Prosecuting Attorney of the Fourteenth Judicial District, the Sheriffs' departments of Baxter, Boone, Marion, and Newton counties, and Police Departments of Harrison and Mountain Home entered into an agreement to establish the Fourteenth Judicial Drug Task Force. Funding was provided through a Drug Law Enforcement grant applied for by the Prosecuting Attorney of the Fourteenth Judicial District. Financial statements of the Fourteenth Judicial Drug Task Force were not available.

Ozark Mountain Solid Waste District

The Ozark Mountain Solid Waste District is a jointly governed organization comprised of representatives from Baxter, Boone, Carroll, Marion, Newton, and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective judges and mayors unless some other representative is appointed by the participating entity. Baxter County made no payments to the Ozark Mountain Solid Waste District in 2020. The County collected \$383,287 in service fees billed on property tax statements as ordered by the Circuit Court of Pulaski County in Case No.: 60CV-14-4479. These funds were placed into a trust account with the Baxter County Circuit Clerk in December 2020, as directed by the Circuit Court of Baxter County in Case No. 03CV-18-284. These funds will remain in trust until further instruction from the court.

**NOTE 14: 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; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by County officials, employees, and volunteer fire fighters while performing work for the County. Rates for counties participating in this program are revised annually based on the cost experience of the particular county or group as determined by the Workers' Compensation Commission.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 14: Risk Management (Continued)**

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 15: Arkansas Public Employees Retirement System**

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](http://www.apers.org).

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2020 (date of APERS Employer Allocation Report) were \$981,032.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was \$9,398,059.

BAXTER COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 16: Corona Virus (COVID-19)**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). On November 9, 2020, the County Received \$1,002,298 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$8,144,799 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$4,072,400 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain; however, the County is expecting to receive additional federal aid for coronavirus relief.

BAXTER COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Clerk's Cost	Child Support Cost	Breathalyzer
<b>ASSETS</b>									
Cash and cash equivalents	\$ 164,475	\$ 770,557	\$ 211,510	\$ 66,231	\$ 345,133	\$ 776,863	\$ 2,674	\$ 63,190	\$ 9,798
Accounts receivable	44,832		1,165		41,371	8,165	44	60	173
<b>TOTAL ASSETS</b>	<u>\$ 209,307</u>	<u>\$ 770,557</u>	<u>\$ 212,675</u>	<u>\$ 66,231</u>	<u>\$ 386,504</u>	<u>\$ 785,028</u>	<u>\$ 2,718</u>	<u>\$ 63,250</u>	<u>\$ 9,971</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable		\$ 1,019			\$ 720	\$ 16,260		\$ 293	
Settlements pending									
Total Liabilities		<u>1,019</u>			<u>720</u>	<u>16,260</u>		<u>293</u>	
Fund Balances:									
Restricted	\$ 209,307	769,538	\$ 212,675	\$ 66,231	385,784	768,768	\$ 2,718	62,957	\$ 9,971
Assigned									
Unassigned									
Total Fund Balances	<u>209,307</u>	<u>769,538</u>	<u>212,675</u>	<u>66,231</u>	<u>385,784</u>	<u>768,768</u>	<u>2,718</u>	<u>62,957</u>	<u>9,971</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 209,307</u>	<u>\$ 770,557</u>	<u>\$ 212,675</u>	<u>\$ 66,231</u>	<u>\$ 386,504</u>	<u>\$ 785,028</u>	<u>\$ 2,718</u>	<u>\$ 63,250</u>	<u>\$ 9,971</u>

