

Boone County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



BOONE COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
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Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Boone County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2022, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Boone County, Arkansas, as of December 31, 2022; the regulatory basis revenues, expenditures, and changes in net position; and the budgetary comparisons for the general fund and road fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, road fund, and other funds in the aggregate of Boone County, Arkansas, as of December 31, 2022, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the County would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being more prominent.

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

Little Rock, Arkansas
November 7, 2023
LOCO00522

Arkansas

Sen. David Wallace
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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Boone County, Arkansas (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated November 7, 2023. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We also reported to management of the County in a separate letter dated November 7, 2023.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 7, 2023

Arkansas

Sen. David Wallace
Senate Chair
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Senate Vice Chair



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2022:

County Judge: Robert Hathaway
Treasurer: Sandy Carter
Sheriff: Tim Roberson
Tax Collector: Amy Jenkins
County Clerk: Crystal Graddy
Circuit Clerk: Judy Harris
Assessor: Brandi Diffey
County Librarian: Ginger Schoenenberger
Airport Manager: Judy McCutcheon

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

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
November 7, 2023

BOONE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 9,164,703	\$ 3,003,364	\$ 12,312,554
Investments			1,366,544
Accounts receivable	329,984	52,858	191,319
Interfund receivables	247,380		69,167
	<u>9,742,067</u>	<u>3,056,222</u>	<u>13,939,584</u>
TOTAL ASSETS	<u>\$ 9,742,067</u>	<u>\$ 3,056,222</u>	<u>\$ 13,939,584</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 297,884	\$ 237,171	\$ 198,314
Interfund payables	69,167		247,380
Settlements pending	609,406		1,973,017
Total Liabilities	<u>976,457</u>	<u>237,171</u>	<u>2,418,711</u>
Fund Balances:			
Nonspendable			1,277,541
Restricted		2,739,400	8,542,226
Committed			9,605
Assigned	20,850	79,651	1,691,501
Unassigned	8,744,760		
Total Fund Balances	<u>8,765,610</u>	<u>2,819,051</u>	<u>11,520,873</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,742,067</u>	<u>\$ 3,056,222</u>	<u>\$ 13,939,584</u>

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

BOONE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 946,800	\$ 2,486,147	\$ 347,032
Federal aid	87,015	43,588	3,730,303
Property taxes	1,074,914	368,678	506,264
Sales taxes	4,762,434		2,090,834
Fines, forfeitures, and costs	610,559		269,440
Interest	199,049	89,277	223,410
Officers' fees	74,884		339,139
Jail fees			233,521
911 fees			634,142
Donations			216,261
Fuel commissions			17,224
Net increase (decrease) in fair value of investments			(264,257)
Commissary profits			153,512
Lease rentals			190,350
Treasurer's commission	151,547		43,851
Collector's commission	369,312		106,116
Taxes apportioned - Assessor's salary and expense	611,644		
Other	405,166	26,882	390,352
TOTAL REVENUES	9,293,324	3,014,572	9,227,494
Less: Treasurer's commission	79,179	26,653	42,921
NET REVENUES	9,214,145	2,987,919	9,184,573
EXPENDITURES			
Current:			
General government	2,027,737		5,580,356
Law enforcement	1,821,512		4,514,315
Highways and streets	900,406	2,997,716	
Public safety	183,491		844,881
Sanitation	13,420		
Health	86,595		38,475
Recreation and culture	26,000		741,915
Social services	193,901		
Airport	23,516		712,688
Total Current	5,276,578	2,997,716	12,432,630
Debt Service:			
Financed purchases principal		106,391	
Financed purchases interest		20,564	
TOTAL EXPENDITURES	5,276,578	3,124,671	12,432,630

BOONE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$ 3,937,567	\$ (136,752)	\$ (3,248,057)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,854,352		5,631,060
Transfers out	(5,546,581)		(2,938,831)
TOTAL OTHER FINANCING SOURCES (USES)	(2,692,229)		2,692,229
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	1,245,338	(136,752)	(555,828)
FUND BALANCES - JANUARY 1	7,520,272	2,955,803	12,076,701
FUND BALANCES - DECEMBER 31	\$ 8,765,610	\$ 2,819,051	\$ 11,520,873

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

BOONE 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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 740,000	\$ 946,800	\$ 206,800	\$ 2,050,000	\$ 2,486,147	\$ 436,147
Federal aid		87,015	87,015	38,500	43,588	5,088
Property taxes	942,800	1,074,914	132,114	325,900	368,678	42,778
Sales taxes	3,808,000	4,762,434	954,434			
Fines, forfeitures, and costs	554,800	610,559	55,759			
Interest	73,825	199,049	125,224	74,000	89,277	15,277
Officers' fees	57,200	74,884	17,684			
Treasurer's commission		151,547	151,547			
Collector's commission	800,000	369,312	(430,688)			
Taxes apportioned - Assessor's salary and expense	508,500	611,644	103,144			
Other	484,227	405,166	(79,061)	31,500	26,882	(4,618)
TOTAL REVENUES	7,969,352	9,293,324	1,323,972	2,519,900	3,014,572	494,672
Less: Treasurer's commission		79,179	(79,179)		26,653	(26,653)
NET REVENUES	7,969,352	9,214,145	1,244,793	2,519,900	2,987,919	468,019
EXPENDITURES						
Current:						
General government	3,287,892	2,027,737	1,260,155			
Law enforcement	3,962,267	1,821,512	2,140,755			
Highways and streets	1,053,450	900,406	153,044	3,830,778	2,997,716	833,062
Public safety	196,214	183,491	12,723			
Sanitation	25,294	13,420	11,874			
Health	111,270	86,595	24,675			
Recreation and culture	26,000	26,000	0			
Social services	203,950	193,901	10,049			
Airport	319,545	23,516	296,029			
Total Current	9,185,882	5,276,578	3,909,304	3,830,778	2,997,716	833,062
Debt Service:						
Financed purchases principal				106,391	106,391	0
Financed purchases interest				20,564	20,564	0
TOTAL EXPENDITURES	9,185,882	5,276,578	3,909,304	3,957,733	3,124,671	833,062

