

Arkansas County, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



ARKANSAS COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Arkansas County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Arkansas County, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated August 23, 2023. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2021:

County Judge: Thomas "Eddie" Best
Treasurer: Charles A. Horton
Sheriff: Dean Mannis
Tax Collector: Dean Mannis
County Clerk: Melissa Wood
Circuit Clerk: Sarah Merchant
Assessor: Marcia Theis
County Librarian: Sarah Beth Cole

We evaluated the County's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the office of **County Treasurer**.

County Treasurer

The Treasurer's monthly reconciled bank and certificates of deposit balances did not agree with the Treasurer's Summary, in noncompliance with Ark. Code Ann. § 14-25-114. A similar issue was noted in the two previous reports.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight 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 Roger A. Norman in cursive.

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

Little Rock, Arkansas
August 23, 2023
LOCO00121

ARKANSAS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021
(UNAUDITED)

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 3,338,078	\$ 1,555,662	\$ 6,362,370
Accounts receivable	216,849	30,302	155,157
Interfund receivables			103,907
	<u>3,554,927</u>	<u>1,585,964</u>	<u>6,621,434</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 107,350	\$ 107,844	\$ 95,515
Interfund payables	72,740		31,167
Settlements pending			425,411
Total Liabilities	<u>180,090</u>	<u>107,844</u>	<u>552,093</u>
Fund Balances:			
Restricted		315,407	4,356,429
Assigned	155,776	1,162,713	1,712,912
Unassigned	3,219,061		
Total Fund Balances	<u>3,374,837</u>	<u>1,478,120</u>	<u>6,069,341</u>
	<u>\$ 3,554,927</u>	<u>\$ 1,585,964</u>	<u>\$ 6,621,434</u>
TOTAL LIABILITIES AND FUND BALANCES			

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 621,600	\$ 2,150,024	\$ 203,477
Federal aid	40,495	64,886	1,701,011
Property taxes	1,903,770	798,070	168,947
Sales taxes			4,025,736
Fines, forfeitures, and costs	247,694		61,145
Interest	9,174	991	8,275
Officers' fees	114,863		172,715
Sanitation	647,025		
Jail fees			268,551
911 fees			381,189
Commissary profit			15,052
Treasurer's commission	96,278		26,442
Collector's commission	235,452		72,740
Taxes apportioned - Assessor's salary and expense	300,482		
Other	113,322	37,730	67,921
TOTAL REVENUES	4,330,155	3,051,701	7,173,201
Less: Treasurer's commission	35,522	24,954	44,336
NET REVENUES	4,294,633	3,026,747	7,128,865
EXPENDITURES			
Current:			
General government	2,170,285		306,672
Law enforcement	1,939,174		2,338,471
Highways and streets		2,692,230	
Public safety	54,655		140,141
Sanitation	602,612		
Health	48,898		
Recreation and culture			158,643
Social services	122,259		
Total Current	4,937,883	2,692,230	2,943,927
Debt Service:			
Financed purchase principal		153,831	
Financed purchase interest		2,776	
TOTAL EXPENDITURES	4,937,883	2,848,837	2,943,927

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (643,250)	\$ 177,910	\$ 4,184,938
OTHER FINANCING SOURCES (USES) Sales tax remitted to community college			(1,831,077)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(643,250)	177,910	2,353,861
FUND BALANCES - JANUARY 1	4,018,087	1,300,210	3,715,480
FUND BALANCES - DECEMBER 31	\$ 3,374,837	\$ 1,478,120	\$ 6,069,341

