

Baxter County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023



BAXTER COUNTY, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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Kevin William White, CPA, JD
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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Baxter County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2023, the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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, 2023; the regulatory basis revenues, expenditures, and changes in fund balance; 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.

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 section of our report, the accompanying regulatory basis 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 the general fund, road fund, and other funds in the aggregate of Baxter County, Arkansas, as of December 31, 2023, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to 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 the 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 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 and pervasive.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

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.

Auditor's 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 auditor's 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements 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 regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis 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 regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 October 7, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The 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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 7, 2024
LOCO00323

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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 regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Baxter County, Arkansas (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated October 7, 2024. 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.

Report on 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 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 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.

Report on Compliance and Other Matters

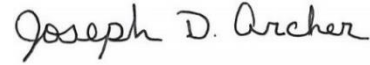
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 October 7, 2024.

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. 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



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 7, 2024

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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 2023:

County Judge: Kevin Litty
Treasurer: Jenay Mize
Sheriff: John Montgomery
Tax Collector: Teresa Smith
County and Circuit Clerk: Canda Reese
Assessor: Jayme Nicholson
County Librarian: Kim Crow-Shearer
Airport Manager: Taylor Carmichael

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge and County/Circuit Clerk

A review of two credit card payments revealed \$608 in credit card charges for meals that did not include itemized receipts (\$465), did not include a documented business purpose (\$85), or were undocumented (\$58).

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 "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 7, 2024

BAXTER COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 15,409,033	\$ 1,558,182	\$ 11,055,170
Accounts receivable	191,354	57,070	182,171
	<u>15,600,387</u>	<u>1,615,252</u>	<u>11,237,341</u>
TOTAL ASSETS	<u>\$ 15,600,387</u>	<u>\$ 1,615,252</u>	<u>\$ 11,237,341</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 211,117	\$ 37,058	\$ 53,445
Settlements pending			905,045
Total Liabilities	<u>211,117</u>	<u>37,058</u>	<u>958,490</u>
Fund Balances:			
Restricted	28,039	1,278,194	9,520,930
Committed	684,022		
Assigned	1,804,883	300,000	758,512
Unassigned	12,872,326		(591)
Total Fund Balances	<u>15,389,270</u>	<u>1,578,194</u>	<u>10,278,851</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,600,387</u>	<u>\$ 1,615,252</u>	<u>\$ 11,237,341</u>

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, 2023

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,057,108	\$ 2,676,603	\$ 242,160
Federal aid	404,105	599,891	322,738
Property taxes	2,280,319	1,565,178	750,622
Sales taxes	5,948,574		2,611,976
Fines, forfeitures, and costs	623,732		197,526
Interest	566,866	40,465	171,268
Officers' fees	129,451		355,152
Donations			383,917
911 fees			653,901
Jail fees			255,031
Airport sales and rental income			144,362
Treasurer's commission	225,545		53,173
Collector's commission	514,108		149,245
Taxes apportioned - Assessor's salary and expense	995,021		
Other	674,862	421,897	182,913
TOTAL REVENUES	13,419,691	5,304,034	6,473,984
Less: Treasurer's commission	104,836	51,256	56,820
NET REVENUES	13,314,855	5,252,778	6,417,164
EXPENDITURES			
Current:			
General government	4,259,796		500,651
Law enforcement	2,735,064		6,785,980
Highways and streets	192,558	5,050,031	
Public safety	428,698		981,228
Health	54,712		23,340
Recreation and culture			1,373,848
Social services	131,541		
Airport	149,311		526,017
TOTAL EXPENDITURES	7,951,680	5,050,031	10,191,064

BAXTER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 5,363,175</u>	<u>\$ 202,747</u>	<u>\$ (3,773,900)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		300,000	106,149
Transfers out	<u>(406,149)</u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(406,149)</u>	<u>300,000</u>	<u>106,149</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,957,026	502,747	(3,667,751)
FUND BALANCES - JANUARY 1	<u>10,432,244</u>	<u>1,075,447</u>	<u>13,946,602</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 15,389,270</u></u>	<u><u>\$ 1,578,194</u></u>	<u><u>\$ 10,278,851</u></u>