BOONE 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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,216,530)</u>	<u>\$ 3,937,567</u>	<u>\$ 5,154,097</u>	<u>\$ (1,437,833)</u>	<u>\$ (136,752)</u>	<u>\$ 1,301,081</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,846,216	2,854,352	(2,991,864)			
Transfers out	<u>(5,581,736)</u>	<u>(5,546,581)</u>	<u>35,155</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>264,480</u>	<u>(2,692,229)</u>	<u>(2,956,709)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(952,050)</u>	<u>1,245,338</u>	<u>2,197,388</u>	<u>(1,437,833)</u>	<u>(136,752)</u>	<u>1,301,081</u>
FUND BALANCES - JANUARY 1	<u>3,838,126</u>	<u>7,520,272</u>	<u>3,682,146</u>	<u>2,896,005</u>	<u>2,955,803</u>	<u>59,798</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,886,076</u></u>	<u><u>\$ 8,765,610</u></u>	<u><u>\$ 5,879,534</u></u>	<u><u>\$ 1,458,172</u></u>	<u><u>\$ 2,819,051</u></u>	<u><u>\$ 1,360,879</u></u>

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

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the County would have been included in the reporting entity: Hillcrest Nursing Home Board. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

Capital Projects Fund - 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. See Schedules 1 and 2 for the Capital Projects Fund as reported with other funds in the aggregate.

Permanent Fund - Permanent Funds are used to account for and report financial resources that are restricted to the extent that only earnings, and not principal, may be used for the purpose that support the reporting government's programs - that is, for the benefit of the government or its citizenry. See Schedules 1 and 2 for the Permanent Fund reported with other funds in the aggregate.

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury, as well as county sales taxes, is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

In 2022, the County implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts, certificates of deposit, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and fees, trust, inmate trusts, interest, property taxes and commissions that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. 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.
3. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
4. 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.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances (Continued)

Fund Balance Classifications (Continued)

5. 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.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15.

F. Budget Law

1. Legal Requirements

State law requires that the Quorum Court, before the end of each fiscal year, make appropriations, by ordinance, for the expenditures of County government for the following year. The Quorum Court may make appropriation amendments at any time during the current fiscal year. Appropriations lapse at the end of each year. Under certain conditions, the budget may be amended subsequent to the year-end.

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds

G. Fund Balance Classification Policies and Procedures

The County's highest level of decision-making authority is its Quorum Court. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the Quorum Court through passage of an ordinance. The Quorum Court is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,736,354	\$ 1,736,539
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	22,700,845	23,891,212
Uncollateralized	41,397	41,397
 Total Deposits	 <u>\$ 24,478,596</u>	 <u>\$ 25,669,148</u>

The above total deposits do not include cash on hand of \$2,025.

Custodial credit risk is the risk that in event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2022, the Violet Lawing Book Trust had \$41,397 of money market accounts consisting of Invesco Government and Agency Funds, which are invested exclusively in U.S. Treasury obligations. The Treasury obligations are not collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2022 Fair Value
Permanent	<u>\$ 1,366,544</u>

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

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

For Investments that do not have a readily determinable fair value and fall outside of the fair value hierarchy, investments are valued by utilizing the Net Asset Value (NAV) or its equivalent as a practical expedient.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4: Public Fund Investments (Continued)

The County's investments are composed of the following:

Investment Type	December 31, 2022
Investments by fair value level	
Exchange traded funds (Level 1)	\$ 657,081
Investments measured at net asset value (NAV)	
ABG Bond Common Trust Fund	375,497
ABG Government Common Trust Fund	333,966
Total investments measured at NAV	709,463
Total	\$ 1,366,544

The valuation method for investments at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investments measured at NAV

	Fair Value	Commitment	Frequency	Notice
ABG Bond Common Trust Fund	\$ 375,497	-	daily	one-day
ABG Government Common Trust Fund	333,966	-	daily	one-day
Total	\$ 709,463			

Common trust funds are comprised of shares or units in commingled funds that are not publicly traded. The price per share of the Common Trust Funds is based upon the County's proportionate share of the total underlying assets in each fund, less any liabilities for that fund. The NAV of the Common Trust Funds is calculated at the end of the day by the investment manager.

ABG Bond Common Trust Fund – This fund invests primarily in debt obligations of the U.S. Government, U.S. Government Agencies, Mortgage Backed Securities, and corporate bonds which are considered to be investment grade quality by at least one major bond rating service.

ABG Government Bond Common Trust Fund – This fund invests primarily in debt obligations of the U.S. Government and U.S. Government Agencies. These include, but are not limited to, securities of the U.S Treasury or securities of any Federal Agencies (including Mortgage Backed Securities, Collateralized Mortgage Obligations, and Real Estate Mortgage Investments Conduits).

Other required disclosures for investments:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments can be highly sensitive to changes in interest rates due to their terms and characteristics. The County has not adopted a formal investment policy that addresses interest rate risk. The ABG Bond Common Trust Fund and ABG Government Bond Common Trust Fund have an average investment maturity of 7.47 years and 4.10 years, respectively.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4: Public Fund Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's exposure to credit risk as of December 31, 2022, is as follows:

Investment Type	Quality Ratings				
	Fair Value	AAA	AA	A	BBB
ABG Bond Common Trust Fund	\$ 375,497	\$ 271,710	\$ 30,077	\$ 45,360	\$ 28,350
ABG Government Common Trust Fund	333,966	333,966			
Totals	<u>\$ 709,463</u>	<u>\$ 605,676</u>	<u>\$ 30,077</u>	<u>\$ 45,360</u>	<u>\$ 28,350</u>

