

**Hot Spring County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE



HOT SPRING COUNTY, ARKANSAS  
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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

Hot Spring 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 Hot Spring 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 Hot Spring 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 Hot Spring 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 28, 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 28, 2021  
LOCO03020

# 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

Hot Spring 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 Hot Spring 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 28, 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) 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 September 28, 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 28, 2021

# Arkansas



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Senate Chair  
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## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Hot Spring 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: Dennis Thornton  
Treasurer: Mary Cansler  
Sheriff: Mike Cash  
Tax Collector: Valerie Hearn  
County Clerk: Sandy Boyette  
Circuit Clerk: Teresa Pilcher  
Assessor: Blake Riggan  
County Librarian: Clare Graham

No issues came to our attention that we considered necessary of reporting to management.

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 script.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
September 28, 2021

HOT SPRING COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2020

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,391,801	\$ 1,947,347	\$ 5,998,428
Investments			821,420
Accounts receivable	335,591	66,173	73,240
<b>TOTAL ASSETS</b>	<b>\$ 5,727,392</b>	<b>\$ 2,013,520</b>	<b>\$ 6,893,088</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 108,235	\$ 57,154	\$ 297,448
Settlements pending	484,415		896,776
<b>Total Liabilities</b>	<b>592,650</b>	<b>57,154</b>	<b>1,194,224</b>
<b>Fund Balances:</b>			
Restricted		1,922,097	5,244,182
Committed		34,269	
Assigned	2,232,699		454,682
Unassigned	2,902,043		
<b>Total Fund Balances</b>	<b>5,134,742</b>	<b>1,956,366</b>	<b>5,698,864</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,727,392</b>	<b>\$ 2,013,520</b>	<b>\$ 6,893,088</b>

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



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

	General	Road	Other Funds in the Aggregate
<b>REVENUES</b>			
State aid	\$ 747,728	\$ 2,173,217	\$ 180,403
Federal aid	846,411	612	193,901
Property taxes	2,052,890	1,042,799	387,405
Sales taxes			4,659,327
Fines, forfeitures, and costs	483,980		86,801
Interest	77,485	41,044	88,536
Officers' fees	34,026		180,568
Phone commission and commissary			25,116
Jail fees	138,203		40,308
911 fees			600,062
Franchise fees	351		
Industrial park rent	179,124	21,000	
Library fees			6,719
Realized gain on investments			30,987
Insurance premiums collected	123,562		
Net increase/decrease in value of investments			78,356
Contribution from Mid-Ark Regional Library			18,238
Contribution from Hot Spring County Waste Authority	120,000		
Salary reimbursements	95,360		98,370
Treasurer's commission	134,066		33,524
Collector's commission	299,012		86,528
Taxes apportioned - Assessor's salary and expense	326,931		
Other	151,550	3,493	108,863
<b>TOTAL REVENUES</b>	<b>5,810,679</b>	<b>3,282,165</b>	<b>6,904,012</b>
Less: Treasurer's commission	44,302	32,253	93,643
<b>NET REVENUES</b>	<b>5,766,377</b>	<b>3,249,912</b>	<b>6,810,369</b>
<b>EXPENDITURES</b>			
Current:			
General government	2,122,784		550,635
Law enforcement	2,536,873		319,376
Highways and streets		3,358,696	
Public safety	46,160		631,654
Sanitation			21,894
Health	24,716		193,901
Recreation and culture			566,274
Social services	113,984		
Economic development			85,000
Total Current	4,844,517	3,358,696	2,368,734

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXPENDITURES (Continued)			
Debt Service:			
Lease principal		\$ 115,181	
Lease interest		<u>15,868</u>	
TOTAL EXPENDITURES	<u>\$ 4,844,517</u>	<u>3,489,745</u>	<u>\$ 2,368,734</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>921,860</u>	<u>(239,833)</u>	<u>4,441,635</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	461,572		867,626
Transfers out	(735,359)		(593,839)
Sales tax remitted to solid waste authority			(2,192,256)
Sales tax remitted to hospital			<u>(1,370,454)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(273,787)</u>		<u>(3,288,923)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	648,073	(239,833)	1,152,712
FUND BALANCES - JANUARY 1	<u>4,486,669</u>	<u>2,196,199</u>	<u>4,546,152</u>
FUND BALANCES - DECEMBER 31	<u>\$ 5,134,742</u>	<u>\$ 1,956,366</u>	<u>\$ 5,698,864</u>

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

HOT SPRING 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)
<b>REVENUES</b>						
State aid	\$ 457,000	\$ 747,728	\$ 290,728	\$ 1,511,000	\$ 2,173,217	\$ 662,217
Federal aid	68,000	846,411	778,411	26,000	612	(25,388)
Property taxes	2,108,000	2,052,890	(55,110)	985,000	1,042,799	57,799
Fines, forfeitures, and costs	292,000	483,980	191,980			
Interest	14,000	77,485	63,485	12,000	41,044	29,044
Officers' fees	182,500	34,026	(148,474)			
Jail fees	110,000	138,203	28,203			
Franchise fees		351	351			
Industrial park rent	200,000	179,124	(20,876)		21,000	21,000
Insurance premiums collected		123,562	123,562			
Contribution from Hot Spring County Waste Authority		120,000	120,000			
Salary reimbursements		95,360	95,360			
Treasurer's commission		134,066	134,066			
Collector's commission	190,000	299,012	109,012			
Taxes apportioned - Assessor's salary and expense	300,000	326,931	26,931			
Other	207,500	151,550	(55,950)		3,493	3,493
<b>TOTAL REVENUES</b>	<b>4,129,000</b>	<b>5,810,679</b>	<b>1,681,679</b>	<b>2,534,000</b>	<b>3,282,165</b>	<b>748,165</b>
Less: Treasurer's commission		44,302	(44,302)		32,253	(32,253)
<b>NET REVENUES</b>	<b>4,129,000</b>	<b>5,766,377</b>	<b>1,637,377</b>	<b>2,534,000</b>	<b>3,249,912</b>	<b>715,912</b>
<b>EXPENDITURES</b>						
Current:						
General government	2,654,598	2,122,784	531,814			
Law enforcement	2,722,548	2,536,873	185,675			
Highways and streets				3,569,969	3,358,896	211,273
Public safety	49,616	46,160	3,456			
Health	34,560	24,716	9,844			
Social services	125,362	113,984	11,378			
Total Current	5,586,684	4,844,517	742,167	3,569,969	3,358,696	211,273
Debt Service:						
Lease principal					115,181	(115,181)
Lease interest					15,868	(15,868)
<b>TOTAL EXPENDITURES</b>	<b>5,586,684</b>	<b>4,844,517</b>	<b>742,167</b>	<b>3,569,969</b>	<b>3,489,745</b>	<b>80,224</b>

HOT SPRING COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,457,684)	\$ 921,860	\$ 2,379,544	\$ (1,035,969)	\$ (239,833)	\$ 796,136
OTHER FINANCING SOURCES (USES)						
Transfers in	150,000	461,572	311,572			
Transfers out	(435,359)	(735,359)	(300,000)	(22,984)		22,984
TOTAL OTHER FINANCING SOURCES (USES)	(285,359)	(273,787)	11,572	(22,984)		22,984
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,743,043)	648,073	2,391,116	(1,058,953)	(239,833)	819,120
FUND BALANCES - JANUARY 1	3,200,000	4,486,669	1,286,669	1,760,000	2,196,199	436,199
FUND BALANCES - DECEMBER 31	<u>\$ 1,456,957</u>	<u>\$ 5,134,742</u>	<u>\$ 3,677,785</u>	<u>\$ 701,047</u>	<u>\$ 1,956,366</u>	<u>\$ 1,255,319</u>

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

HOT SPRING 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. The General Fund heading as it appears in the financial statements includes the following accounts: County General, General Reserve, Employee Insurance, Coronavirus Relief, Surplus Sales Tax and Jones Mill Industrial Park.