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, 2023

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,006,900	\$ 1,057,108	\$ 50,208	\$ 2,575,000	\$ 2,676,603	\$ 101,603
Federal aid	404,273	404,105	(168)	654,612	599,891	(54,721)
Property taxes	1,989,100	2,280,319	291,219	1,378,000	1,565,178	187,178
Sales taxes	5,618,000	5,948,574	330,574			
Fines, forfeitures, and costs	563,400	623,732	60,332			
Interest	113,600	566,866	453,266	19,010	40,465	21,455
Officers' fees	120,000	129,451	9,451			
Treasurer's commission	150,000	225,545	75,545			
Collector's commission	390,000	514,108	124,108			
Taxes apportioned - Assessor's salary and expense	775,000	995,021	220,021			
Other	531,958	674,862	142,904	64,500	421,897	357,397
TOTAL REVENUES	11,662,231	13,419,691	1,757,460	4,691,122	5,304,034	612,912
Less: Treasurer's commission		104,836	(104,836)		51,256	(51,256)
NET REVENUES	11,662,231	13,314,855	1,652,624	4,691,122	5,252,778	561,656
EXPENDITURES						
Current:						
General government	5,648,236	4,259,796	1,388,440			
Law enforcement	2,869,136	2,735,064	134,072			
Highways and streets		192,558	(192,558)	5,926,809	5,050,031	876,778
Public safety	358,092	428,698	(70,606)			
Sanitation	98,002		98,002			
Health	21,000	54,712	(33,712)			
Recreation and culture	3,500		3,500			
Social services	178,207	131,541	46,666			
Airport	137,520	149,311	(11,791)			
TOTAL EXPENDITURES	9,313,693	7,951,680	1,362,013	5,926,809	5,050,031	876,778

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, 2023

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,348,538	\$ 5,363,175	\$ 3,014,637	\$ (1,235,687)	\$ 202,747	\$ 1,438,434
OTHER FINANCING SOURCES (USES)						
Transfers in	162,300		(162,300)		300,000	300,000
Transfers out	(465,000)	(406,149)	58,851			
TOTAL OTHER FINANCING SOURCES (USES)	(302,700)	(406,149)	(103,449)		300,000	300,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,045,838	4,957,026	2,911,188	(1,235,687)	502,747	1,738,434
FUND BALANCES - JANUARY 1	3,157,711	10,432,244	7,274,533	1,000,000	1,075,447	75,447
FUND BALANCES - DECEMBER 31	<u>\$ 5,203,549</u>	<u>\$ 15,389,270</u>	<u>\$ 10,185,721</u>	<u>\$ (235,687)</u>	<u>\$ 1,578,194</u>	<u>\$ 1,813,881</u>

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

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 assigned 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 the Capital Projects Fund as reported with other funds in the aggregate.

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.

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.
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.

BAXTER COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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)	\$ 1,850,514	\$ 1,912,024
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	26,166,772	26,537,914
Total Deposits	\$ 28,017,286	\$ 28,449,938

The above total deposits do not include cash on hand of \$5,099.

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.

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2023, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid		\$ 11,501	
Federal aid	\$ 1,626		\$ 1,000
Fines, forfeitures, and costs	32,188		10,324
Interest	573		
Officers' fees	7,120		23,358
911 fees			8,134
Jail fees			40,288
Treasurer's commission	30,037		53,173
Other	26,522	2,494	6,139
Treasurer's commission charged	93,288	43,075	39,755
Totals	<u>\$ 191,354</u>	<u>\$ 57,070</u>	<u>\$ 182,171</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2023, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 211,117</u>	<u>\$ 37,058</u>	<u>\$ 53,445</u>