BAXTER COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS								
	Special Jail Fee	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Public Defender	Drug Court Program	Circuit Court Juvenile Division	County Clerk Commissioner's Fee	Assessor's Late Assessment Fee
ASSETS									
Cash and cash equivalents	\$ 25,455	\$ 7,090	\$ 55,437	\$ 354,671	\$ 41,803	\$ 9,375	\$ 90,655	\$ 23,760	\$ 6,246
Accounts receivable	5,181	706		23,696			912		
	\$ 30,636	\$ 7,796	\$ 55,437	\$ 378,367	\$ 41,803	\$ 9,375	\$ 91,567	\$ 23,760	\$ 6,246
<b>TOTAL ASSETS</b>	<b>\$ 30,636</b>	<b>\$ 7,796</b>	<b>\$ 55,437</b>	<b>\$ 378,367</b>	<b>\$ 41,803</b>	<b>\$ 9,375</b>	<b>\$ 91,567</b>	<b>\$ 23,760</b>	<b>\$ 6,246</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 4,500		\$ 15	\$ 548	\$ 291				
Settlements pending									
Total Liabilities	4,500		15	548	291				
Fund Balances:									
Restricted	26,136	\$ 7,796	55,422	352,819	41,512	\$ 9,375	\$ 91,567	\$ 23,760	\$ 6,246
Assigned				25,000					
Unassigned									
Total Fund Balances	26,136	7,796	55,422	377,819	41,512	9,375	91,567	23,760	6,246
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 30,636</b>	<b>\$ 7,796</b>	<b>\$ 55,437</b>	<b>\$ 378,367</b>	<b>\$ 41,803</b>	<b>\$ 9,375</b>	<b>\$ 91,567</b>	<b>\$ 23,760</b>	<b>\$ 6,246</b>



BAXTER COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUND	DEBT SERVICE FUND
	Sheriff's Projects	Jail Operation and Maintenance	County Clerk's Election Grant	Juvenile Grant	Communication Facility and Equipment	Airport	Health Unit Building	Airport Revenue Bond
<b>ASSETS</b>								
Cash and cash equivalents	\$ 68,683	\$ 988,185	\$ 3,399	\$ 54	\$ 60,616	\$ 188,593	\$ 84,132	\$ 25,000
Accounts receivable	3,198	60,370						
<b>TOTAL ASSETS</b>	<b>\$ 71,881</b>	<b>\$ 1,048,555</b>	<b>\$ 3,399</b>	<b>\$ 54</b>	<b>\$ 60,616</b>	<b>\$ 188,593</b>	<b>\$ 84,132</b>	<b>\$ 25,000</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 791	\$ 7,137	\$ 3,658			\$ 86,838		
Settlements pending								
<b>Total Liabilities</b>	<b>791</b>	<b>7,137</b>	<b>3,658</b>			<b>86,838</b>		
<b>Fund Balances:</b>								
Restricted	71,090	1,041,418		\$ 54	\$ 60,616	101,755		\$ 25,000
Assigned							\$ 84,132	
Unassigned			(259)					
<b>Total Fund Balances</b>	<b>71,090</b>	<b>1,041,418</b>	<b>(259)</b>	<b>54</b>	<b>60,616</b>	<b>101,755</b>	<b>84,132</b>	<b>25,000</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 71,881</b>	<b>\$ 1,048,555</b>	<b>\$ 3,399</b>	<b>\$ 54</b>	<b>\$ 60,616</b>	<b>\$ 188,593</b>	<b>\$ 84,132</b>	<b>\$ 25,000</b>

BAXTER COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2020

Schedule 1

CUSTODIAL FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Juvenile Probation	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 317,735	\$ 177,579	\$ 96,318	\$ 489,189	\$ 2,794	\$ 5,527,200
Accounts receivable						189,873
TOTAL ASSETS	\$ 317,735	\$ 177,579	\$ 96,318	\$ 489,189	\$ 2,794	\$ 5,717,073
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable						\$ 122,070
Settlements pending	\$ 317,735	\$ 177,579	\$ 96,318	\$ 489,189	\$ 2,794	1,083,615
Total Liabilities	317,735	177,579	96,318	489,189	2,794	1,205,685
Fund Balances:						
Restricted						4,402,515
Assigned						109,132
Unassigned						(259)
Total Fund Balances						4,511,388
TOTAL LIABILITIES AND FUND BALANCES	\$ 317,735	\$ 177,579	\$ 96,318	\$ 489,189	\$ 2,794	\$ 5,717,073

