

Newton County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



NEWTON COUNTY, ARKANSAS
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Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

Newton 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 Newton 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, 2021 and 2020, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and 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 Newton County, Arkansas, as of December 31, 2021 and 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.

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 Newton County, Arkansas, as of December 31, 2021 and 2020, or the revenues, expenditures, and changes in net position 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 Regulatory Basis 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. 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 26, 2022, 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



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

Little Rock, Arkansas
October 26, 2022
LOCO05121

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

Newton 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 Newton County, Arkansas (County), as of and for the years ended December 31, 2021 and 2020, 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 26, 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.

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 26, 2022.

Purpose of This Report

The purpose of this report is solely to described 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

A handwritten signature in black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
October 26, 2022

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

MANAGEMENT LETTER

Newton 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 2021 and 2020:

County Judge: Warren Campbell
Treasurer: Vickie Bartholomew
Sheriff: Glen Wheeler
Tax Collector: Nedra Daniels
County and Circuit Clerk: Donnie Davis
Assessor: Stephen Willis
County Librarian: Kenya Windel
District Court Clerk: Kortnie House

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments are 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. These matters were discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

The County paid an employee a \$6,000 bonus after nine years of service, in noncompliance with Newton County Ordinance no. 08-21 (July 7, 2008), which states, "Newton County employees who have completed 25 years of service will have the option to state their intention to retire in 3 years and receive a \$2,000 yearly income for the last three years of employment." The employee retired 10 months after receiving the bonus and was then re-hired by the County six months later. Subsequent to our questioning of the payment, the employee repaid \$6,000 to the County on August 17, 2022.

General Fund expenditures exceeded appropriations in 2021 and 2020 by \$533,856 and \$101,510, respectively, and Road Fund expenditures exceeded appropriations in 2021 and 2020 by \$690,252 and \$399,778, respectively, in noncompliance with Ark. Code Ann. § 14-14-1102.

The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

Sheriff

A review of employee leave records revealed a Sheriff's Office employee resigned from County employment on February 19, 2021, and started working for another municipality on February 22, 2021. Subsequently, the County paid the former employee for 40 hours every week for 8 months using sick, vacation, and compensatory time, with payments totaling \$15,324. Documentation supporting leave balances was not provided; therefore, we were unable to determine the validity of these payments. In addition, it appears this individual was paid for more leave than he was eligible to accrue during his tenure.

Furthermore, payout of sick and/or compensatory time in this manner conflicts with the County's personnel policy.

County and Circuit Clerk

The remaining balances in the Circuit Bond Trust accounts were not identified with receipts issued but not yet settled.

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 black ink, appearing to read "Timothy R. Jones". The signature is fluid and cursive, with the first name "Timothy" being more prominent than the last name "Jones".

Tim Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
October 26, 2022

NEWTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,512,034	\$ 40,185	\$ 4,765,625
Accounts receivable	196,086	108,117	22,349
Interfund receivables			1,350
	<u>2,708,120</u>	<u>148,302</u>	<u>4,789,324</u>
TOTAL ASSETS	<u>\$ 2,708,120</u>	<u>\$ 148,302</u>	<u>\$ 4,789,324</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 39,005	\$ 100,060	\$ 78,272
Interfund payables	1,350		
Settlements pending	19,006		2,945,555
Total Liabilities	<u>59,361</u>	<u>100,060</u>	<u>3,023,827</u>
Fund Balances:			
Restricted		48,242	1,005,123
Committed			733,341
Assigned	361		27,033
Unassigned	2,648,398		
Total Fund Balances	<u>2,648,759</u>	<u>48,242</u>	<u>1,765,497</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,708,120</u>	<u>\$ 148,302</u>	<u>\$ 4,789,324</u>

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

NEWTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 613,295	\$ 1,561,764	\$ 60,725
Federal aid	542,781	428,781	828,415
Property taxes	412,896	208,334	74,295
Sales taxes	222,435		413,093
Fines, forfeitures, and costs	89,533		46,515
Interest	16,779	887	6,829
Officers' fees	74,708		32,507
911 fees			164,314
Jail fees			133,849
Commissary profits			39,965
Insurance premiums			13,855
Sanitation fees	216,300		
Treasurer's commission	105,305		11,730
Collector's commission	134,916		17,180
Taxes apportioned - Assessor's salary and expense	166,748		
Other	21,956	6,172	61,941
TOTAL REVENUES	2,617,652	2,205,938	1,905,213
Less: Treasurer's commission	47,450	37,767	19,703
NET REVENUES	2,570,202	2,168,171	1,885,510
EXPENDITURES			
Current:			
General government	950,896		398,794
Law enforcement	174,081		1,440,254
Highways and streets		2,550,180	339,005
Public safety	46,508		18,729
Sanitation	548,594		17,701
Health	12,385		
Recreation and culture			146,859
Social services	49,938		
TOTAL EXPENDITURES	1,782,402	2,550,180	2,361,342

NEWTON COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
	<u> </u>	<u> </u>	<u> </u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 787,800	\$ (382,009)	\$ (475,832)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)			
Transfers in		162,424	1,162,155
Transfers out	(1,134,155)	(8,000)	(182,424)
	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	(1,134,155)	154,424	979,731
	<u> </u>	<u> </u>	<u> </u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(346,355)	(227,585)	503,899
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES - JANUARY 1	2,995,114	275,827	1,261,598
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES - DECEMBER 31	\$ 2,648,759	\$ 48,242	\$ 1,765,497
	<u> </u>	<u> </u>	<u> </u>