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2023, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 5,618,226
Law enforcement			2,816,893
Highways and streets		\$ 1,278,194	
Sanitation	\$ 28,039		
Recreation and culture			796,168
Airport			289,643
Total Restricted	<u>28,039</u>	<u>1,278,194</u>	<u>9,520,930</u>
Committed for:			
General government	645,429		
Law enforcement	38,593		
Total Committed	<u>684,022</u>		
Assigned to:			
General government	1,708,949		
Law enforcement	95,934		50,000
Highways and streets		300,000	
Public safety			122,695
Capital outlay			585,817
Total Assigned	<u>1,804,883</u>	<u>300,000</u>	<u>758,512</u>
Unassigned	<u>12,872,326</u>		<u>(591)</u>
Totals	<u>\$ 15,389,270</u>	<u>\$ 1,578,194</u>	<u>\$ 10,278,851</u>

NOTE 7: Deficit Fund Balance

The following fund has a deficit fund balance as of December 31, 2023:

	December 31, 2023
Other Funds in the Aggregate:	
Special Revenue Funds:	
14th Judicial Drug Court	<u>\$ (591)</u>

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, 2023, the legal debt limit for bonded debt was \$86,835,225. There were no property tax secured bond issues.

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8: Legal Debt Limit (Continued)

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, 2023, the legal debt limit for short-term financing obligations was \$22,912,786. There were no short-term financing obligations.

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2023:

	December 31, 2023
Long-term liabilities	\$ 1,532,285
Reappraisal contract	774,504
Construction contract	4,000,000
 Total Commitments	 \$ 6,306,789

Long-term Liabilities

Long-term liabilities at December 31, 2023, are comprised of the following:

	December 31, 2023
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 1,532,285

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

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 3, 2022, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$32,271 for a total of \$1,161,756 beginning January 1, 2023. Contract expense for 2023 was \$387,252.

The County is obligated for the following amounts at December 31, 2023:

Year	December 31, 2023
2024	\$ 387,252
2025	387,252
 Total	 \$ 774,504

BAXTER COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 9: Commitments (Continued)

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2023:

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance December 31, 2023</u>
Health Department Construction	December 31, 2026	<u>\$ 4,000,000</u>

NOTE 10: Interfund Transfers

The General Fund transferred \$300,000 to the Road Fund and \$106,149 to the Other Funds in the Aggregate (Emergency 911 \$100,000 and American Rescue Plan Act \$6,149) for supplemental funding.

NOTE 11: 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 2023.

NOTE 12: 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.

Property Program – This program is a blanket policy with coverage up to \$1,100,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

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.

BAXTER COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Risk Management (Continued)

Vehicle Program (Continued)

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.

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 13: 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.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2023. 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, 2023, (date of APERS Employer Allocation Report) were \$1,443,574.

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, 2023, (actuarial valuation date and measurement date) was \$12,389,297.

NOTE 14: 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). In 2022, the County was awarded \$708,546 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021, and as of the report date, \$708,546 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

BAXTER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS									
	American Rescue Plan Act	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
ASSETS									
Cash and cash equivalents	\$ 3,388,046	\$ 257,347	\$ 890,216	\$ 259,669	\$ 109,822	\$ 810,936	\$ 801,386	\$ 4,767	\$ 55,183
Accounts receivable		53,173	43	1,145		21,951	8,162	56	36
TOTAL ASSETS	\$ 3,388,046	\$ 310,520	\$ 890,259	\$ 260,814	\$ 109,822	\$ 832,887	\$ 809,548	\$ 4,823	\$ 55,219
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 11,312		\$ 834			\$ 664	\$ 13,380		
Settlements pending									
Total Liabilities	11,312		834			664	13,380		
Fund Balances:									
Restricted	3,376,734	\$ 310,520	889,425	\$ 260,814	\$ 109,822	832,223	796,168	\$ 4,823	\$ 55,219
Assigned									
Unassigned									
Total Fund Balances	3,376,734	310,520	889,425	260,814	109,822	832,223	796,168	4,823	55,219
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,388,046	\$ 310,520	\$ 890,259	\$ 260,814	\$ 109,822	\$ 832,887	\$ 809,548	\$ 4,823	\$ 55,219

