

# **Nevada County, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**December 31, 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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



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

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Nevada 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 Nevada 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 Nevada 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 Nevada 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 25, 2022, 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 25, 2022  
LOCO05020

# 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

Nevada 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 Nevada 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 25, 2022. 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 25, 2022.

#### 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, appearing to read "Timothy R. Jones", written in a cursive style.

Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 25, 2022

# Arkansas

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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Nevada 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: Mark Glass  
Treasurer: Susie Key  
Sheriff: Danny Martin  
Tax Collector: Danny Martin  
County Clerk: Julie Oliver  
Circuit Clerk: Rita Reyenga  
Assessor: Pam Box  
County Librarian: Theresa Tyree

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

#### County Judge

County officials could not locate a lease agreement related to a \$400 payment documented with a handwritten invoice that indicated lease payment number 66 and was dated December 10, 2020. Monthly payments totaled \$4,800 for 2020. Because County officials were unable to determine the purpose of these expenditures, the County ceased the payments on July 12, 2022. The lessor was unaware of any lease agreement and ceased billing the County. We recommend the County seek legal counsel regarding resolution of these matters.

The County Judge issued two court orders, with the same number and date stamp, regarding a County building: Court Order #1 declared the building to be surplus property due to necessary repairs exceeding the building's value, and Court Order #2 authorized the sale of the building. We could not determine whether the County complied with the requirements of Ark. Code Ann. § 14-16-106 for advertising the sale of the building at public auction. Additionally, the County did not require the purchaser to submit payment in full on the day of the auction, as stipulated in Court Order #2. Although it was not recorded in the County's official court order file, Court Order #2 was also included with an insurance claim filed relating to the building declared to be surplus property. On December 30, 2019, the County received insurance proceeds of \$7,623 and remitted these proceeds to the purchaser on January 27, 2020, without documentation to substantiate the cost of any repairs made by the County or the purchaser.

The Quorum Court minutes did not document the review of the findings and recommendations of the prior audit report and any action taken by the Quorum Court, as required by Ark. Code Ann. § 10-4-418. A similar finding was issued in the previous two reports dating back to 2018.

The County sold a 2000 Mack truck purchased for \$55,377 and a 2018 Peterbilt garbage truck purchased for \$138,900, in noncompliance with Ark. Code Ann. § 14-16-105, which requires, in part, that the County Judge enter a court order setting forth the reason for the sale and directing the County Assessor to appraise the property.

Competitive bids were not solicited or waived for the purchase of a sanitation truck costing \$155,954, in noncompliance with Ark. Code Ann. §§ 14-22-101 - 14-22-115. A similar finding was issued in the prior report.

The County Court did not approve two short-term financing obligations executed for the purchase of equipment, in noncompliance with Ark. Code Ann. § 14-22-112. Additionally, the County Court did not approve amendments to extend the terms of three existing short-term financing obligations; one of the extensions caused the term of the indebtedness to exceed five years, in conflict with Ark. Const. amend. 78 § 2. A similar finding was issued in the prior report.

Road Fund expenditures exceeded appropriations by \$236,846, in noncompliance with Ark. Code Ann. § 14-14-1102. A similar finding was issued in the prior report.

### County Judge, Treasurer and County Clerk

We noted the following exceptions for the Oak Grove Rural Community Grant account:

- \$41,087 was remitted directly to the unincorporated Community of Oak Grove, instead of to vendors.
- The account was not appropriated by the Quorum Court and maintained by the County Treasurer, in noncompliance with Ark. Code Ann. §§ 14-20-103, 14-23-105, 14-23-203, and 14-14-1102.
- Prenumbered receipts were not issued for all funds received, as required by Ark. Code Ann. § 14-25-108.
- Bank reconciliations were not prepared, as required by Ark. Code Ann. § 14-25-107.
- An account of all funds received and disbursed was not properly maintained, as required by Ark. Code Ann. § 14-25-114.

### County Judge and Tax Collector

The Quorum Court adopted Nevada County Ordinance no. 2020-1 (January 16, 2020) to establish a service fee for solid waste collection, in accordance with Ark. Code Ann. § 8-6-212. Audit procedures revealed the following issues:

- The Ordinance exempted commercial business, churches, and deer camps from the fee; however, County resources were used to provide solid waste collection services to these entities, in conflict with Ark. Const. art. 12, § 5, which states, in part, "No...County... shall...appropriate money for, or loan its credit to any corporation, association, institution, or individual."
- The County did not advise citizens of the fee through their annual property tax bills, pursuant to the Ordinance. Furthermore, billed service fees more than 90 days delinquent were not entered into the personal property tax records and collected with the taxes. The Sanitation Fund accounts receivable subsidiary ledger contained uncollected fees of \$35,620 as of December 31, 2020.
- The County does not have a policy in place regarding billing and collection of amounts due and appears to have inconsistently billed residents for services.
- Prenumbered receipts were not issued for funds received, as required by Ark. Code Ann. § 14-25-108.
- An account of all monies received and disbursed was not properly maintained, as required by Ark. Code Ann. § 14-25-113.

### County Judge and County Clerk

The County paid the Coroner \$4,469 for miscellaneous jobs performed without a contract or authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-14-1202 and Op. Att'y Gen. no. 2008-014. A similar finding was issued in the prior report.

The County paid \$915 to non-employees for Christmas bonuses without Quorum Court authorization and in conflict with Ark. Const. art. 12, § 5, as interpreted by Op. Att'y Gen. no. 91-410. Additionally, bonuses were not paid to all employees, and payment amounts were not in accordance with amounts prescribed by the Quorum Court. A similar finding was issued in the prior report.

Funds of \$2,300 that were restricted for County Road purposes were expended for a note payment on a trash truck, in noncompliance with Ark. Code Ann. §§ 26-79-105, 27-70-207.

The Quorum Court appropriated a maximum of \$2,000 to pay an individual hired to establish billing for a new residential trash fee. Subsequently, this individual performed additional duties in the Collector's Office and was paid \$16,260 over the amount appropriated by the Quorum Court.