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

NEWTON 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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 453,378	\$ 613,295	\$ 159,917	\$ 1,299,000	\$ 1,561,764	\$ 262,764
Federal aid	466,000	542,781	76,781	180,000	428,781	248,781
Property taxes	504,200	412,896	(91,304)	193,100	208,334	15,234
Sales taxes	150,000	222,435	72,435			
Fines, forfeitures, and costs	69,890	89,533	19,643			
Interest	16,000	16,779	779	1,500	887	(613)
Officers' fees	49,000	74,708	25,708			
Sanitation fees	133,000	216,300	83,300			
Treasurer's commission	93,000	105,305	12,305			
Collector's commission	120,000	134,916	14,916			
Taxes apportioned - Assessor's salary and expense	135,000	166,748	31,748	100		(100)
Other	2,500	21,956	19,456	4,000	6,172	2,172
TOTAL REVENUES	2,191,968	2,617,652	425,684	1,677,700	2,205,938	528,238
Less: Treasurer's commission		47,450	(47,450)		37,767	(37,767)
NET REVENUES	2,191,968	2,570,202	378,234	1,677,700	2,168,171	490,471
EXPENDITURES						
Current:						
General government	1,062,545	950,896	111,649			
Law enforcement	214,000	174,081	39,919			
Highways and streets				1,867,928	2,550,180	(682,252)
Public safety	45,000	46,508	(1,508)			
Sanitation	456,000	548,594	(92,594)			
Health	19,600	12,385	7,215			
Social services	50,000	49,938	62			
TOTAL EXPENDITURES	1,847,145	1,782,402	64,743	1,867,928	2,550,180	(682,252)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	344,823	787,800	442,977	(190,228)	(382,009)	(191,781)
OTHER FINANCING SOURCES (USES)						
Transfers in					162,424	162,424
Transfers out	(535,556)	(1,134,155)	(598,599)		(8,000)	(8,000)
TOTAL OTHER FINANCING SOURCES (USES)	(535,556)	(1,134,155)	(598,599)		154,424	154,424
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(190,733)	(346,355)	(155,622)	(190,228)	(227,585)	(37,357)
FUND BALANCES - JANUARY 1	2,995,114	2,995,114	0	(1,227,518)	275,827	1,503,345
FUND BALANCES - DECEMBER 31	\$ 2,804,381	\$ 2,648,759	\$ (155,622)	\$ (1,417,746)	\$ 48,242	\$ 1,465,988

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

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

Exhibit A-1

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,952,264	\$ 306,517	\$ 1,974,460
Accounts receivable	123,891	62,053	10,925
	<u>3,076,155</u>	<u>368,570</u>	<u>1,985,385</u>
TOTAL ASSETS	<u>\$ 3,076,155</u>	<u>\$ 368,570</u>	<u>\$ 1,985,385</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 54,230	\$ 92,743	\$ 48,200
Settlements pending	26,811		675,587
Total Liabilities	<u>81,041</u>	<u>92,743</u>	<u>723,787</u>
Fund Balances:			
Restricted		275,827	462,473
Committed			815,194
Assigned	361		
Unassigned	2,994,753		(16,069)
Total Fund Balances	<u>2,995,114</u>	<u>275,827</u>	<u>1,261,598</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,076,155</u>	<u>\$ 368,570</u>	<u>\$ 1,985,385</u>

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

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

Exhibit B-1

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 479,844	\$ 1,421,275	\$ 147,317
Federal aid	1,068,374	703,313	84,688
Property taxes	406,456	203,226	73,864
Sales taxes	195,767		363,567
Fines, forfeitures, and costs	61,742		53,722
Interest	19,828	1,076	8,555
Officers' fees	68,256		29,048
911 fees			173,170
Jail fees			118,590
Commissary profits			27,980
Insurance premiums	287	42,590	25,282
Sanitation fees	158,248		
Treasurer's commission	100,600		11,178
Collector's commission	124,298		16,668
Taxes apportioned - Assessor's salary and expense	152,750		
Other	47,768	7,078	28,142
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	2,884,218	2,378,558	1,161,771
Less: Treasurer's commission	43,975	37,204	18,957
	<hr/>	<hr/>	<hr/>
NET REVENUES	2,840,243	2,341,354	1,142,814
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	933,996		30,130
Law enforcement	210,064		1,223,125
Highways and streets		2,203,264	318,305
Public safety	40,296		91,620
Sanitation	397,625		5,418
Health	13,721		
Recreation and culture			121,781
Social services	48,914		
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,644,616	2,203,264	1,790,379
	<hr/>	<hr/>	<hr/>

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

Exhibit B-1

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,195,627</u>	<u>\$ 138,090</u>	<u>\$ (647,565)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			867,556
Transfers out	<u>(785,556)</u>	<u>(32,000)</u>	<u>(50,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(785,556)</u>	<u>(32,000)</u>	<u>817,556</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	410,071	106,090	169,991
FUND BALANCES - JANUARY 1	<u>2,585,043</u>	<u>169,737</u>	<u>1,091,607</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,995,114</u></u>	<u><u>\$ 275,827</u></u>	<u><u>\$ 1,261,598</u></u>

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

NEWTON 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-1

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 471,300	\$ 479,844	\$ 8,544	\$ 1,278,000	\$ 1,421,275	\$ 143,275
Federal aid	466,000	1,068,374	602,374	160,000	703,313	543,313
Property taxes	495,900	406,456	(89,444)	176,100	203,226	27,126
Sales taxes	150,000	195,767	45,767			
Fines, forfeitures, and costs	69,890	61,742	(8,148)			
Interest	14,000	19,828	5,828	1,500	1,076	(424)
Officers' fees	54,150	68,256	14,106			
Insurance premiums		287	287		42,590	42,590
Sanitation fees	128,000	158,248	30,248			
Treasurer's commission	85,000	100,600	15,600			
Collector's commission	135,000	124,298	(10,702)			
Taxes apportioned - Assessor's salary and expense	120,000	152,750	32,750			
Other	8,673	47,768	39,095	4,000	7,078	3,078
TOTAL REVENUES	2,197,913	2,884,218	686,305	1,619,600	2,378,558	758,958
Less: Treasurer's commission		43,975	(43,975)		37,204	(37,204)
NET REVENUES	2,197,913	2,840,243	642,330	1,619,600	2,341,354	721,754
EXPENDITURES						
Current:						
General government	1,026,016	933,996	92,020			
Law enforcement	200,400	210,064	(9,664)			
Highways and streets				1,835,486	2,203,264	(367,778)
Public safety	47,500	40,296	7,204			
Sanitation	450,040	397,625	52,415			
Health	19,600	13,721	5,879			
Social services	49,550	48,914	636			
TOTAL EXPENDITURES	1,793,106	1,644,616	148,490	1,835,486	2,203,264	(367,778)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	404,807	1,195,627	790,820	(215,886)	138,090	353,976
OTHER FINANCING SOURCES (USES)						
Transfers out	(535,556)	(785,556)	(250,000)		(32,000)	(32,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(130,749)	410,071	540,820	(215,886)	106,090	321,976
FUND BALANCES - JANUARY 1	2,585,043	2,585,043	0	169,737	169,737	0
FUND BALANCES - DECEMBER 31	\$ 2,454,294	\$ 2,995,114	\$ 540,820	\$ (46,149)	\$ 275,827	\$ 321,976

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

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and federal aid that are restricted 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 through 4 for Special Revenue Funds 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 Schedules 1 and 3 for Custodial Funds as reported with other funds in the aggregate.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 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 accounts and certificates of deposit.