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The County has not adopted a formal investment policy addressing foreign currency risk. The County does not have any equities that may be affected by such changes in exchange rates.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Property taxes		\$ 9,338	\$ 12,551
Sales taxes	\$ 826		
Fines, forfeitures, and costs	41,996		13,771
Interest	11		
Officers' fees	5,082		27,069
Jail fees			33,525
911 fees			21,688
Treasurer's commission	151,547		
Other	31,972	10,342	39,458
Treasurer's commission charged	98,550	33,178	43,257
Totals	<u>\$ 329,984</u>	<u>\$ 52,858</u>	<u>\$ 191,319</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 114,248	\$ 172,893	\$ 93,991
Salaries payable	172,204	60,279	95,566
Payroll taxes payable	11,432	3,999	8,757
Totals	<u>\$ 297,884</u>	<u>\$ 237,171</u>	<u>\$ 198,314</u>

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund	\$ 247,380	\$ 69,167
Other Funds in the Aggregate:		
Special Revenue Funds:		
American Rescue Plan Act	69,167	
Boone County Airport		247,380
Totals	<u>\$ 316,547</u>	<u>\$ 316,547</u>

Interfund receivables and payables consist of interfund loans. These balances were repaid on March 29, 2023 and August 2, 2023.

NOTE 8: Federal Funds Program Compliance

The County has currently engaged with a firm to receive a compliance audit in accordance with the federal program requirements for the 2021 federal grants. As of report date, the County has corresponded with a firm, but not officially contracted for an audit for the 2022 federal grants. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Nonspendable:			
Recreation and culture			\$ 1,277,541
Restricted for:			
General government			2,995,415
Law enforcement			3,574,009
Highways and streets		\$ 2,739,400	
Public safety			368,192
Recreation and culture			1,491,140
Airport			113,470
Total Restricted		2,739,400	8,542,226
Committed for:			
Law enforcement			9,605
Assigned to:			
General government			5,945
Law enforcement	\$ 20,850		45,449
Highways and streets		79,651	
Public safety			93,111
Recreation and culture			18,570
Capital outlay			1,528,426
Total Assigned	20,850	79,651	1,691,501
Unassigned	8,744,760		
Totals	\$ 8,765,610	\$ 2,819,051	\$ 11,520,873

NOTE 10: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2022, the legal debt limit for bonded debt was \$57,466,570. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2022, the legal debt limit for short-term financing obligations was \$15,310,664. The amount of short-term financing obligations was \$629,701 leaving a legal debt margin of \$14,680,963.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liability	\$ 629,701
Reappraisal contract	207,319
Construction contracts	427,857
Total Commitments	<u>\$ 1,264,877</u>

Long-term Liability

Long-term liability at December 31, 2022, is comprised of the following:

	December 31, 2022
<u>Direct Borrowings</u>	
Financed purchase dated June 12, 2020, with Anstaff Bank in the amount of \$889,800 with interest rate of 2.95% for the purchase of four (4) road graders. Monthly payments of \$10,580 for 59 months, and one final payment of \$360,000. Payments are to be made from the Road Fund.	
	<u>\$ 629,701</u>

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

The County's outstanding direct borrowings of \$629,701 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.

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

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, 2022	Maturities to December 31, 2022
<u>Direct Borrowings</u>					
6/12/20	6/12/25	2.95%	<u>\$ 889,800</u>	<u>\$ 629,701</u>	<u>\$ 260,099</u>

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrowings</u>				
Financed purchase	\$ 736,092	\$ 0	\$ 106,391	\$ 629,701

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 109,618	\$ 17,337	\$ 126,955
2024	112,899	14,056	126,955
2025	407,184	5,714	412,898
Totals	\$ 629,701	\$ 37,107	\$ 666,808

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 8, 2021, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$4,231 for a total of \$253,860, beginning January 15, 2022. Contract expense for 2022, was \$46,541.

The County is obligated for the following amounts at December 31, 2022:

Year	December 31, 2022
2023	\$ 55,003
2024	50,772
2025	50,772
2026	50,772
Total	\$ 207,319

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2022:

Project Name	Completion Date	Contract Balance December 31, 2022
Box Hanger Project	June 14, 2023	\$ 18,475
Airfield Guidance Signs	September 1, 2023	409,382
Total Construction Contracts		\$ 427,857

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 12: Interfund Transfers

The General Fund transferred \$8,974 to the Other Funds in the Aggregate (District Court Automation) to reimburse prior year expenditures. Additionally, the General Fund transferred to the Other Funds in the Aggregate \$37,607 (\$20,756 to County Clerk's Cost and \$16,851 to Public Defender) for operations and \$5,500,000 (Capital Projects Fund) for capital projects. Within the Other Funds in the Aggregate, the County Jail Sales Tax and Operations Fund transferred \$84,479 to Cops in Schools for operations. Also, the Other Funds in the Aggregate transferred to the General Fund \$160,000 (Recorder's Cost Fund) as provided for in Ark. Code Ann. § 21-6-306 and \$2,694,352 (American Rescue Plan Act) for prior year expenditures.

NOTE 13: Subsequent Event

On July 31, 2023, the County received \$396,395 from the sale of a building.

NOTE 14: Jointly Governed Organizations

Ozark Mountain Solid Waste District

The County is a member of the Ozark Solid Waste District. The District is a jointly governed organization comprised of representatives from Baxter, Boone, Marion, Newton, and Searcy Counties, and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. No payments were made by the County in 2022 to Ozark Solid Waste District.

Fourteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourteenth Judicial District, the Sheriffs' Departments of Baxter, Boone, Marion, and Newton Counties, and the Police Departments of Harrison and Mountain Home entered into an agreement to establish the Fourteenth Judicial Drug Task Force. Funding was provided through a Drug Law Enforcement program grant applied for by the Prosecuting Attorney of the Fourteenth Judicial District. Financial statements of the Fourteenth Judicial Drug Task Force are not available.

