

Desha County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2020



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Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Desha 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 Desha 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 Desha 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 Desha 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 September 1, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
September 1, 2021
LOCO02120

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

Desha 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 Desha 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 September 1, 2021. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 determination of financial statement amounts. 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 September 1, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 1, 2021

Arkansas



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

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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Desha 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: Richard Tindall
Treasurer: Shirley Kobuski
Sheriff: Larry Allen
Tax Collector: Lisa Hutchison
County Clerk: Valerie Donaldson
Circuit Clerk: Kristin Christmas
Assessor: Jessica Ferguson

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

The County paid two employees a total of \$19,095 without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-14-1202 and Op. Att'y Gen. no. 2008-014:

- \$13,866 paid to Employee #1 for sanitizing/housekeeping duties performed outside normal working hours.
- \$5,229 paid to Employee #2 for sanitizing duties performed during and after normal working hours.

County Clerk

The County paid a total of \$1,665 in improper mileage reimbursements to the County Clerk (\$736) and Chief Deputy County Clerk (\$929) for conducting business in their hometown, as follows:

- \$1,153 for making bank deposits that, based on bank time stamps, appeared to be made on the commute to/from work.
- \$219 for duplicate mileage reimbursements.
- \$184 for making bank deposits on days when, according to bank statements, no deposits were made.
- \$109 for other commuting mileage.

In addition, the County Clerk and Chief Deputy County Clerk received \$808 in questionable mileage reimbursements for conducting other business in their hometown. The validity of these reimbursements could not be determined based on review of available records.

County Judge/County Clerk

The County hired five relatives of elected officials to work during the U.S. Census and the 2020 election, in noncompliance with the County's personnel policy, which states, "No elected official or department head shall be allowed to employ any relative in his immediate family to work within the county office or department he supervises and for which he is responsible." Specifically, the County paid \$4,890 and \$537 to the County Clerk's and County Judge's relatives, respectively in 2020.

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

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 1, 2021

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,507,596	\$ 3,119,810	\$ 2,087,570
Accounts receivable	149,875	3,144	32,147
	\$ 2,657,471	\$ 3,122,954	\$ 2,119,717
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 21,151	\$ 19,051	\$ 134,948
Settlements pending			361,866
Total Liabilities	21,151	19,051	496,814
Fund Balances:			
Restricted		3,103,903	1,311,035
Assigned			311,868
Unassigned	2,636,320		
Total Fund Balances	2,636,320	3,103,903	1,622,903
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,657,471	\$ 3,122,954	\$ 2,119,717

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

DESHA 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	\$ 360,754	\$ 1,368,815	\$ 306,883
Federal aid	508,666	2,201	422,005
Property taxes	1,140,652	346,307	297,373
Sales taxes	436,284		960,918
Fines, forfeitures, and costs	136,416		885
Interest	3,508	5,177	2,709
Officers' fees	14,826		75,335
Jail fees	31,254		
Sanitation fees			29,170
911 fees			304,070
Donations		25,000	
Treasurer's commission	126,332		15,374
Collector's commission	183,532		44,023
Taxes apportioned - Assessor's salary and expense	234,148		
Other	121,702	30,839	14,217
TOTAL REVENUES	3,298,074	1,778,339	2,472,962
Less: Treasurer's commission	52,069	31,783	30,022
NET REVENUES	3,246,005	1,746,556	2,442,940
EXPENDITURES			
Current:			
General government	1,528,886		382,401
Law enforcement	813,268		74,792
Highways and streets		1,564,924	721,592
Public safety	31,960		199,154
Sanitation			1,116,074
Health	56,138		89,823
Recreation and culture			200,000
Social services	128,842		
TOTAL EXPENDITURES	2,559,094	1,564,924	2,783,836
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	686,911	181,632	(340,896)
FUND BALANCES - JANUARY 1	1,949,409	2,922,271	1,963,799
FUND BALANCES - DECEMBER 31	<u>\$ 2,636,320</u>	<u>\$ 3,103,903</u>	<u>\$ 1,622,903</u>