BAXTER COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Clerk's Cost	Child Support Cost	Breathalyzer	Special Jail Fee
REVENUES										
State aid				\$ 18,695		\$ 181,822				
Federal aid										
Property taxes						650,592				
Sales taxes										
Fines, forfeitures, and costs			\$ 17,067							\$ 67,679
Interest	\$ 3,141	\$ 16,024	4,922	1,622	\$ 5,726	2,151	\$ 58	\$ 1,553	\$ 235	\$ 837
Officers' fees					420,811		620	5,267		
Jail fees										
Donations						330,674				
911 fees										
Airport sales and rental income										
Treasurer's commission	44,832									
Collector's commission		129,366								
Other		952	230	334	19,622	49,460	8	86	1,220	1,373
<b>TOTAL REVENUES</b>	<b>47,973</b>	<b>146,342</b>	<b>22,219</b>	<b>20,651</b>	<b>446,159</b>	<b>1,214,699</b>	<b>686</b>	<b>6,906</b>	<b>1,455</b>	<b>69,889</b>
Less: Treasurer's commission		320	441	406	3,759	6,604	14	151	32	1,357
<b>NET REVENUES</b>	<b>47,973</b>	<b>146,022</b>	<b>21,778</b>	<b>20,245</b>	<b>442,400</b>	<b>1,208,095</b>	<b>672</b>	<b>6,755</b>	<b>1,423</b>	<b>68,532</b>
EXPENDITURES										
Current:										
General government	9,099	76,187		1,972	247,567		300	4,174		
Law enforcement			3,207						1,826	24,598
Public safety										
Recreation and culture						1,110,693				
Airport										
Total Current	9,099	76,187	3,207	1,972	247,567	1,110,693	300	4,174	1,826	24,598
Debt Service:										
Bond principal										
Bond interest and other charges										
<b>TOTAL EXPENDITURES</b>	<b>9,099</b>	<b>76,187</b>	<b>3,207</b>	<b>1,972</b>	<b>247,567</b>	<b>1,110,693</b>	<b>300</b>	<b>4,174</b>	<b>1,826</b>	<b>24,598</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>38,874</b>	<b>69,835</b>	<b>18,571</b>	<b>18,273</b>	<b>194,833</b>	<b>97,402</b>	<b>372</b>	<b>2,581</b>	<b>(403)</b>	<b>43,934</b>
OTHER FINANCING SOURCES (USES)										
Transfers in										
Transfers out										(50,300)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>										<b>(50,300)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>38,874</b>	<b>69,835</b>	<b>18,571</b>	<b>18,273</b>	<b>194,833</b>	<b>97,402</b>	<b>372</b>	<b>2,581</b>	<b>(403)</b>	<b>(6,366)</b>
FUND BALANCES - JANUARY 1	170,433	699,703	194,104	47,958	190,951	671,366	2,346	60,376	10,374	32,502
FUND BALANCES - DECEMBER 31	<u>\$ 209,307</u>	<u>\$ 769,538</u>	<u>\$ 212,675</u>	<u>\$ 66,231</u>	<u>\$ 385,784</u>	<u>\$ 768,768</u>	<u>\$ 2,718</u>	<u>\$ 62,957</u>	<u>\$ 9,971</u>	<u>\$ 26,136</u>