NOTE 15: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by County officials, employees, and volunteer fire fighters while performing work for the County. Rates for counties participating in this program are revised annually based on the cost experience of the particular county or group as determined by the Workers' Compensation Commission.

Property Program – This program is a blanket policy with coverage up to \$1,100,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 15: Risk Management (Continued)

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

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

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

NOTE 16: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. 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, 2022, (date of APERS Employer Allocation Report) were \$989,773.

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, 2022, (actuarial valuation date and measurement date) was \$8,333,987.

BOONE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 17: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$7,270,727 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$7,270,727 of this amount has been received. In 2022, the County was awarded \$100,000 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$50,000 and \$50,000, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 18: Permanent Fund – Violet Lawing Book Trust

On August 17, 2006, the estate of Violet M. Lawing was bequeathed to the Boone County Library Administrative Board. The estate provided that the funds and property be used to establish a restricted endowment for the Boone County Library and that the Boone County Library Administrative Board shall invest the restricted endowment in accordance with Ark. Code Ann. §§ 28-71-101 – 28-71-107. The principal shall be retained in perpetuity in the name of the Violet M. Lawing Trust and the income there from shall be paid to the Boone County Library for the sole purpose of the purchase of books. At December 31, 2022, the non-spendable fund balance was \$1,277,541.

NOTE 19: Hospital Lease

Effective March 1, 1997, the County entered into an assignment and lease agreement with the North Arkansas Regional Medical Center (the Center), a nonprofit hospital corporation organized under the law of the State of Arkansas. Under the terms of the agreement, the Center agreed to lease the hospital land, building, and improvements for a period of five years beginning March 1, 1997. The agreement provides that the lease shall be automatically renewed at the end of the original lease term for 12-month periods, unless either party provides written notice to the other party of its intention to cancel the lease. On November 1, 2010, the County amended the assignment and lease agreement dated March 1, 1997. Under the terms of the amendment, the Center agrees to lease the hospital's facilities for a term to expire on December 31, 2041.

NOTE 20: Hospice of the Hills Lease

Effective October 3, 2005, the County entered into a lease agreement with Hospice of the Hills, Inc., a nonprofit corporation organized under the laws of the State of Arkansas. Under the terms of the agreement, Hospice of the Hills agreed to lease land from the County at a sum of \$100 for a term of 99 years, ending on October 3, 2104. The agreement provides that Hospice of the Hills can, at its sole expense, construct one or more houses upon the leased premises approved by the County. All permanent improvements shall revert back to the County upon termination of the lease.

BOONE COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Child Support Cost
ASSETS									
Cash and cash equivalents	\$ 275,988	\$ 561,957	\$ 81,912	\$ 4,310	\$ 40,583	\$ 32,850	\$ 640,004	\$ 810,079	\$ 2,687
Investments									
Accounts receivable			837	1,043	90	928	29,797	19,286	108
Interfund receivables									
TOTAL ASSETS	<u>\$ 275,988</u>	<u>\$ 561,957</u>	<u>\$ 82,749</u>	<u>\$ 5,353</u>	<u>\$ 40,673</u>	<u>\$ 33,778</u>	<u>\$ 669,801</u>	<u>\$ 829,365</u>	<u>\$ 2,795</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 969	\$ 8,321		\$ 5,218		\$ 287	\$ 7,166	\$ 24,004	
Interfund payables									
Settlements pending									
Total Liabilities	<u>969</u>	<u>8,321</u>		<u>5,218</u>		<u>287</u>	<u>7,166</u>	<u>24,004</u>	
Fund Balances:									
Nonspendable									
Restricted	275,019	553,636	\$ 82,749	135	\$ 40,673	33,491	656,690	786,791	\$ 2,795
Committed									
Assigned							5,945	18,570	
Total Fund Balances	<u>275,019</u>	<u>553,636</u>	<u>82,749</u>	<u>135</u>	<u>40,673</u>	<u>33,491</u>	<u>662,635</u>	<u>805,361</u>	<u>2,795</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 275,988</u>	<u>\$ 561,957</u>	<u>\$ 82,749</u>	<u>\$ 5,353</u>	<u>\$ 40,673</u>	<u>\$ 33,778</u>	<u>\$ 669,801</u>	<u>\$ 829,365</u>	<u>\$ 2,795</u>

BOONE COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS								
	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Public Defender	Victim/Witness	Drug Court Program	Juvenile Probation	Cops in Schools	Criminal Justice
ASSETS									
Cash and cash equivalents	\$ 95,609	\$ 44,630	\$ 428,702	\$ 6,370	\$ 68,826	\$ 17,130	\$ 9,160	\$ 20,524	\$ 17,493
Investments									
Accounts receivable	8,544		64,938	324	3,412		111		696
Interfund receivables									
TOTAL ASSETS	\$ 104,153	\$ 44,630	\$ 493,640	\$ 6,694	\$ 72,238	\$ 17,130	\$ 9,271	\$ 20,524	\$ 18,189
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 21,458		\$ 32,337	\$ 1,082	\$ 2,192			\$ 10,919	\$ 1,007
Interfund payables									
Settlements pending									
Total Liabilities	21,458		32,337	1,082	2,192			10,919	1,007
Fund Balances:									
Nonspendable									
Restricted	82,016	\$ 44,630	368,192	5,612	68,431	\$ 17,130	\$ 9,271		16,977
Committed								9,605	
Assigned	679		93,111		1,615				205
Total Fund Balances	82,695	44,630	461,303	5,612	70,046	17,130	9,271	9,605	17,182
TOTAL LIABILITIES AND FUND BALANCES	\$ 104,153	\$ 44,630	\$ 493,640	\$ 6,694	\$ 72,238	\$ 17,130	\$ 9,271	\$ 20,524	\$ 18,189