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



Timothy R. Jones, CPA, CFF  
Deputy Legislative Auditor

Little Rock, Arkansas  
August 25, 2022

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,006,443	\$ 320,830	\$ 2,285,131
Accounts receivable	152,782	9,924	95,911
Interfund receivables		2,300	
	<u>1,159,225</u>	<u>333,054</u>	<u>2,381,042</u>
TOTAL ASSETS	<u>\$ 1,159,225</u>	<u>\$ 333,054</u>	<u>\$ 2,381,042</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 53,738	\$ 21,936	\$ 11,862
Interfund payables	2,300		
Settlements pending	93,818		886,142
Total Liabilities	<u>149,856</u>	<u>21,936</u>	<u>898,004</u>
Fund Balances:			
Restricted		311,118	1,479,009
Committed	2,290		
Assigned	188,906		4,029
Unassigned	818,173		
Total Fund Balances	<u>1,009,369</u>	<u>311,118</u>	<u>1,483,038</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,159,225</u>	<u>\$ 333,054</u>	<u>\$ 2,381,042</u>

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

NEVADA 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
REVENUES			
State aid	\$ 448,250	\$ 1,344,447	\$ 48,313
Federal aid	486,246		
Property taxes	482,007	212,903	26,364
Sales taxes	510,001		1,026,047
Fines, forfeitures, and costs	235,932		98,657
Interest	3,470	2,367	5,506
Officers' fees	84,620		25,935
911 fees			234,581
Jail fees			471,964
Sanitation fees	92,947		90,351
City contribution for dispatching			123,000
City contribution for library			55,000
City contribution for solid waste management			162,969
Sale of property	71,758		
Treasurer's commission	87,076		12,124
Collector's commission	102,095		18,362
Taxes apportioned - Assessor's salary and expense	132,349		
Other	90,832	17,569	30,944
TOTAL REVENUES	2,827,583	1,577,286	2,430,117
Less: Treasurer's commission	35,720	25,683	21,945
NET REVENUES	2,791,863	1,551,603	2,408,172
EXPENDITURES			
Current:			
General government	805,421		63,715
Law enforcement	622,537		927,264
Highways and streets		1,446,146	
Public safety	19,425		295,656
Sanitation	383,027		378,428
Health	45,679		
Recreation and culture	3,537		115,255
Social services	75,348		
Industrial development	25,000		
Total Current	1,979,974	1,446,146	1,780,318
Debt Service:			
Bond principal			605,000
Bond interest and other charges			166,290
Note principal	135,545		
Note interest	14,799		
TOTAL EXPENDITURES	2,130,318	1,446,146	2,551,608

NEVADA 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	<u>\$ 661,545</u>	<u>\$ 105,457</u>	<u>\$ (143,436)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			168,259
Transfers out	<u>(168,259)</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(168,259)</u>		<u>168,259</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	493,286	105,457	24,823
FUND BALANCES - JANUARY 1	<u>516,083</u>	<u>205,661</u>	<u>1,458,215</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,009,369</u></u>	<u><u>\$ 311,118</u></u>	<u><u>\$ 1,483,038</u></u>

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

NEVADA 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	\$ 478,394	\$ 448,250	\$ (30,144)	\$ 670,768	\$ 1,344,447	\$ 673,679
Federal aid		486,246	486,246			
Property taxes	578,500	482,007	(96,493)	107,264	212,903	105,639
Sales taxes	440,211	510,001	69,790			
Fines, forfeitures, and costs	172,227	235,932	63,705			
Interest		3,470	3,470		2,367	2,367
Officers' fees	65,663	84,620	18,957			
Jail fees	150,000		(150,000)			
Sanitation fees	78,005	92,947	14,942			
Sale of property		71,758	71,758			
Treasurer's commission	80,000	87,076	7,076			
Collector's commission	130,000	102,095	(27,905)			
Taxes apportioned - Assessor's salary and expense		132,349	132,349			
Other	181,900	90,832	(91,068)	171,066	17,569	(153,497)
TOTAL REVENUES	2,354,900	2,827,583	472,683	949,098	1,577,286	628,188
Less: Treasurer's commission		35,720	(35,720)		25,683	(25,683)
NET REVENUES	2,354,900	2,791,863	436,963	949,098	1,551,603	602,505
EXPENDITURES						
Current:						
General government	949,191	805,421	143,770			
Law enforcement	657,001	622,537	34,464			
Highways and streets				1,209,300	1,446,146	(236,846)
Public safety	50,760	19,425	31,335			
Sanitation	563,837	383,027	180,810			
Health	53,078	45,679	7,399			
Recreation and culture	9,000	3,537	5,463			
Social services	89,394	75,348	14,046			
Industrial development		25,000	(25,000)			
Total Current	2,372,261	1,979,974	392,287	1,209,300	1,446,146	(236,846)
Debt Service:						
Note principal		135,545	(135,545)			
Note interest		14,799	(14,799)			
TOTAL EXPENDITURES	2,372,261	2,130,318	241,943	1,209,300	1,446,146	(236,846)

NEVADA 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	\$ (17,361)	\$ 661,545	\$ 678,906	\$ (260,202)	\$ 105,457	\$ 365,659
OTHER FINANCING SOURCES (USES)						
Transfers out		(168,259)	(168,259)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(17,361)	493,286	510,647	(260,202)	105,457	365,659
FUND BALANCES - JANUARY 1	342,361	516,083	173,722	205,275	205,661	386
FUND BALANCES - DECEMBER 31	<u>\$ 325,000</u>	<u>\$ 1,009,369</u>	<u>\$ 684,369</u>	<u>\$ (54,927)</u>	<u>\$ 311,118</u>	<u>\$ 366,045</u>

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

NEVADA 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 and property taxes 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.

**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.

**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.

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

**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 and savings accounts, and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officer's fees, excess commissions, trust funds, and other amounts 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.

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

**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 except for the Circuit Court Automation, Voluntary Tax General Salary, and Oak Grove Community Center Grant 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:

	<u>December 31, 2020</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 2,071,620	\$ 2,082,936
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	<u>1,539,765</u>	<u>1,589,268</u>
Total Deposits	<u>\$ 3,611,385</u>	<u>\$ 3,672,204</u>

The above total deposits do not include cash on hand of \$1,019.