BAXTER COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Public Defender	Drug Court Program	Circuit Court Juvenile Division	County Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Sheriff's Projects
REVENUES									
State aid		\$ 10,095							
Federal aid									
Property taxes								\$ 1,514	
Sales taxes									
Fines, forfeitures, and costs	\$ 14,002			\$ 24,999	\$ 150	\$ 650			\$ 44,731
Interest	252	1,749	\$ 3,018	1,008	223	1,881	\$ 565	128	1,482
Officers' fees						17,902	1,170		
Jail fees									
Donations									
911 fees			783,455						
Airport sales and rental income									
Treasurer's commission									
Collector's commission									
Other	118	3,728	1,230	1,911	5	5,578	17	19	2,248
<b>TOTAL REVENUES</b>	<b>14,372</b>	<b>15,572</b>	<b>787,703</b>	<b>27,918</b>	<b>378</b>	<b>26,011</b>	<b>1,752</b>	<b>1,661</b>	<b>48,461</b>
Less: Treasurer's commission	288	236	7,062	57	7	526	51	33	964
<b>NET REVENUES</b>	<b>14,084</b>	<b>15,336</b>	<b>780,641</b>	<b>27,861</b>	<b>371</b>	<b>25,485</b>	<b>1,701</b>	<b>1,628</b>	<b>47,497</b>
EXPENDITURES									
Current:									
General government							192		
Law enforcement	889	36,168		24,544		412			27,682
Public safety			458,001						
Recreation and culture									
Airport									
Total Current	889	36,168	458,001	24,544		412	192		27,682
Debt Service:									
Bond principal									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>889</b>	<b>36,168</b>	<b>458,001</b>	<b>24,544</b>		<b>412</b>	<b>192</b>		<b>27,682</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>13,195</b>	<b>(20,832)</b>	<b>322,640</b>	<b>3,317</b>	<b>371</b>	<b>25,073</b>	<b>1,509</b>	<b>1,628</b>	<b>19,815</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out	(15,500)								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(15,500)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(2,305)</b>	<b>(20,832)</b>	<b>322,640</b>	<b>3,317</b>	<b>371</b>	<b>25,073</b>	<b>1,509</b>	<b>1,628</b>	<b>19,815</b>
FUND BALANCES - JANUARY 1	10,101	76,254	55,179	38,195	9,004	66,494	22,251	4,618	51,275
FUND BALANCES - DECEMBER 31	\$ 7,796	\$ 55,422	\$ 377,819	\$ 41,512	\$ 9,375	\$ 91,567	\$ 23,760	\$ 6,246	\$ 71,090

BAXTER COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	Totals
	Jail Operation and Maintenance	County Clerk's Election Grant	Juvenile Grant	Communication Facility and Equipment	Airport	Jail Construction	Health Unit Building	
REVENUES								
State aid					\$ 225,979			\$ 436,591
Federal aid	\$ 2,414				179,474			181,888
Property taxes								652,106
Sales taxes	2,007,978				3,836			2,011,814
Fines, forfeitures, and costs	1,500							170,778
Interest	15,260			\$ 96	232		\$ 1,751	63,914
Officers' fees				15,692				461,462
Jail fees	287,205			42,860				330,065
Donations								330,674
911 fees								783,455
Airport sales and rental income					123,648			123,648
Treasurer's commission								44,832
Collector's commission								129,366
Other	14,448	\$ 20,091			70,183		20	192,881
<b>TOTAL REVENUES</b>	<b>2,328,805</b>	<b>20,091</b>		<b>58,648</b>	<b>603,352</b>		<b>1,771</b>	<b>5,913,474</b>
Less: Treasurer's commission	18,438						35	40,781
<b>NET REVENUES</b>	<b>2,310,367</b>	<b>20,091</b>		<b>58,648</b>	<b>603,352</b>		<b>1,736</b>	<b>5,872,693</b>
EXPENDITURES								
Current:								
General government		20,350						359,841
Law enforcement	2,004,129			45,596				2,169,051
Public safety								458,001
Recreation and culture								1,110,693
Airport					460,794			460,794
Total Current	2,004,129	20,350		45,596	460,794			4,558,380
Debt Service:								
Bond principal							\$ 33,494	33,494
Bond interest and other charges							10,935	10,935
<b>TOTAL EXPENDITURES</b>	<b>2,004,129</b>	<b>20,350</b>		<b>45,596</b>	<b>460,794</b>		<b>44,429</b>	<b>4,602,809</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	306,238	(259)		13,052	142,558		1,736	1,269,884
OTHER FINANCING SOURCES (USES)								
Transfers in	67,708					\$ 77	12,736	124,950
Transfers out	(77)				(44,429)			(110,306)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>67,631</b>				<b>(44,429)</b>	<b>77</b>	<b>12,736</b>	<b>14,644</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	373,869	(259)		13,052	98,129	77	14,472	1,284,528
FUND BALANCES - JANUARY 1	667,549		\$ 54	47,564	3,626	(77)	69,660	3,226,860
FUND BALANCES - DECEMBER 31	\$ 1,041,418	\$ (259)	\$ 54	\$ 60,616	\$ 101,755	\$ 0	\$ 84,132	\$ 4,511,388

BAXTER COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2020

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
County Clerk's Cost	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Breathalyzer	Ark. Code Ann. § 16-10-308 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.
Special Jail Fee	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.

