

Madison County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2020

FILED

AUG 09 2022

**TAMITHA BLOCKER
COUNTY AND PROBATE CLERK
MADISON COUNTY, ARKANSAS**

BY Tamitha Blocker D.O.

LEGISLATIVE JOINT AUDITING COMMITTEE



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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Madison 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 Madison 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 Madison 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 Madison 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 May 25, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
May 25, 2022
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MADISON COUNTY, ARKANSAS
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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

Madison 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 Madison 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 May 25, 2022. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the County in a separate letter dated May 25, 2022.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 25, 2022

Arkansas

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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Madison 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: Frank Weaver
Treasurer: Toni Moffett
Sheriff: Rick Evans
Tax Collector: DeAnna McElhaney
County Clerk: Tamitha Blocker
Circuit Clerk: Judy Foster
Assessor: Will Jones
County Librarian: Staci Evans

We would like to communicate the following items that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management 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 \$6,615 to the spouse of the County Collector for janitorial services without an authorizing ordinance, as required by Ark. Code § 14-14-1202. A similar finding was issued in the prior report.

County Librarian

A cash count at the Library on December 3, 2021, revealed \$3,096 not remitted to the Treasurer and not deposited in the bank. Prenumbered receipts were not issued for these funds, as required by Ark. Code Ann. § 14-25-108, and the source of these funds could not be identified. Subsequently, these funds were deposited on December 3, 2021.

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

Handwritten signature of Marti Steel in cursive.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 25, 2022

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

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,330,940	\$ 939,817	\$ 3,316,731
Accounts receivable	34,087	11,175	135,537
Interfund receivables		50,797	36,041
TOTAL ASSETS	\$ 2,365,027	\$ 1,001,789	\$ 3,488,309
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 51,896	\$ 88,179	\$ 39,785
Interfund payables	86,838		
Settlements pending	184,651		382,853
Total Liabilities	323,385	88,179	422,638
Fund Balances:			
Restricted		913,610	1,650,977
Committed			1,249,829
Assigned	784,121		165,565
Unassigned	1,257,521		(700)
Total Fund Balances	2,041,642	913,610	3,065,671
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,365,027	\$ 1,001,789	\$ 3,488,309

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

MADISON 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	\$ 689,695	\$ 1,772,530	\$ 74,970
Federal aid	671,812	78,576	397,069
Property taxes	842,410	452,556	196,703
Sales taxes		1,691,641	1,439,823
Fines, forfeitures, and costs	210,499		19,693
Interest	47,283	15,996	42,501
Officers' fees	51,837		166,893
Jail fees	57,853		6,500
Ambulance fees			991,373
Sanitation fees			473,546
911 Fees			383,228
Treasurer's commission	89,363		21,681
Collector's commission	114,664		35,649
Taxes apportioned - Assessor's salary and expense	158,554		
Other	164,517	238,947	43,739
TOTAL REVENUES	3,098,487	4,250,246	4,293,368
Less: Treasurer's commission	25,796	41,186	41,462
NET REVENUES	3,072,691	4,209,060	4,251,906
EXPENDITURES			
Current:			
General government	1,041,649		231,321
Law enforcement	1,597,649		42,050
Highways and streets		4,118,653	300,000
Public safety	163,032		364,516
Sanitation			531,198
Health	52,466		1,187,066
Recreation and culture	11,177		246,014
Social services	49,690		
Total Current	2,915,663	4,118,653	2,902,165
Debt Service:			
Lease principal			9,000
TOTAL EXPENDITURES	2,915,663	4,118,653	2,911,165
	-7-		

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 157,028	\$ 90,407	\$ 1,340,741
OTHER FINANCING SOURCES (USES) Transfers in	564,000		(564,000)
Transfers out			(564,000)
TOTAL OTHER FINANCING SOURCES (USES)	564,000		(564,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	721,028	90,407	776,741
FUND BALANCES - JANUARY 1	1,320,614	823,203	2,288,930
FUND BALANCES - DECEMBER 31	\$ 2,041,642	\$ 913,610	\$ 3,065,671