BOONE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Jail Sales Tax and Jail Operations	Boone County Governmental and Judicial Center (ARPA)	County Library Board	Boone County Airport	Communication Facility and Equipment
ASSETS								
Cash and cash equivalents	\$ 16,648	\$ 3,232	\$ 1,329,183	\$ 3,170,241	\$ 29,019	\$ 533,460	\$ 361,009	\$ 127,619
Investments								
Accounts receivable				58,979			2,226	
Interfund receivables			69,167					
TOTAL ASSETS	<u>\$ 16,648</u>	<u>\$ 3,232</u>	<u>\$ 1,398,350</u>	<u>\$ 3,229,220</u>	<u>\$ 29,019</u>	<u>\$ 533,460</u>	<u>\$ 363,235</u>	<u>\$ 127,619</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 66,831	\$ 14,138		\$ 2,385	
Interfund payables							247,380	
Settlements pending								
Total Liabilities				<u>66,831</u>	<u>14,138</u>		<u>249,765</u>	
Fund Balances:								
Nonspendable								
Restricted	\$ 16,648	\$ 3,232	\$ 1,398,350	3,119,439	14,881	\$ 533,460	113,470	\$ 127,619
Committed								
Assigned				42,950				
Total Fund Balances	<u>16,648</u>	<u>3,232</u>	<u>1,398,350</u>	<u>3,162,389</u>	<u>14,881</u>	<u>533,460</u>	<u>113,470</u>	<u>127,619</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,648</u>	<u>\$ 3,232</u>	<u>\$ 1,398,350</u>	<u>\$ 3,229,220</u>	<u>\$ 29,019</u>	<u>\$ 533,460</u>	<u>\$ 363,235</u>	<u>\$ 127,619</u>

BOONE COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	CAPITAL PROJECTS FUND	PERMANENT FUND	CUSTODIAL FUNDS					
	New Courthouse	Violet Lawing Book Trust	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 1,528,426	\$ 81,886	\$ 461,237	\$ 293,747	\$ 242,195	\$ 71,285	\$ 904,553	\$ 12,312,554
Investments		1,366,544						1,366,544
Accounts receivable								191,319
Interfund receivables								69,167
TOTAL ASSETS	\$ 1,528,426	\$ 1,448,430	\$ 461,237	\$ 293,747	\$ 242,195	\$ 71,285	\$ 904,553	\$ 13,939,584
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 198,314
Interfund payables								247,380
Settlements pending			\$ 461,237	\$ 293,747	\$ 242,195	\$ 71,285	\$ 904,553	1,973,017
Total Liabilities			461,237	293,747	242,195	71,285	904,553	2,418,711
Fund Balances:								
Nonspendable		\$ 1,277,541						1,277,541
Restricted		170,889						8,542,226
Committed								9,605
Assigned	\$ 1,528,426							1,691,501
Total Fund Balances	1,528,426	1,448,430						11,520,873
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,528,426	\$ 1,448,430	\$ 461,237	\$ 293,747	\$ 242,195	\$ 71,285	\$ 904,553	\$ 13,939,584

BOONE 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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library
REVENUES								
State aid					\$ 14,123			\$ 152,133
Federal aid								
Property taxes								505,709
Sales taxes								
Fines, forfeitures, and costs			\$ 16,383	\$ 14,760				
Interest	\$ 7,145	\$ 17,244	2,163	237	1,501	\$ 2,610	\$ 15,528	21,739
Officers' fees						15,128	315,685	
Jail fees								
911 fees								
Donations								
Fuel commissions								
Net increase (decrease) in fair value of investments								
Commissary profits								
Lease rentals								
Treasurer's commission	43,851							
Collector's commission		106,116						
Other		1,371	321	40	278	196		870
TOTAL REVENUES	50,996	124,731	18,867	15,037	15,902	17,934	331,213	680,451
Less: Treasurer's commission		2,467	359	307	312	297	3,024	5,410
NET REVENUES	50,996	122,264	18,508	14,730	15,590	17,637	328,189	675,041
EXPENDITURES								
Current:								
General government	21,261	189,973			32,139	39,017	112,705	
Law enforcement			15,193	21,814				
Public safety								
Health								
Recreation and culture								631,525
Airport								
TOTAL EXPENDITURES	21,261	189,973	15,193	21,814	32,139	39,017	112,705	631,525
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,735	(67,709)	3,315	(7,084)	(16,549)	(21,380)	215,484	43,516
OTHER FINANCING SOURCES (USES)								
Transfers in				8,974		20,756		
Transfers out							(160,000)	
TOTAL OTHER FINANCING SOURCES (USES)				8,974		20,756	(160,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	29,735	(67,709)	3,315	1,890	(16,549)	(624)	55,484	43,516
FUND BALANCES - JANUARY 1	245,284	621,345	79,434	(1,755)	57,222	34,115	607,151	761,845
FUND BALANCES - DECEMBER 31	\$ 275,019	\$ 553,636	\$ 82,749	\$ 135	\$ 40,673	\$ 33,491	\$ 662,635	\$ 805,361