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

ARKANSAS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 356,859	\$ 621,600	\$ 264,741	\$ 1,956,072	\$ 2,150,024	\$ 193,952
Federal aid	31,956	40,495	8,539	7,367	64,886	57,519
Property taxes	2,888,459	1,903,770	(984,689)	760,577	798,070	37,493
Fines, forfeitures, and costs	235,987	247,694	11,707			
Interest	2,185	9,174	6,989	713	991	278
Officers' fees	95,350	114,863	19,513			
Sanitation	621,885	647,025	25,140			
Treasurer's commission	92,110	96,278	4,168			
Collector's commission	310,000	235,452	(74,548)			
Taxes apportioned - Assessor's salary and expense	264,535	300,482	35,947			
Other	168,842	113,322	(55,520)	43,691	37,730	(5,961)
TOTAL REVENUES	5,068,168	4,330,155	(738,013)	2,768,420	3,051,701	283,281
Less: Treasurer's commission		35,522	(35,522)		24,954	(24,954)
NET REVENUES	5,068,168	4,294,633	(773,535)	2,768,420	3,026,747	258,327
EXPENDITURES						
Current:						
General government	2,416,045	2,170,285	245,760			
Law enforcement	1,912,363	1,939,174	(26,811)			
Highways and streets				2,959,106	2,692,230	266,876
Public safety	62,390	54,655	7,735			
Sanitation	623,750	602,612	21,138			
Health	56,945	48,898	8,047			
Social services	128,617	122,259	6,358			
Total Current	5,200,110	4,937,883	262,227	2,959,106	2,692,230	266,876
Debt Service:						
Financed purchase principal				144,000	153,831	(9,831)
Financed purchase interest					2,776	(2,776)
TOTAL EXPENDITURES	5,200,110	4,937,883	262,227	3,103,106	2,848,837	254,269

ARKANSAS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (131,942)	\$ (643,250)	\$ (511,308)	\$ (334,686)	\$ 177,910	\$ 512,596
OTHER FINANCING SOURCES (USES)						
Transfers in				200,000		(200,000)
Transfers out	(81,920)		81,920			
TOTAL OTHER FINANCING SOURCES (USES)	(81,920)		81,920	200,000		(200,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(213,862)	(643,250)	(429,388)	(134,686)	177,910	312,596
FUND BALANCES - JANUARY 1	2,600,000	4,018,087	1,418,087	700,000	1,300,210	600,210
FUND BALANCES - DECEMBER 31	<u>\$ 2,386,138</u>	<u>\$ 3,374,837</u>	<u>\$ 988,699</u>	<u>\$ 565,314</u>	<u>\$ 1,478,120</u>	<u>\$ 912,806</u>

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

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Reappraisal Cost	Support Collections Costs	County Jail Sales Tax
ASSETS									
Cash and cash equivalents	\$ 72,530	\$ 300,827	\$ 26,848	\$ 25,861	\$ 29,912	\$ 245,698	\$ 10,001	\$ 5,772	\$ 1,679,207
Accounts receivable	26,442		298		706	10,583		46	81,871
Interfund receivables		72,740							
TOTAL ASSETS	\$ 98,972	\$ 373,567	\$ 27,146	\$ 25,861	\$ 30,618	\$ 256,281	\$ 10,001	\$ 5,818	\$ 1,761,078
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 4,424				\$ 33,679			\$ 47,000
Interfund payables									31,167
Settlements pending									
Total Liabilities		4,424				33,679			78,167
Fund Balances:									
Restricted	\$ 78,972	369,143	\$ 27,146	\$ 25,861	\$ 30,618	222,602		\$ 5,818	
Assigned	20,000						\$ 10,001		1,682,911
Total Fund Balances	98,972	369,143	27,146	25,861	30,618	222,602	10,001	5,818	1,682,911
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,972	\$ 373,567	\$ 27,146	\$ 25,861	\$ 30,618	\$ 256,281	\$ 10,001	\$ 5,818	\$ 1,761,078

