

**FULTON COUNTY, ARKANSAS**  
**Audited Schedule of Expenditures of**  
**Federal Awards**  
**December 31, 2020**

FULTON COUNTY, ARKANSAS

December 31, 2020

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## Welch, Couch & Company, PA Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT

County Judge and  
Quorum Court  
Fulton County, Arkansas

#### Report on Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of Fulton County, Arkansas, 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 of material misstatements.

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 County'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 County'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.

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

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***Opinion***

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

***Welch, Couch & Company, PA***  
Certified Public Accountants

Batesville, Arkansas  
July 13, 2021

**FULTON COUNTY, ARKANSAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b><u>U.S. Department of Treasury</u></b>			
<b>Passed Through Arkansas State Treasury:</b>			
Coronavirus Relief Fund - COVID-19	21.019	N/A	545,454
<b>Total U.S. Department of Treasury</b>			<u>545,454</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<b>Passed through Arkansas Department</b>			
<b>Emergency Management:</b>			
Emergency Management Performance Grants	97.042	EMT-2019-EP-00002-S01	10,812
Emergency Management Performance Grants	97.042	EMT-2020-EP-00003-S01	3,195
<b>Total U.S. Department of Homeland Security</b>			<u>14,007</u>
<b><u>U.S. Department of Interior</u></b>			
<b>Direct Award:</b>			
Payments in Lieu of Taxes	15.226	N/A	10,101
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b>Passed through Arkansas Economic</b>			
<b>Development Commission:</b>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	790-09095-15	55,712
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	790-09031-09	87,959
<b>Total U.S. Department of Housing and     Urban Development</b>			<u>143,671</u>
<b><u>U.S. Department of Justice</u></b>			
<b>Passed through Arkansas Department</b>			
<b>Department of Finance and Administration:</b>			
Coronavirus Emergency Supplemental Funding Program	16.034	21-924-C019	3,400
<b>Total U.S. Department of Homeland Security</b>			<u>3,400</u>
<b><u>U.S. Department of Agriculture</u></b>			
<b>Direct Award:</b>			
Rural Development Community Facility Grant	10.766	N/A	53,500
<b>Total U.S. Department of Agriculture</b>			<u>53,500</u>
<b>Total Federal Awards</b>			<u><u>\$ 770,133</u></u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY, ARKANSAS**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Fulton County, Arkansas under programs of the federal government for the year ended December 31, 2020. The information in this 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 Fulton County, Arkansas, it is not intended to and does not present the financial position, change in net assets, or cash flows of Fulton County, Arkansas.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are not limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3 – Indirect Cost Rate**

Fulton County, Arkansas did not elect to apply the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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### Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance

County Judge and  
Quorum Court  
Fulton County, Arkansas

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

We have audited Fulton County, Arkansas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fulton County, Arkansas' major federal programs for the year ended December 31, 2020. Fulton County, Arkansas' major federal programs are 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 for each of Fulton County, Arkansas' major federal programs 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 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 Fulton County, Arkansas' 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 Fulton County, Arkansas' compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Fulton 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 each of its major federal programs for the year ended December 31, 2020.

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## Report on Internal Control Over Compliance

Management of Fulton County, Arkansas 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 Fulton County, Arkansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 Fulton County, Arkansas' 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 a 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 weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be 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.

*Welch, Couch & Company, PA*  
Certified Public Accountants

Batesville, Arkansas  
July 13, 2021



**FULTON COUNTY, ARKANSAS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2020**

**Summary of Auditor's Results**

**Federal Awards:**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	None reported
Identification of major programs:	
CFDA Number(s):	Name of Federal Program or Cluster:
#21.019	Coronavirus Relief Fund – COVID-19
Dollar threshold used to distinguish between type A and and type B programs	\$ 750,000
Auditee qualified as low risk auditee?	No

**Federal Award Findings and Questioned Costs**

None reported

**FULTON COUNTY, ARKANSAS**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2020**

None Reported