

Ashley County, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



ASHLEY COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

REGULATORY BASIS FINANCIAL STATEMENTS

| | <u>Exhibit</u> |
|--|----------------|
| Balance Sheet – Regulatory Basis (Unaudited) | A |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis (Unaudited) | B |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis (Unaudited) | C |

SUPPLEMENTARY INFORMATION

| | <u>Schedule</u> |
|--|-----------------|
| Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis (Unaudited) | 1 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis (Unaudited) | 2 |
| Notes to Schedules 1 and 2 | |
| Other General Information | |
| Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited) | 3-1 |
| Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited) | 3-2 |
| Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited) | 3-3 |

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Ashley 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 Ashley County, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated October 17, 2022. 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 relates to the following officials who held office during 2021:

County Judge: Jim Hudson
Treasurer: Stacey Breshears
Sheriff: Tommy Sturgeon
Tax Collector: Lori Pennington
County Clerk: Christie Martin
Circuit Clerk: Vickie Stell
Assessor: Beth Rush Librarian: Holly Gillum

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

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
October 17, 2022
LOCO00221

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

Exhibit A

| | General | Road | Other Funds in the Aggregate |
|-------------------------------------|---------------------|---------------------|------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 5,210,831 | \$ 2,859,078 | \$ 4,560,470 |
| Accounts receivable | 365,189 | 54,591 | 163,746 |
| | | | |
| TOTAL ASSETS | <u>\$ 5,576,020</u> | <u>\$ 2,913,669</u> | <u>\$ 4,724,216</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 136,953 | \$ 33,826 | \$ 16,131 |
| Settlements pending | 443,770 | | 695,421 |
| Total Liabilities | <u>580,723</u> | <u>33,826</u> | <u>711,552</u> |
| Fund Balances: | | | |
| Restricted | 658,554 | | 4,012,664 |
| Committed | 1,814 | 2,879,843 | |
| Assigned | 123,290 | | |
| Unassigned | 4,211,639 | | |
| Total Fund Balances | <u>4,995,297</u> | <u>2,879,843</u> | <u>4,012,664</u> |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 5,576,020</u> | <u>\$ 2,913,669</u> | <u>\$ 4,724,216</u> |

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

ASHLEY 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 | \$ 580,544 | \$ 2,007,689 | \$ 268,266 |
| Federal aid | 340,612 | 2,646 | 1,937,601 |
| Property taxes | 1,669,756 | 304,185 | 142,870 |
| Sales taxes | 244,294 | 1,384,335 | 1,512,028 |
| Fines, forfeitures, and costs | 382,123 | | 42,503 |
| Interest | 43,324 | 19,269 | 8,238 |
| Officers' fees | 45,455 | | 122,922 |
| 911 fees | 1,143 | | 438,143 |
| Jail fees | 197,872 | | 57,040 |
| Sanitation fees | 1,255,961 | | |
| Insurance premiums | 26,307 | | |
| Treasurer's commission | 98,325 | | 30,183 |
| Collector's commission | 205,809 | | 69,099 |
| Taxes apportioned - Assessor's salary and expense | 351,370 | | |
| Other | 598,176 | 188,030 | 11,090 |
| TOTAL REVENUES | 6,041,071 | 3,906,154 | 4,639,983 |
| Less: Treasurer's commission | 46,200 | 31,279 | 22,973 |
| NET REVENUES | 5,994,871 | 3,874,875 | 4,617,010 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,792,182 | | 363,968 |
| Law enforcement | 2,312,393 | | 774,333 |
| Highways and streets | | 3,629,210 | 53,273 |
| Public safety | 39,522 | | 378,713 |
| Sanitation | 1,143,557 | | 69,139 |
| Health | 392,567 | | |
| Recreation and culture | 4,500 | | 215,602 |
| Social services | 88,609 | | 82,500 |
| Total Current | 5,773,330 | 3,629,210 | 1,937,528 |
| Debt Service: | | | |
| Lease principal | 115,969 | 128,027 | |
| Lease interest | 10,820 | 39,441 | |
| Note principal | 82,121 | 52,250 | 29,961 |
| Note interest | 1,663 | | 914 |
| TOTAL EXPENDITURES | 5,983,903 | 3,848,928 | 1,968,403 |

ASHLEY 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 |
|---|--------------|--------------|------------------------------------|
| EXCESS OF REVENUES OVER (UNDER) | | | |
| EXPENDITURES | \$ 10,968 | \$ 25,947 | \$ 2,648,607 |
| OTHER FINANCING SOURCES (USES) | | | |
| Sales tax remitted to hospital | | | (747,465) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) | | | |
| EXPENDITURES AND OTHER USES | 10,968 | 25,947 | 1,901,142 |
| FUND BALANCES - JANUARY 1 | 4,984,329 | 2,853,896 | 2,111,522 |
| FUND BALANCES - DECEMBER 31 | \$ 4,995,297 | \$ 2,879,843 | \$ 4,012,664 |