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

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

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

**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.

HOT SPRING 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, savings, and money market accounts, and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, 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.

HOT SPRING 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)	\$ 1,474,050	\$ 1,476,965
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	11,831,238	12,112,623
Uninsured and uncollateralized	31,528	31,528
Total Deposits	\$ 13,336,816	\$ 13,621,116

The above total deposits do not include cash on hand of \$760.

Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2020, \$31,528 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of U. S. Government and Treasury Obligations, which are not insured or collateralized.

HOT SPRING 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: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	<u>December 31, 2020</u> Fair Value
Library Foundation	\$ 821,420

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

The County's investments are composed of the following:

<u>December 31, 2020</u>	Quoted Prices in Active Markets for Identical Investments Level I
Investment Type	Level I
Mutual funds	\$ 821,420

The fair value of mutual funds is measured on a recurring basis and is quoted marked prices obtained from independent pricing sources. As a result, these were classified as Level I inputs.



HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 5: 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
State aid	\$ 5,947		
Federal aid	813		
Property taxes	98,915	\$ 43,779	\$ 16,731
Fines, forfeitures, and costs	32,432		3,547
Officers' fees			18,850
Phone commission and commissary			3,597
Jail fees	60		1,748
911 fees			8,254
Franchise fees	82		
Industrial park rent	8,312		
Treasurer's commission	134,066		
Other	9,955		
Treasurer's commission charged	45,009	22,394	4,275
<b>Totals</b>	<b>\$ 335,591</b>	<b>\$ 66,173</b>	<b>\$ 73,240</b>

**NOTE 6: 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>\$ 108,235</u>	<u>\$ 57,154</u>	<u>\$ 297,448</u>

HOT SPRING 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			\$ 664,484
Law enforcement			208,511
Highways and streets		\$ 1,922,097	
Public safety			77,947
Sanitation			1,269,560
Health			858,214
Recreation and culture			1,900,466
Economic development			265,000
Total Restricted		<u>1,922,097</u>	<u>5,244,182</u>
Committed for:			
Highways and streets		<u>34,269</u>	
Assigned to:			
General government	\$ 2,232,699		
Law enforcement			46,020
Public safety			408,662
Total Assigned	<u>2,232,699</u>		<u>454,682</u>
Unassigned	<u>2,902,043</u>		
Totals	<u>\$ 5,134,742</u>	<u>\$ 1,956,366</u>	<u>\$ 5,698,864</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 \$34,773,958. 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 \$11,167,849. The amount of short-term financing obligations was \$772,787 leaving a legal debt margin of \$10,395,062.

HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 9: Commitments**

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

	December 31, 2020
Long-term liabilities	\$ 900,778
Reappraisal contract	168,840
Construction contract	192,627
<b>Total Commitments</b>	<b>\$ 1,262,245</b>

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 June 24, 2019, in the amount of \$128,190 with Welch State Bank for the purchase of an Asphalt Zipper and transport trailer. Terms of the lease are five yearly payments of \$27,661 at 3.93% interest. Payments are to be made from the Road Fund.	76,843
Lease purchase agreement dated February 11, 2020, in the amount of \$142,702 with Deere Credit for the purchase of a John Deere 6110M Cab Tractor and Alamo Machete Boom Mower. Terms of the lease are three yearly payments of \$36,720, and one final payment of \$54,700 at 5.79% interest. Payments are to be made from the Road Fund.	108,702
Lease purchase agreement dated July 15, 2020, in the amount of \$614,873 with Bancorp South Bank for the purchase of four Mack Dump Trucks. Terms of the lease are 36 monthly payments of \$6,830, and one final payment of \$410,000 at 2.59% interest. Payments are to be made from the Road Fund.	587,242
<b>Total Direct Borrowings</b>	<b>772,787</b>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	127,991
<b>Total Long-term liabilities</b>	<b>\$ 900,778</b>

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

The County's outstanding lease-purchase agreements from direct borrowings of \$772,787 contain a provision that in an event of default, outstanding amounts, at the Lessor's sole option, may be declared immediately due and payable, and the Lessor 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.

HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 9: 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>					
6/24/19	6/24/23	3.93%	\$ 128,190	\$ 76,843	\$ 51,347
2/11/20	2/11/23	5.79%	142,702	108,702	34,000
7/15/20	7/15/23	2.59%	614,873	587,242	27,631
Total Direct Borrowings			<u>\$ 885,765</u>	<u>\$ 772,787</u>	<u>\$ 112,978</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2020</u>
Lease- Purchase Agreement	\$ 544,639	\$ 757,575	\$ 529,427 *	\$ 772,787

\*Includes \$414,246 early termination of lease-purchase agreement.

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	\$ 119,870	\$ 23,746	\$ 143,616
2022	124,218	19,398	143,616
2023	528,699	11,469	540,168
Totals	<u>\$ 772,787</u>	<u>\$ 54,613</u>	<u>\$ 827,400</u>

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 9, 2016, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$14,070 for a total of \$844,200 beginning January 15, 2017. Contract expense for 2020 was \$168,840.

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

<u>Year</u>	<u>December 31, 2020</u>
2021	<u>\$ 168,840</u>

HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 9: Commitments (Continued)**

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2020:

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2020</u>
Courthouse Restoration	August 1, 2021	<u>\$ 192,627</u>

**NOTE 10: Interfund Transfers**

The General Fund transferred \$735,359 to Other Funds in the Aggregate to supplement Recorder Cost, County Detention Facility, Emergency 911 Services, Public Defender, and Industrial Park EDA Grant Funds. Other Funds in the Aggregate (Solid Waste Sales Tax Fund) transferred unrestricted excess sales tax of \$461,572 tax to the General Fund. Within Other Funds in the Aggregate, \$132,267 was transferred from Solid Waste Sales Tax Fund to Solid Waste Reserve Fund to satisfy reserve requirements to the solid waste sales tax as approved by voters.

**NOTE 11: Subsequent Events**

On April 29, 2021, the County entered into a contract for \$1,429,449 to construct a water and sewer system in the County's industrial park. The construction is to begin in July of 2021 and estimated completion date is December 2021.

**NOTE 12: Joint Venture: Regional Library**

Dallas, Grant, and Hot Spring Counties entered into an agreement in January 1982 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mid-Arkansas Regional Library. The agreement was amended in September 1989 to include Cleveland County and in July 2019 to include Saline County. The agreement states that business of the Mid-Arkansas Regional Library shall be handled by the Regional Board composed of the chairman, one other member of each county board and four co-regional librarians and shall be administered by a regional director. Funds for the Mid-Arkansas Regional Library consist of state aid grants, federal funds and other available funds for the purchase of books, maintenance of bookmobiles and the employment of drivers and clerks. Each county continues to supervise control over its income from the county's one mill tax and has control of its particular library. The County Library made no payments to or on behalf of the Regional Library in 2020. The financial statements of the Mid-Arkansas Regional Library have not been audited. Financial information may be obtained at the Hot Spring County Library, 202 East Third Street, Malvern, Arkansas 72104.

**NOTE 13: Jointly Governed Organizations**

A. Narcotics Enforcement Unit

The Prosecuting Attorneys of the Seventh and Ninth-(East) Judicial Districts, the Sheriffs' Departments of Clark, Grant, and Hot Spring Counties, and the Police Departments of Arkadelphia, Sheridan, and Malvern entered into an agreement on July 2, 2019, and updated the agreement on July 2, 2020 to continue the Group "6" Narcotics Enforcement Unit (agreement expires June 30, 2021). Funding is provided through federal and state grants in addition to contributions from participating entities. The County made \$400 in contributions to or on behalf of the Group "6" Narcotics Enforcement Unit in 2020. Separate financial statements of the Group "6" Narcotics Enforcement Unit are not available.