BAXTER COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2020

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund to be used for defense of indigents.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
County Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of county clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Sheriff's Projects	Established to account for drug restitution ordered by Circuit court to be used for drug eradication and court costs collected to fund the County's breathalyzer expenses as authorized by Ark. Code Ann. § 16-10-307.
Jail Operation and Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail. Additionally, Baxter County Ordinance no. 2017-28 (July 11, 2017) provided for the levying of a sales and use tax of one quarter of one percent (0.25%) to acquire, expand, construct, improve, furnish, equip, and provide for the operation and maintenance of the Baxter County Detention facilities and to pay for the costs associated with the housing of the prisoners.
County Clerk's Election Grant	Established to receive and disburse grant monies received from the Center for Technology and Civic Life (CTCL) for COVID-19 related election expenses.
Juvenile Grant	Established to receive and disburse state grant monies for the operations of the Juvenile Services Department. Fund is restricted by Grantor.

BAXTER COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2020

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Airport	Established by Baxter County court order dated March 16, 1978 to receive federal grants, state grants, and operating revenues to be used for improvement and operations of the Baxter Regional Airport.
Jail Construction	Baxter County Ordinance no. 2017-27 (July 11, 2017) provided for the levying of a sales and use tax of one quarter of one percent (0.25%) to acquire, expand, construct, improve, furnish, equip, and provide for the operation and maintenance of the Baxter County Detention facilities and to pay for the costs associated with the housing of the prisoners.
Health Unit Building	Established to receive and disburse local and state grant monies for the construction of a new health unit building. Fund is restricted by Grantor.
Airport Revenue Bond	Baxter County Ordinance no. 2012-59 (September 6, 2012) established fund to receive airport revenues and make principal and interest payments on revenue bonds. Airport revenues are pledged for the Airport Revenue Refund Bond.

Treasurer's accounts consist primarily Treasurer's commission not yet distributed to the appropriate entities.

Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.

Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.

County Clerk's accounts consist primarily of fees to be settled with the Treasurer and trust money awaiting disposition by the applicable court.

Juvenile Probation accounts consist primarily of probation fees awaiting disposition to the County.



BAXTER COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2020  
(Unaudited)