BAXTER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS								
	Breathalyzer	Special Jail Fee	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Public Defender	Drug Court Program	Circuit Court Juvenile Division
ASSETS								
Cash and cash equivalents	\$ 9,527	\$ 24,077	\$ 17,345	\$ 88,198	\$ 114,397	\$ 71,588	\$ 9,883	\$ 126,053
Accounts receivable	123	5,993	727		18,894	415		1,423
TOTAL ASSETS	\$ 9,650	\$ 30,070	\$ 18,072	\$ 88,198	\$ 133,291	\$ 72,003	\$ 9,883	\$ 127,476
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 26				\$ 10,596	\$ 382		
Settlements pending								
Total Liabilities	26				10,596	382		
Fund Balances:								
Restricted	9,624	\$ 30,070	\$ 18,072	\$ 88,198		71,621	\$ 9,883	\$ 127,476
Assigned					122,695			
Unassigned								
Total Fund Balances	9,624	30,070	18,072	88,198	122,695	71,621	9,883	127,476
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,650	\$ 30,070	\$ 18,072	\$ 88,198	\$ 133,291	\$ 72,003	\$ 9,883	\$ 127,476

BAXTER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS									
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Sheriff's Projects	Jail Operation and Maintenance	Drug Enforcement	K-9	14th Judicial Drug Court	Communication Facility and Equipment	Airport
ASSETS									
Cash and cash equivalents	\$ 25,891	\$ 13,511	\$ 54,099	\$ 2,067,973	\$ 10,798	\$ 18,905	\$ (1,591)	\$ 46,639	\$ 289,643
Accounts receivable	58		2,559	66,413			1,000		
TOTAL ASSETS	\$ 25,949	\$ 13,511	\$ 56,658	\$ 2,134,386	\$ 10,798	\$ 18,905	\$ (591)	\$ 46,639	\$ 289,643
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 1,465	\$ 14,786					
Settlements pending									
Total Liabilities			1,465	14,786					
Fund Balances:									
Restricted	\$ 25,949	\$ 13,511	55,193	2,069,600	\$ 10,798	\$ 18,905		\$ 46,639	\$ 289,643
Assigned				50,000					
Unassigned							\$ (591)		
Total Fund Balances	25,949	13,511	55,193	2,119,600	10,798	18,905	(591)	46,639	289,643
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,949	\$ 13,511	\$ 56,658	\$ 2,134,386	\$ 10,798	\$ 18,905	\$ (591)	\$ 46,639	\$ 289,643

BAXTER COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	CAPITAL PROJECTS FUND	CUSTODIAL FUNDS					Totals
	Health Unit Building	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	Juvenile Probation	
ASSETS							
Cash and cash equivalents	\$ 585,817	\$ 351,171	\$ 231,061	\$ 122,583	\$ 198,102	\$ 2,128	\$ 11,055,170
Accounts receivable							182,171
TOTAL ASSETS	\$ 585,817	\$ 351,171	\$ 231,061	\$ 122,583	\$ 198,102	\$ 2,128	\$ 11,237,341
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 53,445
Settlements pending		\$ 351,171	\$ 231,061	\$ 122,583	\$ 198,102	\$ 2,128	905,045
Total Liabilities		351,171	231,061	122,583	198,102	2,128	958,490
Fund Balances:							
Restricted							9,520,930
Assigned	\$ 585,817						758,512
Unassigned							(591)
Total Fund Balances	585,817						10,278,851
TOTAL LIABILITIES AND FUND BALANCES	\$ 585,817	\$ 351,171	\$ 231,061	\$ 122,583	\$ 198,102	\$ 2,128	\$ 11,237,341