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library Southern District	Phillips County Community College Sales Tax	Records Preservation and Restoration
ASSETS									
Cash and cash equivalents	\$ 51,738	\$ 768,758	\$ 215	\$ 884	\$ 2,169	\$ 1,698,226	\$ 773,122	\$ 162,422	\$ 19,119
Accounts receivable		8,380					181	21,574	
Interfund receivables									
TOTAL ASSETS	\$ 51,738	\$ 777,138	\$ 215	\$ 884	\$ 2,169	\$ 1,698,226	\$ 773,303	\$ 183,996	\$ 19,119
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 268							
Interfund payables									
Settlements pending									
Total Liabilities		268							
Fund Balances:									
Restricted	\$ 51,738	776,870	\$ 215	\$ 884	\$ 2,169	\$ 1,698,226	\$ 773,303	\$ 183,996	\$ 19,119
Assigned									
Total Fund Balances	51,738	776,870	215	884	2,169	1,698,226	773,303	183,996	19,119
TOTAL LIABILITIES AND FUND BALANCES	\$ 51,738	\$ 777,138	\$ 215	\$ 884	\$ 2,169	\$ 1,698,226	\$ 773,303	\$ 183,996	\$ 19,119

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

Schedule 1

	SPECIAL REVENUE FUNDS		CUSTODIAL FUNDS						
	Juvenile Detention Center Grant	Communication Facility and Equipment	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge Accounts	Totals
ASSETS									
Cash and cash equivalents	\$ (23,424)	\$ 87,074	\$ 274,728	\$ 1,200	\$ 73,514	\$ 2,028	\$ 23,332	\$ 50,609	\$ 6,362,370
Accounts receivable		5,076							155,157
Interfund receivables	31,167								103,907
TOTAL ASSETS	<u>\$ 7,743</u>	<u>\$ 92,150</u>	<u>\$ 274,728</u>	<u>\$ 1,200</u>	<u>\$ 73,514</u>	<u>\$ 2,028</u>	<u>\$ 23,332</u>	<u>\$ 50,609</u>	<u>\$ 6,621,434</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 7,744	\$ 2,400							\$ 95,515
Interfund payables									31,167
Settlements pending			\$ 274,728	\$ 1,200	\$ 73,514	\$ 2,028	\$ 23,332	\$ 50,609	425,411
Total Liabilities	<u>7,744</u>	<u>2,400</u>	<u>274,728</u>	<u>1,200</u>	<u>73,514</u>	<u>2,028</u>	<u>23,332</u>	<u>50,609</u>	<u>552,093</u>
Fund Balances:									
Restricted	(1)	89,750							4,356,429
Assigned									1,712,912
Total Fund Balances	<u>(1)</u>	<u>89,750</u>							<u>6,069,341</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,743</u>	<u>\$ 92,150</u>	<u>\$ 274,728</u>	<u>\$ 1,200</u>	<u>\$ 73,514</u>	<u>\$ 2,028</u>	<u>\$ 23,332</u>	<u>\$ 50,609</u>	<u>\$ 6,621,434</u>

ARKANSAS COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Reappraisal Cost	Support Collections Costs
REVENUES								
State aid				\$ 6,308		\$ 33,078	\$ 108,906	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 915					
Interest	\$ 63	\$ 227	31	21	\$ 21	166		\$ 6
Officers' fees			8,400		9,902	147,058		708
Jail fees								
911 fees								
Commissary profit								
Treasurer's commission	26,442							
Collector's commission		72,740						
Other						266		
TOTAL REVENUES	26,505	72,967	9,346	6,329	9,923	180,568	108,906	714
Less: Treasurer's commission			22		196	3,020		14
NET REVENUES	26,505	72,967	9,324	6,329	9,727	177,548	108,906	700
EXPENDITURES								
Current:								
General government	16,929	31,177		684	4,500	138,526	108,906	4,734
Law enforcement			13,912					
Public safety								
Recreation and culture								
TOTAL EXPENDITURES	16,929	31,177	13,912	684	4,500	138,526	108,906	4,734
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,576	41,790	(4,588)	5,645	5,227	39,022		(4,034)
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,576	41,790	(4,588)	5,645	5,227	39,022		(4,034)
FUND BALANCES - JANUARY 1	89,396	327,353	31,734	20,216	25,391	183,580	10,001	9,852
FUND BALANCES - DECEMBER 31	\$ 98,972	\$ 369,143	\$ 27,146	\$ 25,861	\$ 30,618	\$ 222,602	\$ 10,001	\$ 5,818