B. Southwest Central Regional Solid Waste Management District

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Southwest Central Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in Arkansas Counties of Clark, Garland, and Hot Spring. The District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the counties in the District and representatives of all first class cities, of all cities with a population over 2,000, and of the largest city of each county in the District. The County made no contributions to or disbursements on behalf of District in 2020. Separate financial statements of the Southwest Central Regional Solid Waste Management District are available at 1000 Central Avenue, Hot Springs, AR, 71903.

HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 14: Lease and Hospital Facilities**

Hot Spring County Memorial Hospital was operated as a county hospital through November 30, 1994. In November 1994, members of the Board of Directors of Hot Spring County Memorial Hospital formed a 501 (c) (3) not-for-profit corporation (Hot Spring County Medical Services, Inc.) for the purpose of leasing the hospital from the County and operating it as a private nonprofit concern. On November 3, 1994, Hot Spring County Medical Services, Inc. signed a lease agreement with the County to lease the facilities for: (a) a fee of \$25 annually and (b) payment of principal and interest necessary to meet the obligation of the hospital's existing bonded indebtedness. The lease agreement was approved the Hot Spring County Ordinance no. 94-31 (November 8, 1994) and modified with Hot Spring County Ordinance no. 08-42 (October 14, 2008). In 2013, the voters approved a one-half cent county-wide sales tax for 20 years to be used for the operation, maintenance, improvement, renovation, expansion, and equipping of hospital and related health care facilities, including particularly, without limitation, the hospital facility known as Hot Spring County Medical Center. The tax will expire December 31, 2033. The proceeds of the sales tax are accounted for in the Hospital Sales Tax Fund, a part of the other funds in the aggregate. In 2020, \$1,370,454 of this sales tax was remitted to the Hot Spring County Medical Center. The Quorum Court approved Hot Spring County Ordinance no. 13-53 (November 12, 2013) consenting to a sublease agreement between Hot Spring County Medical Center and Baptist Health.

**NOTE 15: Recycling Center Lease Agreement**

The County entered into a lease agreement with Hot Spring County Solid Waste Authority, Inc., on September 11, 2001. According to the terms of the agreement, the County (lessor) agreed to lease to the Solid Waste Authority (lessee) specified real property at the Jones Mill Industrial Park for the period of 50 years beginning on September 11, 2001 and ending on September 11, 2051. In return, the Hot Spring County Solid Waste Authority paid the County a lump sum amount of \$600,000 at the time of signing.

**NOTE 16: Hot Spring County Solid Waste Authority**

The Hot Spring County Solid Waste Authority, a separate government entity, was established by the Quorum Court in 1985. In 1994, the voters approved a one percent county-wide sales tax to be used (95%) to retire the then current indebtedness of the Solid Waste Authority (SWA), the annual operations and maintenance of the SWA, other general needs of the County, and five percent to establish a reserve fund for the purchase, acquisition, and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling. All of the municipalities of the County, except the City of Malvern, remit their portion of the sales tax to the County in exchange for sanitation services established by SWA. The proceeds of the sales tax are accounted for in the Solid Waste Sales Tax and Solid Waste Reserve Funds, a part of the other funds in the aggregate. In 2020, \$2,192,256 of this sales tax was remitted to the SWA.

**NOTE 17: 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.

HOT SPRING COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 17: 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 18: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2020 (date of APERS Employer Allocation Report) were \$550,011.

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 \$5,268,983.

**NOTE 19: 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 November 3, 2020, the County Received \$725,779 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$6,559,621 from the American Rescue Plan Act of 2021, and of the report date, \$3,279,811 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Magnet Cove Charter Administrative Fee	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,727	\$ 173,089	\$ 319,257	\$ 26,893	\$ 46,264	\$ 14,458	\$ 10,389	\$ 852,484
Investments								
Accounts receivable				258		338	17,330	39,244
<b>TOTAL ASSETS</b>	<b>\$ 1,727</b>	<b>\$ 173,089</b>	<b>\$ 319,257</b>	<b>\$ 27,151</b>	<b>\$ 46,264</b>	<b>\$ 14,796</b>	<b>\$ 27,719</b>	<b>\$ 891,708</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 494		\$ 4,000		\$ 2,570		\$ 3,020	\$ 45,518
Settlements pending								
Total Liabilities	494		4,000		2,570		3,020	45,518
Fund Balances:								
Restricted	1,233	\$ 173,089	315,257	\$ 27,151	43,694	\$ 14,796	24,699	846,190
Assigned								
Total Fund Balances	1,233	173,089	315,257	27,151	43,694	14,796	24,699	846,190
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,727</b>	<b>\$ 173,089</b>	<b>\$ 319,257</b>	<b>\$ 27,151</b>	<b>\$ 46,264</b>	<b>\$ 14,796</b>	<b>\$ 27,719</b>	<b>\$ 891,708</b>



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

Schedule 1

SPECIAL REVENUE FUNDS

	Support Collections Costs	Drug Control	Intoximeter	County Detention Facility	County Emergency Rescue	Emergency 911	Emergency Vehicle	Public Defender	Victim/Witness
ASSETS									
Cash and cash equivalents	\$ 7,919	\$ 7,264	\$ 3,595	\$ 55,531	\$ 21,993	\$ 483,110	\$ 16,635	\$ 11,813	
Investments									
Accounts receivable			27	1,748		6,254	39	1,177	\$ 1,783
<b>TOTAL ASSETS</b>	<b>\$ 7,919</b>	<b>\$ 7,264</b>	<b>\$ 3,622</b>	<b>\$ 57,279</b>	<b>\$ 21,993</b>	<b>\$ 489,364</b>	<b>\$ 16,674</b>	<b>\$ 12,990</b>	<b>\$ 1,783</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 11,259		\$ 24,748			
Settlements pending									
<b>Total Liabilities</b>				<b>11,259</b>		<b>24,748</b>			
Fund Balances:									
Restricted	\$ 7,919	\$ 7,264	\$ 3,622		\$ 21,993	55,954	\$ 16,674	\$ 12,990	\$ 1,783
Assigned				46,020		408,662			
<b>Total Fund Balances</b>	<b>7,919</b>	<b>7,264</b>	<b>3,622</b>	<b>46,020</b>	<b>21,993</b>	<b>464,616</b>	<b>16,674</b>	<b>12,990</b>	<b>1,783</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,919</b>	<b>\$ 7,264</b>	<b>\$ 3,622</b>	<b>\$ 57,279</b>	<b>\$ 21,993</b>	<b>\$ 489,364</b>	<b>\$ 16,674</b>	<b>\$ 12,990</b>	<b>\$ 1,783</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Adult Drug Court	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Circuit Court/Sheriff Automation	Hospital Sales Tax	Project Lifesaver
ASSETS								
Cash and cash equivalents	\$ 10,564	\$ 7,954	\$ 21,068	\$ 2,181	\$ 2,610	\$ 31,253	\$ 1,063,504	\$ 1,749
Investments								
Accounts receivable		355		100		521		
<b>TOTAL ASSETS</b>	<b>\$ 10,564</b>	<b>\$ 8,309</b>	<b>\$ 21,068</b>	<b>\$ 2,281</b>	<b>\$ 2,610</b>	<b>\$ 31,774</b>	<b>\$ 1,063,504</b>	<b>\$ 1,749</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 494			\$ 205,290	
Settlements pending								
<b>Total Liabilities</b>				<b>494</b>			<b>205,290</b>	
Fund Balances:								
Restricted	\$ 10,564	\$ 8,309	\$ 21,068	1,787	\$ 2,610	\$ 31,774	858,214	\$ 1,749
Assigned								
<b>Total Fund Balances</b>	<b>10,564</b>	<b>8,309</b>	<b>21,068</b>	<b>1,787</b>	<b>2,610</b>	<b>31,774</b>	<b>858,214</b>	<b>1,749</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,564</b>	<b>\$ 8,309</b>	<b>\$ 21,068</b>	<b>\$ 2,281</b>	<b>\$ 2,610</b>	<b>\$ 31,774</b>	<b>\$ 1,063,504</b>	<b>\$ 1,749</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Solid Waste Reserve	Automated Records System Grant	Hot Spring County Fairgrounds Arkansas Economic Development Grant	Industrial Park Economic Development Administration Grant	Special Drug Buy	Communication Facility and Equipment	Library Foundation	
ASSETS								
Cash and cash equivalents	\$ 1,269,560	\$ 79,400	\$ 4,000	\$ 265,000	\$ 124	\$ 26,072	\$ 228,856	\$ 35,356
Investments							821,420	
Accounts receivable						4,066		
<b>TOTAL ASSETS</b>	<b><u>\$ 1,269,560</u></b>	<b><u>\$ 79,400</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 265,000</u></b>	<b><u>\$ 124</u></b>	<b><u>\$ 30,138</u></b>	<b><u>\$ 1,050,276</u></b>	<b><u>\$ 35,356</u></b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 55
Settlements pending								
<b>Total Liabilities</b>								<b><u>55</u></b>
Fund Balances:								
Restricted	\$ 1,269,560	\$ 79,400	\$ 4,000	\$ 265,000	\$ 124	\$ 30,138	\$ 1,050,276	35,301
Assigned								
<b>Total Fund Balances</b>	<b><u>1,269,560</u></b>	<b><u>79,400</u></b>	<b><u>4,000</u></b>	<b><u>265,000</u></b>	<b><u>124</u></b>	<b><u>30,138</u></b>	<b><u>1,050,276</u></b>	<b><u>35,301</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,269,560</u></b>	<b><u>\$ 79,400</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 265,000</u></b>	<b><u>\$ 124</u></b>	<b><u>\$ 30,138</u></b>	<b><u>\$ 1,050,276</u></b>	<b><u>\$ 35,356</u></b>