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

DESHA 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	\$ 350,000	\$ 360,754	\$ 10,754	\$ 1,236,700	\$ 1,368,815	\$ 132,115
Federal aid	26,000	508,666	482,666	2,000	2,201	201
Property taxes	1,003,400	1,140,652	137,252	302,800	346,307	43,507
Sales taxes	532,700	436,284	(96,416)			
Fines, forfeitures, and costs		136,416	136,416			
Interest	1,700	3,508	1,808	3,300	5,177	1,877
Officers' fees	18,300	14,826	(3,474)			
Jail fees	43,500	31,254	(12,246)			
Donations					25,000	25,000
Treasurer's commission	88,500	126,332	37,832			
Collector's commission	215,000	183,532	(31,468)			
Taxes apportioned - Assessor's salary and expense	208,000	234,148	26,148			
Other	118,200	121,702	3,502	11,400	30,839	19,439
TOTAL REVENUES	2,605,300	3,298,074	692,774	1,556,200	1,778,339	222,139
Less: Treasurer's commission		52,069	(52,069)		31,783	(31,783)
NET REVENUES	2,605,300	3,246,005	640,705	1,556,200	1,746,556	190,356
EXPENDITURES						
Current:						
General government	1,976,270	1,528,886	447,384			
Law enforcement	1,335,316	813,268	522,048			
Highways and streets				1,871,000	1,564,924	306,076
Public safety	35,653	31,960	3,693			
Health	91,228	56,138	35,090			
Social services	79,332	128,842	(49,510)			
TOTAL EXPENDITURES	3,517,799	2,559,094	958,705	1,871,000	1,564,924	306,076
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(912,499)	686,911	1,599,410	(314,800)	181,632	496,432
FUND BALANCES - JANUARY 1	1,300,000	1,949,409	649,409	2,100,000	2,922,271	822,271
FUND BALANCES - DECEMBER 31	<u>\$ 387,501</u>	<u>\$ 2,636,320</u>	<u>\$ 2,248,819</u>	<u>\$ 1,785,200</u>	<u>\$ 3,103,903</u>	<u>\$ 1,318,703</u>

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedule 2 for the Capital Projects 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.

DESHA 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, Treasurer's Commission and property taxes 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. 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.
3. 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.

DESHA 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.

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.

There were no committed fund balances at year-end.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,141,926	\$ 1,240,388
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	6,572,350	7,270,776
Total Deposits	\$ 7,714,276	\$ 8,511,164

The above total deposits do not include cash on hand of \$700.

DESHA 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
Federal aid	\$ 3,261		
Fines, forfeitures, and costs	9,752		
Interest	340		
Officers' fees	358		\$ 4,566
Jail fees	2,428		
Sanitation fees			1,485
911 fees			3,637
Treasurer's commission	126,332		15,374
Other	7,404	\$ 3,144	7,085
Totals	\$ 149,875	\$ 3,144	\$ 32,147

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	\$ 21,151	\$ 19,051	\$ 134,948

NOTE 6: Federal Funds Program Compliance

The Coronavirus Aid, Relief, and Economic Securities (CARES) Act and Federal Emergency Management Agency grants were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County. The County has advertised for bids but has not entered into a contract as of September 1, 2021.

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

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			\$ 235,540
Law enforcement			29,494
Highways and streets		\$ 3,103,903	
Public safety			652,945
Sanitation			263,093
Recreation and culture			129,963
Total Restricted		<u>3,103,903</u>	<u>1,311,035</u>
Assigned to:			
General government			3,911
Highways and streets			15,491
Sanitation			292,466
Total Assigned			<u>311,868</u>
Unassigned	<u>\$ 2,636,320</u>		
Totals	<u>\$ 2,636,320</u>	<u>\$ 3,103,903</u>	<u>\$ 1,622,903</u>

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2020, the legal debt limit for bonded debt was \$19,110,877. 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 \$5,894,001. There were no short-term financing obligations.

NOTE 9: Commitments

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

	December 31, 2020
Long-term liabilities	\$ 53,169
Reappraisal contract	<u>173,656</u>
Total Commitments	<u>\$ 226,825</u>

DESHA 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
Landfill closure and postclosure care costs	\$ 53,169

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

Compensated Absences

Compensated absences do not 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.