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

MADISON 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	\$ 618,839	\$ 689,695	\$ 70,856	\$ 1,689,665	\$ 1,772,530	\$ 82,865
Federal aid	123,300	671,812	548,512	29,000	78,576	49,576
Property taxes	1,066,820	842,410	(224,410)	566,593	452,556	(114,037)
Sales taxes				1,307,000	1,591,641	384,641
Fines, forfeitures, and costs	212,400	210,499	(1,901)			
Interest	10,010	47,283	37,273	21,000	15,996	(5,004)
Officers' fees	104,200	51,837	(52,363)			
Jail fees		57,853	57,853			
Treasurer's commission	95,813	89,363	(6,450)			
Collector's commission	109,484	114,664	5,180			
Taxes apportioned - Assessor's salary and expense	137,418	158,554	21,136			
Other	223,952	164,517	(59,435)	129,436	238,947	109,511
TOTAL REVENUES	2,702,236	3,098,487	396,251	3,742,694	4,250,246	507,552
Less: Treasurer's commission		25,796	(25,796)		41,186	(41,186)
NET REVENUES	2,702,236	3,072,691	370,455	3,742,694	4,209,060	466,366
EXPENDITURES						
Current:						
General government	1,433,793	1,041,649	392,144			
Law enforcement	1,924,794	1,597,649	327,145			
Highways and streets				4,973,496	4,118,653	854,843
Public safety	58,094	163,032	(104,938)			
Health	50,000	52,466	(2,466)			
Recreation and culture	19,420	11,177	8,243			
Social services	17,818	49,690	(31,872)			
TOTAL EXPENDITURES	3,503,919	2,915,663	588,256	4,973,496	4,118,653	854,843
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(801,683)	157,028	958,711	(1,230,802)	90,407	1,321,209
OTHER FINANCING SOURCES (USES)						
Transfers in	613,940	564,000	(49,940)	908,749		(908,749)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(187,743)	721,028	908,771	(322,053)	90,407	412,460
FUND BALANCES - JANUARY 1	613,800	1,320,614	706,814	780,000	823,203	43,203
FUND BALANCES - DECEMBER 31	\$ 426,057	\$ 2,041,642	\$ 1,615,585	\$ 457,947	\$ 913,610	\$ 455,663

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

MADISON 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, sales taxes, and federal disaster 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 (other than those financed by Enterprise Funds). See Schedules 1 and 2 for Capital Projects 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 Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

MADISON 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.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, excess commissions, 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. 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.

MADISON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 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:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 708,580	\$ 709,522
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	5,876,156	6,413,471
Total Deposits	\$ 6,584,736	\$ 7,122,993

The above total deposits do not include cash on hand of \$2,752.

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

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Property taxes	\$ 9,862	\$ 5,917	\$ 1,972
Fines, forfeitures, and costs	12,289		1,323
Interest	1,399		
Officers' fees	6,449		23,401
Jail fees	4,088		230
Ambulance fees			108,461
911 Fees			43
Other		5,258	107
Totals	\$ 34,087	\$ 11,175	\$ 135,537

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	<u>\$ 51,896</u>	<u>\$ 88,179</u>	<u>\$ 39,785</u>

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

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2020	
	Interfund Receivables	Interfund Payables
General Fund		\$ 86,838
Road Fund	\$ 50,797	
Other Funds in the Aggregate:		
Special Revenue Funds:		
County Library	4,488	
Solid Waste	4,239	
Emergency 911	4,019	
Emergency Medical Services (EMS)	23,295	
Totals	\$ 86,838	\$ 86,838

Interfund receivables and payables consist of excess commissions. These balances were repaid June 2021.

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			\$ 333,379
Law enforcement			95,689
Highways and streets		\$ 913,610	491,697
Public safety			410,627
Sanitation			139,160
Recreation and culture			180,425
Total Restricted		913,610	1,650,977
Committed for:			
Health			1,249,829
Total Committed			1,249,829
Assigned to:			
General government	\$ 5,442		
Law enforcement	778,679		
Public safety			72,102
Sanitation			93,463
Total Assigned	784,121		165,565
Unassigned	1,257,521		(700)
Totals	\$ 2,041,642	\$ 913,610	\$ 3,065,671

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

NOTE 8: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2020:

	December 31, 2020
Other Funds in the Aggregate:	
Capital Projects Funds:	
Capital Improvement Grant Rural Water	\$ (700)

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, 2020, the legal debt limit for bonded debt was \$18,736,085. 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 \$5,327,422. The amount of short-term financing obligations was \$296,281, leaving a legal debt margin of \$5,031,141.