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

Schedule 1

CUSTODIAL FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Probation Office	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 304,748	\$ 369,148	\$ 47,005	\$ 55,891	\$ 119,394	\$ 590	\$ 5,998,428
Investments							821,420
Accounts receivable							73,240
<b>TOTAL ASSETS</b>	<u>\$ 304,748</u>	<u>\$ 369,148</u>	<u>\$ 47,005</u>	<u>\$ 55,891</u>	<u>\$ 119,394</u>	<u>\$ 590</u>	<u>\$ 6,893,088</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable							\$ 297,448
Settlements pending	\$ 304,748	\$ 369,148	\$ 47,005	\$ 55,891	\$ 119,394	\$ 590	896,776
<b>Total Liabilities</b>	<u>304,748</u>	<u>369,148</u>	<u>47,005</u>	<u>55,891</u>	<u>119,394</u>	<u>590</u>	<u>1,194,224</u>
<b>Fund Balances:</b>							
Restricted							5,244,182
Assigned							454,682
<b>Total Fund Balances</b>							<u>5,698,864</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 304,748</u>	<u>\$ 369,148</u>	<u>\$ 47,005</u>	<u>\$ 55,891</u>	<u>\$ 119,394</u>	<u>\$ 590</u>	<u>\$ 6,893,088</u>

HOT SPRING 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							
	Magnet Cove Charter Administrative Fee	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library
REVENUES								
State aid					\$ 11,592			\$ 59,529
Federal aid								
Property taxes								386,739
Sales taxes								
Fines, forfeitures, and costs				\$ 6,500				
Interest		\$ 3,452	\$ 5,052	468	1,168	\$ 308	\$ 1,087	11,990
Officers' fees						8,194	158,657	
Phone commission and commissary								
Jail fees								
911 fees								
Library fees								6,719
Realized gain on investments								
Net increase/decrease in value of investments								
Contribution from Mid-Ark Regional Library								18,238
Salary reimbursements								
Treasurer's commission		33,524						
Collector's commission			86,528					
Other							77	11,427
<b>TOTAL REVENUES</b>		<u>36,976</u>	<u>91,580</u>	<u>6,968</u>	<u>12,760</u>	<u>8,502</u>	<u>159,821</u>	<u>494,642</u>
Less: Treasurer's commission					232	179	3,107	4,260
<b>NET REVENUES</b>		<u>36,976</u>	<u>91,580</u>	<u>6,968</u>	<u>12,528</u>	<u>8,323</u>	<u>156,714</u>	<u>490,382</u>
EXPENDITURES								
Current:								
General government	\$ 694	53,266	85,698		16,313	21,737	259,715	
Law enforcement								
Public safety								
Sanitation								
Health								
Recreation and culture								557,552
Economic development								
<b>TOTAL EXPENDITURES</b>	<u>694</u>	<u>53,266</u>	<u>85,698</u>		<u>16,313</u>	<u>21,737</u>	<u>259,715</u>	<u>557,552</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(694)	(16,290)	5,882	6,968	(3,785)	(13,414)	(103,001)	(67,170)
OTHER FINANCING SOURCES (USES)								
Transfers in							51,348	
Transfers out								
Sales tax remitted to solid waste authority								
Sales tax remitted to hospital								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							<u>51,348</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(694)	(16,290)	5,882	6,968	(3,785)	(13,414)	(51,653)	(67,170)
FUND BALANCES - JANUARY 1,	1,927	189,379	309,375	20,183	47,479	28,210	76,352	913,360
FUND BALANCES - DECEMBER 31	<u>\$ 1,233</u>	<u>\$ 173,089</u>	<u>\$ 315,257</u>	<u>\$ 27,151</u>	<u>\$ 43,694</u>	<u>\$ 14,796</u>	<u>\$ 24,699</u>	<u>\$ 846,190</u>

HOT SPRING 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							
	Solid Waste Sales Tax	Support Collections Costs	Drug Control	Intoximeter	County Detention Facility	County Emergency Rescue	Emergency 911	Emergency Vehicle
REVENUES								
State aid						\$ 3,901		
Federal aid								
Property taxes								
Sales taxes	\$ 2,645,163							
Fines, forfeitures, and costs			\$ 6,738	\$ 402				\$ 6,363
Interest	2,050	\$ 170		68	\$ 2,619	448	\$ 7,902	\$ 279
Officers' fees		1,948						
Phone commission and commissary								
Jail fees					40,308			
911 fees							600,062	
Library fees								
Realized gain on investments								
Net increase/decrease in value of investments								
Contribution from Mid-Ark Regional Library								
Salary reimbursements							98,370	
Treasurer's commission								
Collector's commission								
Other							250	
<b>TOTAL REVENUES</b>	<b>2,647,213</b>	<b>2,118</b>	<b>6,738</b>	<b>470</b>	<b>42,927</b>	<b>4,349</b>	<b>706,584</b>	<b>6,642</b>
Less: Treasurer's commission	29,318	39			854	81	14,946	144
<b>NET REVENUES</b>	<b>2,617,895</b>	<b>2,079</b>	<b>6,738</b>	<b>470</b>	<b>42,073</b>	<b>4,268</b>	<b>691,636</b>	<b>6,498</b>
EXPENDITURES								
Current:								
General government		1,877						
Law enforcement				120	166,799			3,531
Public safety						3,875	627,779	
Sanitation	21,894							
Health								
Recreation and culture								
Economic development								
<b>TOTAL EXPENDITURES</b>	<b>21,894</b>	<b>1,677</b>		<b>120</b>	<b>166,799</b>	<b>3,875</b>	<b>627,779</b>	<b>3,531</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,596,001</b>	<b>402</b>	<b>6,738</b>	<b>350</b>	<b>(124,726)</b>	<b>393</b>	<b>63,857</b>	<b>2,967</b>
OTHER FINANCING SOURCES (USES)								
Transfers in					156,950		173,919	
Transfers out	(593,839)							
Sales tax remitted to solid waste authority	(2,192,256)							
Sales tax remitted to hospital								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,786,095)</b>				<b>156,950</b>		<b>173,919</b>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(190,094)</b>	<b>402</b>	<b>6,738</b>	<b>350</b>	<b>32,224</b>	<b>393</b>	<b>237,776</b>	<b>2,967</b>
FUND BALANCES - JANUARY 1,	190,094	7,517	526	3,272	13,796	21,600	226,840	13,707
FUND BALANCES - DECEMBER 31	\$ 0	\$ 7,919	\$ 7,264	\$ 3,622	\$ 46,020	\$ 21,993	\$ 464,616	\$ 16,674