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

**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
Property taxes		\$ 4,212	\$ 516
Fines, forfeitures, and costs	\$ 33,578		4,945
Interest	56		
Officers' fees	6,370		1,496
911 fees			1,289
Jail fees			31,177
Sanitation fees	14,059		1,257
City contribution for dispatching			10,250
Treasurer's commission	87,058		12,124
Collector's commission	3,712		18,362
Other	7,949	5,712	6,805
Transfers in			7,690
Totals	<u>\$ 152,782</u>	<u>\$ 9,924</u>	<u>\$ 95,911</u>

**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	\$ 36,962	\$ 21,936	\$ 7,669
Payroll withholdings and matching			4,193
Other	9,086		
Transfers out	7,690		
Totals	<u>\$ 53,738</u>	<u>\$ 21,936</u>	<u>\$ 11,862</u>

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

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2020	
	Interfund Receivables	Interfund Payables
General Fund		\$ 2,300
Road Fund	\$ 2,300	
Totals	<u>\$ 2,300</u>	<u>\$ 2,300</u>

Interfund receivables and payables consist of errors in recording claims. These balances are expected to be repaid in 2022.

**NOTE 7: 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			\$ 90,169
Law enforcement			158,115
Highways and streets		\$ 311,118	
Public safety			131,632
Sanitation			42,636
Recreation and culture			76,601
Social services			852
Debt service			979,004
Total Restricted		<u>311,118</u>	<u>1,479,009</u>
Committed for:			
Law enforcement	<u>\$ 2,290</u>		
Assigned to:			
General government	43,582		111
Law enforcement	8,669		
Public safety			3,918
Sanitation	<u>136,655</u>		
Total Assigned	<u>188,906</u>		<u>4,029</u>
Unassigned	<u>818,173</u>		
Totals	<u>\$ 1,009,369</u>	<u>\$ 311,118</u>	<u>\$ 1,483,038</u>

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

**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 \$8,438,984. 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 \$2,624,781. The amount of short-term financing obligations was \$412,802 leaving a legal debt margin of \$2,211,979.

**NOTE 9: Commitments**

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

	December 31, 2020
Long-term liabilities	\$ 4,396,162
Reappraisal contract	<u>335,440</u>
Total Commitments	<u><u>\$ 4,731,602</u></u>

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

**NOTE 9: Commitments (Continued)**

Long-term Liabilities

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

	December 31, 2020
<u>Bonds</u>	
2014 Sales and Use Tax Bonds dated January 21, 2014, in the amount of \$6,900,000; annual installments of \$255,000 - \$520,000 due April 1, 2015 through April 1, 2030, with interest at 2% - 4.375%, due October 1, 2014, and semiannually thereafter on April 1 and October 1 of each year. Payments are to be made from the Debt Service Fund.	\$ 3,945,000
<u>Direct Borrowings</u>	
Promissory note dated February 21, 2017, with the Bank of Delight in the amount of \$188,487 for the purchase of an HVAC System with interest at 3.75% for four annual installments of \$22,953 beginning February 21, 2018. Payments are to be made from the General Fund.	139,023
Promissory note dated December 27, 2018, with Farmers Bank & Trust in the amount of \$109,500 for the purchase of a 2019 Peterbilt truck with interest at 4% for 41 monthly installments of \$1,639 beginning January 25, 2019, and one balloon payment of \$58,576. Payments are to be made from the Solid Waste Fund, which is within the General Fund.	79,658
Promissory note dated October 24, 2019, with Farmers Bank & Trust in the amount of \$60,000 for the purchase of a building for the Nevada County Extension Office with interest at 4% for 21 quarterly installments of \$3,326 beginning January 24, 2020. Payments are to be made from the General Fund.	47,964
Promissory note dated August 19, 2020, with Farmers Bank & Trust in the amount of \$155,954 for the purchase of a 2020 Peterbilt truck with interest at 4% for 60 monthly installments of \$2,876 beginning September 19, 2020. Payments are to be made from the Solid Waste Fund, which is within the General Fund.	146,157
Total Direct Borrowings	412,802
Landfill closure and postclosure care costs	38,360
Total Long-term liabilities	\$ 4,396,162

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 \$3,945,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, 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.

The County's outstanding notes from direct borrowings of \$412,802 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

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

**NOTE 9: Commitments (Continued)**

Landfill Closure and Postclosure Care Costs

Nevada County is the owner of permit no. 236-S4-R1 to operate a Class IV solid waste landfill. State and Federal regulations require a final cover to be placed on the landfill site when the County stops accepting waste and perform certain maintenance and monitoring functions at the site for two years after closure. Although closure and postclosure care cost will only be paid near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care costs had a balance of \$38,360 as of December 31, 2020, and represents the cumulative amount reported to date based on 25% of usage of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$118,143 as the remaining capacity is filled. At the present utilization rate, the landfill site is estimated to exhaust in 51.2 years from the balance sheet date.

Estimated costs are based on the amount that would be paid if all equipment, facilities and services to close, monitor, and maintain the landfill were acquired as of December 31, 2020. However, the actual cost of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Ark. Code Ann. § 8-6-1603, the County has provided financial assurance for the closure and postclosure care costs of \$156,503 in the form of a contract of obligation dated August 29, 2017. The contract of obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to Nevada County, the sum of \$141,146, upon receiving notice from the Director of the Arkansas Department of Environmental Quality of Nevada County's failure to properly close the disposal operation.