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

ASHLEY 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 | \$ 444,600 | \$ 580,544 | \$ 135,944 | \$ 1,772,000 | \$ 2,007,689 | \$ 235,689 |
| Federal aid | | 340,612 | 340,612 | 1,600 | 2,646 | 1,046 |
| Property taxes | 1,417,100 | 1,669,756 | 252,656 | 149,100 | 304,185 | 155,085 |
| Sales taxes | 231,000 | 244,294 | 13,294 | 1,200,000 | 1,384,335 | 184,335 |
| Fines, forfeitures, and costs | 317,000 | 382,123 | 65,123 | | | |
| Interest | 32,000 | 43,324 | 11,324 | 22,000 | 19,269 | (2,731) |
| Officers' fees | 46,100 | 45,455 | (645) | | | |
| 911 fees | | 1,143 | 1,143 | | | |
| Jail fees | 141,975 | 197,872 | 55,897 | | | |
| Sanitation fees | 1,190,300 | 1,255,961 | 65,661 | | | |
| Insurance premiums | | 26,307 | 26,307 | | | |
| Treasurer's commission | 150,315 | 98,325 | (51,990) | | | |
| Collector's commission | 232,189 | 205,809 | (26,380) | | | |
| Taxes apportioned - Assessor's salary and expense | 364,020 | 351,370 | (12,650) | | | |
| Other | 261,700 | 598,176 | 336,476 | 73,300 | 188,030 | 114,730 |
| TOTAL REVENUES | 4,828,299 | 6,041,071 | 1,212,772 | 3,218,000 | 3,906,154 | 688,154 |
| Less: Treasurer's commission | | 46,200 | (46,200) | | 31,279 | (31,279) |
| NET REVENUES | 4,828,299 | 5,994,871 | 1,166,572 | 3,218,000 | 3,874,875 | 656,875 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 2,954,064 | 1,792,182 | 1,161,882 | | | |
| Law enforcement | 3,287,233 | 2,312,393 | 974,840 | | | |
| Highways and streets | | | | 5,386,697 | 3,629,210 | 1,757,487 |
| Public safety | 84,512 | 39,522 | 44,990 | | | |
| Sanitation | 1,726,178 | 1,143,557 | 582,621 | | | |
| Health | 400,400 | 392,567 | 7,833 | | | |
| Recreation and culture | 4,500 | 4,500 | 0 | | | |
| Social services | 103,876 | 88,609 | 15,267 | | | |
| Total Current | 8,560,763 | 5,773,330 | 2,787,433 | 5,386,697 | 3,629,210 | 1,757,487 |
| Debt Service: | | | | | | |
| Lease principal | | 115,969 | (115,969) | | 128,027 | (128,027) |
| Lease interest | | 10,820 | (10,820) | | 39,441 | (39,441) |
| Note principal | | 82,121 | (82,121) | | 52,250 | (52,250) |
| Note interest | | 1,663 | (1,663) | | | |
| TOTAL EXPENDITURES | 8,560,763 | 5,983,903 | 2,576,860 | 5,386,697 | 3,848,928 | 1,537,769 |

ASHLEY 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 | \$ (3,732,464) | \$ 10,968 | \$ 3,743,432 | \$ (2,168,697) | \$ 25,947 | \$ 2,194,644 |
| OTHER FINANCING SOURCES (USES) Transfers in | 650,000 | | (650,000) | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (3,082,464) | 10,968 | 3,093,432 | (2,168,697) | 25,947 | 2,194,644 |
| FUND BALANCES - JANUARY 1 | 1,990,000 | 4,984,329 | 2,994,329 | 2,600,000 | 2,853,896 | 253,896 |
| FUND BALANCES - DECEMBER 31 | \$ (1,092,464) | \$ 4,995,297 | \$ 6,087,761 | \$ 431,303 | \$ 2,879,843 | \$ 2,448,540 |

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

ASHLEY 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 | Sheriff's Automation | County Public Library |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 264,213 | \$ 330,423 | \$ 12,122 | \$ 15,829 | \$ 29,148 | \$ 130,001 | \$ 862 | \$ 465,640 |
| Accounts receivable | 30,183 | 69,099 | 355 | 82 | 431 | 11,433 | | 8,243 |
| TOTAL ASSETS | <u>\$ 294,396</u> | <u>\$ 399,522</u> | <u>\$ 12,477</u> | <u>\$ 15,911</u> | <u>\$ 29,579</u> | <u>\$ 141,434</u> | <u>\$ 862</u> | <u>\$ 473,883</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | | \$ 297 | | \$ 485 | | \$ 200 | | \$ 1,698 |
| Settlements pending | | | | | | | | |
| Total Liabilities | | <u>297</u> | | <u>485</u> | | <u>200</u> | | <u>1,698</u> |
| Fund Balances: | | | | | | | | |
| Restricted | \$ 294,396 | 399,225 | \$ 12,477 | 15,426 | \$ 29,579 | 141,234 | \$ 862 | 472,185 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 294,396</u> | <u>\$ 399,522</u> | <u>\$ 12,477</u> | <u>\$ 15,911</u> | <u>\$ 29,579</u> | <u>\$ 141,434</u> | <u>\$ 862</u> | <u>\$ 473,883</u> |

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

Schedule 1

| | SPECIAL REVENUE FUNDS | | | | | | | |
|-------------------------------------|---------------------------|---------------------------------|--|------------------|---------------------------------|-------------------|---|--|
| | County Clerk Operating | Support Collections Costs | Communication Facility and Equipment | Drug Control | County Detention Facility | Emergency 911 | Circuit Court Juvenile Division/Juvenile Probation Fee | Circuit Clerk Commissioner's Fee |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 1,882 | \$ 1,162 | \$ 4,369 | \$ 11,883 | \$ 736,761 | \$ 176,703 | \$ 20,342 | \$ 3,254 |
| Accounts receivable | 48 | 1 | 1,924 | 5,833 | 10,558 | 16,060 | 144 | 1 |
| TOTAL ASSETS | <u>\$ 1,930</u> | <u>\$ 1,163</u> | <u>\$ 6,293</u> | <u>\$ 17,716</u> | <u>\$ 747,319</u> | <u>\$ 192,763</u> | <u>\$ 20,486</u> | <u>\$ 3,255</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | | | \$ 212 | | | \$ 11,239 | | |
| Settlements pending | | | | | | | | |
| Total Liabilities | | | <u>212</u> | | | <u>11,239</u> | | |
| Fund Balances: | | | | | | | | |
| Restricted | \$ 1,930 | \$ 1,163 | 6,081 | \$ 17,716 | \$ 747,319 | 181,524 | \$ 20,486 | \$ 3,255 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,930</u> | <u>\$ 1,163</u> | <u>\$ 6,293</u> | <u>\$ 17,716</u> | <u>\$ 747,319</u> | <u>\$ 192,763</u> | <u>\$ 20,486</u> | <u>\$ 3,255</u> |