Settlements Pending

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

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

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:

	December 31, 2021	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 971,550	\$ 968,745
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	6,345,530	6,659,553
Total Deposits	<u>\$ 7,317,080</u>	<u>\$ 7,628,298</u>

The above total deposits do not include cash on hand of \$764.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2: Cash Deposits with Financial Institutions (Continued)

	December 31, 2020	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 947,202	\$ 947,429
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the City's name	4,285,271	4,508,644
Total Deposits	<u>\$ 5,232,473</u>	<u>\$ 5,456,073</u>

The above total deposits do not include cash on hand of \$768.

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, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 55,125		
Federal aid		\$ 108,117	
Property taxes	1,590		
Fines, forfeitures, and costs	4,004		\$ 17,275
Interest	1,278		
Officers' fees	6,116		1,947
Commissary profits			1,791
Sanitation fees	17,049		
Treasurer's commission	105,406		1,336
Taxes apportioned - Assessor's salary and expense	4,114		
Other	1,404		
Totals	<u>\$ 196,086</u>	<u>\$ 108,117</u>	<u>\$ 22,349</u>

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4: Accounts Receivable (Continued)

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid		\$ 60,319	
Property taxes	\$ 1,116	1,734	
Fines, forfeitures, and costs	3,825		\$ 2,448
Interest	821		
Officers' fees	5,991		1,671
Jail fees			2,315
Commissary profits			2,688
Insurance premiums			473
Sanitation fees	6,327		
Treasurer's commission	100,600		1,330
Other	5,211		
Totals	<u>\$ 123,891</u>	<u>\$ 62,053</u>	<u>\$ 10,925</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 29,407	\$ 87,631	\$ 50,527
Salaries payable	4,393	5,501	13,607
Payroll taxes payable	5,205	6,928	14,138
Totals	<u>\$ 39,005</u>	<u>\$ 100,060</u>	<u>\$ 78,272</u>

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	\$ 35,545	\$ 70,061	\$ 27,251
Salaries payable	9,841	12,096	12,333
Payroll taxes payable	8,844	10,586	8,616
Totals	<u>\$ 54,230</u>	<u>\$ 92,743</u>	<u>\$ 48,200</u>

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund		\$ 1,350
Other Funds in the Aggregate:		
Special Revenue Funds:		
Collector's Automation	\$ 1,350	
Totals	<u>\$ 1,350</u>	<u>\$ 1,350</u>

Interfund receivables and payables consist of Excess Collector's Commission the County has not transferred to the Collector's Automation fund at year-end. These balances were settled in June 2022.

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 576,965
Law enforcement			55,333
Highways and streets		\$ 48,242	
Public safety			247,195
Recreation and culture			125,630
Total Restricted		<u>48,242</u>	<u>1,005,123</u>
Committed for:			
Highways and streets			<u>733,341</u>
Assigned to:			
Law enforcement	<u>\$ 361</u>		<u>27,033</u>
Unassigned	<u>2,648,398</u>		
Totals	<u>\$ 2,648,759</u>	<u>\$ 48,242</u>	<u>\$ 1,765,497</u>

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7: Details of Fund Balance Classifications (Continued)

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			\$ 169,882
Law enforcement			47,087
Highw ays and streets		\$ 275,827	
Public safety			124,896
Sanitation			17,701
Recreation and culture			102,907
Total Restricted		<u>275,827</u>	<u>462,473</u>
Committed for:			
Highw ays and streets			<u>815,194</u>
Assigned to:			
Law enforcement	<u>\$ 361</u>		
Unassigned	<u>2,994,753</u>		<u>(16,069)</u>
Totals	<u><u>\$ 2,995,114</u></u>	<u><u>\$ 275,827</u></u>	<u><u>\$ 1,261,598</u></u>

NOTE 8: Deficit Fund Balance

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

	December 31, 2020
Other Funds in the Aggregate:	
Special Revenue Funds:	
County Jail and Sheriff's Operation	<u><u>\$ (16,069)</u></u>

NOTE 9: 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, 2021 and 2020, the legal debt limit for bonded debt was \$8,816,042 and \$8,603,669, respectively. 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, 2021 and 2020, the legal debt limit for short-term financing obligations was \$2,563,000 and \$2,432,119, respectively. There were no short-term financing obligations.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Noncancellable leases	\$ 234,551	\$ 462,763
Reappraisal contract	81,804	163,608
Total Commitments	<u>\$ 316,355</u>	<u>\$ 626,371</u>

Compensated Absences

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

Post Employment Benefits Other Than Pensions

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

Noncancellable Leases

The County entered into noncancellable lease agreements for 6 motor graders on December 27, 2019, and 3 motor graders on January 30, 2020. Terms of the leases are monthly rental payments of \$12,678 for 36 months and \$6,339 for 36 months, respectively. At the end of the lease terms, the County will return the equipment to the lessor. The County is obligated for the following amounts for the succeeding years:

Year	December 31, 2021	December 31, 2020
2021		\$ 228,212
2022	\$ 228,212	228,212
2023	6,339	6,339
Totals	<u>\$ 234,551</u>	<u>\$ 462,763</u>

Rental expense for 2021 and 2020 was \$228,744 and \$221,882, respectively.

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corp on November 27, 2017, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$6,817 for a total of \$409,020 beginning January 1, 2018. Contract expense for 2021 and 2020 was \$81,804 and \$81,804, respectively.

The County is obligated for the following amounts at December 31, 2021 and 2020:

Year	December 31, 2021	December 31, 2020
2021		\$ 81,804
2022	\$ 81,804	81,804
Totals	<u>\$ 81,804</u>	<u>\$ 163,608</u>

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 11: Interfund Transfers

For 2021, the General Fund transferred \$1,134,155 to the Other Funds in the Aggregate (County Jail and Sheriff's Operations) for operations of the county jail. The Road Fund transferred \$8,000 to the Other Funds in the Aggregate (County Road Sales Tax Machinery) for operations. Within the Other Funds in the Aggregate, the Emergency 911 Fund transferred \$20,000 to County Jail and Sheriff's Operations Fund for operations in the county jail. Additionally, the County Road and Sales Tax Matching Fund transferred \$162,424 to the County Road Fund for operations.

For 2020, the General Fund transferred \$785,556 to the Other Funds in the Aggregate (County Jail and Sheriff's Operations) for operations of the county jail. The Road Fund transferred \$32,000 to the Other Funds in the Aggregate (County Road Sales Tax Machinery) for operations. Within the Other Funds in the Aggregate, the Emergency 911 Fund transferred \$50,000 to County Jail and Sheriff's Operations Fund for jail operations.

NOTE 12: Jointly Governed Organizations

Ozark Mountain Solid Waste District

The County is a member of the Ozark Mountain Solid Waste District. The District is a jointly governed organization comprised of representatives from Baxter, Boone, Marion, Newton, and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Payments of \$350 and \$300 were made by the County in 2021 and 2020, respectively, to Ozark Mountain Solid Waste District.