ARKANSAS COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Jail Sales Tax	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library Southern District
REVENUES								
State aid	\$ 7,000	\$ 2,333						\$ 14,685
Federal aid							\$ 1,698,226	2,785
Property taxes						\$ 218		168,729
Sales taxes	2,012,868							
Fines, forfeitures, and costs	60,230							
Interest	4,314	145	\$ 511					2,722
Officers' fees					\$ 90			
Jail fees	268,551							
911 fees			381,189					
Commissary profit								
Treasurer's commission								
Collector's commission								
Other	11,683		191					10,479
TOTAL REVENUES	2,364,646	2,478	381,891		90	218	1,698,226	199,400
Less: Treasurer's commission	18,723	33	1,057		2	2		2,583
NET REVENUES	2,345,923	2,445	380,834		88	216	1,698,226	196,817
EXPENDITURES								
Current:								
General government					716			
Law enforcement	2,257,387	3,590						
Public safety			140,141					
Recreation and culture								158,643
TOTAL EXPENDITURES	2,257,387	3,590	140,141		716			158,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	88,536	(1,145)	240,693		(628)	216	1,698,226	38,174
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	88,536	(1,145)	240,693		(628)	216	1,698,226	38,174
FUND BALANCES - JANUARY 1	1,594,375	52,883	536,177	\$ 215	1,512	1,953		735,129
FUND BALANCES - DECEMBER 31	\$ 1,682,911	\$ 51,738	\$ 776,870	\$ 215	\$ 884	\$ 2,169	\$ 1,698,226	\$ 773,303

ARKANSAS COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS				Totals
	Phillips County Community College Sales Tax	Records Preservation and Restoration	Juvenile Detention Center Grant	Communication Facility and Equipment	
REVENUES					
State aid			\$ 31,167		\$ 203,477
Federal aid					1,701,011
Property taxes					168,947
Sales taxes	\$ 2,012,868				4,025,736
Fines, forfeitures, and costs					61,145
Interest		\$ 12		\$ 36	8,275
Officers' fees				6,557	172,715
Jail fees					268,551
911 fees					381,189
Commissary profit				15,052	15,052
Treasurer's commission					26,442
Collector's commission					72,740
Other		5,600		39,702	67,921
TOTAL REVENUES	2,012,868	5,612	31,167	61,347	7,173,201
Less: Treasurer's commission	18,684				44,336
NET REVENUES	1,994,184	5,612	31,167	61,347	7,128,865
EXPENDITURES					
Current:					
General government		500			306,672
Law enforcement			31,168	32,414	2,338,471
Public safety					140,141
Recreation and culture					158,643
TOTAL EXPENDITURES		500	31,168	32,414	2,943,927
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,994,184	5,112	(1)	28,933	4,184,938
OTHER FINANCING SOURCES (USES)					
Sales tax remitted to community college	(1,831,077)				(1,831,077)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	163,107	5,112	(1)	28,933	2,353,861
FUND BALANCES - JANUARY 1	20,889	14,007		60,817	3,715,480
FUND BALANCES - DECEMBER 31	<u>\$ 183,996</u>	<u>\$ 19,119</u>	<u>\$ (1)</u>	<u>\$ 89,750</u>	<u>\$ 6,069,341</u>

ARKANSAS COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
County Jail Sales Tax	Arkansas County Ordinance no. 93-6 (May 11, 1993) established fund providing for the levy of a 1/2 of 1% sales and use tax to be used for the acquisition, construction, operation, and maintenance of a new correctional facility. Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.