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

Schedule 1

| | SPECIAL REVENUE FUNDS | | | | | | CAPITAL PROJECTS FUND |
|-------------------------------------|--------------------------------------|--------------------------------|--------------------------------------|-----------------------|-------------------------------------|-----------------------------|---------------------------------|
| | Assessor's Late Assessment Fee | American Rescue Plan Act | American Rescue Plan - Library | Hospital Sales Tax | June Thach Linder Memorial CD | District Court Probation | Concrete Bin Recycling Grant |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 2,000 | \$ 1,601,565 | \$ 10,232 | | \$ 5,978 | \$ 28,135 | \$ 12,545 |
| Accounts receivable | 6 | | | 8,762 | | 583 | |
| TOTAL ASSETS | <u>\$ 2,006</u> | <u>\$ 1,601,565</u> | <u>\$ 10,232</u> | <u>\$ 8,762</u> | <u>\$ 5,978</u> | <u>\$ 28,718</u> | <u>\$ 12,545</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | | \$ 2,000 | | | | | |
| Settlements pending | | | | | | | |
| Total Liabilities | | <u>2,000</u> | | | | | |
| Fund Balances: | | | | | | | |
| Restricted | \$ 2,006 | 1,599,565 | \$ 10,232 | \$ 8,762 | \$ 5,978 | \$ 28,718 | \$ 12,545 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 2,006</u> | <u>\$ 1,601,565</u> | <u>\$ 10,232</u> | <u>\$ 8,762</u> | <u>\$ 5,978</u> | <u>\$ 28,718</u> | <u>\$ 12,545</u> |

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

Schedule 1

| | CUSTODIAL FUNDS | | | | | | |
|--|-------------------------|-------------------------|-----------------------|----------------------------|-----------------------------|----------------------------|---------------------|
| | Treasurer's Accounts | Collector's Accounts | Sheriff's Accounts | County Clerk's Accounts | Circuit Clerk's Accounts | District Court Accounts | Totals |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 322,736 | \$ 684 | \$ 139,030 | \$ 71,542 | \$ 123,213 | \$ 38,216 | \$ 4,560,470 |
| Accounts receivable | | | | | | | 163,746 |
| TOTAL ASSETS | \$ 322,736 | \$ 684 | \$ 139,030 | \$ 71,542 | \$ 123,213 | \$ 38,216 | \$ 4,724,216 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | | | | | | | \$ 16,131 |
| Settlements pending | \$ 322,736 | \$ 684 | \$ 139,030 | \$ 71,542 | \$ 123,213 | \$ 38,216 | 695,421 |
| Total Liabilities | 322,736 | 684 | 139,030 | 71,542 | 123,213 | 38,216 | 711,552 |
| Fund Balances: | | | | | | | |
| Restricted | | | | | | | 4,012,664 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 322,736 | \$ 684 | \$ 139,030 | \$ 71,542 | \$ 123,213 | \$ 38,216 | \$ 4,724,216 |

ASHLEY 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 | Sheriff's Automation | County Public Library | County Clerk Operating |
| REVENUES | | | | | | | | | |
| State aid | | | | \$ 7,103 | | | | \$ 70,531 | |
| Federal aid | | | | | | | | 1,460 | |
| Property taxes | | | | | | | | 142,308 | |
| Sales taxes | | | | | | | | | |
| Fines, forfeitures, and costs | | | \$ 3,053 | | | | | | |
| Interest | \$ 1,720 | \$ 2,215 | | | \$ 164 | \$ 804 | | 3,195 | |
| Officers' fees | | | | | 5,355 | 112,057 | | | \$ 496 |
| 911 fees | | | | | | | | | |
| Jail fees | | | | | | | | | |
| Treasurer's commission | 30,183 | | | | | | | | |
| Collector's commission | | 69,099 | | | | | | | |
| Other | | 6 | 40 | | | 1,036 | | 9,381 | |
| TOTAL REVENUES | 31,903 | 71,320 | 3,093 | 7,103 | 5,519 | 113,897 | | 226,875 | 496 |
| Less: Treasurer's commission | | | 64 | 60 | 44 | 1,899 | | 3,807 | 4 |
| NET REVENUES | 31,903 | 71,320 | 3,029 | 7,043 | 5,475 | 111,998 | | 223,068 | 492 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | 14,125 | 48,461 | | 6,117 | | 95,925 | | | 1,136 |
| Law enforcement | | | | | | | | | |
| Highways and streets | | | | | | | | | |
| Public safety | | | | | | | | | |
| Sanitation | | | | | | | | | |
| Health | | | | | | | | | |
| Recreation and culture | | | | | | | | 193,084 | |
| Social services | | | | | | | | | |
| Total Current | 14,125 | 48,461 | | 6,117 | | 95,925 | | 193,084 | 1,136 |
| Debt Service: | | | | | | | | | |
| Lease principal | | | | | | | | | |
| Lease interest | | | | | | | | | |
| Note principal | | | | | | | | | |
| Note interest | | | | | | | | | |
| TOTAL EXPENDITURES | 14,125 | 48,461 | | 6,117 | | 95,925 | | 193,084 | 1,136 |
| EXCESS OF REVENUES OVER (UNDER) | | | | | | | | | |
| EXPENDITURES | 17,778 | 22,859 | 3,029 | 926 | 5,475 | 16,073 | | 29,984 | (644) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Sales tax remitted to hospital | | | | | | | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) | | | | | | | | | |
| EXPENDITURES AND OTHER USES | 17,778 | 22,859 | 3,029 | 926 | 5,475 | 16,073 | | 29,984 | (644) |
| FUND BALANCES - JANUARY 1 | 276,618 | 376,366 | 9,448 | 14,500 | 24,104 | 125,161 | \$ 862 | 442,201 | 2,574 |
| FUND BALANCES - DECEMBER 31 | \$ 294,396 | \$ 399,225 | \$ 12,477 | \$ 15,426 | \$ 29,579 | \$ 141,234 | \$ 862 | \$ 472,185 | \$ 1,930 |