In 2020, the County remitted \$75,834 to Bank OZK Trust Department for services billed on 2019 property tax statements as ordered by the Circuit Court of Pulaski County in Case No. 60CV-14-4479.

Additionally, in 2021 and 2020 the County collected \$77,160 in service fees billed on property tax settlements as ordered by the Circuit Court of Pulaski County in Case No. 60CV-14-4479. These funds were placed into a trust account with the Newton County Circuit Clerk, as directed by the Circuit Court of Newton County in Case No. 51CV-18-34. These funds were paid to the Bishop Law Firm on January 19, 2022, awaiting further instruction from the court.

Fourteenth Judicial District Drug Task Force

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

NOTE 13: 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.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 13: Risk Management (Continued)

Vehicle Program

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

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

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 14: 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. 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, 2021 and 2020 (date of APERS Employer Allocation Report) were \$308,892 and \$301,737, respectively.

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, 2021 and 2020 (actuarial valuation date and measurement date) was \$776,294 and \$2,890,572, respectively.

NEWTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 15: 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 2020, the County Received \$531,363 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$1,515,929 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,515,929 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NEWTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Library Board
ASSETS								
Cash and cash equivalents	\$ 28,569	\$ 104,404	\$ 13,700	\$ 22,584	\$ 15,054	\$ 35,179	\$ 101,717	\$ 47,943
Accounts receivable	1,336		132	357		1,680		
Interfund receivables		1,350						
TOTAL ASSETS	\$ 29,905	\$ 105,754	\$ 13,832	\$ 22,941	\$ 15,054	\$ 36,859	\$ 101,717	\$ 47,943
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 5				\$ 921	\$ 24,055	
Settlements pending								
Total Liabilities		5				921	24,055	
Fund Balances:								
Restricted	\$ 29,905	105,749	\$ 13,832	\$ 22,941	\$ 15,054	35,938	77,662	\$ 47,943
Committed								
Assigned								
Total Fund Balances	29,905	105,749	13,832	22,941	15,054	35,938	77,662	47,943
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,905	\$ 105,754	\$ 13,832	\$ 22,941	\$ 15,054	\$ 36,859	\$ 101,717	\$ 47,943

NEWTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS						
	Child Support Cost	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Public Defender	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee
ASSETS							
Cash and cash equivalents	\$ 716	\$ 2,067	\$ 246,618	\$ 127	\$ 8,147	\$ 1,204	\$ 2,763
Accounts receivable							
Interfund receivables							
TOTAL ASSETS	\$ 716	\$ 2,067	\$ 246,618	\$ 127	\$ 8,147	\$ 1,204	\$ 2,763
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable			\$ 1,295				
Settlements pending							
Total Liabilities			1,295				
Fund Balances:							
Restricted	\$ 716	\$ 2,067	245,323	\$ 127	\$ 8,147	\$ 1,204	\$ 2,763
Committed							
Assigned							
Total Fund Balances	716	2,067	245,323	127	8,147	1,204	2,763
TOTAL LIABILITIES AND FUND BALANCES	\$ 716	\$ 2,067	\$ 246,618	\$ 127	\$ 8,147	\$ 1,204	\$ 2,763

NEWTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS					
	County Jail and Sheriff's Operation	County Road Sales Tax Matching	County Road Sales Tax Machinery	Communication Facility and Equipment	Emergency Medical Services	American Rescue Plan Act - County Library
ASSETS						
Cash and cash equivalents	\$ 44,291	\$ 686,468	\$ 46,873	\$ 6,359	\$ 1,745	\$ 5,000
Accounts receivable	16,786			2,058		
Interfund receivables						
TOTAL ASSETS	\$ 61,077	\$ 686,468	\$ 46,873	\$ 8,417	\$ 1,745	\$ 5,000
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 34,044			\$ 71	\$ 12,906	\$ 4,975
Settlements pending						
Total Liabilities	34,044			71	12,906	4,975
Fund Balances:						
Restricted				8,346	\$ 1,745	25
Committed		\$ 686,468	\$ 46,873			
Assigned	27,033					
Total Fund Balances	27,033	686,468	46,873	8,346	1,745	25
TOTAL LIABILITIES AND FUND BALANCES	\$ 61,077	\$ 686,468	\$ 46,873	\$ 8,417	\$ 1,745	\$ 5,000

NEWTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	County Judge Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 141,358	\$ 36,595	\$ 96,868	\$ 10,711	\$ 2,627,881	\$ 19,695	\$ 12,447	\$ 4,765,625
Accounts receivable								22,349
Interfund receivables								1,350
TOTAL ASSETS	<u>\$ 141,358</u>	<u>\$ 36,595</u>	<u>\$ 96,868</u>	<u>\$ 10,711</u>	<u>\$ 2,627,881</u>	<u>\$ 19,695</u>	<u>\$ 12,447</u>	<u>\$ 4,789,324</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 78,272
Settlements pending	\$ 141,358	\$ 36,595	\$ 96,868	\$ 10,711	\$ 2,627,881	\$ 19,695	\$ 12,447	2,945,555
Total Liabilities	<u>141,358</u>	<u>36,595</u>	<u>96,868</u>	<u>10,711</u>	<u>2,627,881</u>	<u>19,695</u>	<u>12,447</u>	<u>3,023,827</u>
Fund Balances:								
Restricted								1,005,123
Committed								733,341
Assigned								27,033
Total Fund Balances								<u>1,765,497</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 141,358</u>	<u>\$ 36,595</u>	<u>\$ 96,868</u>	<u>\$ 10,711</u>	<u>\$ 2,627,881</u>	<u>\$ 19,695</u>	<u>\$ 12,447</u>	<u>\$ 4,789,324</u>

NEWTON 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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Library Board
REVENUES								
State aid					\$ 3,587		\$ 47,697	
Federal aid							35,855	
Property taxes							74,108	
Sales taxes								
Fines, forfeitures, and costs			\$ 1,241	\$ 4,452				
Interest	\$ 145	\$ 545			88	\$ 195	350	\$ 189
Officers' fees						18,692		
911 fees								
Jail fees								
Commissary profits								
Insurance premiums								
Treasurer's commission	11,730							
Collector's commission		17,180						
Other							52	8,775
TOTAL REVENUES	11,875	17,725	1,241	4,452	3,675	18,887	158,062	8,964
Less: Treasurer's commission		11	23	88	74	368	2,444	
NET REVENUES	11,875	17,714	1,218	4,364	3,601	18,519	155,618	8,964
EXPENDITURES								
Current:								
General government	4,633	11,935			176	13,356		
Law enforcement								
Highways and streets								
Public safety								
Sanitation								
Recreation and culture							138,596	3,288
TOTAL EXPENDITURES	4,633	11,935			176	13,356	138,596	3,288
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,242	5,779	1,218	4,364	3,425	5,163	17,022	5,676
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	7,242	5,779	1,218	4,364	3,425	5,163	17,022	5,676
FUND BALANCES - JANUARY 1	22,663	99,970	12,614	18,577	11,629	30,775	60,640	42,267
FUND BALANCES - DECEMBER 31	\$ 29,905	\$ 105,749	\$ 13,832	\$ 22,941	\$ 15,054	\$ 35,938	\$ 77,662	\$ 47,943