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>					
1/21/14	10/1/30	2 - 4.375%	\$ 6,900,000	\$ 3,945,000	\$ 2,955,000
<u>Direct Borrowings</u>					
2/21/17	2/21/22	3.75%	188,487	139,023	49,464
8/10/17	10/10/20	3.00%	138,900	0	138,900
12/27/18	3/25/22	4.00%	109,500	79,658	29,842
10/24/19	1/24/25	4.00%	60,000	47,964	12,036
8/19/20	8/19/25		155,954	146,157	9,797
Total Direct Borrowings			652,841	412,802	240,039
Total Long-Term Debt			\$ 7,552,841	\$ 4,357,802	\$ 3,195,039

Changes in Long-Term Debt

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	\$ 4,550,000	\$ 0	\$ 605,000	\$ 3,945,000
<u>Direct Borrowings</u>				
Notes payable	392,393	155,954	135,545	412,802
Total Long-Term Debt	\$ 4,942,393	\$ 155,954	\$ 740,545	\$ 4,357,802

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

**NOTE 9: Commitments (Continued)**

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrow ings		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 345,000	\$ 144,438	\$ 489,438	\$ 74,526	\$ 15,343	\$ 89,869
2022	355,000	133,760	488,760	225,817	10,775	236,592
2023	365,000	122,098	487,098	43,376	3,878	47,254
2024	375,000	109,376	484,376	45,160	2,094	47,254
2025	390,000	95,501	485,501	23,923	378	24,301
2026 through 2030	2,115,000	224,752	2,339,752		32,468	32,468
Totals	<u>\$ 3,945,000</u>	<u>\$ 829,925</u>	<u>\$ 4,774,925</u>	<u>\$ 412,802</u>	<u>\$ 64,936</u>	<u>\$ 477,738</u>

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology on December 6, 2019, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$6,988 for a total of \$419,300 beginning February 1, 2020. Contract expense for 2020 was \$83,860.

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

<u>Year</u>	<u>December 31, 2020</u>
2021	\$ 83,860
2022	83,860
2023	83,860
2024	83,860
Total	<u>\$ 335,440</u>

**NOTE 10: Interfund Transfers**

The General Fund transferred \$168,259 to Other Funds in the Aggregate; \$158,259 to the Nevada County/Prescott Solid Waste Management Authority for tipping fees and landfill operations, and \$10,000 to County Jail for operating purposes.

**NOTE 11: Pledged Revenues**

The County pledged future 1% sales and use taxes to repay \$6,900,000 in bonds that were issued in 2014 to provide funding for jail construction. Total principal and interest remaining on the bonds are \$3,945,000 and \$829,925, respectively, payable through October 1, 2030. For 2020, principal and interest paid were \$605,000 and \$162,175, respectively.

The Debt Service Fund received \$769,535 in sales taxes in 2020. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for other law enforcement purposes.

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

**NOTE 12: Joint Ventures:**

Southwest Arkansas Regional Library

Nevada and Pike Counties entered into an agreement on March 11, 2014, in accordance with Ark. Code Ann. § 13-2-401 to establish the Southwest Arkansas Regional Library. The agreement states each county shall provide its own quarters and pay clerks' salaries. Each County shall contribute \$.25 per capita from their one mill property tax for regional operations. The Nevada County Library paid \$2,249 for regional library expenditures 2020. Separate financial statements of the Southwest Arkansas Regional Library are available at 18 Village Circle, Murfreesboro, Arkansas 71958.

Nevada County/Prescott Solid Waste Management Authority

Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill. The County and the City agree the joint operation of the Class IV landfill and compaction station shall be operated and governed by an independent board, which will administer and supervise the operation of the landfill under the terms of the agreement. The Board consists of the County Judge and three members each from the Quorum Court and the City Council for a total of seven members. The Chairman of the Board, the Nevada County Judge, is responsible for supervising the operations of the landfill. In 2020, the County paid the Nevada County/Prescott Solid Waste Management Authority \$158,259. The Nevada County/Prescott Solid Waste Management Authority is presented in this report in the Other Funds in the Aggregate as a special revenue fund.

Interlocal Cooperative Industrial Development Board

Nevada County entered into an interlocal cooperative agreement on April 18, 1994, with the City of Prescott, Arkansas, in accordance with Ark. Code Ann. §§ 25-20-101, -104, 14-165-202, for the purpose of providing funding for the employment of a full-time Industrial Recruiter to promote industrial development, recruit industrial prospects, and foster better relations with existing industry for the citizens of Nevada County, Arkansas. The County and City agree the employment and supervision of the independent Industrial Recruiter shall be operated under, supervised by, and hired by an independent board. The Board is comprised of seven members consisting of five members of the Board of Directors of the Prescott-Nevada County Industrial Development Corporation, one member from the Quorum Court, and one member from the Prescott City Council. The County paid \$25,000 to the Interlocal Cooperative Industrial Development Board in 2020. The financial statements of the Nevada County/City of Prescott, Arkansas "Interlocal Cooperative Agreement for Industrial Development" are available at 116 East Second Street, Prescott, Arkansas 71857.

Interlocal Cooperative Prescott/Nevada County Library and Educational Center Board

Nevada County entered into an interlocal cooperative agreement on May 24, 1999, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. §§ 25-20-101, -104, for the purpose of obtaining funding through Act 831 of 1999 to construct and equip a library and educational center. Funds were obtained and the Prescott/Nevada County Library and Educational Center was constructed. It is owned, operated, and governed by a permanent independent board. In accordance with the agreement, the Prescott/Nevada County Library and Educational Center Board is comprised of the Nevada County Judge, the Mayor of the City of Prescott, one member of the Nevada County Quorum Court, one member of the Prescott City Council, three individuals selected by the Mayor of Prescott, and two individuals selected by the Nevada County Judge.

The County agreed to appropriate and expend only those amounts of monies, tax funds, and other revenues of the County generated by the library millage and other County funds ordinarily appropriated for the library to maintain and operate the facility. The City agreed to appropriate sufficient monies on an annual basis to supplement maintenance and operational funding provided by the County. In 2020, the City of Prescott paid Nevada County \$55,000 in supplemental funding for these purposes. The County expended \$74,168 on behalf of the Prescott/Nevada County Library and Educational Center in 2020.

The financial activity of the Prescott/Nevada County Library and Educational Center Board is included in this report in the County Public Library Fund, which is included in other funds in the aggregate, because Nevada County Ordinance no. 78-4 (August 28, 1978), establishing the Nevada County Library, has not been formally repealed.

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

**NOTE 13: Jointly Governed Organizations**

Upper Southwest Arkansas Regional Solid Waste Management District

The Upper Southwest Arkansas Regional Solid Waste Management District (USWARSWMD) is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and the participating cities within the aforementioned counties. There were no payments made to or on behalf of USWARSWMD by the County in 2020. Representatives are the respective county judges and mayors unless some other representatives are appointed by the respective entity. Separate audited financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District are available at [www.arklegaudit.gov](http://www.arklegaudit.gov).