Landfill Closure and Postclosure Care Costs

Desha County is the owner of permit #0233-S4 to operate a Class IV solid waste landfill. State and federal regulations require a final cover to be placed on the landfill site when it stops accepting waste and performance of certain maintenance and monitoring functions at the site for two years after closure. Although closure and postclosure care cost will be paid only 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 the landfill capacity used as of the balance sheet date. The estimated liability for the landfill closure and postclosure care costs has a balance of \$53,169 as of December 31, 2019, and represents the cumulative amount reported to date based on 29% usage of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$128,425 as the remaining capacity is filled. At the present utilization rate, the landfill site life is estimated to exhaust in 141 years from the balance sheet date. The County hasn't received the 2020 Engineer's report as of report date.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2019. 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 of \$165,230 in the form of a Contract of Obligation. This contract of obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to Desha County the sum of \$165,230 upon receiving notice from the Director of the Arkansas Department of Environmental Quality of Desha County's failure to properly disclose operation.

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services, Inc. on October 23, 2017, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$7,236 for a total of \$434,140, beginning January 1, 2018. Contract expense for 2020 was \$86,828.

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

Year	December 31, 2020
2021	\$ 86,828
2022	86,828
Total	\$ 173,656

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

NOTE 10: Joint Venture: Regional Library

Bradley, Chicot, Desha, Drew, and Lincoln Counties entered into an agreement in March of 1994, in accordance with Ark. Code Ann. § 13-2-401 to establish the Southeast Arkansas Regional Library. The agreement states the Regional Library Board shall employ a regional director to serve for such time and on such terms as the Board may prescribe and to be paid from the regional budget. County and branch library employees are to be recommended by the county library boards and to be employed with the approval of the Regional Board, the salaries to be paid from regional funds. The parties agreed that the regional budget shall pay utility and janitorial costs. Each county library shall contribute their respective property tax funds for the operation of the Regional Library System. The County Library paid \$200,000 for regional library expenditures in 2020. Contact the Regional Library at Monticello to obtain financial statements.

NOTE 11: Jointly Governed Organizations

Tenth Judicial District Drug Task Force

The Sheriffs' Departments of Ashley, Bradley, Chicot, Desha, and Drew Counties entered into an agreement to establish the Tenth Judicial Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Tenth Judicial District. No contributions or payments for expenditures were made to the Drug Task Force by the County. The 2020 financial statements of the Tenth Judicial District Drug Task Force have not been audited.

Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. The County did not provide any funding for the District. Separate financial statements may be obtained at P.O. Box 6806, Pine Bluff, AR 71611.

NOTE 12: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

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

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

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.

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

NOTE 12: Risk Management (Continued)

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

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

NOTE 13: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2020 (date of APERS Employer Allocation Report) were \$271,140.

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 \$2,597,456.

NOTE 14: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). On December 18, 2020, the City Received \$451,414 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$2,206,741 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,103,371 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste	Reappraisal Cost
ASSETS									
Cash and cash equivalents	\$ 45,368	\$ 125,432	\$ 1,580	\$ 11,267	\$ 1,353	\$ 11,967	\$ 129,963	\$ 585,711	\$ 7,236
Accounts receivable	15,374				142	4,172		3,231	
TOTAL ASSETS	<u>\$ 60,742</u>	<u>\$ 125,432</u>	<u>\$ 1,580</u>	<u>\$ 11,267</u>	<u>\$ 1,495</u>	<u>\$ 16,139</u>	<u>\$ 129,963</u>	<u>\$ 588,942</u>	<u>\$ 7,236</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 250					\$ 725		\$ 33,383	
Settlements pending									
Total Liabilities	<u>250</u>					<u>725</u>		<u>33,383</u>	
Fund Balances:									
Restricted	60,492	\$ 125,432	\$ 1,580	\$ 11,267	\$ 1,495	15,414	\$ 129,963	263,093	\$ 3,325
Assigned								292,466	3,911
Total Fund Balances	<u>60,492</u>	<u>125,432</u>	<u>1,580</u>	<u>11,267</u>	<u>1,495</u>	<u>15,414</u>	<u>129,963</u>	<u>555,559</u>	<u>7,236</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 60,742</u>	<u>\$ 125,432</u>	<u>\$ 1,580</u>	<u>\$ 11,267</u>	<u>\$ 1,495</u>	<u>\$ 16,139</u>	<u>\$ 129,963</u>	<u>\$ 588,942</u>	<u>\$ 7,236</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Child Support Cost	Communication Facility and Equipment	Drug Control	Boating Safety and Enforcement	Emergency 911	Circuit Court Juvenile Division/Juvenile Probation Fee	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Hospital Maintenance
ASSETS									
Cash and cash equivalents	\$ 1,107	\$ 10,879	\$ 10,425	\$ 29,885	\$ 626,690	\$ 6,358	\$ 15,966	\$ 1,042	\$ 89,823
Accounts receivable		12			3,637	240			
TOTAL ASSETS	\$ 1,107	\$ 10,891	\$ 10,425	\$ 29,885	\$ 630,327	\$ 6,598	\$ 15,966	\$ 1,042	\$ 89,823
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 10,767				\$ 89,823
Settlements pending									
Total Liabilities					10,767				89,823
Fund Balances:									
Restricted	\$ 1,107	\$ 10,891	\$ 10,425	\$ 29,885	619,560	\$ 6,598	\$ 15,966	\$ 1,042	
Assigned									
Total Fund Balances	1,107	10,891	10,425	29,885	619,560	6,598	15,966	1,042	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,107	\$ 10,891	\$ 10,425	\$ 29,885	\$ 630,327	\$ 6,598	\$ 15,966	\$ 1,042	\$ 89,823