NEWTON 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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Child Support Cost	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Public Defender	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail and Sheriff's Operation
REVENUES								
State aid		\$ 778						\$ 8,663
Federal aid								
Property taxes							\$ 187	
Sales taxes								
Fines, forfeitures, and costs					\$ 1,514			39,308
Interest	\$ 2							388
Officers' fees						\$ 755		10,418
911 fees			\$ 164,314					
Jail fees								133,849
Commissary profits								
Insurance premiums								13,855
Treasurer's commission								
Collector's commission								
Other								50,912
TOTAL REVENUES	2	778	164,314		1,514	755	187	257,393
Less: Treasurer's commission		16	3,286		30	15	4	4,336
NET REVENUES	2	762	161,028		1,484	740	183	253,057
EXPENDITURES								
Current:								
General government						1,087		
Law enforcement								1,364,110
Highways and streets								
Public safety			18,729					
Sanitation								
Recreation and culture								
TOTAL EXPENDITURES			18,729			1,087		1,364,110
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	2	762	142,299		1,484	(347)	183	(1,111,053)
OTHER FINANCING SOURCES (USES)								
Transfers in								1,154,155
Transfers out			(20,000)					
TOTAL OTHER FINANCING SOURCES (USES)			(20,000)					1,154,155
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	2	762	122,299		1,484	(347)	183	43,102
FUND BALANCES - JANUARY 1	714	1,305	123,024	\$ 127	6,663	1,551	2,580	(16,069)
FUND BALANCES - DECEMBER 31	\$ 716	\$ 2,067	\$ 245,323	\$ 127	\$ 8,147	\$ 1,204	\$ 2,763	\$ 27,033

NEWTON 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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Road Sales Tax Matching	County Road Sales Tax Machinery	Recycling Grant	Title III Forest Reserve	Communication Facility and Equipment	Emergency Medical Services	American Rescue Plan Act	American Rescue Plan Act - County Library	Totals
REVENUES									
State aid									\$ 60,725
Federal aid				\$ 32,637	\$ 1,958		\$ 752,965	\$ 5,000	828,415
Property taxes									74,295
Sales taxes	\$ 222,435	\$ 190,658							413,093
Fines, forfeitures, and costs									46,515
Interest	4,104	542			3		278		6,829
Officers' fees					2,642				32,507
911 fees									164,314
Jail fees									133,849
Commissary profits					39,965				39,965
Insurance premiums									13,855
Treasurer's commission									11,730
Collector's commission									17,180
Other		2,192			10				61,941
TOTAL REVENUES	226,539	193,392		32,637	44,578		753,243	5,000	1,905,213
Less: Treasurer's commission	4,531	3,824		653					19,703
NET REVENUES	222,008	189,568		31,984	44,578		753,243	5,000	1,885,510
EXPENDITURES									
Current:									
General government							367,607		398,794
Law enforcement				32,562	43,582				1,440,254
Highways and streets	38,230	300,775							339,005
Public safety									18,729
Sanitation			\$ 17,701						17,701
Recreation and culture								4,975	146,859
TOTAL EXPENDITURES	38,230	300,775	17,701	32,562	43,582		367,607	4,975	2,361,342
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	183,778	(111,207)	(17,701)	(578)	996		385,636	25	(475,832)
OTHER FINANCING SOURCES (USES)									
Transfers in		8,000							1,162,155
Transfers out	(162,424)								(182,424)
TOTAL OTHER FINANCING SOURCES (USES)	(162,424)	8,000							979,731
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	21,354	(103,207)	(17,701)	(578)	996		385,636	25	503,899
FUND BALANCES - JANUARY 1	665,114	150,080	17,701	578	7,350	\$ 1,745			1,261,598
FUND BALANCES - DECEMBER 31	\$ 686,468	\$ 46,873	\$ 0	\$ 0	\$ 8,346	\$ 1,745	\$ 385,636	\$ 25	\$ 1,765,497

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

Schedule 3

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library
ASSETS							
Cash and cash equivalents	\$ 21,460	\$ 99,999	\$ 12,566	\$ 18,299	\$ 11,629	\$ 30,059	\$ 64,599
Accounts receivable	1,330		48	278		1,216	
TOTAL ASSETS	<u>\$ 22,790</u>	<u>\$ 99,999</u>	<u>\$ 12,614</u>	<u>\$ 18,577</u>	<u>\$ 11,629</u>	<u>\$ 31,275</u>	<u>\$ 64,599</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 127	\$ 29				\$ 500	\$ 3,959
Settlements pending							
Total Liabilities	<u>127</u>	<u>29</u>				<u>500</u>	<u>3,959</u>
Fund Balances:							
Restricted	22,663	99,970	\$ 12,614	\$ 18,577	\$ 11,629	30,775	60,640
Committed							
Unassigned							
Total Fund Balances	<u>22,663</u>	<u>99,970</u>	<u>12,614</u>	<u>18,577</u>	<u>11,629</u>	<u>30,775</u>	<u>60,640</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,790</u>	<u>\$ 99,999</u>	<u>\$ 12,614</u>	<u>\$ 18,577</u>	<u>\$ 11,629</u>	<u>\$ 31,275</u>	<u>\$ 64,599</u>

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

Schedule 3

	SPECIAL REVENUE FUNDS						
	County Library Board	Child Support Cost	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Public Defender	Circuit Clerk Commissioner's Fee
ASSETS							
Cash and cash equivalents	\$ 42,267	\$ 714	\$ 1,305	\$ 124,322	\$ 127	\$ 6,663	\$ 1,551
Accounts receivable							
TOTAL ASSETS	<u>\$ 42,267</u>	<u>\$ 714</u>	<u>\$ 1,305</u>	<u>\$ 124,322</u>	<u>\$ 127</u>	<u>\$ 6,663</u>	<u>\$ 1,551</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable				\$ 1,298			
Settlements pending							
Total Liabilities				<u>1,298</u>			
Fund Balances:							
Restricted	\$ 42,267	\$ 714	\$ 1,305	123,024	\$ 127	\$ 6,663	\$ 1,551
Committed							
Unassigned							
Total Fund Balances	<u>42,267</u>	<u>714</u>	<u>1,305</u>	<u>123,024</u>	<u>127</u>	<u>6,663</u>	<u>1,551</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 42,267</u>	<u>\$ 714</u>	<u>\$ 1,305</u>	<u>\$ 124,322</u>	<u>\$ 127</u>	<u>\$ 6,663</u>	<u>\$ 1,551</u>