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, 2023

Schedule 2

	SPECIAL REVENUE FUNDS							
	American Rescue Plan Act	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
REVENUES								
State aid					\$ 19,028		\$ 189,547	
Federal aid								
Property taxes							748,119	
Sales taxes								
Fines, forfeitures, and costs				\$ 20,207				
Interest		\$ 6,911	\$ 24,684	7,465	3,331	\$ 23,920	8,404	\$ 132
Officers' fees						321,678		676
Donations							383,917	
911 fees								
Jail fees								
Airport sales and rental income								
Treasurer's commission		53,173						
Collector's commission			149,245					
Other	\$ 250	23	772	220	229	4,153	57,679	9
TOTAL REVENUES	250	60,107	174,701	27,892	22,588	349,751	1,387,666	817
Less: Treasurer's commission			493	530	447	7,021	8,991	16
NET REVENUES	250	60,107	174,208	27,362	22,141	342,730	1,378,675	801
EXPENDITURES								
Current:								
General government	5,000	29,472	161,817		8,276	293,055		140
Law enforcement	3,439,502			2,426				
Public safety								
Health								
Recreation and culture							1,373,848	
Airport								
TOTAL EXPENDITURES	3,444,502	29,472	161,817	2,426	8,276	293,055	1,373,848	140
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(3,444,252)	30,635	12,391	24,936	13,865	49,675	4,827	661
OTHER FINANCING SOURCES (USES)								
Transfers in	6,149							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	(3,438,103)	30,635	12,391	24,936	13,865	49,675	4,827	661
FUND BALANCES - JANUARY 1	6,814,837	279,885	877,034	235,878	95,957	782,548	791,341	4,162
FUND BALANCES - DECEMBER 31	\$ 3,376,734	\$ 310,520	\$ 889,425	\$ 260,814	\$ 109,822	\$ 832,223	\$ 796,168	\$ 4,823

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, 2023

Schedule 2

	SPECIAL REVENUE FUNDS							
	Child Support Cost	Breathalyzer	Special Jail Fee	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Public Defender	Drug Court Program
REVENUES								
State aid					\$ 10,229		\$ 1,826	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 91,321	\$ 18,463			25,036	
Interest	\$ 1,652	\$ 323	998	671	2,485	\$ 4,125	2,230	\$ 293
Officers' fees	2,488							
Donations								
911 fees						653,901		
Jail fees								
Airport sales and rental income								
Treasurer's commission								
Collector's commission								
Other	46	2,771	1,032	208	124	5,072	14	2
TOTAL REVENUES	4,186	3,094	93,351	19,342	12,838	663,098	29,106	295
Less: Treasurer's commission	83	62	1,846	370	254	6,832	81	6
NET REVENUES	4,103	3,032	91,505	18,972	12,584	656,266	29,025	289
EXPENDITURES								
Current:								
General government	1,773							
Law enforcement		4,671	177,100	26,500	1,652		18,001	
Public safety						981,228		
Health								
Recreation and culture								
Airport								
TOTAL EXPENDITURES	1,773	4,671	177,100	26,500	1,652	981,228	18,001	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,330	(1,639)	(85,595)	(7,528)	10,932	(324,962)	11,024	289
OTHER FINANCING SOURCES (USES)								
Transfers in						100,000		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,330	(1,639)	(85,595)	(7,528)	10,932	(224,962)	11,024	289
FUND BALANCES - JANUARY 1	52,889	11,263	115,665	25,600	77,266	347,657	60,597	9,594
FUND BALANCES - DECEMBER 31	\$ 55,219	\$ 9,624	\$ 30,070	\$ 18,072	\$ 88,198	\$ 122,695	\$ 71,621	\$ 9,883

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, 2023

Schedule 2

	SPECIAL REVENUE FUNDS							
	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Sheriff's Projects	Jail Operation and Maintenance	Drug Enforcement	K-9	eCrash/eCite System Grant
REVENUES								
State aid					\$ 21,530			
Federal aid								\$ 95,643
Property taxes			\$ 2,503					
Sales taxes					2,611,157			
Fines, forfeitures, and costs				\$ 40,584		\$ 1,915		
Interest	\$ 3,731	\$ 766	358	1,975	56,925	295	\$ 370	
Officers' fees	13,018	686						
Donations								
911 fees								
Jail fees					255,031			
Airport sales and rental income								
Treasurer's commission								
Collector's commission								
Other	2,888	23	25	8,793	16,034		8,937	10,716
TOTAL REVENUES	19,637	1,475	2,886	51,352	2,960,677	2,210	9,307	106,359
Less: Treasurer's commission	380	30	57	823	27,970		169	
NET REVENUES	19,257	1,445	2,829	50,529	2,932,707	2,210	9,138	106,359
EXPENDITURES								
Current:								
General government		1,118						
Law enforcement	14,877			67,907	2,846,302			106,359
Public safety								
Health								
Recreation and culture								
Airport								
TOTAL EXPENDITURES	14,877	1,118		67,907	2,846,302			106,359
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,380	327	2,829	(17,378)	86,405	2,210	9,138	
OTHER FINANCING SOURCES (USES)								
Transfers in								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,380	327	2,829	(17,378)	86,405	2,210	9,138	
FUND BALANCES - JANUARY 1	123,096	25,622	10,682	72,571	2,033,195	8,588	9,767	
FUND BALANCES - DECEMBER 31	\$ 127,476	\$ 25,949	\$ 13,511	\$ 55,193	\$ 2,119,600	\$ 10,798	\$ 18,905	\$ 0