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

Schedule 1

	SPECIAL REVENUE FUNDS		CUSTODIAL FUNDS					Totals
	OEM Grant	FEMA Disaster Grant	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	
ASSETS								
Cash and cash equivalents	\$ 3,500	\$ 10,152	\$ 220,718	\$ 2,199	\$ 213	\$ 49,900	\$ 88,836	\$ 2,087,570
Accounts receivable		5,339						32,147
TOTAL ASSETS	<u>\$ 3,500</u>	<u>\$ 15,491</u>	<u>\$ 220,718</u>	<u>\$ 2,199</u>	<u>\$ 213</u>	<u>\$ 49,900</u>	<u>\$ 88,836</u>	<u>\$ 2,119,717</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 134,948
Settlements pending			\$ 220,718	\$ 2,199	\$ 213	\$ 49,900	\$ 88,836	361,866
Total Liabilities			<u>220,718</u>	<u>2,199</u>	<u>213</u>	<u>49,900</u>	<u>88,836</u>	<u>496,814</u>
Fund Balances:								
Restricted	\$ 3,500							1,311,035
Assigned		\$ 15,491						311,868
Total Fund Balances	<u>3,500</u>	<u>15,491</u>						<u>1,622,903</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,500</u>	<u>\$ 15,491</u>	<u>\$ 220,718</u>	<u>\$ 2,199</u>	<u>\$ 213</u>	<u>\$ 49,900</u>	<u>\$ 88,836</u>	<u>\$ 2,119,717</u>

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

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste	Reappraisal Cost
REVENUES									
State aid				\$ 3,467			\$ 15,101		\$ 86,828
Federal aid							905		
Property taxes							212,122		
Sales taxes								\$ 960,918	
Fines, forfeitures, and costs			\$ 10						
Interest	\$ 82	\$ 175	3	20	\$ 5	\$ 41	167	1,076	
Officers' fees					2,744	54,103			
Sanitation fees								29,170	
911 fees									
Treasurer's commission	15,374								
Collector's commission		44,023							
Other	88	8		10	10	155	556	5,700	
TOTAL REVENUES	15,544	44,206	13	3,497	2,759	54,299	228,851	996,864	86,828
Less: Treasurer's commission	1	4	1	70	58	1,103	4,472	20,728	
NET REVENUES	15,543	44,202	12	3,427	2,701	53,196	224,379	976,136	86,828
EXPENDITURES									
Current:									
General government	2,640	23,936			3,445	70,897			86,828
Law enforcement									
Highways and streets									
Public safety									
Sanitation								1,116,074	
Health									
Recreation and culture							200,000		
TOTAL EXPENDITURES	2,640	23,936			3,445	70,897	200,000	1,116,074	86,828
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,903	20,266	12	3,427	(744)	(17,701)	24,379	(139,938)	
FUND BALANCES - JANUARY 1	47,589	105,166	1,568	7,840	2,239	33,115	105,584	695,497	7,236
FUND BALANCES - DECEMBER 31	<u>\$ 60,492</u>	<u>\$ 125,432</u>	<u>\$ 1,580</u>	<u>\$ 11,267</u>	<u>\$ 1,495</u>	<u>\$ 15,414</u>	<u>\$ 129,963</u>	<u>\$ 555,559</u>	<u>\$ 7,236</u>