Eighth North Drug Task Force

The Prosecuting Attorney of the Eighth-North Judicial District, the Sheriffs' Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott entered into an agreement to establish the Eighth North Drug Task Force on March 15, 2018. Funding is provided through federal and state grants in addition to contributions from participating entities. There were no payments made to or on behalf of the Eighth North Drug Task Force by the County in 2020. Representatives are the County Sheriffs and City Police Chiefs. Separate financial statements for the Eighth North Drug Task Force are not available.

**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.

Property Program – This program is a blanket policy with coverage up to \$50,000,000 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.

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.

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

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

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 were \$286,663.

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 \$2,746,171

**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 December 8, 2020, the County received \$475,958 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$1,602,854 in federal aid from the American Rescue Plan Act of 2021, and as of August 25, 2022 the entire amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NEVADA 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	District Court Automation	Assessor's Amendment No. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste Management
ASSETS									
Cash and cash equivalents	\$ 7,500	\$ 9,794	\$ 11,288	\$ 15,925	\$ 9,557	\$ 4,386	\$ 18,073	\$ 77,640	\$ 33,269
Accounts receivable	12,124	18,362		1,003	10	110	1,324	822	1,582
TOTAL ASSETS	<u>\$ 19,624</u>	<u>\$ 28,156</u>	<u>\$ 11,288</u>	<u>\$ 16,928</u>	<u>\$ 9,567</u>	<u>\$ 4,496</u>	<u>\$ 19,397</u>	<u>\$ 78,462</u>	<u>\$ 34,851</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 19				\$ 1,861	
Settlements pending									
Total Liabilities				<u>19</u>				<u>1,861</u>	
Fund Balances:									
Restricted	\$ 19,624	\$ 28,156	\$ 11,288	16,909	\$ 9,567	\$ 4,496	\$ 19,397	76,601	\$ 34,851
Assigned									
Total Fund Balances	<u>19,624</u>	<u>28,156</u>	<u>11,288</u>	<u>16,909</u>	<u>9,567</u>	<u>4,496</u>	<u>19,397</u>	<u>76,601</u>	<u>34,851</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,624</u>	<u>\$ 28,156</u>	<u>\$ 11,288</u>	<u>\$ 16,928</u>	<u>\$ 9,567</u>	<u>\$ 4,496</u>	<u>\$ 19,397</u>	<u>\$ 78,462</u>	<u>\$ 34,851</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Support Collections Costs	Intoxication Detection Equipment	County Jail	Drug Court Program	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Indigent Defense
ASSETS									
Cash and cash equivalents	\$ 1,867	\$ 7,373	\$ 20,338	\$ 370	\$ 10,238	\$ 171	\$ 115,428	\$ 9,624	\$ 9,555
Accounts receivable	72		39,055		341	3	12,938	452	5
TOTAL ASSETS	<u>\$ 1,939</u>	<u>\$ 7,373</u>	<u>\$ 59,393</u>	<u>\$ 370</u>	<u>\$ 10,579</u>	<u>\$ 174</u>	<u>\$ 128,366</u>	<u>\$ 10,076</u>	<u>\$ 9,560</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 154				\$ 2,892		\$ 2,688
Settlements pending									
Total Liabilities			<u>154</u>				<u>2,892</u>		<u>2,688</u>
Fund Balances:									
Restricted	\$ 1,828	\$ 7,373	59,239	\$ 370	\$ 10,579	\$ 174	121,556	\$ 10,076	6,872
Assigned	111						3,918		
Total Fund Balances	<u>1,939</u>	<u>7,373</u>	<u>59,239</u>	<u>370</u>	<u>10,579</u>	<u>174</u>	<u>125,474</u>	<u>10,076</u>	<u>6,872</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,939</u>	<u>\$ 7,373</u>	<u>\$ 59,393</u>	<u>\$ 370</u>	<u>\$ 10,579</u>	<u>\$ 174</u>	<u>\$ 128,366</u>	<u>\$ 10,076</u>	<u>\$ 9,560</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Law Library	Voluntary Tax General Salary	Veterans' Memorial Grant	Communication Facilities and Equipment	Nevada County/Prescott Solid Waste Management Authority
ASSETS									
Cash and cash equivalents	\$ 474	\$ 2,122	\$ 1,642	\$ 1,199	\$ 5,339	\$ 4,243	\$ 852	\$ 37,429	\$ 4,288
Accounts receivable		1		1		16			7,690
TOTAL ASSETS	<u>\$ 474</u>	<u>\$ 2,123</u>	<u>\$ 1,642</u>	<u>\$ 1,200</u>	<u>\$ 5,339</u>	<u>\$ 4,259</u>	<u>\$ 852</u>	<u>\$ 37,429</u>	<u>\$ 11,978</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 55				\$ 4,193
Settlements pending									
Total Liabilities					<u>55</u>				<u>4,193</u>
Fund Balances:									
Restricted	\$ 474	\$ 2,123	\$ 1,642	\$ 1,200	5,284	\$ 4,259	\$ 852	\$ 37,429	7,785
Assigned									
Total Fund Balances	<u>474</u>	<u>2,123</u>	<u>1,642</u>	<u>1,200</u>	<u>5,284</u>	<u>4,259</u>	<u>852</u>	<u>37,429</u>	<u>7,785</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 474</u>	<u>\$ 2,123</u>	<u>\$ 1,642</u>	<u>\$ 1,200</u>	<u>\$ 5,339</u>	<u>\$ 4,259</u>	<u>\$ 852</u>	<u>\$ 37,429</u>	<u>\$ 11,978</u>