NOTE 10: Commitments

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

	December 31, 2020
Long-term liabilities	\$ 503,125
Noncancellable leases	457,776
Reappraisal contract	137,700
 Total Commitments	 \$ 1,098,601

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

NOTE 10: Commitments (Continued)

Long-term Liabilities

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

	December 31, 2020
<u>Direct Borrowings</u>	
Lease purchase agreement dated September 28, 2019 with Stryker Flex Financial in the amount of \$52,428 with interest rate of 5.58% for the purchase of emergency medical equipment. The County will make an initial payment of \$9,000 and four annual payments of \$12,539. Additional equipment costing \$18,365 was added to the contract on August 3, 2020 increasing the four annual payments to \$17,662. Payments are to be made from the Emergency Medical Services Fund.	\$ 61,793
Promissory note dated December 29, 2020, with Arvest Bank in the amount of \$234,488 with interest rate of 3.38% for a Kubota tractor with water pump and 400 gallon tank. The County will make seven quarterly payments of \$12,742 beginning on March 18, 2021 and a final payment of \$158,742 on December 18, 2022. Payments are to be made from the Road Fund.	234,488
Total Direct Borrowings	296,281
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	206,844
Total Long-term liabilities	\$ 503,125

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

The County's outstanding notes and lease purchase agreement from direct borrowings of \$296,281 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

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

NOTE 10: Commitments (Continued)

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2020</u>	<u>Maturities to December 31, 2020</u>
<u>Direct Borrowings</u>					
9/28/19	4/6/24	5.58%	\$ 70,793	\$ 61,793	\$ 9,000
12/29/20	12/18/22	3.38%	234,488	234,488	
Total Long-Term Debt			<u>\$ 305,281</u>	<u>\$ 296,281</u>	<u>\$ 9,000</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2020</u>
<u>Direct Borrowings</u>				
Notes payable		\$ 234,488		\$ 234,488
Capital leases	\$ 52,428	18,365	\$ 9,000	61,793
Total Long-Term Debt	<u>\$ 52,428</u>	<u>\$ 252,853</u>	<u>\$ 9,000</u>	<u>\$ 296,281</u>

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 57,805	\$ 10,825	\$ 68,630
2022	205,904	8,540	214,444
2023	15,844	1,818	17,662
2024	16,728	933	17,661
Totals	<u>\$ 296,281</u>	<u>\$ 22,116</u>	<u>\$ 318,397</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for ten (10) John Deere motor graders on March 22, 2019. Terms of the lease are monthly rental payments of \$2,194 per grader for 36 months. At the end of the lease term, the County will return the graders to the lessor.

The County entered into a noncancellable lease agreement for three (3) Caterpillar motor graders in August 2019. Terms of the lease are monthly rental payments of \$2,033 per grader for 36 months. At the end of the lease term, the County will return the graders to the lessor.

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

NOTE 10: Commitments (Continued)

Noncancellable Lease (Continued)

Additionally, the County entered into a noncancellable lease agreement for one Kubota tractor with a front loader on July 28, 2017. Terms of the lease are monthly rental payments of \$962 for 48 months. At the end of the lease term, the County will return the tractor to the lessor.

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

<u>Year</u>	<u>December 31, 2020</u>
2021	\$ 343,171
2022	114,605
	<u>\$ 457,776</u>

Rental expense for 2020 was \$347,979.

County-Wide Reappraisal Contract

The County entered into a professional services contract with Arkansas CAMA Technology, Inc. on October 18, 2016, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$11,475 for a total of \$688,500 beginning January 1, 2017. Contract expense for 2020 was \$137,700.

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

<u>Year</u>	<u>December 31, 2020</u>
2021	<u>\$ 137,700</u>

NOTE 11: Interfund Transfers

The Other Funds in the Aggregate (Emergency Medical Services) transferred \$564,000 to the General Fund to remit sales tax revenue received in excess of operating costs of the ambulance service.

NOTE 12: Subsequent Events

On April 21, 2021, the County entered into an agreement with Pinnacle Emergency Vehicles for a new ambulance at a cost of \$225,833. Payment in full for this ambulance was made on May 13, 2021.

On August 13, 2021, the County entered into an agreement with Stribling Equipment, LLC for a John Deere road grader at a cost of \$261,500. Payment in full for this road grader was made on August 17, 2021.

On December 29, 2020, the County entered into a financing agreement with Arvest Bank for a Kubota tractor with water pump and 400 gallon tank. The amount financed was \$234,488 at 3.38% rate of interest with quarterly payments of \$12,742 beginning March 18, 2021. A final payment of \$158,420 was due at the termination of the contract. Payments of \$50,968 were made in 2021. The County entered into an additional financing agreement with Arvest Bank on June 3, 2021 for a hydraulic hammer at a cost of \$50,939. The note was financed at 3.38% rate of interest with quarterly payments of \$4,520 beginning September 3, 2021. Payments of \$9,041 were made in 2021. On December 10, 2021, the County paid \$233,856 to satisfy the remaining balance on both loans.