HOT SPRING 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							
	Public Defender	Victim/Witness	Adult Drug Court	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Circuit Court/Sheriff Automation
REVENUES								
State aid	\$ 1,770							
Federal aid								
Property taxes							\$ 666	
Sales taxes								
Fines, forfeitures, and costs	17,571	\$ 26,620	\$ 2,800					\$ 13,132
Interest	325		198	\$ 115	\$ 422	\$ 41	43	507
Officers' fees				4,488		467		
Phone commission and commissary								
Jail fees								
911 fees								
Library fees								
Realized gain on investments								
Net increase/decrease in value of investments								
Contribution from Mid-Ark Regional Library								
Salary reimbursements								
Treasurer's commission								
Collector's commission								
Other								
<b>TOTAL REVENUES</b>	<b>19,666</b>	<b>26,620</b>	<b>2,998</b>	<b>4,601</b>	<b>422</b>	<b>508</b>	<b>709</b>	<b>13,639</b>
Less: Treasurer's commission	36		57	85		7	13	
<b>NET REVENUES</b>	<b>19,630</b>	<b>26,620</b>	<b>2,941</b>	<b>4,516</b>	<b>422</b>	<b>501</b>	<b>696</b>	<b>13,639</b>
EXPENDITURES								
Current:								
General government						494		
Law enforcement	22,967	27,095	1,278	8,270				9,383
Public safety								
Sanitation								
Health								
Recreation and culture								
Economic development								
<b>TOTAL EXPENDITURES</b>	<b>22,967</b>	<b>27,095</b>	<b>1,278</b>	<b>8,270</b>		<b>494</b>		<b>9,383</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,337)</b>	<b>(475)</b>	<b>1,663</b>	<b>(3,754)</b>	<b>422</b>	<b>7</b>	<b>696</b>	<b>4,256</b>
OTHER FINANCING SOURCES (USES)								
Transfers in	3,142							
Transfers out								
Sales tax remitted to solid waste authority								
Sales tax remitted to hospital								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,142</b>							
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(195)</b>	<b>(475)</b>	<b>1,663</b>	<b>(3,754)</b>	<b>422</b>	<b>7</b>	<b>696</b>	<b>4,256</b>
FUND BALANCES - JANUARY 1,	13,185	2,258	8,901	12,063	20,646	1,780	1,914	27,518
FUND BALANCES - DECEMBER 31	\$ 12,990	\$ 1,783	\$ 10,564	\$ 8,309	\$ 21,068	\$ 1,787	\$ 2,610	\$ 31,774

HOT SPRING 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						
	Hospital Sales Tax	Project Lifesaver	Solid Waste Reserve	Automated Records System Grant	Court Security Grant 2012	Arkansas Historic Preservation Grant	Hot Spring County Fairgrounds Arkansas Economic Development Grant
REVENUES							
State aid					\$ 15,000	\$ 88,611	
Federal aid							
Property taxes							
Sales taxes	\$ 2,014,164						
Fines, forfeitures, and costs							
Interest	13,311		\$ 23,983				
Officers' fees							
Phone commission and commissary							
Jail fees							
911 fees							
Library fees							
Realized gain on investments							
Net increase/decrease in value of investments							
Contribution from Mid-Ark Regional Library							
Salary reimbursements							
Treasurer's commission							
Collector's commission							
Other				\$ 79,400			
<b>TOTAL REVENUES</b>	<b>2,027,475</b>		<b>23,983</b>	<b>79,400</b>	<b>15,000</b>	<b>88,611</b>	
Less: Treasurer's commission	40,283						
<b>NET REVENUES</b>	<b>1,987,192</b>		<b>23,983</b>	<b>79,400</b>	<b>15,000</b>	<b>88,611</b>	
EXPENDITURES							
Current:							
General government						94,500	\$ 5,401
Law enforcement		\$ 573			15,000		
Public safety							
Sanitation							
Health							
Recreation and culture							
Economic development							
<b>TOTAL EXPENDITURES</b>		<b>573</b>			<b>15,000</b>	<b>94,500</b>	<b>5,401</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,987,192</b>	<b>(573)</b>	<b>23,983</b>	<b>79,400</b>		<b>(5,889)</b>	<b>(5,401)</b>
OTHER FINANCING SOURCES (USES)							
Transfers in			132,267				
Transfers out							
Sales tax remitted to solid waste authority							
Sales tax remitted to hospital	(1,370,454)						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,370,454)</b>		<b>132,267</b>				
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>616,738</b>	<b>(573)</b>	<b>156,250</b>	<b>79,400</b>		<b>(5,889)</b>	<b>(5,401)</b>
FUND BALANCES - JANUARY 1,	241,476	2,322	1,113,310			5,889	5,401
FUND BALANCES - DECEMBER 31	\$ 858,214	\$ 1,749	\$ 1,269,560	\$ 79,400	\$ 0	\$ 0	\$ 4,000



HOT SPRING 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							Totals
	Arkansas Community and Economic Development Program Public Health Unit Grant	Industrial Park Economic Development Administration Grant	Library Grant	Special Drug Buy	Communication Facility and Equipment	Library Foundation	County Law Library	
<b>REVENUES</b>								
State aid								\$ 180,403
Federal aid	\$ 193,901							193,901
Property taxes								387,405
Sales taxes								4,659,327
Fines, forfeitures, and costs							\$ 6,875	86,801
Interest						\$ 11,885	645	88,536
Officers' fees					\$ 6,816			180,568
Phone commission and commissary					25,116			25,116
Jail fees								40,308
911 fees								600,062
Library fees								6,719
Realized gain on investments						30,987		30,987
Net increase/decrease in value of investments						78,356		78,356
Contribution from Mid-Ark Regional Library								18,238
Salary reimbursements								98,370
Treasurer's commission								33,524
Collector's commission								86,528
Other			\$ 11,140	\$ 501	1,068	5,000		108,863
<b>TOTAL REVENUES</b>	193,901		11,140	501	33,000	128,228	7,320	6,904,012
Less: Treasurer's commission								93,643
<b>NET REVENUES</b>	193,901		11,140	501	33,000	128,228	7,320	6,810,369
<b>EXPENDITURES</b>								
Current:								
General government			11,140					550,635
Law enforcement				400	63,518		442	319,376
Public safety								631,654
Sanitation								21,894
Health	193,901							193,901
Recreation and culture						8,722		566,274
Economic development		\$ 85,000						85,000
<b>TOTAL EXPENDITURES</b>	193,901	85,000	11,140	400	63,518	8,722	442	2,368,734
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		(85,000)		101	(30,518)	117,506	6,878	4,441,635
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in		350,000						867,626
Transfers out								(593,839)
Sales tax remitted to solid waste authority								(2,192,256)
Sales tax remitted to hospital								(1,370,454)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		350,000						(3,288,923)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>		265,000		101	(30,518)	117,506	6,878	1,152,712
FUND BALANCES - JANUARY 1,				23	60,666	932,770	28,423	4,546,152
FUND BALANCES - DECEMBER 31	\$ 0	\$ 265,000	\$ 0	\$ 124	\$ 30,138	\$ 1,050,276	\$ 35,301	\$ 5,698,864