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

Schedule 3

	SPECIAL REVENUE FUNDS							
	Assessor's Late Assessment Fee	County Jail and Sheriff's Operation	County Road Sales Tax Matching	County Road Sales Tax Machinery	Recycling Grant	Title III Forest Reserve	Communication Facility and Equipment	Emergency Medical Services
ASSETS								
Cash and cash equivalents	\$ 2,580	\$ 20,899	\$ 665,114	\$ 150,080	\$ 17,701	\$ 578	\$ 4,616	\$ 1,745
Accounts receivable		5,275					2,778	
TOTAL ASSETS	<u>\$ 2,580</u>	<u>\$ 26,174</u>	<u>\$ 665,114</u>	<u>\$ 150,080</u>	<u>\$ 17,701</u>	<u>\$ 578</u>	<u>\$ 7,394</u>	<u>\$ 1,745</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 42,243					\$ 44	
Settlements pending								
Total Liabilities		<u>42,243</u>					<u>44</u>	
Fund Balances:								
Restricted	\$ 2,580				\$ 17,701	\$ 578	7,350	\$ 1,745
Committed			\$ 665,114	\$ 150,080				
Unassigned		(16,069)						
Total Fund Balances	<u>2,580</u>	<u>(16,069)</u>	<u>665,114</u>	<u>150,080</u>	<u>17,701</u>	<u>578</u>	<u>7,350</u>	<u>1,745</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,580</u>	<u>\$ 26,174</u>	<u>\$ 665,114</u>	<u>\$ 150,080</u>	<u>\$ 17,701</u>	<u>\$ 578</u>	<u>\$ 7,394</u>	<u>\$ 1,745</u>

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

Schedule 3

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	County Judge Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 133,162	\$ 22,331	\$ 95,806	\$ 9,129	\$ 384,616	\$ 25,088	\$ 5,455	\$ 1,974,460
Accounts receivable								10,925
TOTAL ASSETS	<u>\$ 133,162</u>	<u>\$ 22,331</u>	<u>\$ 95,806</u>	<u>\$ 9,129</u>	<u>\$ 384,616</u>	<u>\$ 25,088</u>	<u>\$ 5,455</u>	<u>\$ 1,985,385</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 48,200
Settlements pending	\$ 133,162	\$ 22,331	\$ 95,806	\$ 9,129	\$ 384,616	\$ 25,088	\$ 5,455	675,587
Total Liabilities	<u>133,162</u>	<u>22,331</u>	<u>95,806</u>	<u>9,129</u>	<u>384,616</u>	<u>25,088</u>	<u>5,455</u>	<u>723,787</u>
Fund Balances:								
Restricted								462,473
Committed								815,194
Unassigned								(16,069)
Total Fund Balances								<u>1,261,598</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 133,162</u>	<u>\$ 22,331</u>	<u>\$ 95,806</u>	<u>\$ 9,129</u>	<u>\$ 384,616</u>	<u>\$ 25,088</u>	<u>\$ 5,455</u>	<u>\$ 1,985,385</u>

NEWTON 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 4

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Library Board
REVENUES								
State aid					\$ 3,566		\$ 47,604	
Federal aid								
Property taxes							71,722	
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 204	\$ 679	\$ 2,028	\$ 3,503	87	\$ 200	443	\$ 618
Officers' fees						15,432		
911 fees								
Jail fees								
Commissary profits								
Insurance premiums								
Treasurer's commission	11,178							
Collector's commission		16,668						
Other	1,214						118	6,039
TOTAL REVENUES	12,596	17,347	2,028	3,503	3,653	15,632	119,887	6,657
Less: Treasurer's commission		13	44	71	69	309	2,398	
NET REVENUES	12,596	17,334	1,984	3,432	3,584	15,323	117,489	6,657
EXPENDITURES								
Current:								
General government	16,786	5,778				7,566		
Law enforcement								
Highways and streets								
Public safety								
Sanitation								
Recreation and culture							115,276	6,505
TOTAL EXPENDITURES	16,786	5,778				7,566	115,276	6,505
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,190)	11,556	1,984	3,432	3,584	7,757	2,213	152
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	(4,190)	11,556	1,984	3,432	3,584	7,757	2,213	152
FUND BALANCES - JANUARY 1	26,853	88,414	10,630	15,145	8,045	23,018	58,427	42,115
FUND BALANCES - DECEMBER 31	\$ 22,663	\$ 99,970	\$ 12,614	\$ 18,577	\$ 11,629	\$ 30,775	\$ 60,640	\$ 42,267

NEWTON 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 4

	SPECIAL REVENUE FUNDS								
	Child Support Cost	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Public Defender	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail and Sheriff's Operation	County Road Sales Tax Matching
REVENUES									
State aid		\$ 797							
Federal aid								\$ 26,204	
Property taxes							\$ 2,142		
Sales taxes									\$ 195,767
Fines, forfeitures, and costs					\$ 1,479			46,712	
Interest								500	4,201
Officers' fees						\$ 818		10,843	
911 fees			\$ 173,170						
Jail fees								118,590	
Commissary profits									
Insurance premiums								25,282	
Treasurer's commission									
Collector's commission									
Other								18,174	
TOTAL REVENUES		797	173,170		1,479	818	2,142	246,305	199,968
Less: Treasurer's commission		16	3,739		30	16	43	4,133	3,999
NET REVENUES		781	169,431		1,449	802	2,099	242,172	195,969
EXPENDITURES									
Current:									
General government									
Law enforcement		3,191						1,090,407	
Highways and streets									20,476
Public safety			16,620						
Sanitation									
Recreation and culture									
TOTAL EXPENDITURES		3,191	16,620					1,090,407	20,476
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(2,410)	152,811		1,449	802	2,099	(848,235)	175,493
OTHER FINANCING SOURCES (USES)									
Transfers in								835,556	
Transfers out			(50,000)						
TOTAL OTHER FINANCING SOURCES (USES)			(50,000)					835,556	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(2,410)	102,811		1,449	802	2,099	(12,679)	175,493
FUND BALANCES - JANUARY 1	\$ 714	3,715	20,213	\$ 127	5,214	749	481	(3,390)	489,621
FUND BALANCES - DECEMBER 31	\$ 714	\$ 1,305	\$ 123,024	\$ 127	\$ 6,663	\$ 1,551	\$ 2,580	\$ (16,069)	\$ 665,114