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

NOTE 13: Joint Venture: Regional Library

Carroll and Madison Counties entered into an agreement on January 19, 2000, in accordance with Ark. Code Ann. § 13-2-401 to establish the Carroll and Madison Library System (the System). The agreement states that the intent is to enhance public library services to all residents of Carroll and Madison Counties. The System is financed by state aid to which Carroll and Madison Counties were entitled with the provision that members would receive excess funding, distributed quarterly in the same ratio as paid in, as well as obligated to make up shortfalls in funding in the same proportion as their respective state aid allocations. Madison County paid \$13,652 for regional library expenditures in 2020. Separate financial statements of the System are available at: CAMLS, 106 Spring Street, Berryville, AR 72616-3846.

NOTE 14: Jointly Governed Organization

Boston Mountain Solid Waste District

Madison, Washington, Carroll, and Benton counties entered into an agreement in April 1991 to form the Four County (NW) Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-707. This agreement stated their emphasis will be on recycling, composting, and waste reduction. In February 2005, only Washington and Madison County remained in the agreement and the name was changed to Boston Mountain Solid Waste District. Madison County paid \$9,354 to the Boston Mountain Solid Waste District during 2020. Separate financial statements of the Boston Mountain Solid Waste District may be obtained at: 11398 Bond Road, Prairie Grove, AR 72752.

Fourth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourth Judicial District, the Washington County Sheriff's Department, the Madison County Sheriff's Department and the Police Departments of the University of Arkansas, Fayetteville, Springdale, Prairie Grove, Lincoln, Farmington, Johnson, Elkins, Greenland, West Fork, Elm Springs, Tontitown, Huntsville, and Goshen entered into an agreement to establish the Fourth Judicial District Drug Task Force. Funding was provided through Justice Assistance Grants and local funding provided by the Prosecuting Attorney's Office, Washington County Sheriff's Department, and local police departments. Separate financial statements for the Fourth Judicial Drug Task Force were not available.

NOTE 15: 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.

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

NOTE 15: Risk Management (Continued)

Vehicle Program (Continued)

B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

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

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

NOTE 16: 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 \$552,530.

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 \$5,293,109.

NOTE 17: Federal Funds Program Compliance

Madison County's federal grants were in the process of being 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.

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

NOTE 18: 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 \$552,702 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$3,219,694 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,609,847 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment 79	County Clerk's Cost	County Recorder's Cost	County Library	Disaster Relief
ASSETS								
Cash and cash equivalents	\$ 50,896	\$ 58,234	\$ 19,747	\$ 18,717	\$ 5,983	\$ 94,484	\$ 176,634	\$ 491,697
Accounts receivable			335		206	16,780	2,079	
Interfund receivables							4,488	
TOTAL ASSETS	\$ 50,896	\$ 58,234	\$ 20,082	\$ 18,717	\$ 6,189	\$ 111,274	\$ 183,201	\$ 491,697
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 634					\$ 374	\$ 2,776	
Settlements pending								
Total Liabilities						374	2,776	
Fund Balances:								
Restricted	50,262	58,234	20,082	18,717	6,189	110,900	180,425	491,697
Committed								
Assigned								
Unassigned								
Total Fund Balances	50,262	58,234	20,082	18,717	6,189	110,900	180,425	491,697
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,896	\$ 58,234	\$ 20,082	\$ 18,717	\$ 6,189	\$ 111,274	\$ 183,201	\$ 491,697

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

	SPECIAL REVENUE FUNDS							
	Solid Waste	Child Support Enforcement	Communication Facility and Equipment	Drug Control	Jail Operation and Maintenance	Boating Safety	Emergency 911	Emergency Medical Services (EMS)
ASSETS								
Cash and cash equivalents	\$ 245,397	\$ 543	\$ 5,119	\$ 87	\$ 21,779	\$ 981	\$ 482,894	\$ 1,128,664
Accounts receivable			347		1,553		43	108,461
Interfund receivables	4,239						4,019	23,295
TOTAL ASSETS	\$ 249,636	\$ 543	\$ 5,466	\$ 87	\$ 23,332	\$ 981	\$ 486,956	\$ 1,260,420
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 17,013	\$ 54	\$ 1,377		\$ 1,221		\$ 4,227	\$ 10,591
Settlements pending								
Total Liabilities	17,013	54	1,377		1,221		4,227	10,591
Fund Balances:								
Restricted	139,160	489	4,089	\$ 87	22,111	\$ 981	410,627	1,249,829
Committed								
Assigned	93,463						72,102	
Unassigned								
Total Fund Balances	232,623	489	4,089	87	22,111	981	482,729	1,249,829
TOTAL LIABILITIES AND FUND BALANCES	\$ 249,636	\$ 543	\$ 5,466	\$ 87	\$ 23,332	\$ 981	\$ 486,956	\$ 1,260,420