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

Schedule 1

	DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Jail Debt Service	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 979,005	\$ 202,700	\$ 62,539	\$ 131,545	\$ 219,216	\$ 270,142	\$ 2,285,131
Accounts receivable							95,911
TOTAL ASSETS	<u>\$ 979,005</u>	<u>\$ 202,700</u>	<u>\$ 62,539</u>	<u>\$ 131,545</u>	<u>\$ 219,216</u>	<u>\$ 270,142</u>	<u>\$ 2,381,042</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 11,862
Settlements pending		\$ 202,700	\$ 62,539	\$ 131,545	\$ 219,216	\$ 270,142	886,142
Total Liabilities		<u>202,700</u>	<u>62,539</u>	<u>131,545</u>	<u>219,216</u>	<u>270,142</u>	<u>898,004</u>
Fund Balances:							
Restricted	\$ 979,005						1,479,009
Assigned							4,029
Total Fund Balances	<u>979,005</u>						<u>1,483,038</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 979,005</u>	<u>\$ 202,700</u>	<u>\$ 62,539</u>	<u>\$ 131,545</u>	<u>\$ 219,216</u>	<u>\$ 270,142</u>	<u>\$ 2,381,042</u>

NEVADA 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	District Court Automation	Assessor's Amendment No. 79	County Clerk's Cost	County Public Recorder's Cost Library
REVENUES							
State aid					\$ 2,651		\$ 3,862
Property taxes							26,051
Sales taxes							
Fines, forfeitures, and costs				\$ 20,765			
Interest						\$ 42	
Officers' fees			\$ 3,521			\$ 2,688	14,138
911 fees							
Jail fees							
Sanitation fees							
City contribution for dispatching							
City contribution for library							55,000
City contribution for solid waste management							
Treasurer's commission	\$ 12,124						
Collector's commission		\$ 18,362					
Other							12,546
TOTAL REVENUES	12,124	18,362	3,521	20,765	2,651	2,688	97,459
Less: Treasurer's commission				343	43	45	1,378
NET REVENUES	12,124	18,362	3,521	20,422	2,608	2,643	96,081
EXPENDITURES							
Current:							
General government	7,536	7,029				2,494	31,023
Law enforcement			328	16,136			
Public safety							
Sanitation							
Recreation and culture							74,168
Total Current	7,536	7,029	328	16,136		2,494	74,168
Debt Service:							
Bond principal							
Bond interest and other charges							
TOTAL EXPENDITURES	7,536	7,029	328	16,136		2,494	74,168
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,588	11,333	3,193	4,286	2,608	149	21,913
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,588	11,333	3,193	4,286	2,608	149	21,913
FUND BALANCES - JANUARY 1	15,036	16,823	8,095	12,623	6,959	4,347	54,688
FUND BALANCES - DECEMBER 31	\$ 19,624	\$ 28,156	\$ 11,288	\$ 16,909	\$ 9,567	\$ 4,496	\$ 76,601

NEVADA 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							CMRS 911 Board (Commercial Mobile Radio Service)
	Solid Waste Management	Support Collections Costs	Intoxication Detection Equipment	County Jail	Drug Court Program	County Detention Facility	Boating Safety and Enforcement	
REVENUES								
State aid							\$ 713	
Property taxes								
Sales taxes				\$ 256,512				
Fines, forfeitures, and costs			\$ 621	52,957	\$ 100	\$ 3,542		
Interest		\$ 2	10	15				\$ 84
Officers' fees		577						
911 fees								234,581
Jail fees				398,508				
Sanitation fees	\$ 90,351							
City contribution for dispatching								123,000
City contribution for library								
City contribution for solid waste management								
Treasurer's commission								
Collector's commission								
Other				13,672	2			355
<b>TOTAL REVENUES</b>	<b>90,351</b>	<b>579</b>	<b>631</b>	<b>721,664</b>	<b>102</b>	<b>3,542</b>	<b>713</b>	<b>358,020</b>
Less: Treasurer's commission	1,458			12,126	2	54	12	6,291
<b>NET REVENUES</b>	<b>88,893</b>	<b>579</b>	<b>631</b>	<b>709,538</b>	<b>100</b>	<b>3,488</b>	<b>701</b>	<b>351,729</b>
EXPENDITURES								
Current:								
General government								
Law enforcement				809,387	69		528	
Public safety								281,418
Sanitation	54,042							
Recreation and culture								
<b>Total Current</b>	<b>54,042</b>			<b>809,387</b>	<b>69</b>		<b>528</b>	<b>281,418</b>
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>54,042</b>			<b>809,387</b>	<b>69</b>		<b>528</b>	<b>281,418</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>34,851</b>	<b>579</b>	<b>631</b>	<b>(99,849)</b>	<b>31</b>	<b>3,488</b>	<b>173</b>	<b>70,311</b>
OTHER FINANCING SOURCES (USES)								
Transfers in				10,000				
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				<b>10,000</b>				
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>34,851</b>	<b>579</b>	<b>631</b>	<b>(89,849)</b>	<b>31</b>	<b>3,488</b>	<b>173</b>	<b>70,311</b>
FUND BALANCES - JANUARY 1		1,360	6,742	149,088	339	7,091	1	55,163
FUND BALANCES - DECEMBER 31	\$ 34,851	\$ 1,939	\$ 7,373	\$ 59,239	\$ 370	\$ 10,579	\$ 174	\$ 125,474

NEVADA 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							
	Emergency Vehicle	Indigent Defense	Victim Witness	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Law Library
REVENUES								
State aid								
Property taxes							\$ 313	
Sales taxes								
Fines, forfeitures, and costs	\$ 5,177	\$ 6,644	\$ 3,519		\$ 175			\$ 5,157
Interest	10	13		\$ 1				
Officers' fees						\$ 25		
911 fees								
Jail fees								
Sanitation fees								
City contribution for dispatching								
City contribution for library								
City contribution for solid waste management								
Treasurer's commission								
Collector's commission								
Other								
TOTAL REVENUES	5,187	6,657	3,519	1	175	25	313	5,157
Less: Treasurer's commission	88	24			5		5	
NET REVENUES	5,099	6,633	3,519	1	170	25	308	5,157
EXPENDITURES								
Current:								
General government								
Law enforcement		7,903	3,519					6,349
Public safety								
Sanitation								
Recreation and culture								
Total Current		7,903	3,519					6,349
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES		7,903	3,519					6,349
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,099	(1,270)		1	170	25	308	(1,192)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,099	(1,270)		1	170	25	308	(1,192)
FUND BALANCES - JANUARY 1	4,977	8,142		473	1,953	1,617	892	6,476
FUND BALANCES - DECEMBER 31	\$ 10,076	\$ 6,872	\$ 0	\$ 474	\$ 2,123	\$ 1,642	\$ 1,200	\$ 5,284