ASHLEY 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 | | | | | | | | |
|--|-----------------------|---------------------------------|--|--------------|---------------------------------|--------------------------------------|---------------|---|--|
| | Reappraisal Cost | Support Collections Costs | Communication Facility and Equipment | Drug Control | County Detention Facility | Boating Safety and Enforcement | Emergency 911 | Circuit Court Juvenile Division/Juvenile Probation Fee | Circuit Clerk Commissioner's Fee |
| REVENUES | | | | | | | | | |
| State aid | \$ 135,877 | | | | | \$ 2,910 | | | |
| Federal aid | | | | | | | | | |
| Property taxes | | | | | | | | | |
| Sales taxes | | | | | \$ 756,014 | | | | |
| Fines, forfeitures, and costs | | | | \$ 10,036 | | | | \$ 455 | |
| Interest | | | \$ 125 | | | | | | |
| Officers' fees | | \$ 114 | 2,405 | | 530 | | | 1,895 | \$ 70 |
| 911 fees | | | | | | | \$ 438,143 | | |
| Jail fees | | | 20,744 | | 36,296 | | | | |
| Treasurer's commission | | | | | | | | | |
| Collector's commission | | | | | | | | | |
| Other | | | | | | | 627 | | |
| TOTAL REVENUES | 135,877 | 114 | 23,274 | 10,036 | 792,840 | 2,910 | 438,770 | 2,350 | 70 |
| Less: Treasurer's commission | | 1 | 162 | 36 | 6,677 | | 3,601 | 14 | |
| NET REVENUES | 135,877 | 113 | 23,112 | 10,000 | 786,163 | 2,910 | 435,169 | 2,336 | 70 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | 135,877 | | | | | | | | |
| Law enforcement | | | 43,341 | | 650,000 | | | | |
| Highways and streets | | | | | | | | | |
| Public safety | | | | | | 2,910 | 368,363 | | |
| Sanitation | | | | | | | | | |
| Health | | | | | | | | | |
| Recreation and culture | | | | | | | | | |
| Social services | | | | | | | | | |
| Total Current | 135,877 | | 43,341 | | 650,000 | 2,910 | 368,363 | | |
| Debt Service: | | | | | | | | | |
| Lease principal | | | | | | | | | |
| Lease interest | | | | | | | | | |
| Note principal | | | | | | | 29,961 | | |
| Note interest | | | | | | | 914 | | |
| TOTAL EXPENDITURES | 135,877 | | 43,341 | | 650,000 | 2,910 | 399,238 | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | 113 | (20,229) | 10,000 | 136,163 | | 35,931 | 2,336 | 70 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Sales tax remitted to hospital | | | | | | | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | | 113 | (20,229) | 10,000 | 136,163 | | 35,931 | 2,336 | 70 |
| FUND BALANCES - JANUARY 1 | | 1,050 | 26,310 | 7,716 | 611,156 | | 145,593 | 18,150 | 3,185 |
| FUND BALANCES - DECEMBER 31 | \$ 0 | \$ 1,163 | \$ 6,081 | \$ 17,716 | \$ 747,319 | \$ 0 | \$ 181,524 | \$ 20,486 | \$ 3,255 |