BOONE 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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Child Support Cost	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Public Defender	Victim/Witness	Drug Court Program	Juvenile Probation
REVENUES								
State aid			\$ 3,679		\$ 1,705			
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		\$ 127,170			12,065	\$ 56,561	\$ 600	
Interest	\$ 72	2,048	1,223	\$ 11,749	507	2,648	499	\$ 247
Officers' fees	1,512							695
Jail fees		17,269						
911 fees				634,142				
Donations								
Fuel commissions								
Net increase (decrease) in fair value of investments								
Commissary profits								
Lease rentals								
Treasurer's commission								
Collector's commission								
Other	6	2,614	67	131,544	284	575	895	121
TOTAL REVENUES	1,590	149,101	4,969	777,435	14,561	59,784	1,994	1,063
Less: Treasurer's commission	30	2,995	98	5,583	95	940		19
NET REVENUES	1,560	146,106	4,871	771,852	14,466	58,844	1,994	1,044
EXPENDITURES								
Current:								
General government								
Law enforcement		143,178	1,770		34,849	98,225	3,017	
Public safety				817,153				
Health								
Recreation and culture								
Airport								
TOTAL EXPENDITURES		143,178	1,770	817,153	34,849	98,225	3,017	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,560	2,928	3,101	(45,301)	(20,383)	(39,381)	(1,023)	1,044
OTHER FINANCING SOURCES (USES)								
Transfers in					16,851			
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)					16,851			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,560	2,928	3,101	(45,301)	(3,532)	(39,381)	(1,023)	1,044
FUND BALANCES - JANUARY 1	1,235	79,767	41,529	506,604	9,144	109,427	18,153	8,227
FUND BALANCES - DECEMBER 31	\$ 2,795	\$ 82,695	\$ 44,630	\$ 461,303	\$ 5,612	\$ 70,046	\$ 17,130	\$ 9,271

BOONE 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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Cops in Schools	Criminal Justice	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Jail Sales Tax and Jail Operations	Hospital Grant 2020	Omaha Fire Department Grant 2021
REVENUES								
State aid	\$ 26,912							
Federal aid	2,021				\$ 3,585,364		\$ 3,300	
Property taxes				\$ 555				
Sales taxes						\$ 2,060,069		
Fines, forfeitures, and costs		\$ 9,744						
Interest	2,336	462	\$ 464	83	14,430	74,010		
Officers' fees			505					
Jail fees						216,252		
911 fees								
Donations								
Fuel commissions								
Net increase (decrease) in fair value of investments								
Commissary profits								
Lease rentals								
Treasurer's commission								
Collector's commission								
Other	213,382	943	15	8		8,306		
TOTAL REVENUES	244,651	11,149	984	646	3,599,794	2,358,637	3,300	
Less: Treasurer's commission		190	19	13		20,763		
NET REVENUES	244,651	10,959	965	633	3,599,794	2,337,874	3,300	
EXPENDITURES								
Current:								
General government					1,143,012			
Law enforcement	311,678	8,382			1,813,446	1,887,936		
Public safety								\$ 15,000
Health					35,175		3,300	
Recreation and culture								
Airport					37,889			
TOTAL EXPENDITURES	311,678	8,382			3,029,522	1,887,936	3,300	15,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(67,027)	2,577	965	633	570,272	449,938		(15,000)
OTHER FINANCING SOURCES (USES)								
Transfers in	84,479							
Transfers out					(2,694,352)	(84,479)		
TOTAL OTHER FINANCING SOURCES (USES)	84,479				(2,694,352)	(84,479)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	17,452	2,577	965	633	(2,124,080)	365,459		(15,000)
FUND BALANCES - JANUARY 1	(7,847)	14,605	15,683	2,599	3,522,430	2,796,930		15,000
FUND BALANCES - DECEMBER 31	\$ 9,605	\$ 17,182	\$ 16,648	\$ 3,232	\$ 1,398,350	\$ 3,162,389	\$ 0	\$ 0

BOONE 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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	PERMANENT FUND	
	Bergman Fire Department Grant	Boone County Governmental and Judicial Center (ARPA)	County Library Board	Boone County Airport	Communication Facility and Equipment	New Courthouse	Violet Lawing Book Trust	Totals
REVENUES								
State aid				\$ 148,480				\$ 347,032
Federal aid		\$ 50,000	\$ 1,782	87,836				3,730,303
Property taxes								506,264
Sales taxes				30,765				2,090,834
Fines, forfeitures, and costs							\$ 32,157	269,440
Interest			6,464	2,378	\$ 67	\$ 35,556		223,410
Officers' fees					5,614			339,139
Jail fees								233,521
911 fees								634,142
Donations			216,261					216,261
Fuel commissions				17,224				17,224
Net increase (decrease) in fair value of investments							(264,257)	(264,257)
Commissary profits					153,512			153,512
Lease rentals				190,350				190,350
Treasurer's commission								43,851
Collector's commission								106,116
Other			24,183	1,568	2,765			390,352
TOTAL REVENUES		50,000	248,690	478,601	161,958	35,556	(232,100)	9,227,494
Less: Treasurer's commission								42,921
NET REVENUES		50,000	248,690	478,601	161,958	35,556	(232,100)	9,184,573
EXPENDITURES								
Current:								
General government		35,119				4,007,130		5,580,356
Law enforcement					174,827			4,514,315
Public safety	\$ 12,728							844,881
Health								38,475
Recreation and culture			60,997				49,393	741,915
Airport				674,799				712,688
TOTAL EXPENDITURES	12,728	35,119	60,997	674,799	174,827	4,007,130	49,393	12,432,630
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,728)	14,881	187,693	(196,198)	(12,869)	(3,971,574)	(281,493)	(3,248,057)
OTHER FINANCING SOURCES (USES)								
Transfers in						5,500,000		5,631,060
Transfers out								(2,938,831)
TOTAL OTHER FINANCING SOURCES (USES)						5,500,000		2,692,229
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,728)	14,881	187,693	(196,198)	(12,869)	1,528,426	(281,493)	(555,828)
FUND BALANCES - JANUARY 1	12,728		345,767	309,668	140,488		1,729,923	12,076,701
FUND BALANCES - DECEMBER 31	\$ 0	\$ 14,881	\$ 533,460	\$ 113,470	\$ 127,619	\$ 1,528,426	\$ 1,448,430	\$ 11,520,873

BOONE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
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.
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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Jail Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.
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 telephone providers for 911 emergency services.