DESHA 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								
	Child Support Cost	Communication Facility and Equipment	Drug Control	Boating Safety and Enforcement	Emergency 911	Circuit Court Juvenile Division/Juvenile Probation Fee	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Hospital Maintenance
REVENUES									
State aid				\$ 967					\$ 6,040
Federal aid									453
Property taxes								\$ 402	84,849
Sales taxes									
Fines, forfeitures, and costs						\$ 875			
Interest	\$ 2	\$ 18	\$ 19	52	\$ 975	9	\$ 14	2	49
Officers' fees	360	922				2,665	14,541		
Sanitation fees									
911 fees					304,070				
Treasurer's commission									
Collector's commission									
Other	1	3		2	1,287	10	1		222
TOTAL REVENUES	363	943	19	1,021	306,332	3,559	14,556	404	91,613
Less: Treasurer's commission	7	20		20	1,376	73	291	8	1,790
NET REVENUES	356	923	19	1,001	304,956	3,486	14,265	396	89,823
EXPENDITURES									
Current:									
General government	175								
Law enforcement			464			544			
Highways and streets									
Public safety					199,154				
Sanitation									
Health									89,823
Recreation and culture									
TOTAL EXPENDITURES	175		464		199,154	544			89,823
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	181	923	(445)	1,001	105,802	2,942	14,265	396	
FUND BALANCES - JANUARY 1	926	9,968	10,870	28,884	513,758	3,656	1,701	646	
FUND BALANCES - DECEMBER 31	\$ 1,107	\$ 10,891	\$ 10,425	\$ 29,885	\$ 619,560	\$ 6,598	\$ 15,966	\$ 1,042	\$ 0

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

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	Totals
	OEM Grant	Arkansas Historic Preservation Grant	FEMA Disaster Grant	Community Development Grant	
REVENUES					
State aid		\$ 194,480			\$ 306,883
Federal aid			\$ 365,681	\$ 54,966	422,005
Property taxes					297,373
Sales taxes					960,918
Fines, forfeitures, and costs					885
Interest					2,709
Officers' fees					75,335
Sanitation fees					29,170
911 fees					304,070
Treasurer's commission					15,374
Collector's commission					44,023
Other			6,164		14,217
TOTAL REVENUES		194,480	371,845	54,966	2,472,962
Less: Treasurer's commission					30,022
NET REVENUES		194,480	371,845	54,966	2,442,940
EXPENDITURES					
Current:					
General government		194,480			382,401
Law enforcement				73,784	74,792
Highways and streets			721,592		721,592
Public safety					199,154
Sanitation					1,116,074
Health					89,823
Recreation and culture					200,000
TOTAL EXPENDITURES		194,480	721,592	73,784	2,783,836
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(349,747)	(18,818)	(340,896)
FUND BALANCES - JANUARY 1	\$ 3,500		365,238	18,818	1,963,799
FUND BALANCES - DECEMBER 31	<u>\$ 3,500</u>	<u>\$ 0</u>	<u>\$ 15,491</u>	<u>\$ 0</u>	<u>\$ 1,622,903</u>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County 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	Ark. Code Ann. § 8-6-212 established fund to collect fees and other funds to defray the county's share of the cost of operating the solid waste management facility.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.

DESHA 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>
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Circuit Court Juvenile Division/Juvenile Probation Fee	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.
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.
Hospital Maintenance	Ark. Const. amend. 32 established fund to collect and disburse property tax to be used for maintenance, operation, and support of public hospital.
OEM Grant	Established to account for grant received from the Southeast Arkansas Resource Conservation and Development Council for Office of Emergency Management project.
Arkansas Historic Preservation Grant	Established to account for grant received from the Arkansas Historic Preservation Program for repair of the courthouse roof.
FEMA Disaster Grant	Established to account for grant received from the Federal Emergency Management Agency for repair of flood damage on Snow Lake and Pendleton roads.
Community Development Grant	Established to account for grant received from the Community Facility Grant program for the purchase of a sheriffs car.