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, 2023

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	Totals
	14th Judicial Drug Court	Communication Facility and Equipment	Airport	Health Unit Building	
REVENUES					
State aid					\$ 242,160
Federal aid	\$ 18,935		\$ 208,160		322,738
Property taxes					750,622
Sales taxes			819		2,611,976
Fines, forfeitures, and costs					197,526
Interest		\$ 143	1,142	\$ 17,939	171,268
Officers' fees		16,606			355,152
Donations					383,917
911 fees					653,901
Jail fees					255,031
Airport sales and rental income			144,362		144,362
Treasurer's commission					53,173
Collector's commission					149,245
Other		42,189	20,683	21	182,913
TOTAL REVENUES	18,935	58,938	375,166	17,960	6,473,984
Less: Treasurer's commission				359	56,820
NET REVENUES	18,935	58,938	375,166	17,601	6,417,164
EXPENDITURES					
Current:					
General government					500,651
Law enforcement	19,526	61,157			6,785,980
Public safety					981,228
Health				23,340	23,340
Recreation and culture					1,373,848
Airport			526,017		526,017
TOTAL EXPENDITURES	19,526	61,157	526,017	23,340	10,191,064
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(591)	(2,219)	(150,851)	(5,739)	(3,773,900)
OTHER FINANCING SOURCES (USES)					
Transfers in					106,149
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(591)	(2,219)	(150,851)	(5,739)	(3,667,751)
FUND BALANCES - JANUARY 1		48,858	440,494	591,556	13,946,602
FUND BALANCES - DECEMBER 31	\$ (591)	\$ 46,639	\$ 289,643	\$ 585,817	\$ 10,278,851

BAXTER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
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 the operation of the office of county clerk.
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. § 16-10-307 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.

BAXTER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Circuit 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 circuit 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 installment fees assessed on defendants for making restitution payments on an installment basis.
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.

BAXTER COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Enforcement	Baxter County Ordinance no. 2022-35 (June 7, 2022) established fund to account for one half of the \$30 fine imposed on DWI offenses as authorized by Baxter County Ordinance no. 2005-65 (May 3, 2005).
K-9	Baxter County Ordinance no. 2022-35 (June 7, 2022) established fund to account for donations received for the establishment and funding of a K-9 program for the Baxter County Sheriff's Office.
eCrash/eCite System Grant	Baxter County Ordinance no. 2023-32 (June 6, 2023) established fund to account for a Highway Safety subgrant from the Arkansas State Police for an eCrash/eCite System project.
14th Judicial Drug Court	Established fund to receive and disburse federal grant monies for the operations of the 14th Judicial Drug Court.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
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.
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.

Treasurer's accounts consist primarily of treasurer's commission not yet distributed to the appropriate agencies and the County Law Library Fund.