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

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND
	Drug Court Program	County Recorder's Automation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Juvenile Services Grant Fund	Law Library	
ASSETS							
Cash and cash equivalents	\$ 5,929	\$ 80,892	\$ 2,784	\$ 2,103	\$ 14,942	\$ 25,362	
Accounts receivable	140	5,593					
Interfund receivables							
TOTAL ASSETS	\$ 6,069	\$ 86,485	\$ 2,784	\$ 2,103	\$ 14,942	\$ 25,362	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 416					\$ 402	\$ 700
Settlements pending							
Total Liabilities	416					402	700
Fund Balances:							
Restricted	5,653	\$ 86,485	\$ 2,784	\$ 2,103	\$ 14,942	24,960	
Committed							
Assigned							
Unassigned							(700)
Total Fund Balances	5,653	86,485	2,784	2,103	14,942	24,960	(700)
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,069	\$ 86,485	\$ 2,784	\$ 2,103	\$ 14,942	\$ 25,362	\$ 0

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

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS						
Cash and cash equivalents	\$ 33,774	\$ 98,063	\$ 33,152	\$ 34,797	\$ 183,067	\$ 3,316,731
Accounts receivable						135,537
Intertund receivables						36,041
TOTAL ASSETS	<u>\$ 33,774</u>	<u>\$ 98,063</u>	<u>\$ 33,152</u>	<u>\$ 34,797</u>	<u>\$ 183,067</u>	<u>\$ 3,488,309</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 39,785
Settlements pending	\$ 33,774	\$ 98,063	\$ 33,152	\$ 34,797	\$ 183,067	382,853
Total Liabilities	<u>33,774</u>	<u>98,063</u>	<u>33,152</u>	<u>34,797</u>	<u>183,067</u>	<u>422,638</u>
Fund Balances:						
Restricted						1,650,977
Committed						1,249,829
Assigned						165,565
Unassigned						(700)
Total Fund Balances						<u>3,065,671</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,774</u>	<u>\$ 98,063</u>	<u>\$ 33,152</u>	<u>\$ 34,797</u>	<u>\$ 183,067</u>	<u>\$ 3,488,309</u>

MADISON 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

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment 79	County Clerk's Cost	County Recorder's Cost	County Library	Disaster Relief	Solid Waste
REVENUES									
State aid				\$ 6,179			\$ 34,264	\$ 371,334	\$ 20,977
Federal aid							175,726		19,413
Property taxes	\$ 987	\$ 854	\$ 426	\$ 580	\$ 136	\$ 2,526	3,896		4,551
Sales taxes			2,590		2,216	112,765			
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Jail fees									
Ambulance fees									
Sanitation fees									
911 Fees									
Treasurer's commission	21,681	35,649	16	62	25	4,521	15,872		8,699
Collector's commission									
Other									
TOTAL REVENUES	22,668	36,503	3,032	6,821	2,377	119,812	229,758	371,334	527,186
Less: Treasurer's commission			47	124	43	2,057	4,016		4,538
NET REVENUES	22,668	36,503	2,985	6,697	2,334	117,755	225,742	371,334	522,648
EXPENDITURES									
Current:									
General government	14,105	30,883		8,210	1,500	109,894			
Law enforcement									
Highways and streets								300,000	
Public safety									
Sanitation									
Health									531,198
Recreation and culture									
Total Current	14,105	30,883		8,210	1,500	109,894	246,014	300,000	531,198
Debt Service:									
Lease principal									
TOTAL EXPENDITURES	14,105	30,883		8,210	1,500	109,894	246,014	300,000	531,198
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,563	5,620	2,985	(1,513)	834	7,961	(20,272)	71,334	(8,550)
OTHER FINANCING SOURCES (USES) Transfers out									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	8,563	5,620	2,985	(1,513)	834	7,961	(20,272)	71,334	(8,550)
FUND BALANCES - JANUARY 1	41,699	52,614	17,097	20,230	5,355	103,039	200,697	420,363	241,173
FUND BALANCES - DECEMBER 31	\$ 50,262	\$ 58,234	\$ 20,082	\$ 18,717	\$ 6,189	\$ 110,900	\$ 180,425	\$ 491,697	\$ 232,623