DESHA 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 accounts consist primarily of treasurer's commission and funds held for other entities.
--	---

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

	Sheriff's accounts consist primarily of bond and fine settlements
--	---

	County Clerk's accounts consist primarily of trust funds.
--	---

	Circuit Clerk's accounts consist of trust money and settlements due to the treasurer.
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DESHA COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

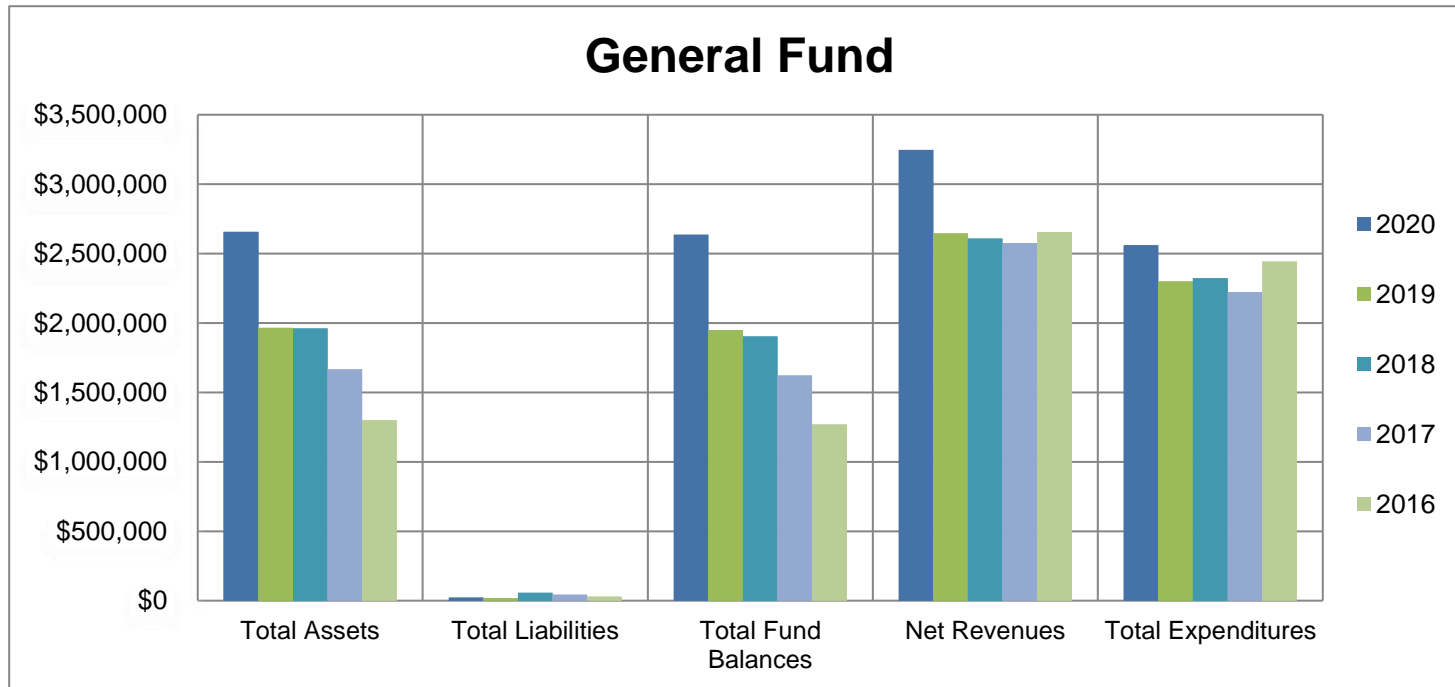
Schedule 3

	December 31, 2020
Land	\$ 304,116
Buildings	3,641,068
Equipment	<u>4,228,949</u>
Total	<u><u>\$ 8,174,133</u></u>