ARKANSAS COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
County Library Southern District	Arkansas County Ordinance no. 78-24 (July 14, 1978) established fund to receive all library state aid and property taxes which in turn are paid to the Southern District Library Board for the maintenance, repairs, and day-to-day operations of the Southern District Library. Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Phillips County Community College Sales Tax	Arkansas County Ordinance no. 96-1 (February 13, 1996) established fund providing for the levy of a 1/2 of 1% sales and use tax to be used for the acquisition, construction, operation, and maintenance of the Arkansas County campuses.
Records Preservation and Restoration	Established (February 2004) to receive grants and donations for the preservation and restoration of county clerk and circuit clerk records.
Juvenile Detention Center Grant	Grants received from the State of Arkansas for the operation and maintenance of the Juvenile Detention Center.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.

ARKANSAS COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
	Treasurer's accounts consist primarily of property taxes and treasurer's commission not distributed to the appropriate agencies and funds held for the County Law Library.
	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.
	County Judge's accounts consist primarily of rural waste fees due to the treasurer.

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, federal aid, 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. The Special Revenue Funds presented on Schedules 1 and 2 are 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). The Custodial Funds presented on Schedule 1 are reported with other funds in the aggregate.

B. 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 a part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

1. (Continued)

B. Basis of Accounting – Regulatory (Continued)

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.

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officers’ fees, trust monies and rural waste fees that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – amounts that are constrained by the Quorum Court’s intent to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

D. 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.

E. 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.

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

1. (Continued)

F. 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.

For classification of fund balance amounts, restricted resources are considered spent before unrestricted. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

There were no committed fund balances at year-end.

2. **Details of Fund Balance Classifications**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 2,637,408
Law enforcement			168,848
Highways and streets		\$ 315,407	
Public safety			776,870
Recreation and culture			773,303
Total Restricted		<u>315,407</u>	<u>4,356,429</u>
Assigned to:			
General government	\$ 151,036		30,001
Law enforcement	4,740		1,682,911
Highways and streets		<u>1,162,713</u>	
Total Assigned	<u>155,776</u>	<u>1,162,713</u>	<u>1,712,912</u>
Unassigned	<u>3,219,061</u>		
Totals	<u>\$ 3,374,837</u>	<u>\$ 1,478,120</u>	<u>\$ 6,069,341</u>

3. **Commitments**

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

	December 31, 2021
Long-term liabilities	\$ 348,312
Reappraisal contract	<u>217,812</u>
Total Commitments	<u>\$ 566,124</u>

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

3. Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
<u>Direct Borrowings</u>	
Financed purchase agreement dated March 13, 2020, with Deere Credit, Inc. in the amount of \$164,839, with interest rate of 0.9% for the purchases of a 2017 John Deere 670G Motor Grader. Monthly payments of \$5,951 for 28 months. Payments are to be made from the Road Fund.	\$ 41,535
Financed purchase agreement dated March 31, 2021, with Deere Credit, Inc in the amount of \$180,016 for 2018 John Deere 670G Motor Grader; 30 monthly payments of \$6,071 through September 2023; Interest 0.9%. Payments are to be made from the Road Fund.	126,436
Finance purchase agreement dated April 19, 2021, with Deere Credit, Inc in the amount of \$180,016 for 2018 John Deere 670G Motor Grader; 48 monthly payments of \$3,820 through April 2025; Interest 0.9%. Payments are to be made from the Road Fund.	150,462
Total Direct Borrowings	318,433
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	29,879
Total Long-term liabilities	\$ 348,312

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

The County's outstanding financed purchases from direct borrowings of \$318,433 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Direct Borrowings</u>					
3/13/20	8/13/22	0.90%	\$ 164,839	\$ 41,535	\$ 123,304
3/31/21	9/30/23	0.90%	180,016	126,436	53,580
4/19/21	4/19/25	0.90%	180,016	150,462	29,554
Total Long-Term Debt			\$ 524,871	\$ 318,433	\$ 206,438