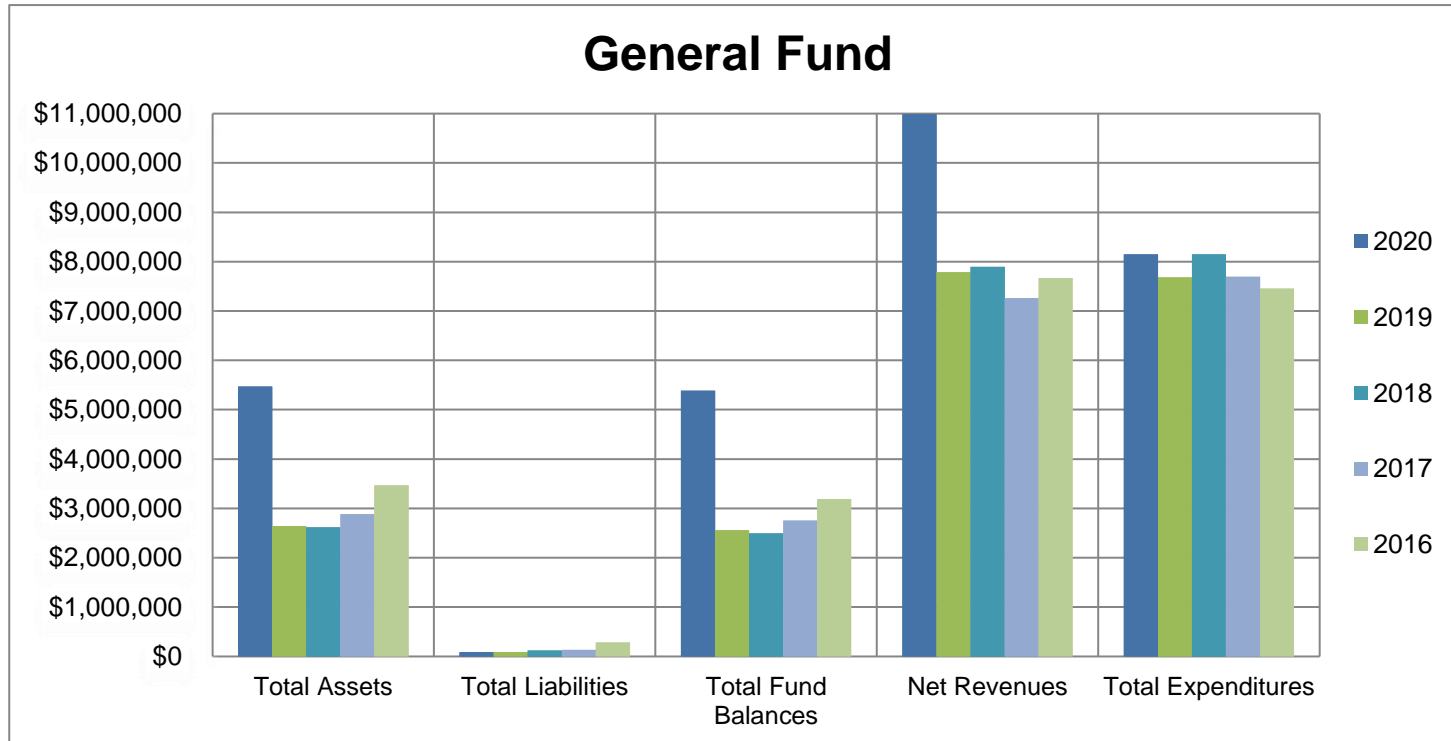
Schedule 3

	<u>December 31, 2020</u>
Land and Buildings	\$ 11,237,799
Construction in Progress	3,992,956
Improvements	3,010,790
Equipment	<u>14,403,693</u>
Total	<u>\$ 32,645,238</u>

BAXTER COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2020  
 (Unaudited)