ASHLEY 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 | | | | | | | CAPITAL PROJECTS FUND | |
|--|--------------------------------------|--------------------------------|--------------------------------------|-----------------------|-------------------------------------|-----------------------------|----------------------------------|---------------------------------|------------------|
| | Assessor's Late Assessment Fee | American Rescue Plan Act | American Rescue Plan - Library | Hospital Sales Tax | June Thach Linder Memorial CD | District Court Probation | Roll off Cans Recycling Grant | Concrete Bin Recycling Grant | Totals |
| REVENUES | | | | | | | | | |
| State aid | | | | | | | \$ 51,845 | | \$ 268,266 |
| Federal aid | | | | | | | | | 1,937,601 |
| Property taxes | \$ 562 | \$ 1,909,071 | \$ 27,070 | | | | | | 142,870 |
| Sales taxes | | | | \$ 756,014 | | | | | 1,512,028 |
| Fines, forfeitures, and costs | | | | | | \$ 28,959 | | | 42,503 |
| Interest | | | | | \$ 15 | | | | 8,238 |
| Officers' fees | | | | | | | | | 122,922 |
| 911 fees | | | | | | | | | 438,143 |
| Jail fees | | | | | | | | | 57,040 |
| Treasurer's commission | | | | | | | | | 30,183 |
| Collector's commission | | | | | | | | | 69,099 |
| Other | | | | | | | | | 11,090 |
| TOTAL REVENUES | 562 | 1,909,071 | 27,070 | 756,014 | 15 | 28,959 | 51,845 | | 4,639,983 |
| Less: Treasurer's commission | 5 | | | 6,358 | | 241 | | | 22,973 |
| NET REVENUES | 557 | 1,909,071 | 27,070 | 749,656 | 15 | 28,718 | 51,845 | | 4,617,010 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | 62,327 | | | | | | | 363,968 |
| Law enforcement | | 80,992 | | | | | | | 774,333 |
| Highways and streets | | 53,273 | | | | | | | 53,273 |
| Public safety | | 7,440 | | | | | | | 378,713 |
| Sanitation | | 17,294 | | | | | 51,845 | | 69,139 |
| Health | | | | | | | | | |
| Recreation and culture | | 5,680 | 16,838 | | | | | | 215,602 |
| Social services | | 82,500 | | | | | | | 82,500 |
| Total Current | | 309,506 | 16,838 | | | | 51,845 | | 1,937,528 |
| Debt Service: | | | | | | | | | |
| Lease principal | | | | | | | | | |
| Lease interest | | | | | | | | | |
| Note principal | | | | | | | | | 29,961 |
| Note interest | | | | | | | | | 914 |
| TOTAL EXPENDITURES | | 309,506 | 16,838 | | | | 51,845 | | 1,968,403 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 557 | 1,599,565 | 10,232 | 749,656 | 15 | 28,718 | | | 2,648,607 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Sales tax remitted to hospital | | | | (747,465) | | | | | (747,465) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 557 | 1,599,565 | 10,232 | 2,191 | 15 | 28,718 | | | 1,901,142 |
| FUND BALANCES - JANUARY 1 | 1,449 | | | 6,571 | 5,963 | | | \$ 12,545 | 2,111,522 |
| FUND BALANCES - DECEMBER 31 | \$ 2,006 | \$ 1,599,565 | \$ 10,232 | \$ 8,762 | \$ 5,978 | \$ 28,718 | \$ 0 | \$ 12,545 | \$ 4,012,664 |

ASHLEY 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. |
| Sheriff's Automation | Ark. Code Ann. § 27-53-210 established fund to partially reimburse county law enforcement agency for cost of making copies of accident reports and traffic violations. Funds collected shall be retained for support of the law enforcement agency. |
| County Public Library | Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library. |
| County Clerk Operating | Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost. |
| 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. |
| 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. |

ASHLEY 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> |
|--|--|
| Drug Control | Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. |
| County Detention Facility | Ark. Code Ann. § 12-41-505 and Ashley County Ordinance no. 2010-1 (February 9, 2010) established fund to receive 90% of a \$40 booking and administration fee assessed on persons 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 or for certificate pay for law enforcement and jailer personnel. 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 of the county jail. Ashley County Ordinance no. 2003-6 (July 8, 2003) provides for the levying of a one-quarter of one percent (0.25%) sales and use tax for operating and maintaining jail facilities and/or securing the repayment of capital improvement bonds. |
| Boating Safety and Enforcement | Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol. |
| Emergency 911 | Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services. |
| Circuit Court Juvenile Division/Juvenile Probation Fee | Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to collect juvenile fees, court cost and fine 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. |
| American Rescue Plan - Library | 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. |
| Hospital Sales Tax | Ashley County Ordinance no. 2008-10 (August 20, 2008) established the fund to account for the .25% dedicated sales tax and disbursements of the Ashley County Medical Center building, equipment, and related capital improvements. |

ASHLEY 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> |
|-------------------------------|---|
| June Thach Linder Memorial CD | Established to account for funds donated by individuals in memory of a former library employee. |
| District Court Probation | Ark. Code Ann. § 5-4-322 authorized district court probation fees for probation and public service work supervision. |
| Roll off Cans Recycling Grant | Established to account for grant funds received from the Southeast Arkansas Economic Development District for the purchase of roll off cans and a transport trailer. |
| Concrete Bin Recycling Grant | Established to account for grant funds received from the Southeast Arkansas Economic Development District for the construction of a concrete bin for the collection of glass. |

Treasurer's accounts consist primarily of treasurer's commission and funds used for County Law Library.

Collector's accounts consist primarily of taxes held in bankruptcy 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 trust money.

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

County Judge's account consist of solid waste collections not yet remitted to the County Treasurer.

ASHLEY 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, property taxes, and sales 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.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund presented on Schedules 1 and 2 is 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 Fund presented on Schedule 1 is reported with other funds in the aggregate.

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

1. (Continued)

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.

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, sanitation fees, treasurer's commission, and trust funds 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.

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

1. (Continued)

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.

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.

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

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 | | | \$ 2,487,779 |
| Law enforcement | | | 833,659 |
| Public safety | | | 181,524 |
| Sanitation | \$ 658,554 | | |
| Health | | | 8,762 |
| Recreation and culture | | | 488,395 |
| Capital outlay | | | 12,545 |
| Total Restricted | <u>658,554</u> | | <u>4,012,664</u> |
| Committed for: | | | |
| Law enforcement | 1,814 | | |
| Highways and streets | | \$ 2,879,843 | |
| Total Committed | <u>1,814</u> | <u>2,879,843</u> | |
| Assigned to: | | | |
| Sanitation | <u>123,290</u> | | |
| Unassigned | <u>4,211,639</u> | | |
| Totals | <u>\$ 4,995,297</u> | <u>\$ 2,879,843</u> | <u>\$ 4,012,664</u> |

3. Commitments

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

| | December 31, 2021 |
|-----------------------|----------------------|
| Long-term liabilities | \$ 2,794,272 |
| Noncancellable lease | 1,929 |
| Reappraisal contract | <u>271,754</u> |
| Total Commitments | <u>\$ 3,067,955</u> |