BOONE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund to be used for defense of indigents.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Juvenile Probation	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.
Cops in Schools	Boone County Ordinance no. 2001-15 (May 14, 2001) established fund to account for funds received for COPS in Schools federal grants and reimbursements from participating school districts.
Criminal Justice	Boone County Ordinance no. 1987-25 (October 12, 1987) established fund to receive court costs to be used for operations of the criminal justice system.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the commissioner's duties and for general operations 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.
Jail Sales Tax and Jail Operations	Boone County Ordinance no. 2006-23 (August 8, 2006) established fund to account for sales taxes collected for the construction, improvement, expansion, and operation of the new criminal justice facility and also for criminal justice purposes. In addition, Boone County Ordinance no. 2019-33 (September 10, 2019) authorized reimbursements received from the state for Jail Keep and Act 309 revenue to be deposited to the Jail Operations Fund.

BOONE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Hospital Grant 2020	Boone County Ordinance no. 2020-44 (October 13, 2020) established fund to account for Community Development Block Grant funds received for North Arkansas Regional Medical Center expenses related to Covid-19 pandemic.
Omaha Fire Department Grant 2021	Boone County Ordinance no. 2021-33 (July 13, 2021) established fund to account for Rural Community Grant from Arkansas Economic Development Commission applied on behalf of the Omaha Fire Department.
Bergman Fire Department Grant	Boone County Ordinance no. 2022-02 (January 11, 2022) established fund to account for Rural Community Grant from Arkansas Economic Development Commission applied for on behalf of the Bergram Fire Department.
Boone County Governmental and Judicial Center (ARPA)	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. In addition, Boone County Ordinance no. 2022-43 (October 11, 2022) established fund to account for normal operation cost (non-construction) for the Boone County Governmental and Judicial Center.
County Library Board	Boone County Ordinance no. 1978-8 (May 8, 1978) established the Library Board to oversee the operations of the Boone County Library. Also, Ark. Code Ann. § 13-2-401 authorizes a county quorum court to establish a county library board to conduct the affairs of the county public library.
Boone County Airport	Ark. Code Ann. § 14-357-107 stipulates that all revenue derived from the operation of the airport, after paying the operating expenses and maintenance, may be set aside, and used for additional improvements on the airport or for any lawful purpose. Boone County Ordinance no. 1978-6 (May 8, 1978) established the Airport Commission to oversee the operations of the Boone County Airport.
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.
New Courthouse	Boone County Ordinance no. 2022-14 (March 17, 2022) established fund to account for the revenues, expenditures, and appropriated transfers for the purchase and renovation cost for the new Boone County Governmental and Judicial Center.

BOONE COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Violet Lawing Book Trust	Established from the will and testament of Violet Lawing for the purpose of purchasing library books from the earnings of the trust. The corpus shall be maintained in perpetuity.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and funds held in the County Law Library not distributed to the appropriate agencies.

Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.

Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.

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

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

BOONE COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2022
(Unaudited)

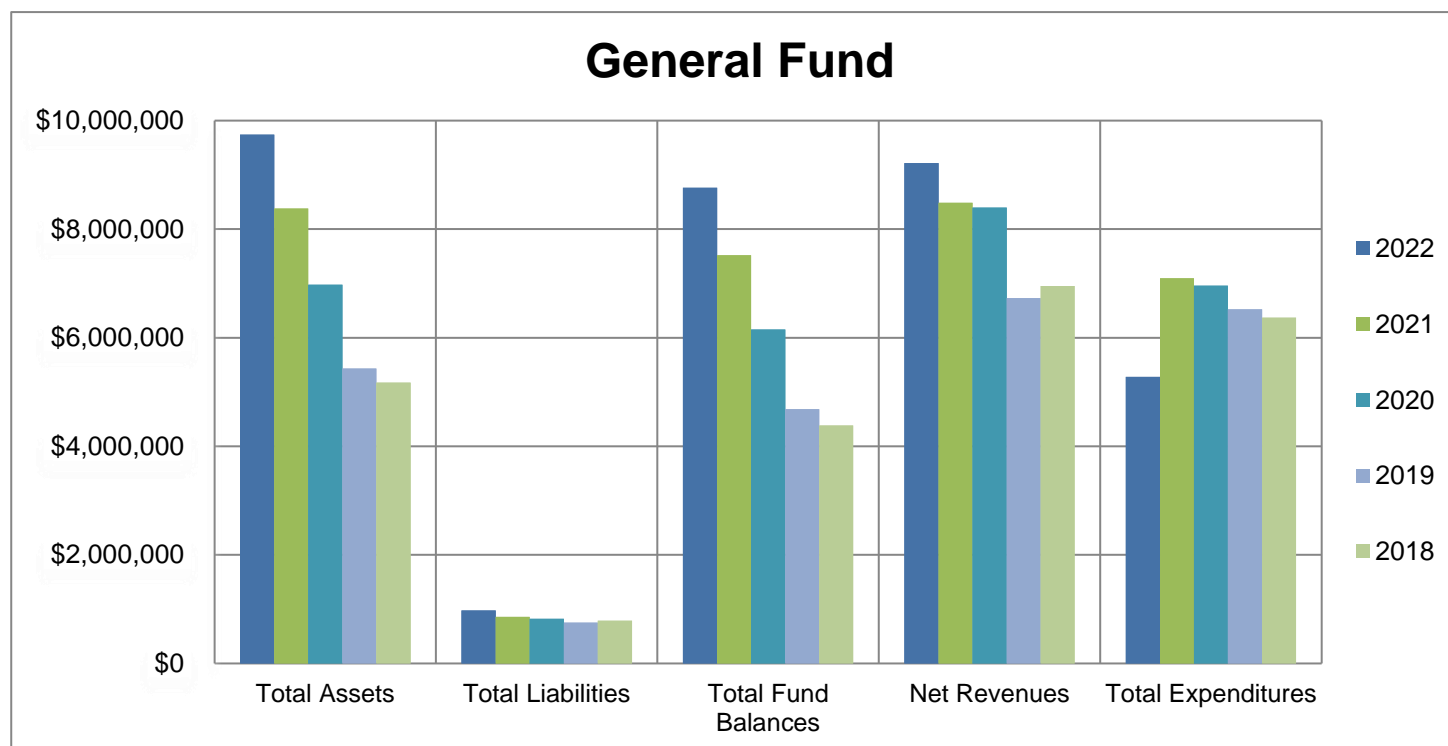
Schedule 3

	December 31, 2022
Land	\$ 657,171
Buildings	16,863,150
Improvements	8,621,996
Equipment	<u>9,418,235</u>
Total	<u><u>\$ 35,560,552</u></u>

BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2022
(Unaudited)

Schedule 4-1

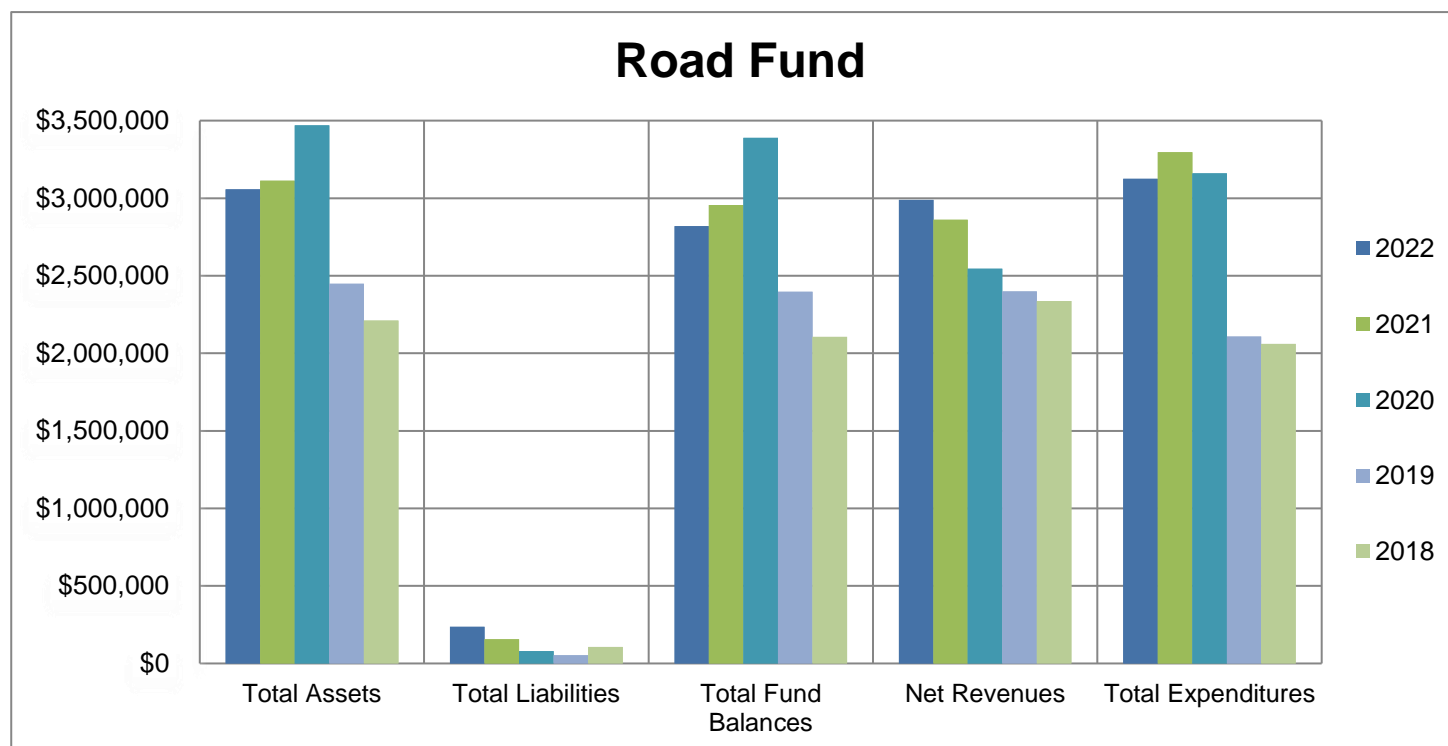
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 9,742,067	\$ 8,377,384	\$ 6,977,677	\$ 5,435,234	\$ 5,173,114
Total Liabilities	976,457	857,112	825,072	752,882	787,158
Total Fund Balances	8,765,610	7,520,272	6,152,605	4,682,352	4,385,956
Net Revenues	9,214,145	8,487,620	8,398,969	6,726,674	6,953,496
Total Expenditures	5,276,578	7,096,750	6,957,148	6,524,138	6,370,886
Total Other Financing Sources/Uses	(2,692,229)	(23,203)	28,432	93,860	(34,176)



BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2022
(Unaudited)

Schedule 4-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 3,056,222	\$ 3,112,455	\$ 3,468,528	\$ 2,447,821	\$ 2,211,786
Total Liabilities	237,171	156,652	80,519	52,136	105,713
Total Fund Balances	2,819,051	2,955,803	3,388,009	2,395,685	2,106,073
Net Revenues	2,987,919	2,861,278	2,544,738	2,397,965	2,336,124
Total Expenditures	3,124,671	3,295,238	3,160,810	2,108,353	2,060,499
Total Other Financing Sources/Uses		1,754	1,608,396		



BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2022
(Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2022	2021	2020	2019	2018
Total Assets	\$ 13,939,584	\$ 14,004,369	\$ 9,252,424	\$ 9,934,158	\$ 9,514,142
Total Liabilities	2,418,711	1,927,668	1,958,288	1,413,070	1,158,660
Total Fund Balances	11,520,873	12,076,701	7,294,136	8,521,088	8,355,482
Net Revenues	9,184,573	9,374,471	5,385,452	4,283,207	4,408,214
Total Expenditures	12,432,630	4,613,355	5,865,376	4,023,741	3,634,656
Total Other Financing Sources/Uses	2,692,229	21,449	(747,028)	(93,860)	34,176