Schedule 4-1

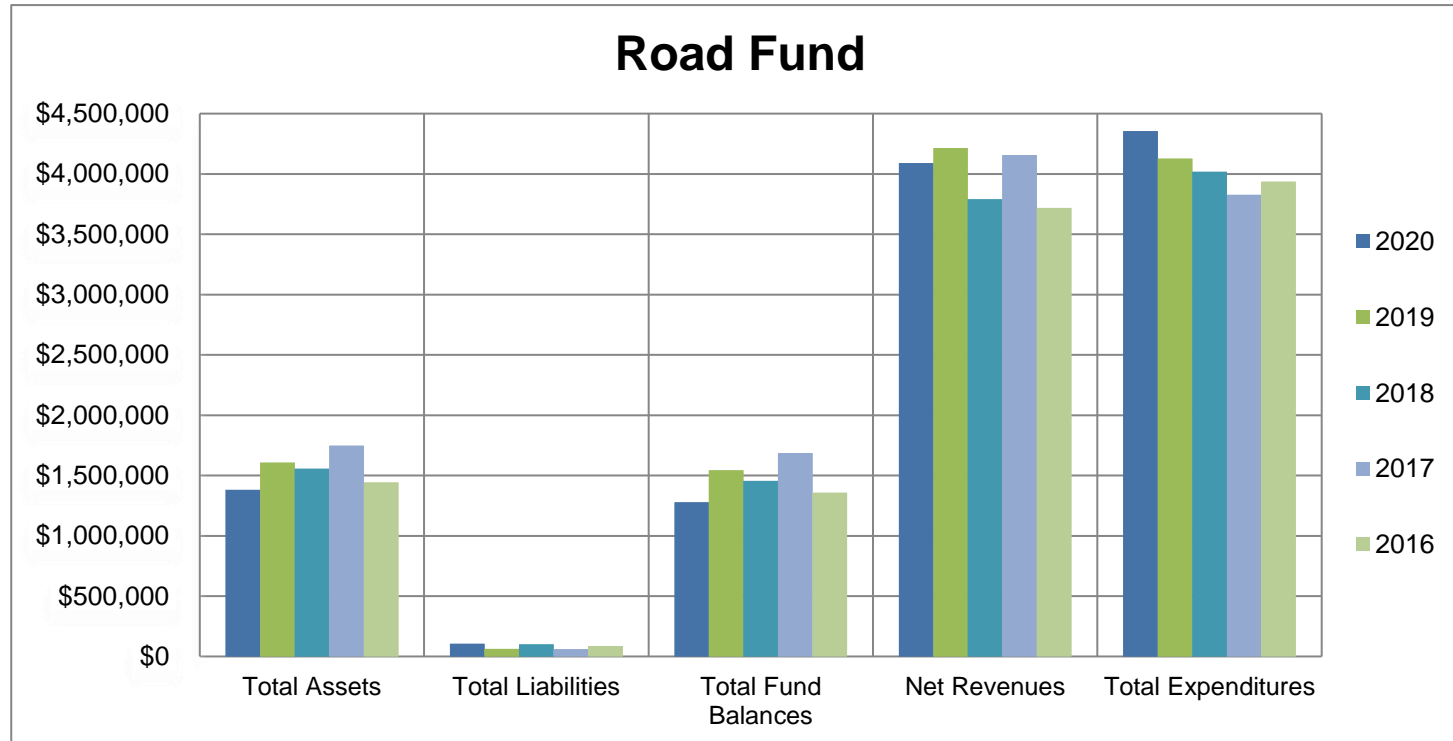
<u>General</u>	2020	2019	2018	2017	2016
Total Assets	\$ 5,471,885	\$ 2,644,577	\$ 2,615,854	\$ 2,883,356	\$ 3,467,790
Total Liabilities	85,464	87,221	119,233	131,072	282,718
Total Fund Balances	5,386,421	2,557,356	2,496,621	2,752,284	3,185,072
Net Revenues	10,988,719	7,786,117	7,894,924	7,262,791	7,666,297
Total Expenditures	8,145,010	7,683,022	8,150,587	7,695,579	7,454,386
Total Other Financing Sources/Uses	(14,644)	(42,360)			(1,374)



BAXTER COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2020  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2020	2019	2018	2017	2016
Total Assets	\$ 1,381,118	\$ 1,605,778	\$ 1,555,996	\$ 1,746,456	\$ 1,441,857
Total Liabilities	104,466	63,123	99,901	60,900	85,381
Total Fund Balances	1,276,652	1,542,655	1,456,095	1,685,556	1,356,476
Net Revenues	4,088,128	4,213,809	3,788,471	4,156,434	3,718,389
Total Expenditures	4,354,131	4,127,249	4,017,932	3,827,354	3,935,324
Total Other Financing Sources/Uses					1,374



BAXTER COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2020  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2020	2019	2018	2017	2016
Total Assets	\$ 5,717,073	\$ 3,998,798	\$ 6,724,607	\$ 3,649,098	\$ 3,338,151
Total Liabilities	1,205,685	771,938	867,266	848,639	410,660
Total Fund Balances	4,511,388	3,226,860	5,857,341	2,800,459	2,927,491
Net Revenues	5,872,693	4,861,267	6,291,440	2,685,620	2,490,564
Total Expenditures	4,602,809	7,534,108	3,432,007	2,812,652	2,404,415
Total Other Financing Sources/Uses	14,644	42,360	197,449		