ASHLEY 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> | |
| Notes payable dated January 17, 2020, with Commercial Capital Bank in the amount of \$90,032, with interest rate of 1.85% for the purchase of 911 equipment. Monthly payments of \$2,573 for 36 months. Payments are to be made from the Emergency 911 Fund. | \$ 33,090 |
| Notes payable dated February 12, 2021, with South Arkansas True Value Corp in the amount of \$285,000, with no interest for the purchase of the True Value Building. Monthly payments of \$4,750 for 60 months. Payments are to be made from the Road Fund. | 232,750 |
| Lease-purchase agreement dated August 1, 2019, with Kansas State Bank in the amount of \$165,395, with interest rate of 3.42% for the purchases of a 2020 Mack GR64F truck. Monthly payments of \$1,943 for 36 months with a final payment of \$110,000. Payments are to be made from the Road Fund. | 122,565 |
| Lease-purchase agreement dated February 13, 2019, with BancorpSouth in the amount \$287,035, for the purchase of two Mack GR84F Stampede dump trucks. Monthly payments of \$3,220 at 3.84% interest for 36 months with a final payment of \$200,000. Payments are to be made from the Road Fund. | 204,502 |
| Lease-purchase agreement dated March 20, 2020, with BancorpSouth in the amount \$233,750, for the purchase of 2020 Freightliner 108SD and New Way Side Winder. Monthly payments of \$4,835 at 3.49% interest for 40 months with a final payment of \$57,920. Payments are to be made from the General Fund. | 143,902 |
| Lease-purchase agreement dated June 12, 2020, with BancorpSouth in the amount \$224,500, for the purchase of a 2020 Freightliner M2 106 and New Way Side Winder. Monthly payments of \$4,728 at 2.59% interest for 40 months with a final payment of \$47,500. Payments are to be made from the General Fund. | 151,093 |
| Lease-purchase agreement dated January 15, 2020, with KS State Bank in the amount \$232,504, for the purchase of two Mack P164T Tractors. Monthly payments of \$2,959 at 3.42% interest for 36 months with a final payment of \$146,000. Payments are to be made from the General Fund. | 178,004 |
| Lease-purchase agreement dated December 30, 2020, with Caterpillar Financial Services in the amount of \$731,400, for the purchase of four CAT road graders. Monthly payments of \$7,001 at 3.35% for 60 months with a final payment of \$377,280. Payments are to be made from the Road Fund. | 681,185 |
| Total Direct Borrowings | <u>1,747,091</u> |
| Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost | 139,262 |
| Landfill closure and postclosure care costs | <u>907,919</u> |
| Total Long-term liabilities | <u>\$ 2,794,272</u> |

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

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

3. Commitments (Continued)

The County's outstanding notes and lease-purchases from direct borrowings of \$1,747,091 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.

Landfill Closure and Postclosure Care Costs

Ashley County is the owner of permit #023-S1-R1 to operate a Class I solid waste landfill. State and federal regulators require a final cover to be placed on the landfill site when the County stops accepting waste and perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care costs has a balance of \$907,919 as of December 31, 2021, and represents the cumulative amount to be reported to date based on 77% usage of the landfill for 2021. The County will recognize the remaining estimated cost of closure and postclosure care of \$264,168 as the remaining capacity is filled. At the present utilization rate, the landfill site life is estimated to exhaust in 6.2 years from the balance sheet date for 2021.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2021. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by Ark. Code Ann. §§ 8-6-1602, 1603 to establish financial assurance for the costs of closure and postclosure care in compliance with state regulations and the solid waste permit. The County is in compliance with these requirements.

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> | | | | | |
| 1/17/20 | 1/17/23 | 1.85% | \$ 90,032 | \$ 33,089 | \$ 56,943 |
| 2/12/21 | 1/12/26 | 0.00% | 285,000 | 232,750 | 52,250 |
| 8/1/19 | 9/1/22 | 3.42% | 165,395 | 122,565 | 42,830 |
| 2/13/19 | 3/13/22 | 3.84% | 287,035 | 204,502 | 82,533 |
| 3/20/20 | 8/20/23 | 3.49% | 233,750 | 143,902 | 89,848 |
| 6/12/20 | 11/12/23 | 2.59% | 224,500 | 151,093 | 73,407 |
| 1/15/20 | 2/15/23 | 3.42% | 232,504 | 178,004 | 54,500 |
| 12/30/20 | 2/12/26 | 3.35% | 731,400 | 681,186 | 50,214 |
| Total Direct Borrowings | | | <u>\$ 2,249,616</u> | <u>\$ 1,747,091</u> | <u>\$ 502,525</u> |

ASHLEY 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> | | | | |
| Notes payable | \$ 227,203 | \$ 285,000 | \$ 246,363 * | \$ 265,840 |
| Capital leases | 993,847 | 731,400 | 243,996 | 1,481,251 |
| Total Direct Borrowings | <u>\$ 1,221,050</u> | <u>\$ 1,016,400</u> | <u>\$ 490,359</u> | <u>\$ 1,747,091</u> |

*Includes early retirement of debt of \$82,031 for insurance payoff directly to lender.

Debt Service Requirements to Maturity

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

| Years Ending December 31, | Principal | Direct Borrowings Interest | Total |
|------------------------------|---------------------|-------------------------------|---------------------|
| 2022 | \$ 613,921 | \$ 40,213 | \$ 654,134 |
| 2023 | 459,618 | 24,200 | 483,818 |
| 2024 | 123,434 | 17,572 | 141,006 |
| 2025 | 125,694 | 15,312 | 141,006 |
| 2026 | 424,424 | 2,327 | 426,751 |
| Totals | <u>\$ 1,747,091</u> | <u>\$ 99,624</u> | <u>\$ 1,846,715</u> |

Noncancellable Lease

The County entered into a noncancellable lease agreement for a Caterpillar Hydraulic Excavator on January 2, 2017. Terms of the lease are monthly rental payments of \$1,929 for sixty (60) months. At the end of the lease term, the County will return the excavator to the Lessor per terms of the lease. The County is obligated for the following amount for the next year:

| Year | December 31, 2021 |
|------|-------------------|
| 2022 | <u>\$ 1,929</u> |

Rental expense for 2021 was \$23,145.