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

Schedule 4-1

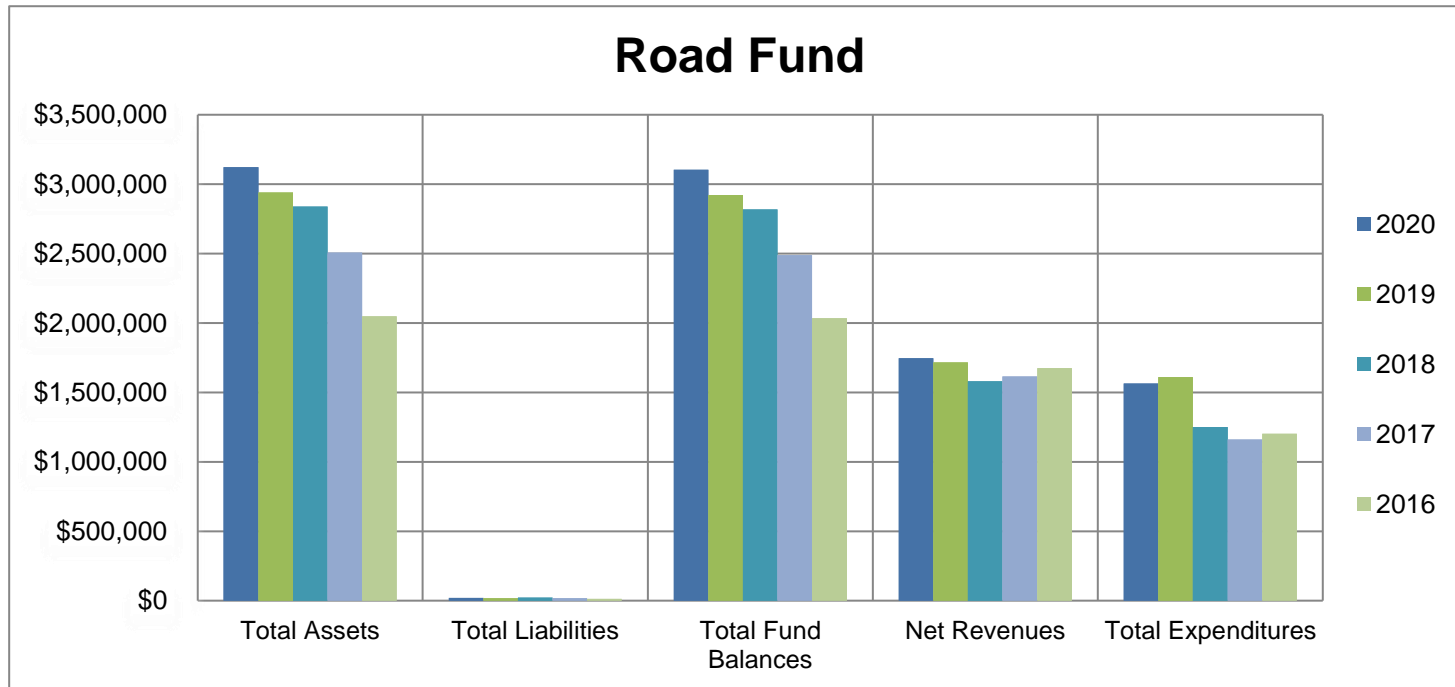
General	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 2,657,471	\$ 1,966,167	\$ 1,960,260	\$ 1,665,232	\$ 1,299,417
Total Liabilities	21,151	16,758	56,273	43,512	29,485
Total Fund Balances	2,636,320	1,949,409	1,903,987	1,621,720	1,269,932
Net Revenues	3,246,005	2,645,701	2,608,575	2,575,990	2,653,792
Total Expenditures	2,559,094	2,300,279	2,322,397	2,224,202	2,441,304
Total Other Financing Sources/Uses		(300,000)	(3,911)		



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

Schedule 4-2

<u>Road</u>	2020	2019	2018	2017	2016
Total Assets	\$ 3,122,954	\$ 2,939,755	\$ 2,839,573	\$ 2,505,711	\$ 2,047,549
Total Liabilities	19,051	17,484	22,794	18,011	12,798
Total Fund Balances	3,103,903	2,922,271	2,816,779	2,487,700	2,034,751
Net Revenues	1,746,556	1,715,928	1,579,801	1,614,740	1,673,570
Total Expenditures	1,564,924	1,610,436	1,250,722	1,161,791	1,201,268
Total Other Financing Sources/Uses					



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 2,119,717	\$ 5,410,954	\$ 5,019,386	\$ 4,915,438	\$ 4,576,368
Total Liabilities	496,814	3,447,155	3,263,392	3,245,855	3,001,914
Total Fund Balances	1,622,903	1,963,799	1,755,994	1,669,583	1,574,454
Net Revenues	2,442,940	1,924,278	1,604,156	1,804,993	1,578,455
Total Expenditures	2,783,836	2,016,473	1,521,656	1,709,864	1,500,620
Total Other Financing Sources/Uses		300,000	3,911		