MADISON 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

SPECIAL REVENUE FUNDS

	Child Support Enforcement	Communication Facility and Equipment	Drug Control	Jail Operation and Maintenance	Boating Safety	Emergency 911	Emergency Medical Services (EMS)	Drug Court Program	County Recorder's Automation
REVENUES									
State aid					\$ 1,411		\$ 18,116		
Federal aid									
Property taxes				\$ 13,161			1,420,410		
Sales taxes				549			15,224		
Fines, forfeitures, and costs					20	\$ 10,189			\$ 1,913
Interest	\$ 15	\$ 95							\$ 37,464
Officers' fees	882	6,096		6,500					
Jail fees									
Ambulance fees							991,373		
Sanitation fees									
911 Fees									
Treasurer's commission						383,228			
Collector's commission									
Other									
	8	76	\$ 200	259	9	1,620	12,062	1	268
TOTAL REVENUES	905	6,267	200	20,469	1,440	395,037	2,457,185	4,231	39,645
Less: Treasurer's commission	18	128		419	28	4,302	24,941		686
NET REVENUES	887	6,139	200	20,050	1,412	390,735	2,432,244	4,231	38,959
EXPENDITURES									
Current:									
General government	565	5,745	6,108	24,095	1,000			2,920	39,729
Law enforcement									
Highways and streets									
Public safety							1,187,066		
Sanitation									
Health									
Recreation and culture									
Total Current	565	5,745	6,108	24,095	1,000	364,516	1,187,066	2,920	39,729
Debt Service:									
Lease principal									
TOTAL EXPENDITURES	565	5,745	6,108	24,095	1,000	364,516	1,196,066	2,920	39,729
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	322	394	(5,908)	(4,045)	412	26,219	1,236,178	1,311	(770)
OTHER FINANCING SOURCES (USES)									
Transfers out							(564,000)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	322	394	(5,908)	(4,045)	412	26,219	672,178	1,311	(770)
FUND BALANCES - JANUARY 1	167	3,695	5,995	26,156	569	456,510	577,651	4,342	87,255
FUND BALANCES - DECEMBER 31	\$ 489	\$ 4,089	\$ 87	\$ 22,111	\$ 981	\$ 482,729	\$ 1,249,829	\$ 5,653	\$ 86,485

MADISON 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

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND		Totals
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Juvenile Services Grant Fund	Law Library	Capital Improvement Grant	Rural Water	
REVENUES							
State aid			\$ 15,000		\$	25,735	\$ 74,970
Federal aid							397,069
Property taxes							196,703
Sales taxes							1,439,823
Fines, forfeitures, and costs				\$ 6,532			19,693
Interest				499			42,501
Officers' fees	\$ 103	\$ 41					166,893
Jail fees		547					6,500
Ambulance fees							991,373
Sanitation fees							473,546
911 Fees							383,228
Treasurer's commission							21,681
Collector's commission							35,649
Other		5		36			43,739
TOTAL REVENUES	103	593	15,000	7,067		25,735	4,293,368
Less: Treasurer's commission		11		104			41,462
NET REVENUES	103	582	15,000	6,963		25,735	4,251,906
EXPENDITURES							
Current:							
General government					26,435		231,321
Law enforcement							42,050
Highways and streets			58	2,124			300,000
Public safety							364,516
Sanitation							531,198
Health							1,187,066
Recreation and culture							246,014
Total Current			58	2,124	26,435		2,902,165
Debt Service:							
Lease principal							9,000
TOTAL EXPENDITURES							2,911,165
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	103	582	14,942	4,839	(700)		1,340,741
OTHER FINANCING SOURCES (USES)							
Transfers out							(564,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	103	582	14,942	4,839	(700)		776,741
FUND BALANCES - JANUARY 1	2,681			20,121			2,289,930
FUND BALANCES - DECEMBER 31	\$ 2,784	\$ 2,103	\$ 14,942	\$ 24,960	\$ (700)	\$	\$ 3,065,671

MADISON 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 commissions 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 79	Ark. Code Ann. § 26-26-310 provides that one percent of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to County Assessors for the costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by County Clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by Circuit Clerks to be used to purchase, maintain, and operate automated records system.
County 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.
Disaster Relief	Established to account for federal grants received to repair county roads and bridges damaged by floods and severe weather.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the County by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Madison County Ordinance no. 2013-2 (January 1, 2013) authorized solid waste management fees to be used exclusively for the operation of the solid waste program.

MADISON 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>
Child Support Enforcement	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 and Madison County Ordinance no. 2015-6 (August 17, 2015) established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operation and Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Boating Safety	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a 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.
Emergency Medical Services (EMS)	Madison County Ordinance no. 1982-3 (September 20, 1982) established a one percent county sales tax to provide emergency ambulance service operating costs.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
County Recorder's Automation	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by Circuit Clerks to be used to purchase, maintain, and operate automated records system.
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 expenses of the office of Circuit Clerk.