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/Circuit 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, 2023
(Unaudited)

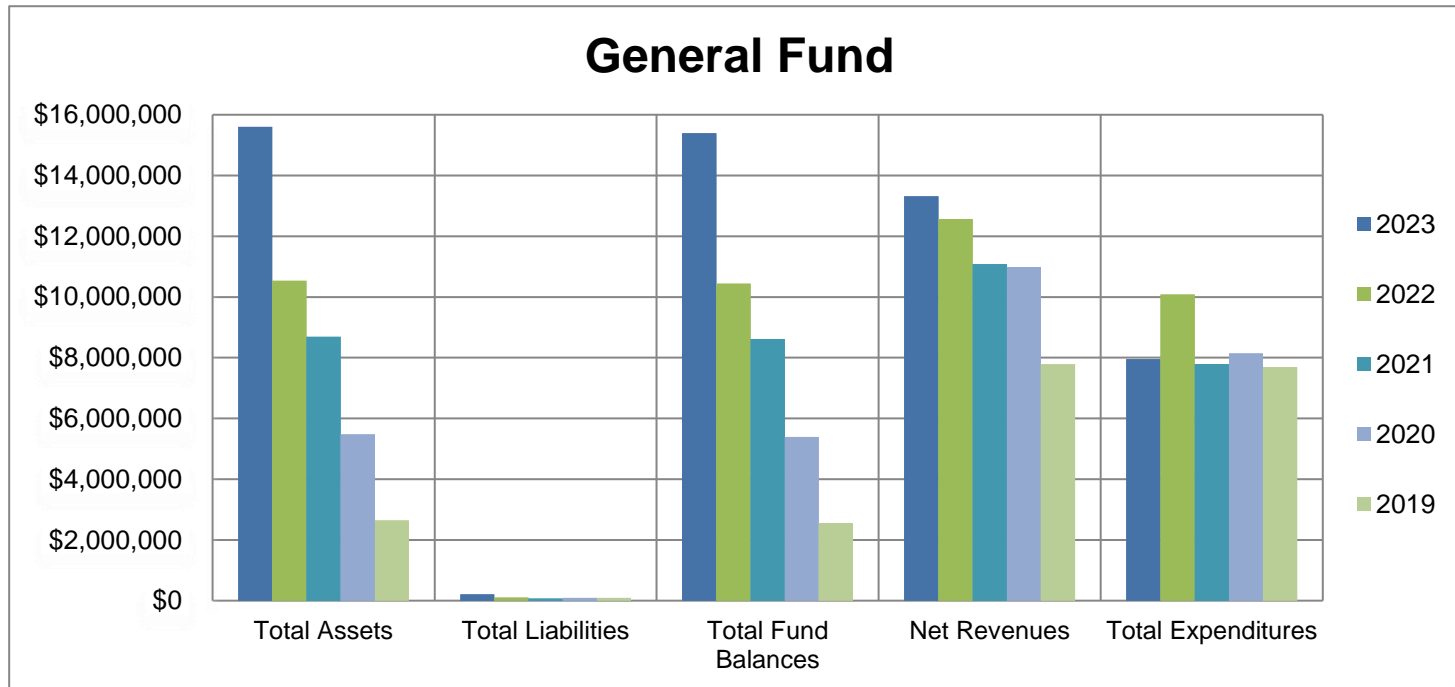
Schedule 3

	<u>December 31, 2023</u>
Land and Buildings	\$ 16,400,128
Construction in Progress	35,517
Improvements	3,176,888
Equipment	<u>15,525,324</u>
Total	<u><u>\$ 35,137,857</u></u>