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
<u>Direct Borrowings</u>				
Financed purchases	\$ 112,232	\$ 360,032	\$ 153,831	\$ 318,433

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2022	\$ 158,206	\$ 2,136	\$ 160,342
2023	99,500	971	100,471
2024	45,476	359	45,835
2025	15,251	29	15,280
Totals	\$ 318,433	\$ 3,495	\$ 321,928

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services on December 3, 2018, for a county-wide reappraisal. The County is obligated for monthly payments of \$9,088 for a total of \$544,530 beginning January 1, 2019. Contract expense for 2021 was \$108,906.

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

Year	December 31, 2021
2022	\$ 108,906
2023	108,906
Total	\$ 217,812

4. Joint Venture: Regional Library

The Stuttgart Library Commission and the Arkansas County (Northern District) Library Board entered into an agreement in May 1975, in accordance with Amendment no. 30 Section 4 of Amendment no. 38 to the Arkansas Constitution. The agreement states that the Stuttgart Library Commission agrees to make its facilities, books, and employees available for County Library purposes to all residents of the Northern District of Arkansas County, Arkansas. The Arkansas County (Northern District) Library Board agrees to pay over all of the County Library taxes it receives to the Stuttgart Library Commission and to coordinate all its public library activities with those of the Stuttgart Library Commission so as to eliminate duplication of effort and purchases and to achieve the maximum possible benefits of the coordination agreements. The Stuttgart Library Commission agrees to keep accurate records of all monies expended and to render an annual accounting to the Arkansas County (Northern District) Library Board and Arkansas County. The County paid \$218,461 to the Stuttgart Library Commission in 2021. Financial statements of the Stuttgart Library Commission are available at Stuttgart City Hall.

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

5. Jointly Governed Organizations

Tri-County Drug Task Force

The Sheriffs' Departments of Arkansas, Jefferson, and Lincoln Counties and the Prosecuting Attorney Offices of the 11th Judicial District East and 11th Judicial District West entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2021 to June 30, 2022, and may be extended upon written agreement. Funding was provided by a Drug Law Enforcement Program grant applied for by the Tri-County Drug Task Force. No contributions or payments for expenditures were made to the Tri-County Drug Task Force by the County. The 2021 financial statements of the Tri-County Drug Task Force have not been audited.

Southeast Arkansas Regional Solid Waste Management District

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

6. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2021 (date of APERS Employer Allocation Report) were \$508,581.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$1,278,143.

7. Capital Assets

The County's capital assets records are summarized below :

	December 31, 2021
Land	\$ 29,000
Buildings	9,260,118
Equipment	4,566,779
Total	\$ 13,855,897

ARKANSAS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(UNAUDITED)