NEVADA 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					DEBT SERVICE FUND	
	Voluntary Tax General Salary	Veterans' Memorial Grant	Oak Grove Community Center Grant	Laneburg Volunteer Fire Department Grant	Communication Facilities and Equipment	Nevada County/Prescott Solid Waste Management Authority	Jail Debt Service
							Totals
REVENUES							
State aid			\$ 41,087				\$ 48,313
Property taxes							26,364
Sales taxes							1,026,047
Fines, forfeitures, and costs							98,657
Interest					\$ 26	\$ 21	5,506
Officers' fees					4,986		25,935
911 fees							234,581
Jail fees					73,456		471,964
Sanitation fees							90,351
City contribution for dispatching							123,000
City contribution for library							55,000
City contribution for solid waste management						162,969	162,969
Treasurer's commission							12,124
Collector's commission							18,362
Other	\$ 4,330				39		30,944
TOTAL REVENUES	4,330		41,087		78,507	162,990	2,430,117
Less: Treasurer's commission	71						21,945
NET REVENUES	4,259		41,087		78,507	162,990	2,408,172
EXPENDITURES							
Current:							
General government	15,633						63,715
Law enforcement					83,045		927,264
Public safety				\$ 14,238			295,656
Sanitation						324,386	378,428
Recreation and culture			41,087				115,255
Total Current	15,633		41,087	14,238	83,045	324,386	1,780,318
Debt Service:							
Bond principal							605,000
Bond interest and other charges							166,290
TOTAL EXPENDITURES	15,633		41,087	14,238	83,045	324,386	2,551,608
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,374)			(14,238)	(4,538)	(161,396)	(143,436)
OTHER FINANCING SOURCES (USES)							
Transfers in						158,259	168,259
Transfers out							-
TOTAL OTHER FINANCING SOURCES (USES)						158,259	168,259
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,374)			(14,238)	(4,538)	(3,137)	24,823
FUND BALANCES - JANUARY 1	15,633	\$ 852		14,238	41,967	10,922	1,458,215
FUND BALANCES - DECEMBER 31	\$ 4,259	\$ 852	\$ 0	\$ 0	\$ 37,429	\$ 7,785	\$ 1,483,038

NEVADA 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.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
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 Clerk's Cost	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost. Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
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.
Solid Waste Management	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on fee schedule contained in an ordinance. County Ordinance no. 2020-1 (January 16, 2020) authorized solid waste management fees.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Intoxication Detection Equipment	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.

NEVADA 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>
County Jail	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. Nevada County Ordinance no. O-13-6 (June 11, 2013) established fund to receive .25% sales and use tax as approved by referendum on September 10, 2013 to be used for jail and law enforcement purposes.
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.
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.
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase an maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Indigent Defense	Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office. Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.

NEVADA 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>
Victim Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Circuit Court Juvenile Division	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
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.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from costs levied and to fund law library expenditures.
Voluntary Tax General Salary	Nevada County Ordinance no. 2016-2 (February 2, 2016), pursuant to Ark. Code Ann. §§ 26-25-106, 26-73-103, established fund to receive annual voluntary tax in the amount of \$10 levied on every tax statement for real property in Nevada County. The funds are to be used solely toward the payment of salaries designated to be paid under County General Fund.
Veterans' Memorial Grant	Established to account for a 2010 State grant established by Act 934 of 2009 to be used for renovation, repairs, and equipment purchases for Veterans' Memorials and Parks.
Oak Grove Community Center Grant	Established to account for a State grant received for the purpose of renovating the Oak Grove Community Center.
Laneburg Volunteer Fire Department Grant	Established to account for a State grant received for the purpose of constructing a new fire station at the Laneburg Volunteer Fire Department.

NEVADA 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 Facilities 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.
Nevada County/Prescott Solid Waste Management Authority	Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill.
Jail Debt Service	Nevada County Ordinance nos. O-13-7 and O-13-13 (June 11, 2013 and December 10, 2013) established fund to receive .75% sales and use tax as approved by referendum on September 10, 2013 to be used for payment of principal and interest on bonds as they become due at maturity or redemption prior to maturity and the Trustee's and Insurer's fees and expenses.

Treasurer's accounts consist primarily of property taxes and treasurer's commission not distributed to the appropriate agencies.

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 trust money awaiting disposition by the applicable court.

Circuit Clerk's accounts consist of trust money and settlements due to the treasurer.