BAXTER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-1

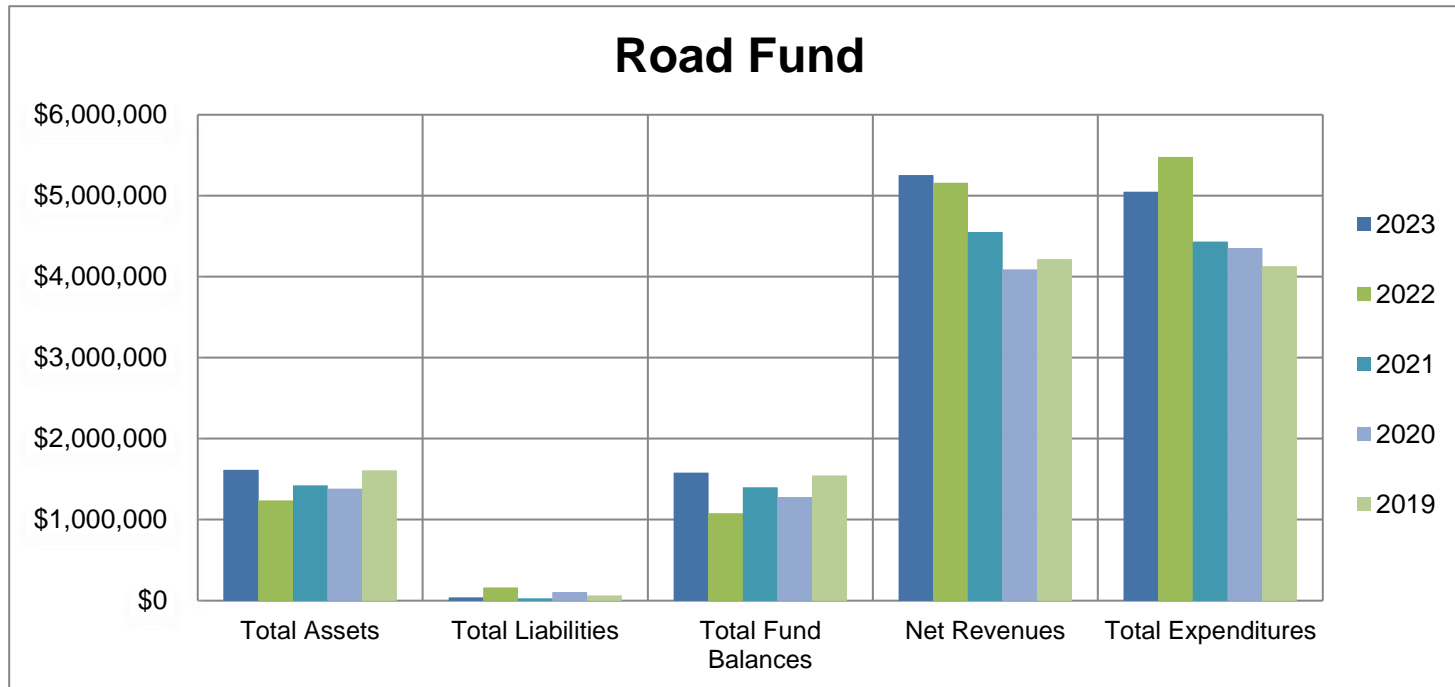
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 15,600,387	\$ 10,528,083	\$ 8,690,683	\$ 5,471,885	\$ 2,644,577
Total Liabilities	211,117	95,839	72,751	85,464	87,221
Total Fund Balances	15,389,270	10,432,244	8,617,932	5,386,421	2,557,356
Net Revenues	13,314,855	12,564,168	11,076,271	10,988,719	7,786,117
Total Expenditures	7,951,680	10,075,460	7,789,877	8,145,010	7,683,022
Total Other Financing Sources/Uses	(406,149)	(674,396)	(54,883)	(14,644)	(42,360)



BAXTER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-2

<u>Road</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,615,252	\$ 1,236,109	\$ 1,422,343	\$ 1,381,118	\$ 1,605,778
Total Liabilities	37,058	160,662	26,648	104,466	63,123
Total Fund Balances	1,578,194	1,075,447	1,395,695	1,276,652	1,542,655
Net Revenues	5,252,778	5,157,391	4,549,153	4,088,128	4,213,809
Total Expenditures	5,050,031	5,477,639	4,430,110	4,354,131	4,127,249
Total Other Financing Sources/Uses	300,000				



BAXTER COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 11,237,341	\$ 14,879,153	\$ 11,161,893	\$ 5,717,073	\$ 3,998,798
Total Liabilities	958,490	932,551	1,439,908	1,205,685	771,938
Total Fund Balances	10,278,851	13,946,602	9,721,985	4,511,388	3,226,860
Net Revenues	6,417,164	10,688,915	10,631,268	5,872,693	4,861,267
Total Expenditures	10,191,064	7,138,694	4,972,854	4,602,809	7,534,108
Total Other Financing Sources/Uses	106,149	674,396	(447,817)	14,644	42,360