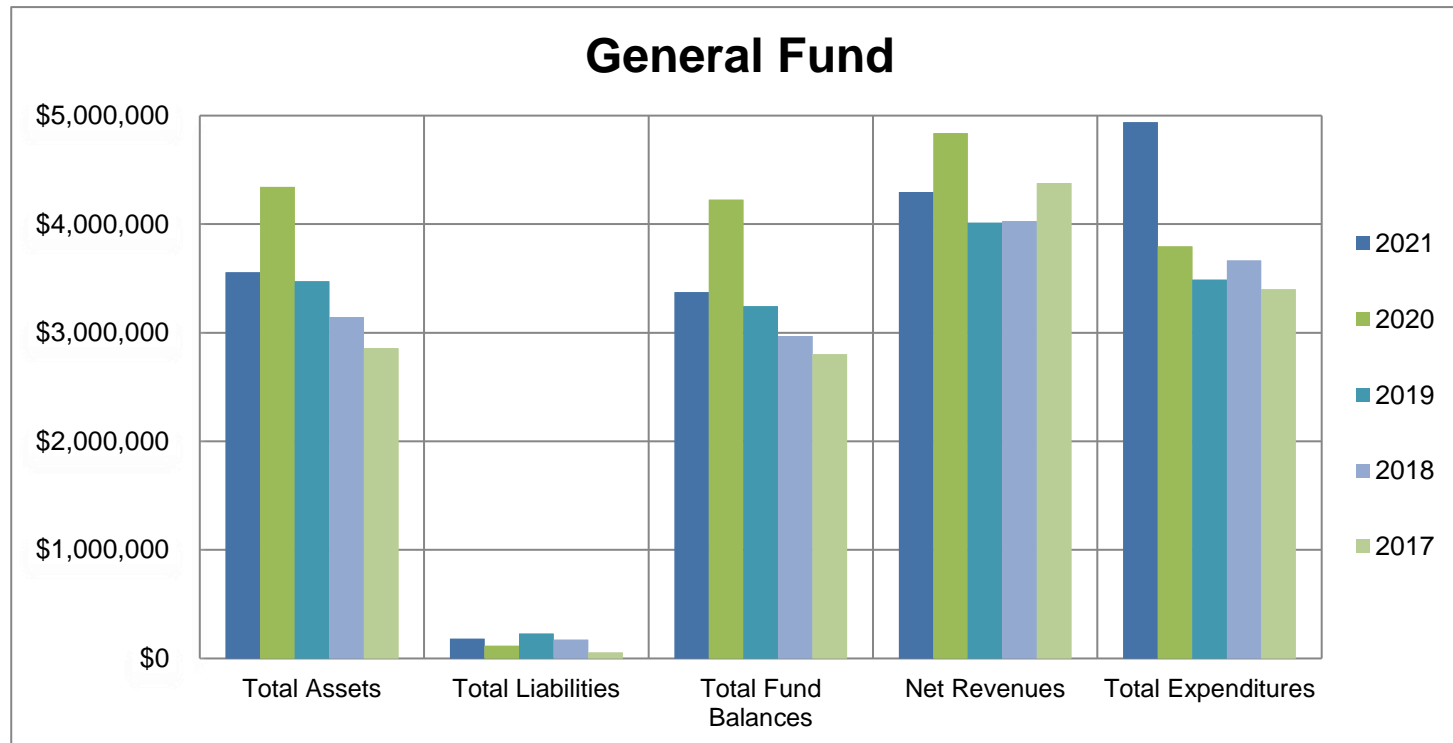
8. Corona Virus (COVID-19)

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). The County was awarded \$3,396,451 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$3,396,451 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