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

3. Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services, Inc. on November 2, 2018, for a county-wide reappraisal. The County is obligated for sixty (60) monthly payments of \$11,323 for a total of \$679,385 beginning January 2019. Contract expense for 2021 was \$135,877.

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

| <u>Year</u> | <u>December 31, 2021</u> |
|-------------|--------------------------|
| 2022 | 135,877 |
| 2023 | <u>135,877</u> |
| Total | <u>\$ 271,754</u> |

4. Jointly Governed Organizations

Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. No contributions were made to the Southeast Arkansas Regional Solid Waste Management District during 2021. Separate financial statements may be obtained at: P.O. Box 6806, Pine Bluff, AR 71611.

Tenth Judicial District Drug Task Force

The Sheriffs' Departments of Ashley, Bradley, Chicot, Desha, and Drew Counties entered into an agreement to establish the Tenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Tenth Judicial District. No contributions or payments for expenditures were made to the Tenth Judicial District Drug Task Force by the County. The 2021 financial statements of the Tenth Judicial District Task Force have not been audited.

5. 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 \$610,600.

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

5. Arkansas Public Employees Retirement System (Continued)

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 \$1,534,534.

6. Capital Assets

The County's capital assets records are summarized below :

| | December 31, 2021 |
|-----------|----------------------|
| Land | \$ 3,403,713 |
| Buildings | 20,497,293 |
| Equipment | 5,914,448 |
| Total | <u>\$ 29,815,454</u> |

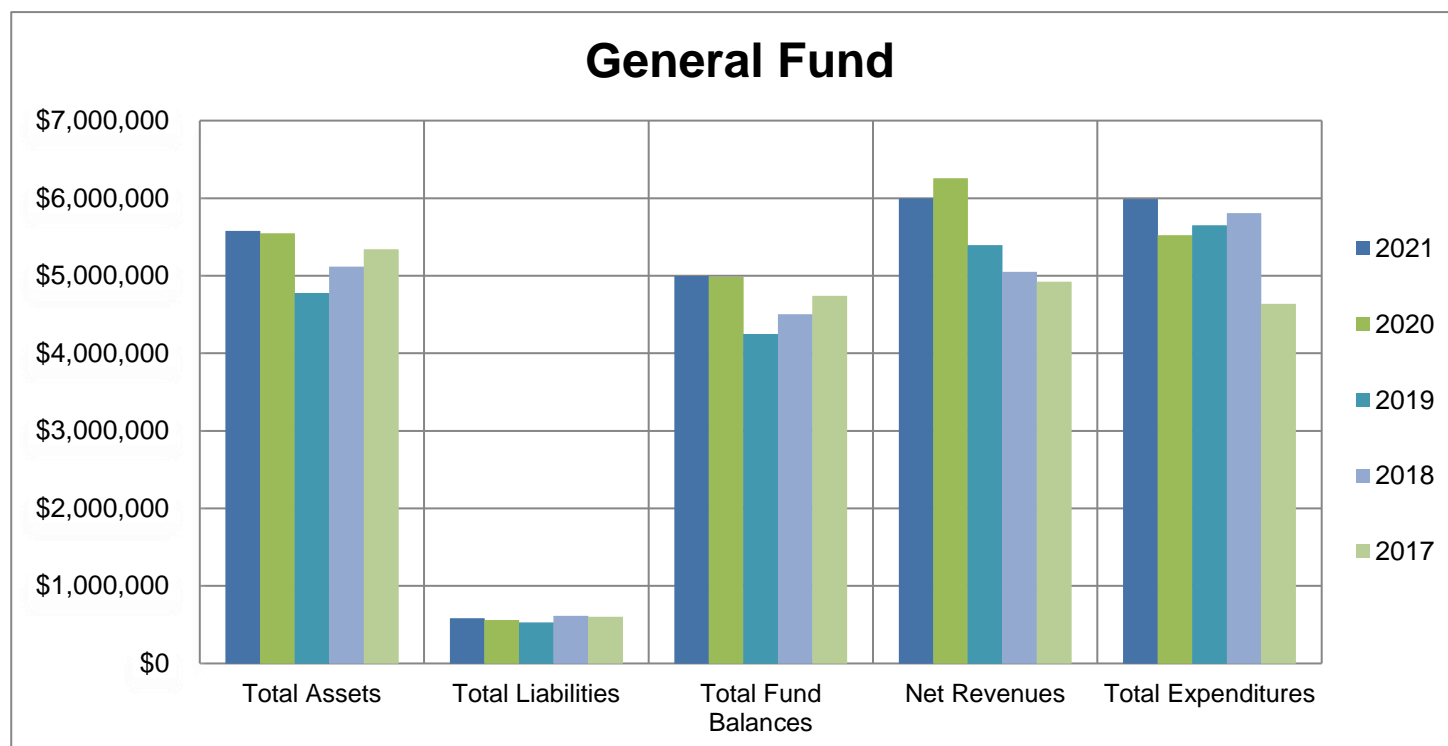
7. Corona Virus (COVID-19)

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 \$3,818,142 in federal aid from the American Rescue Plan Act of 2021. In 2021 and 2022, the County received funds in the amount of \$1,909,071 and \$1,909,071, respectively. In 2021, the County Library received \$16,435 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County Hospital and the County Library received \$332,500 and \$10,635, respectively in federal aid from the American Rescue Plan Act (ARPA) of 2021. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

