

COUNTY OF BAXTER, ARKANSAS
Audited Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Thomas, Speight & Noble
Certified Public Accountants
2210 Fowler Avenue
Jonesboro, AR 72401
(870) 932-5858



THOMAS, SPEIGHT & NOBLE, CPAs

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Quorum Court of the
County of Baxter, Arkansas

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of Baxter County, Arkansas for the year ended December 31, 2020 and the related notes (the financial statement).

Management's Responsibility for the Schedule of Expenditures of Federal Awards

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

2210 FOWLER AVENUE
PO Box 17167
JONESBORO, AR 72401
870-932-5858
FAX 870-932-2030

420 WEST WALNUT
PO Box 205
BLYTHEVILLE, AR 72315
870-762-5831
FAX 870-762-5833

501 WARD AVENUE
PO Box 1154
CARUTHERSVILLE, MO 63830
573-333-4225
FAX 573-333-4443

1400 WEST KEISER
PO Box 644
OSCEOLA, AR 72370
870-563-2638
FAX 870-563-3794

915 TOWNSEND DRIVE
PO Box 700
POCAHONTAS, AR 72455
870-892-2575
FAX 870-892-2576

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the County of Baxter, Arkansas for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Thomas, Speight & Noble, CPAs

Jonesboro, Arkansas

February 25, 2022

County of Baxter, Arkansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development, pass-through program from: State of Arkansas Economic Development Commission Community Development Block Grants	14.228	\$ 502,700
U.S. Department of Interior Direct Program Payments in Lieu of Taxes	15.226	282,182
U.S. Department of Defense Pass-through programs from: Arkansas Department of Finance and Administration Flood Control Projects	12.106	24,804
U.S. Department of Agriculture Direct Program School and Road - Grants to Counties	10.666	23,662
U.S. Department of Homeland Security, pass-through program from: State of Arkansas Department of Emergency Management Emergency Management Performance Grants	97.042	23,373
U.S. Department of Treasury Pass-through programs from: Arkansas Department of Finance and Administration COVID 19 - Coronavirus Relief Fund	21.019	1,002,298
Total expenditures of federal awards		<u>\$ 1,859,019</u>

NOTE A - Basis of Presentation

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Baxter County, Arkansas under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Baxter County, Arkansas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Baxter, Arkansas.

NOTE B - Summary of Significant Accounting Policies

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

NOTE C - Indirect Cost Rate

Baxter County, Arkansas has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

County of Baxter, Arkansas
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the Schedule of Expenditures of Federal Awards of the County of Baxter, Arkansas
2. No significant deficiencies in internal control over major federal award programs disclosed during the audit is reported in the Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses are reported.
3. The auditors' report on compliance for the major federal award programs for the County of Baxter, Arkansas expresses an unmodified opinion on all major federal programs.
4. The programs tested as major programs include:
Coronavirus Relief Fund (21.019)
5. The threshold used for distinguishing between Type A and B programs was \$750,000.
6. The County of Baxter, Arkansas did not qualify as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Quorum Court of the
County of Baxter, Arkansas

Report on Compliance for Each Major Federal Program

We have audited Baxter County, Arkansas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Baxter, Arkansas' major federal programs for the year ended December 31, 2020. The County of Baxter, Arkansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Thomas, Speight & Noble, CPAs

Jonesboro, Arkansas

February 25, 2022