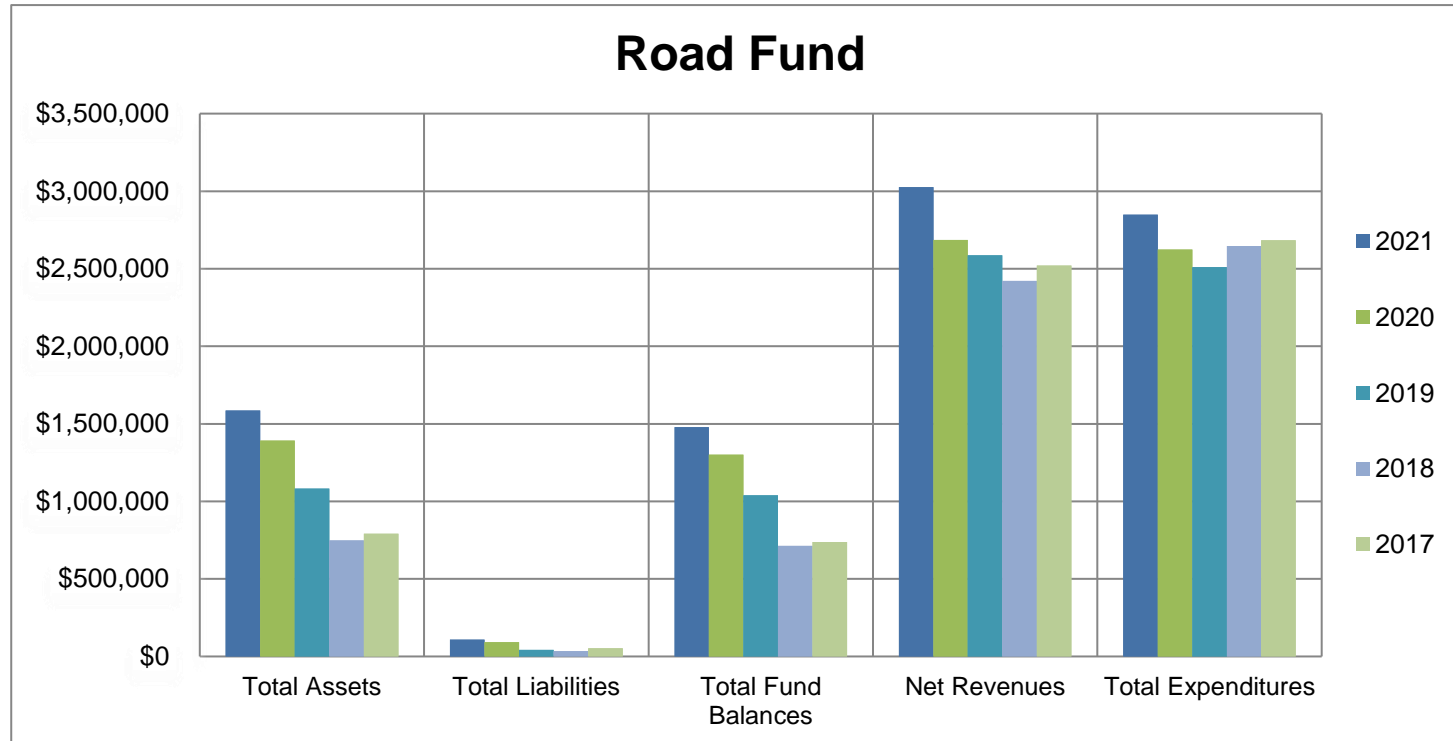
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 3,554,927	\$ 4,342,316	\$ 3,473,834	\$ 3,142,211	\$ 2,857,615
Total Liabilities	180,090	117,112	229,968	172,068	56,014
Total Fund Balances	3,374,837	4,225,204	3,243,866	2,970,143	2,801,601
Net Revenues	4,294,633	4,837,858	4,012,249	4,027,897	4,379,021
Total Expenditures	4,937,883	3,794,486	3,488,526	3,664,965	3,399,433
Total Other Financing Sources/Uses		(200,500)	(250,000)	(200,000)	(200,000)



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

Schedule 3-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 1,585,964	\$ 1,391,684	\$ 1,081,850	\$ 747,314	\$ 790,385
Total Liabilities	107,844	91,474	43,134	34,601	53,673
Total Fund Balances	1,478,120	1,300,210	1,038,716	712,713	736,712
Net Revenues	3,026,747	2,685,229	2,585,364	2,422,077	2,521,133
Total Expenditures	2,848,837	2,623,735	2,509,361	2,646,076	2,682,390
Total Other Financing Sources/Uses		200,000	250,000	200,000	200,000



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

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2021	2020	2019	2018	2017
Total Assets	\$ 6,621,434	\$ 4,548,421	\$ 3,859,111	\$ 5,080,755	\$ 4,780,491
Total Liabilities	552,093	1,039,979	256,314	1,540,166	1,103,834
Total Fund Balances	6,069,341	3,508,442	3,602,797	3,540,589	3,676,657
Net Revenues	7,128,865	5,018,428	4,637,760	4,733,148	4,666,250
Total Expenditures	2,943,927	2,779,876	2,938,245	2,910,479	2,856,827
Total Other Financing Sources/Uses	(1,831,077)	(2,194,441)	(1,637,307)	(1,953,577)	(1,480,686)