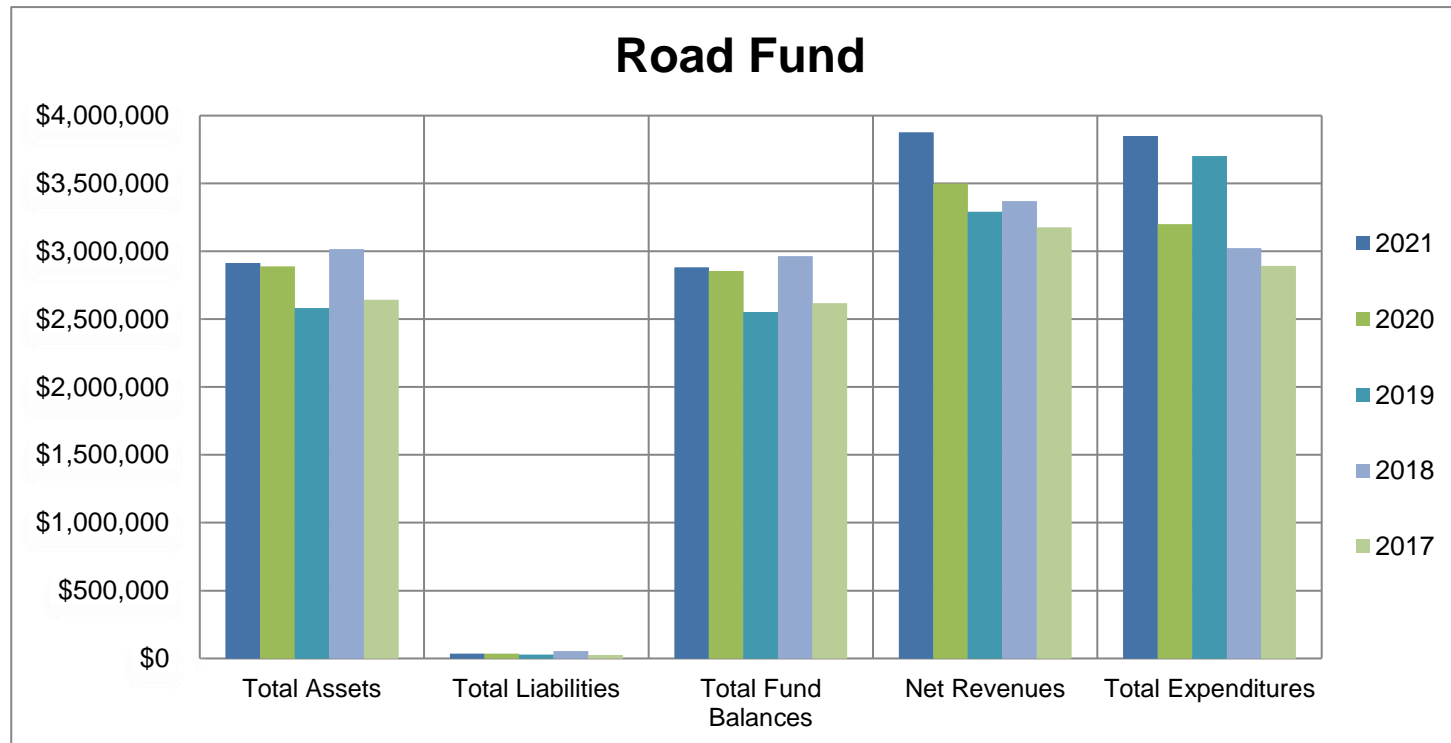
| <u>General</u> | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Assets | \$ 5,576,020 | \$ 5,542,516 | \$ 4,777,098 | \$ 5,115,914 | \$ 5,338,787 |
| Total Liabilities | 580,723 | 558,187 | 528,129 | 614,571 | 599,986 |
| Total Fund Balances | 4,995,297 | 4,984,329 | 4,248,969 | 4,501,343 | 4,738,801 |
| Net Revenues | 5,994,871 | 6,254,862 | 5,391,872 | 5,048,764 | 4,919,491 |
| Total Expenditures | 5,983,903 | 5,519,502 | 5,646,050 | 5,804,897 | 4,636,177 |
| Total Other Financing Sources/Uses | | | 1,804 | 518,675 | |



ASHLEY 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 | \$ 2,913,669 | \$ 2,887,555 | \$ 2,581,544 | \$ 3,015,376 | \$ 2,641,486 |
| Total Liabilities | 33,826 | 33,659 | 27,966 | 52,380 | 25,496 |
| Total Fund Balances | 2,879,843 | 2,853,896 | 2,553,578 | 2,962,996 | 2,615,990 |
| Net Revenues | 3,874,875 | 3,498,516 | 3,290,598 | 3,368,707 | 3,176,179 |
| Total Expenditures | 3,848,928 | 3,198,198 | 3,700,016 | 3,021,701 | 2,892,705 |
| Total Other Financing Sources/Uses | | | | | |



ASHLEY 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 | \$ 4,724,216 | \$ 2,720,816 | \$ 2,471,961 | \$ 3,037,258 | \$ 3,316,030 |
| Total Liabilities | 711,552 | 609,294 | 993,617 | 1,405,628 | 1,737,409 |
| Total Fund Balances | 4,012,664 | 2,111,522 | 1,748,344 | 1,631,630 | 1,578,621 |
| Net Revenues | 4,617,010 | 2,477,400 | 2,225,938 | 2,243,383 | 2,131,222 |
| Total Expenditures | 1,968,403 | 1,530,895 | 1,422,344 | 1,518,041 | 1,652,418 |
| Total Other Financing Sources/Uses | (747,465) | (583,327) | (686,830) | (672,333) | (618,611) |