HOT SPRING 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>
Magnet Cove Charter Administrative Fee	Established by Hot Spring County Ordinance no. 12-85 (December 11, 2012) for the purpose of securing the storage and maintenance of all records held by the agents of Magnet Cove relating to the history, official acts, business, and all other records of the town of Magnet Cove, Arkansas.
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 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 an automated records system.
County Library	Fund consists of two accounts, Operating and Challenge. Ark. Code Ann. § 13-2-404 establishes the Operating account to receive property taxes, fees, fines, gifts, etc., to be appropriated for the support, operation, and maintenance of county public library system. All donations to the library are deposited in the Challenge Fund and are to be expended at the discretion of the Library Board.
Solid Waste Sales Tax	Established by Hot Spring County Ordinance no. 90-18 (October 9, 1990) to account for a one cent sales tax passed in January 1991. Civil Court Order no. 2003-279-2 determined that the designated purpose for the revenues are as follows: (a) 95% are to be used to pay the existing indebtedness of the Solid Waste Authority (SWA) to FmHA and the Bank of Malvern (retired prior to 2010) and the annual operation and maintenance of SWA and upon the retirement of the debt to FmHA and the Bank of Malvern, these revenues may be appropriated by the Quorum Court: First, to fund the annual operation and maintenance of SWA; and Second, to fund other general needs of the County as authorized by law. (b) 5% shall be appropriated into a reserve fund to be used for the purchase, acquisition and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling.

HOT SPRING 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>
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Intoximeter	Ark. Code Ann. § 16-10-308 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on person convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility.
County Emergency Rescue	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. § 12-10-308 established fund to receive fees collected by telephone providers for 911 emergency services.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Public Defender	Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.

HOT SPRING 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>
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	Established by Hot Spring County Ordinance no. 17-16 (July 11, 2017) to establish Assessor's Late Assessment Fee Fund to help pay for the expense of assessing property.
Circuit Court/Sheriff 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.
Hospital Sales Tax	Established by Hot Spring County Ordinance no. 08-31 (July 8, 2008) to account for a 1/2 cent sales tax passed September 9, 2008, for the operation, maintenance, improvement, renovation, expansion, and equipping of hospital and related health care facilities, including particularly, without limitation, the hospital facility known as Hot Spring County Medical Center.
Project Lifesaver	Established by Hot Spring County Ordinance no. 10-57 (October 20, 2010) to provide training of law enforcement personnel in the operation of electronic tracking equipment.
Solid Waste Reserve	Established by Hot Spring County Ordinance no. 90-18 (October 9, 1990) to account for a one cent sales tax passed in January 1991. Civil Court Order no. 2003-279-2 determined that the designated purpose for the revenues are as follows: (a) 95% are to be used to pay the existing indebtedness of the Solid Waste Authority (SWA) to FmHA and the Bank of Malvern (retired prior to 2010) and the annual operation and maintenance of SWA and upon the retirement of the debt to FmHA and the Bank of Malvern, these revenues may be appropriated by the Quorum Court: First, to fund the annual operation and maintenance of SWA; and Second, to fund other general needs of the County as authorized by law. (b) 5% shall be appropriated into a reserve fund to be used for the purchase, acquisition and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling.
Automated Records System Grant	Established by Hot Spring County Ordinance no.11-63 (October 24, 2011) to establish a fund to account for grant funds received from the Association of Arkansas Counties to be used for Phase I Scanning Deed Books.
Court Security Grant 2012	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Arkansas Historic Preservation Grant	Established by Hot Spring County Ordinance no. 17-23 (September 12, 2017) to establish AR Historic Preservation Program Grant Fund to process monies received from the Arkansas Historic Preservation Program Grant for the restoration of the roof on the Hot Spring County Courthouse.

HOT SPRING 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>
Fun Park Grant	Established by Hot Spring County Ordinance no. 18-15 (April 10, 2018) to process monies received for the New Deroche Community Park.
Hot Spring County Fairgrounds Arkansas Economic Development Grant	Established by Hot Spring County Ordinance no. 18-24 (July 10, 2018) to process monies received for fairground improvements.
Arkansas Community and Economic Development Program Public Health Unit Grant	Established by Hot Spring County Ordinance no. 18-34 (September 11, 2018) to process monies received for renovations for the health facility.
Industrial Park Economic Development Administration Grant	Established by Hot Spring County Ordinance no. 19-26 (November 12, 2019) to account for Economic Development Administration Grant received to improve an industrial park and its marketability as an opportunity zone for private investment.
Library Grant	Established by Hot Spring County Ordinance no. 20-36 (November 10, 2020) to account for grants received by the Library.
Special Drug Buy	Established by Hot Spring County Ordinance no. 98-20 (May 12, 1998) per Ark. Code Ann. § 14-21-201.
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.
Library Foundation	The Library Foundation Fund is an investment fund made up of excess donations from a fund raiser to construct a new library in 2004. These funds are overseen by the Library Board.
County Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, collector'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, evidence, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with the treasurer.

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

Juvenile Probation Office account consists of fees to be settled with the treasurer.