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

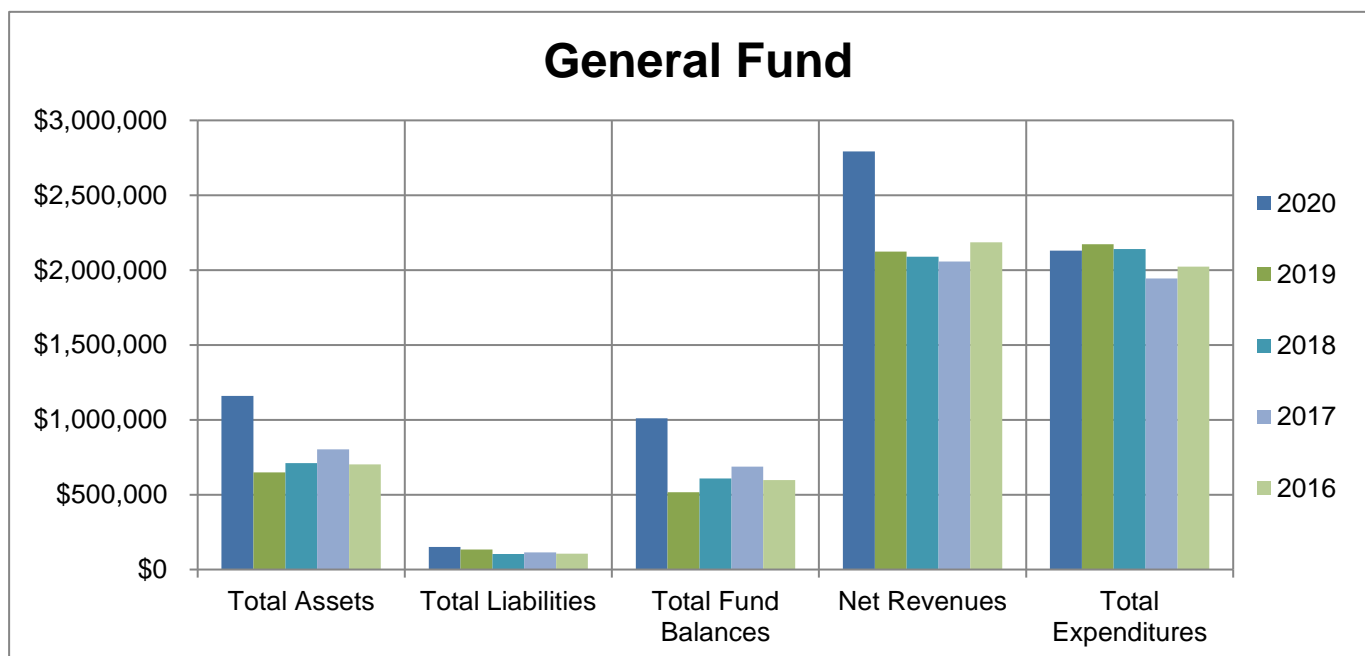
Schedule 3

	December 31, 2020
Land and buildings	\$ 7,130,392
Improvements	29,383
Equipment	<u>4,178,257</u>
Total	<u><u>\$ 11,338,032</u></u>

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

Schedule 4-1

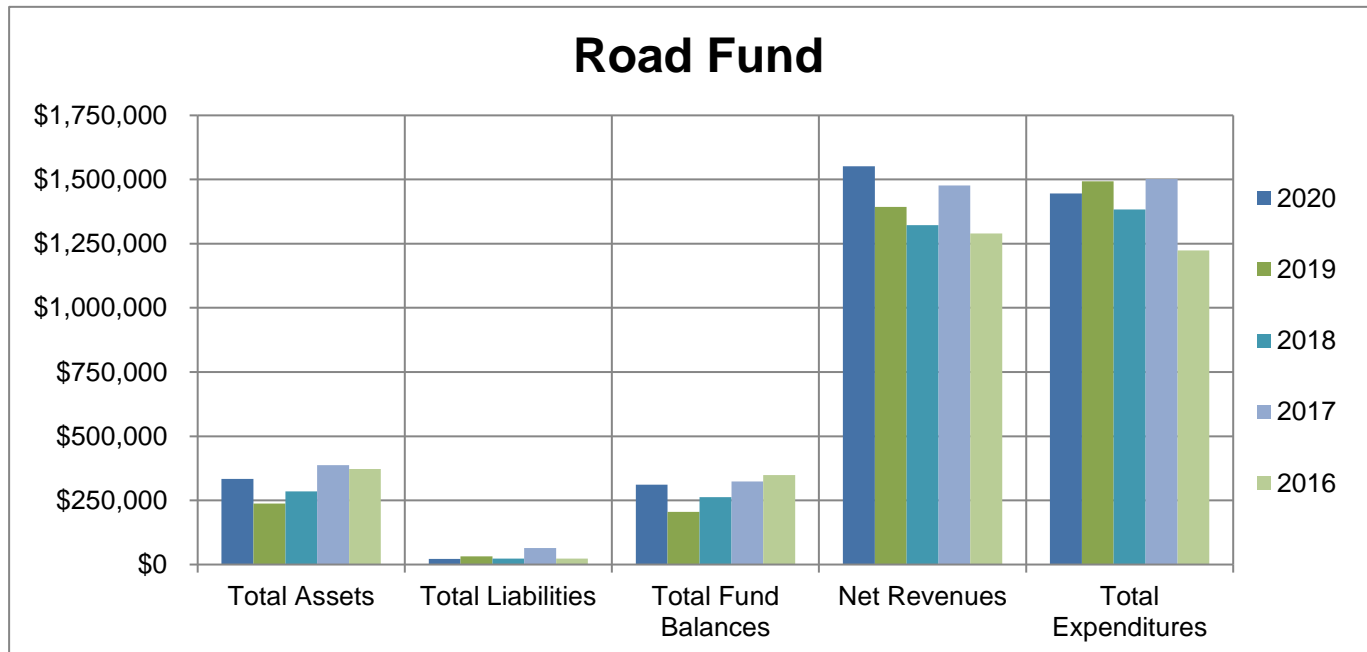
<b>General</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total Assets	\$ 1,159,225	\$ 648,858	\$ 710,800	\$ 801,936	\$ 702,870
Total Liabilities	149,856	132,775	102,838	114,522	106,071
Total Fund Balances	1,009,369	516,083	607,962	687,414	596,799
Net Revenues	2,791,863	2,123,743	2,089,357	2,058,035	2,185,017
Total Expenditures	2,130,318	2,172,222	2,141,105	1,944,920	2,023,111
Total Other Financing Sources/Uses	(168,259)	(43,400)	(70)	(22,500)	(277)



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

Schedule 4-2

<b>Road</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total Assets	\$ 333,054	\$ 237,914	\$ 285,336	\$ 387,692	\$ 372,533
Total Liabilities	21,936	32,253	23,357	64,253	23,754
Total Fund Balances	311,118	205,661	261,979	323,439	348,779
Net Revenues	1,551,603	1,393,912	1,321,942	1,477,072	1,290,448
Total Expenditures	1,446,146	1,493,630	1,383,402	1,502,412	1,223,863
Total Other Financing Sources/Uses		43,400			



NEVADA 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

<b><u>Other Funds in the Aggregate</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Total Assets	\$ 2,381,042	\$ 1,998,001	\$ 2,073,547	\$ 2,038,506	\$ 1,990,966
Total Liabilities	898,004	550,708	562,714	477,870	327,937
Total Fund Balances	1,483,038	1,447,293	1,510,833	1,560,636	1,663,029
Net Revenues	2,408,172	2,195,710	1,963,446	1,886,084	1,667,368
Total Expenditures	2,551,608	2,267,411	2,040,953	2,010,977	2,691,606
Total Other Financing Sources/Uses	168,259		70	22,500	277