NEWTON 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 4

	SPECIAL REVENUE FUNDS							
	County Road Sales Tax Machinery	Mt. Judea Fire Truck Grant	Arkansas Economic Development District (NWAEDD)	Recycling Grant	Title III Forest Reserve	Communication Facility and Equipment	Emergency Medical Services	Totals
REVENUES								
State aid		\$ 75,000		\$ 20,350				\$ 147,317
Federal aid					\$ 34,460	\$ 24,024		84,688
Property taxes								73,864
Sales taxes	\$ 167,800							363,567
Fines, forfeitures, and costs								53,722
Interest	1,623							8,555
Officers' fees						1,955		29,048
911 fees								173,170
Jail fees								118,590
Commissary profits						27,980		27,980
Insurance premiums								25,282
Treasurer's commission								11,178
Collector's commission								16,668
Other	2,239					358		28,142
TOTAL REVENUES	171,662	75,000		20,350	34,460	54,317		1,161,771
Less: Treasurer's commission	3,388				689			18,957
NET REVENUES	168,274	75,000		20,350	33,771	54,317		1,142,814
EXPENDITURES								
Current:								
General government								30,130
Law enforcement			\$ 15,000		51,022	63,505		1,223,125
Highways and streets	297,829							318,305
Public safety		75,000						91,620
Sanitation				5,418				5,418
Recreation and culture								121,781
TOTAL EXPENDITURES	297,829	75,000	15,000	5,418	51,022	63,505		1,790,379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(129,555)		(15,000)	14,932	(17,251)	(9,188)		(647,565)
OTHER FINANCING SOURCES (USES)								
Transfers in	32,000							867,556
Transfers out								(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	32,000							817,556
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(97,555)		(15,000)	14,932	(17,251)	(9,188)		169,991
FUND BALANCES - JANUARY 1	247,635		15,000	2,769	17,829	16,538	\$ 1,745	1,091,607
FUND BALANCES - DECEMBER 31	\$ 150,080	\$ 0	\$ 0	\$ 17,701	\$ 578	\$ 7,350	\$ 1,745	\$ 1,261,598

NEWTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2021 AND 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 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 Library Board	Established by Newton County Library Board to account for fees, fines, and donations received by the Library.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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.

NEWTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2021 AND 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 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 and 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.
Public Defender	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.
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.
County Jail and Sheriff's Operation	Newton County Ordinance no. 2016-15 (December 6, 2016)(pursuant to Ark. Code Ann. § 16-17-129) levies 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. Established to account for 75% of Sheriff's fees collected in accordance with Ark. Code Ann. § 21-6-307. Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on person 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.
County Road Sales Tax Matching	Newton County Ordinance no. 92-45 (December 1, 1992) established fund to account for sales tax funds received for matching purposes.
County Road Sales Tax Machinery	Newton County Ordinance no. 92-45 (December 1, 1992) established fund to account for sales tax funds received for the purchase of machinery.
Mt. Judea Fire Truck Grant	Established to account for grant proceeds to purchase a fire truck for Mt. Judea.

NEWTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2021 AND 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Northwest Arkansas Economic Development District (NWAEDD) Grant	Established to account for grant proceeds received from the Northwest Arkansas Economic Development District (NWAEDD) for courthouse improvements.
Recycling Grant	Established to account for recycling grant proceeds.
Title III Forest Reserve	Established to account for Federal Title III Forest Reserve Funds.
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.
Emergency Medical Services	Maintained by the Emergency Medical Service Board for future building and maintenance projects.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
American Rescue Plan Act - County Library	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), 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 accounts consist primarily of treasurer's commission, interest, and settlements not yet 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 fee money to be settled with the treasurer.

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

District Court accounts consist primarily of fines and costs not yet distributed to the county and/or state.

County Judge's accounts consist primarily of solid waste fees awaiting settlement to the County Treasurer.

NEWTON COUNTY, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2021 AND 2020
 (Unaudited)