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

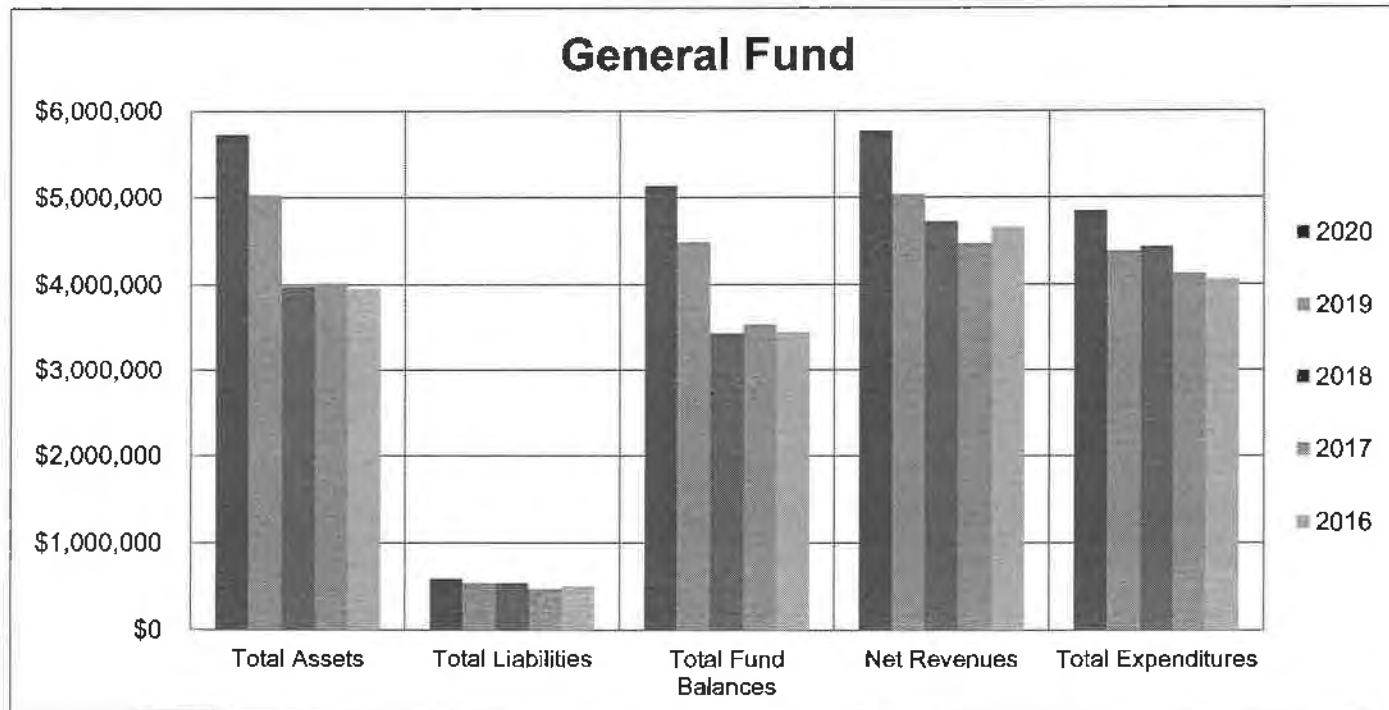
Schedule 3

	<u>December 31, 2020</u>
Land and buildings	\$ 9,674,644
Equipment	<u>11,202,745</u>
Total	<u>\$ 20,877,389</u>

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

Schedule 4-1

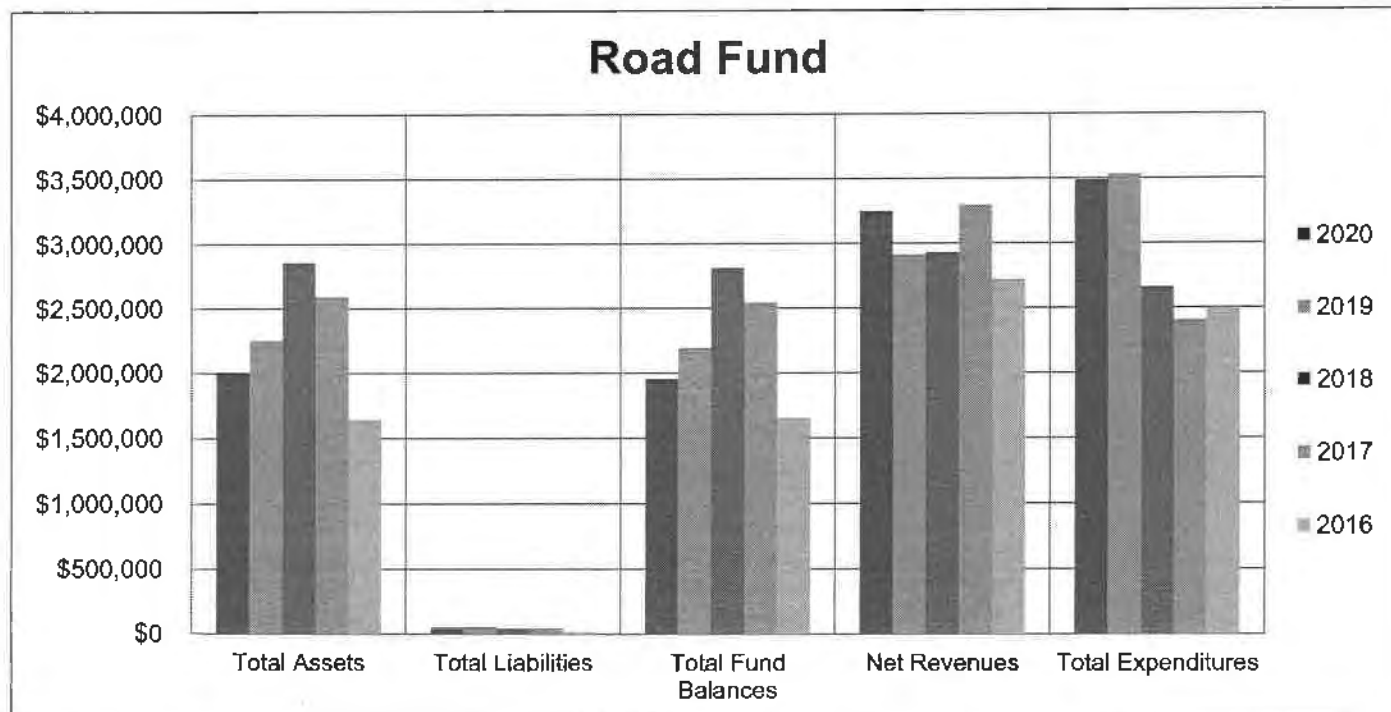
<b>General</b>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 5,727,392	\$ 5,028,780	\$ 3,977,401	\$ 4,017,526	\$ 3,951,589
Total Liabilities	592,650	542,111	544,204	477,040	508,978
Total Fund Balances	5,134,742	4,486,669	3,433,197	3,540,486	3,442,611
Net Revenues	5,766,377	5,037,686	4,721,208	4,472,247	4,651,730
Total Expenditures	4,844,517	4,381,406	4,431,891	4,120,989	4,053,964
Total Other Financing Sources/Uses	(273,787)	397,192	(396,606)	(253,383)	(88,819)



HOT SPRING 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>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets	\$ 2,013,520	\$ 2,254,731	\$ 2,859,494	\$ 2,592,137	\$ 1,647,568
Total Liabilities	57,154	58,532	44,784	45,729	19,511
Total Fund Balances	1,956,366	2,196,199	2,814,710	2,546,408	1,655,057
Net Revenues	3,249,912	2,914,603	2,932,681	3,298,540	2,723,150
Total Expenditures	3,489,746	3,533,114	2,664,379	2,407,189	2,499,044
Total Other Financing Sources/Uses					(19,646)