MADISON 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>
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive delinquent assessment fees of fifty cents for each list, which shall be utilized by the county assessor to help pay for the expense of assessing property.
Juvenile Services Grant Fund	Established to account for grant received from the Arkansas Administrative Office of the Courts to pay salary expenses and to purchase supplies for classes.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from costs levied and to fund law library expenditures.
Capital Improvement Grant Rural Water	Established to account for grants received from the Arkansas Economic Development Commission for Pettigrew Water improvements.
Treasurer's accounts	consist primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate agencies.
Collector's accounts	consist primarily of delinquent taxes not yet distributed to the various taxing units.
Sheriff's accounts	consist primarily of fees settlement, bond, and evidence 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.

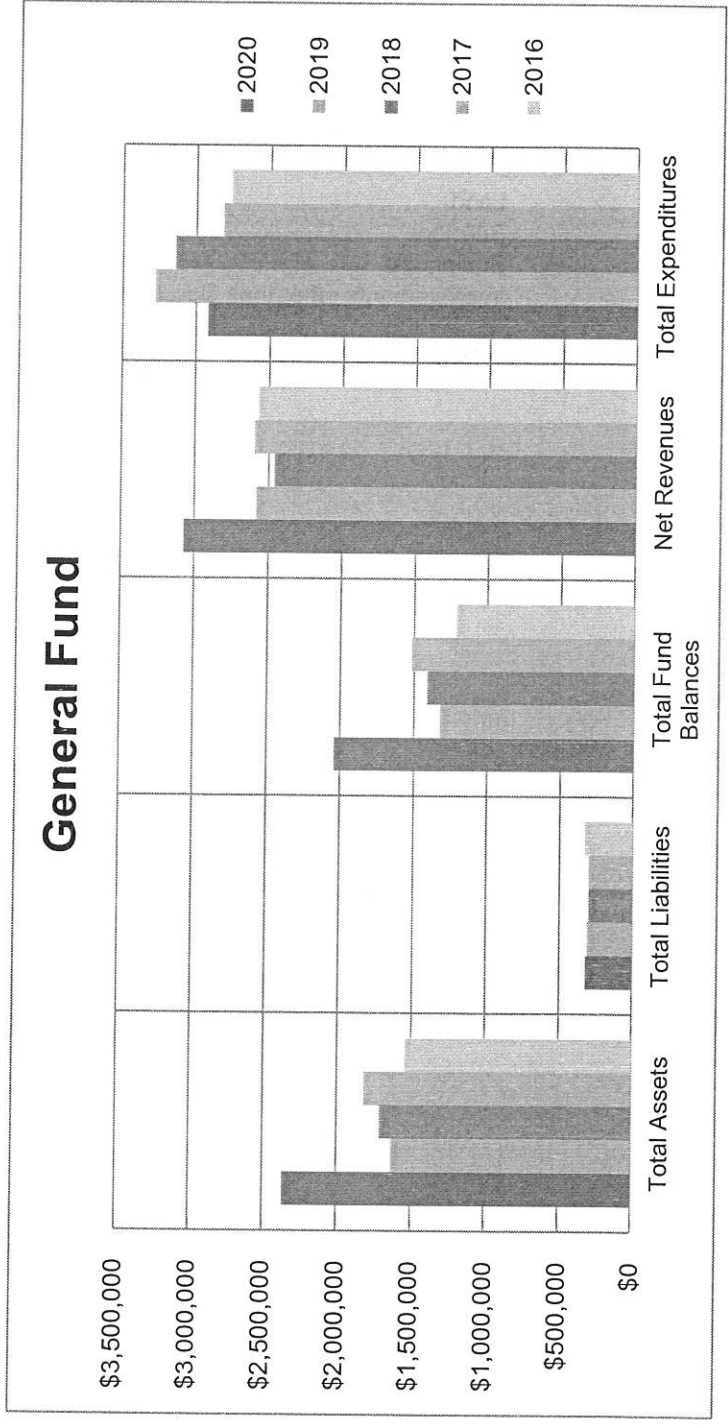
MADISON COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

Schedule 3

	<u>December 31, 2020</u>
Land	\$ 492,727
Buildings	2,610,563
Equipment	8,834,222
Improvements other than Buildings	<u>64,511</u>
Total	<u><u>\$ 12,002,023</u></u>