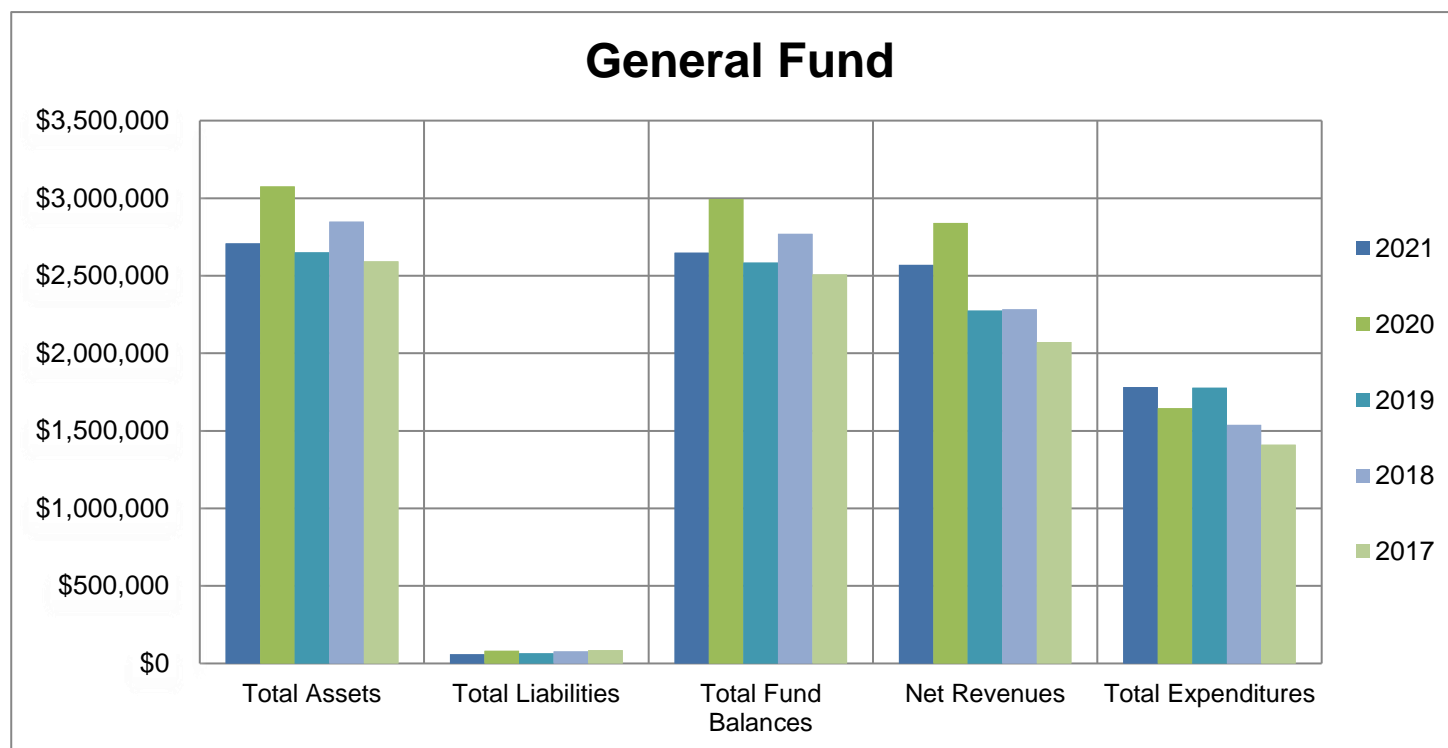
Schedule 5

	December 31, 2021	December 31, 2020
Land	\$ 2,000	\$ 2,000
Buildings	2,107,067	2,107,067
Equipment	3,672,020	3,438,219
Totals	<u>\$ 5,781,087</u>	<u>\$ 5,547,286</u>

NEWTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 6-1

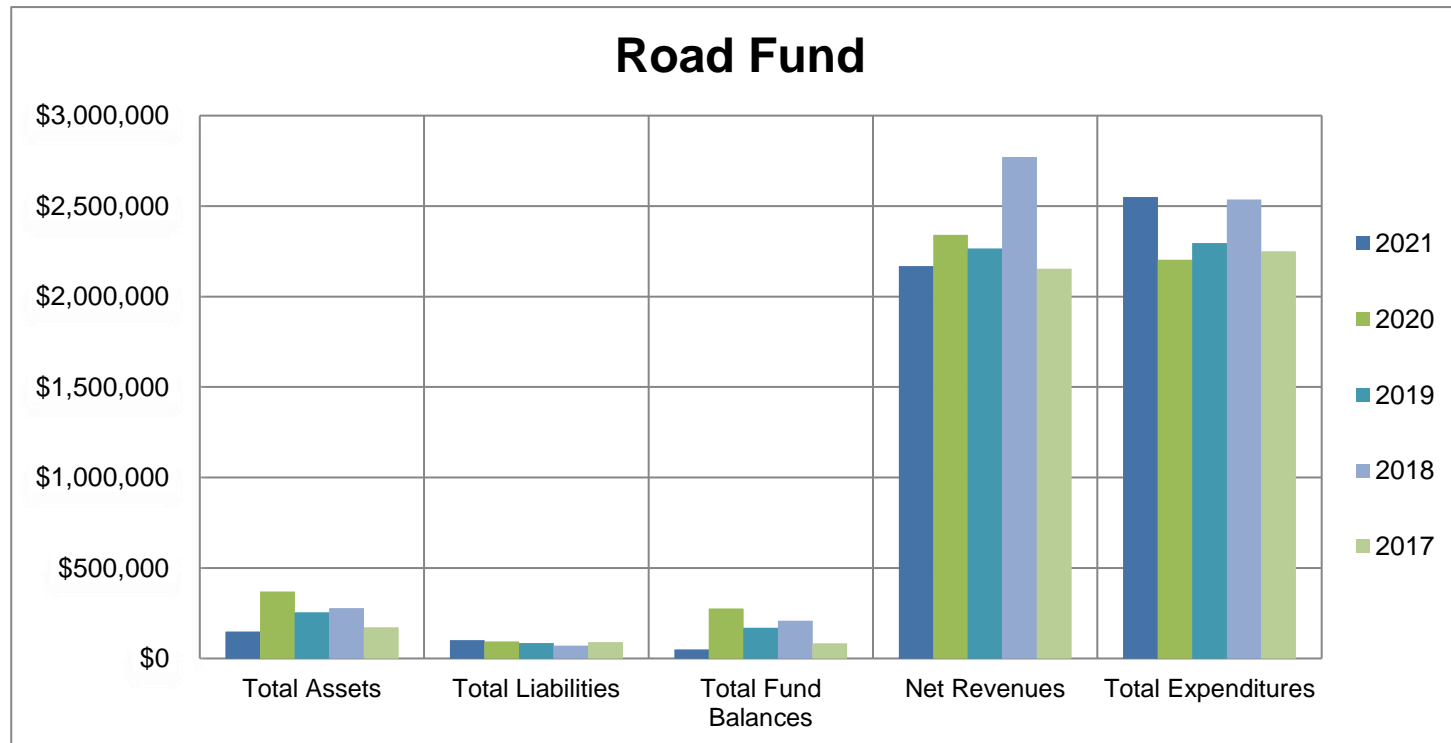
General	2021	2020	2019	2018	2017
Total Assets	\$ 2,708,120	\$ 3,076,155	\$ 2,650,164	\$ 2,847,441	\$ 2,592,588
Total Liabilities	59,361	81,041	65,121	77,953	84,992
Total Fund Balances	2,648,759	2,995,114	2,585,043	2,769,488	2,507,596
Net Revenues	2,570,202	2,840,243	2,274,740	2,283,654	2,073,617
Total Expenditures	1,782,402	1,644,616	1,777,185	1,537,341	1,410,345
Total Other Financing Sources/Uses	(1,134,155)	(785,556)	(682,000)	(484,421)	(427,149)



NEWTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 6-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 148,302	\$ 368,570	\$ 253,869	\$ 277,455	\$ 170,262
Total Liabilities	100,060	92,743	84,132	69,533	88,550
Total Fund Balances	48,242	275,827	169,737	207,922	81,712
Net Revenues	2,168,171	2,341,354	2,265,050	2,769,970	2,153,592
Total Expenditures	2,550,180	2,203,264	2,295,235	2,536,057	2,248,999
Total Other Financing Sources/Uses	154,424	(32,000)	(8,000)	(107,703)	63,952



NEWTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 6-3

<u>Other Funds in the Aggregate</u>	2021	2020	2019	2018	2017
Total Assets	\$ 4,789,324	\$ 1,985,385	\$ 1,883,516	\$ 1,749,303	\$ 1,627,672
Total Liabilities	3,023,827	723,787	791,909	617,944	612,553
Total Fund Balances	1,765,497	1,261,598	1,091,607	1,131,359	1,015,119
Net Revenues	1,885,510	1,142,814	962,656	1,251,235	1,383,987
Total Expenditures	2,361,342	1,790,379	1,692,408	1,727,119	1,874,571
Total Other Financing Sources/Uses	979,731	817,556	690,000	592,124	363,197