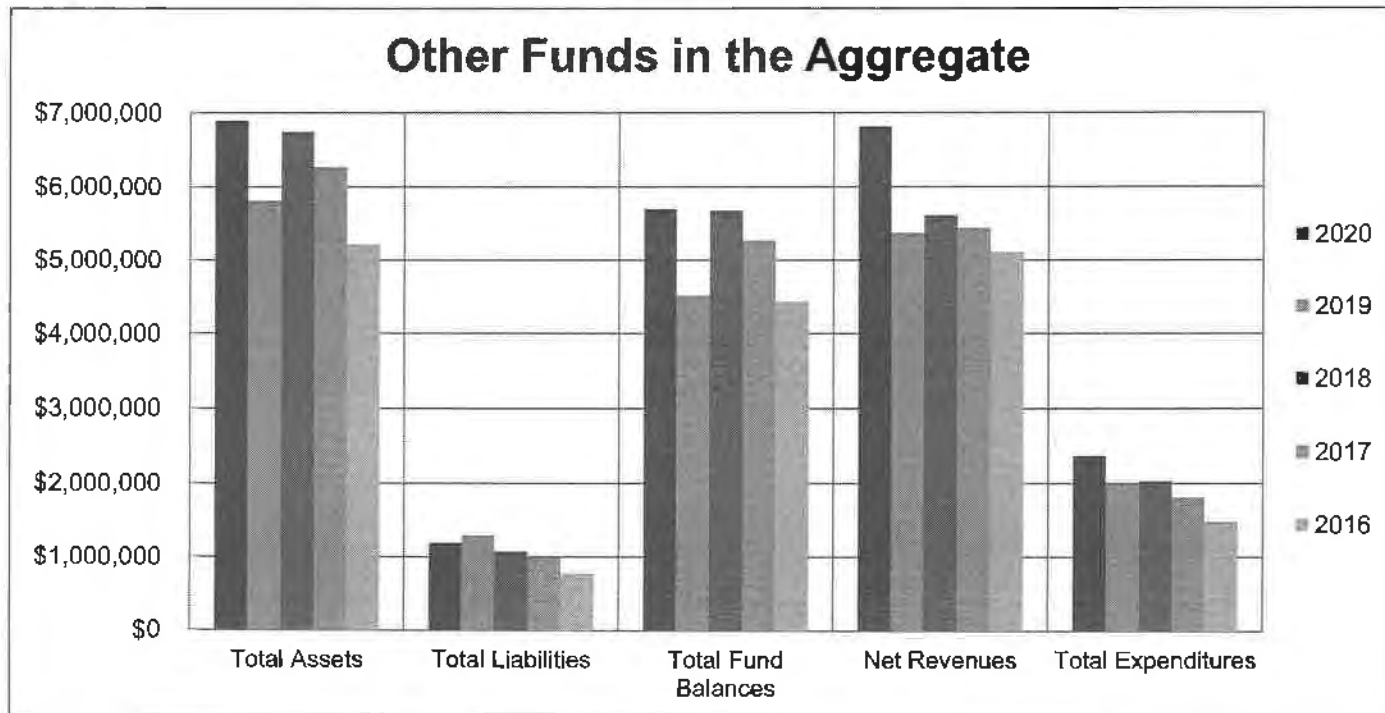




HOT SPRING COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2020  
 (Unaudited)

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	\$ 6,893,088	\$ 5,813,330	\$ 6,746,106	\$ 6,267,967	\$ 5,209,419
Total Liabilities	1,194,224	1,295,601	1,070,372	994,387	774,816
Total Fund Balances	5,698,864	4,517,729	5,675,734	5,273,580	4,434,603
Net Revenues	6,810,369	5,375,983	5,613,402	5,439,404	5,114,331
Total Expenditures	2,368,734	1,989,277	2,029,850	1,812,859	1,487,473
Total Other Financing Sources/Uses	(3,288,923)	(4,544,711)	(3,181,398)	(2,787,568)	(3,798,703)



**HOT SPRING COUNTY, ARKANSAS**  
**Schedule of Expenditures of Federal Awards**  
**December 31, 2020**



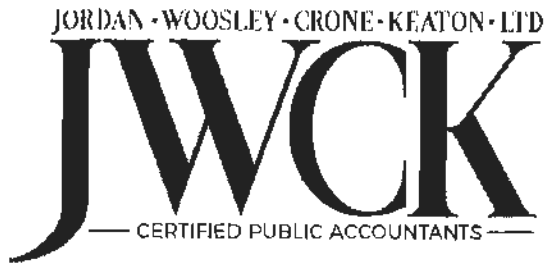
126 Hobson Avenue, P.O. Box 909  
Hot Springs, Arkansas 71902

# Hot Spring County, Arkansas

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**Partners**  
Gary D. Welch, CPA, CVA  
Courtney W. Moore, CPA, CFE, CGMA  
Christina B. Ellis, CPA

**Principals**  
Dennis C. Fason, CPA  
Jimmy M. Pate, CPA  
Phyllis A. Trent, CPA

**Founding Partners**  
Joe L. Woosley, CPA  
(1932-Present)  
Harry C. Keaton, CPA  
(1920-2005)  
Clarence W. Jordan, CPA  
(1930-2009)  
Glen W. Crone, Jr., CPA  
(1936-2016)

**Report under AU-C Section 805, Special Considerations:  
Audits of Single Financial Statements and Specified Elements,  
Accounts, or Items of a Financial Statement**

**Independent Auditor's Report**

Hot Spring County, Arkansas  
Officials and Quorum Court Members  
Malvern, Arkansas

**Report on Schedule of Expenditures of Federal Awards**

We have audited the accompanying schedule of expenditures of federal awards of Hot Spring County, Arkansas (the "County"), for the year ended December 31, 2020, and the related notes (the financial statement).

**Management's Responsibility**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America.; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement whether due to fraud or error.


**Auditor's Responsibility**

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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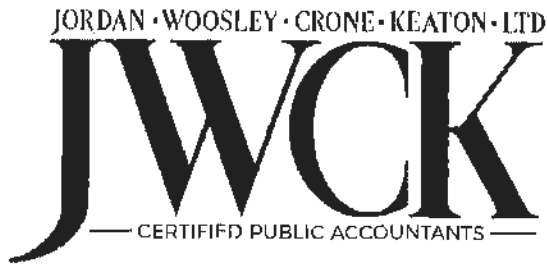
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

*JWCK, Ltd*

Hot Springs, Arkansas  
April 14, 2021



**Partners**  
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## **Report on Compliance for the Major Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

### **Independent Auditor's Report**

Hot Spring County, Arkansas  
Officials and Quorum Court Members  
Malvern, Arkansas

### **Report on Compliance for Each Major Federal Program**

We have audited Hot Spring County, Arkansas's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### **Opinion on the Major Federal Program**


In our opinion, Hot Spring County, Arkansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*JWCK, Ltd*

Hot Springs, Arkansas  
April 14, 2021

# Hot Spring County, Arkansas

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

<u>Federal Grantor/Pass-through Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- through Awards</u>	<u>Total</u>
U.S Department of the Treasury-passed through Arkansas Department of Finance and Administration: Coronavirus Aid and Relief Economic Security Act	21.019	\$ 725,779	\$ 725,779
U.S. Department of the Treasury-passed through the Arkansas Secretary of State: Coronavirus Aid and Election Relief	90.404	29,553	29,553
U.S. Department of Housing and Urban Development - passed through Arkansas Economic Development Commission: Community Development Block Grants	14.228	193,901	193,901
U.S. Department of Homeland Security - passed through Arkansas Department of Emergency Management: OEM Reimbursement	97.042	9,000	9,000
U.S. Department of Agriculture - passed through Treasurer of the State of Arkansas: Forest Service Schools and Roads Cluster	10.665	2,979	2,979
		\$ 961,212	\$ 961,212

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



# Hot Spring County, Arkansas

Notes to the Schedule of Federal Awards

For the Year Ended December 31, 2020

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**NOTE 1: Summary of Significant Accounting Policies** – Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

**NOTE 2: Basis of Accounting** - The accompanying schedule of expenditures of federal awards includes the federal grant activities of Hot Spring County, Arkansas, and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

**NOTE 3: Federal Indirect Rate** - The County has elected not to use the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4: Program Costs** - The amounts shown as current-year expenses represent only the federal grant portion of the program costs. Entire program costs including the County's portion may be more than shown.

See Independent Auditor's Report.

# Hot Spring County, Arkansas

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2020

---

### A. Summary of Audit Results

1. The independent auditor's report expresses an unmodified opinion on the Schedule of Expenditures of Federal Awards of the County.
2. No material weaknesses or significant deficiencies relating to the audit of the major award program is reported in the Independent Auditor's Report on Compliance for the Major Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance.
3. The independent auditor's report on compliance for the major federal award program for the County expresses an unmodified opinion.
4. No audit findings were noted that are required to be reported in accordance with 2CFR section 200.516(a).
5. The program tested as a major program was:  
Coronavirus Aid and Relief Economic Security Act CFDA 21.019
6. The threshold for distinguishing Types A and B programs was \$750,000.
7. The County was determined not to be a low-risk auditee.

### B. Findings - Financial Statement Audit - None

### C. Federal Awards Findings and Questioned Costs - None

# Hot Spring County, Arkansas

Schedule of Prior Year Audit Findings

For the Year Ended December 31, 2020

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No Prior Year Findings