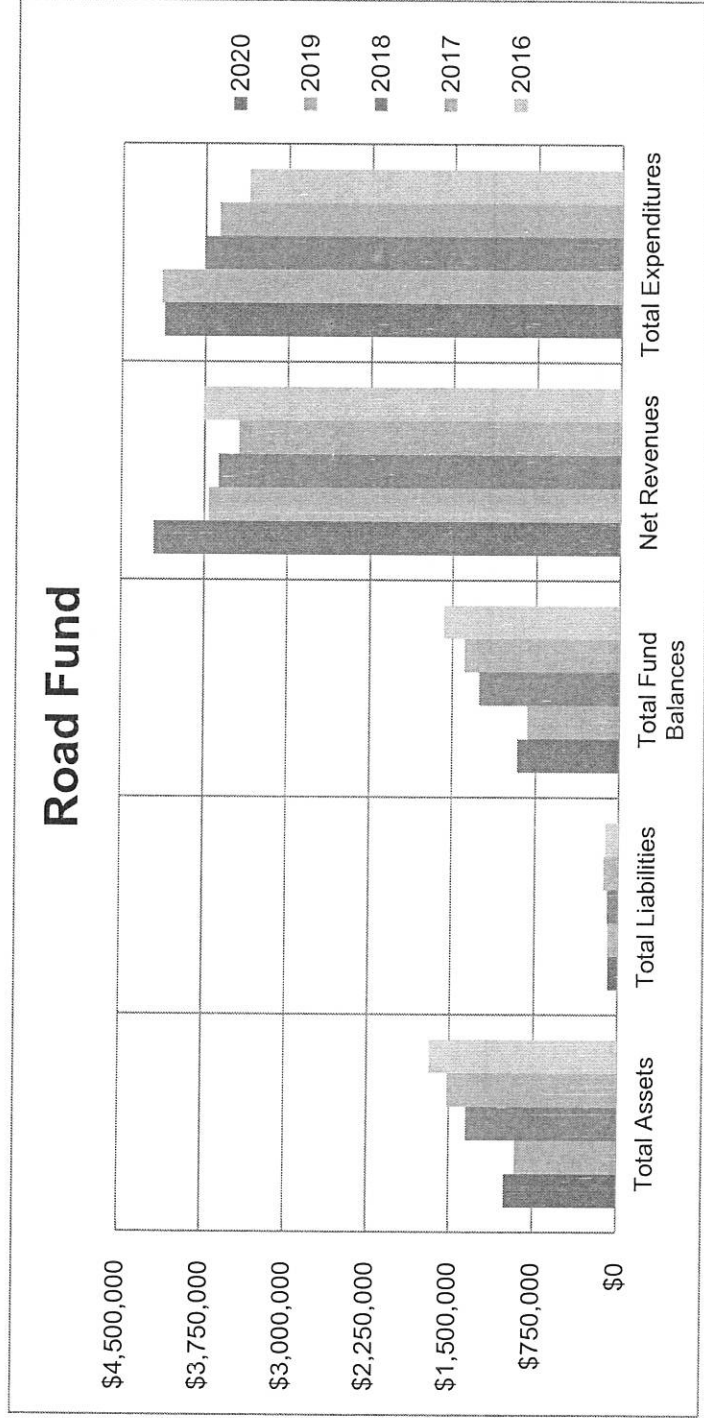
MADISON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2020
 (Unaudited)

	2020	2019	2018	2017	2016
General					
Total Assets	\$ 2,365,027	\$ 1,631,180	\$ 1,710,299	\$ 1,817,614	\$ 1,542,177
Total Liabilities	323,385	310,566	302,555	302,322	330,684
Total Fund Balances	2,041,642	1,320,614	1,407,744	1,515,292	1,211,493
Net Revenues	3,072,691	2,579,588	2,460,738	2,592,448	2,568,305
Total Expenditures	2,915,663	3,277,718	3,144,286	2,820,946	2,767,305
Total Other Financing Sources/Uses	564,000	611,000	576,000	554,000	474,000



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

Road	2020	2019	2018	2017	2016
Total Assets	\$ 1,001,789	\$ 908,529	\$ 1,350,848	\$ 1,521,033	\$ 1,685,316
Total Liabilities	88,179	85,326	94,623	128,631	112,241
Total Fund Balances	913,610	823,203	1,256,225	1,392,402	1,573,075
Net Revenues	4,209,060	3,709,636	3,623,222	3,440,904	3,760,963
Total Expenditures	4,118,653	4,142,658	3,759,399	3,621,578	3,362,740
Total Other Financing Sources/Uses					



MADISON 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

Other Funds in the Aggregate	2020	2019	2018	2017	2016
Total Assets	\$ 3,488,309	\$ 2,841,704	\$ 3,297,313	\$ 3,058,362	\$ 2,777,070
Total Liabilities	422,638	572,895	364,147	342,795	364,098
Total Fund Balances	3,065,671	2,268,809	2,933,166	2,715,567	2,412,972
Net Revenues	4,251,906	2,860,403	4,384,607	4,260,902	3,366,276
Total Expenditures	2,911,165	2,913,760	3,591,010	3,403,618	2,778,699
Total Other Financing Sources/Uses	(564,000)	(611,000)	(576,000)	(554,000)	(474,000)

Other Funds in the Aggregate

