

# **Cleveland County, Arkansas**

## **Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gasaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

Cleveland 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 Cleveland County, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated March 27, 2023. These procedures were not performed. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2021:

County Judge: Gary Spears (Deceased January 10, 2021)  
Amber Spears (Appointed January 11, 2021, Resigned February 2, 2021)  
Melody Spears (Appointed February 2, 2021)  
Treasurer: Jack Hopson (Deceased July 6, 2021)  
Wanda Leopard (Appointed July 6, 2021)  
Sheriff: Jack H. Rodgers  
Tax Collector: Patti Wilson  
County/Circuit Clerk: Jimmy Cummings  
Assessor: Barbara Reaves  
District Court Clerk: Renee Herring  
County Librarian: Hilda Terry

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  
March 27, 2023  
LOCO01321

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,848,464	\$ 412,828	\$ 4,348,271
Accounts receivable	29,155	11,303	23,490
	<u>2,877,619</u>	<u>424,131</u>	<u>4,371,761</u>
TOTAL ASSETS	<u>\$ 2,877,619</u>	<u>\$ 424,131</u>	<u>\$ 4,371,761</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 13,598	\$ 14,680	\$ 2,323
Settlements pending	66,425		85,803
Total Liabilities	<u>80,023</u>	<u>14,680</u>	<u>88,126</u>
Fund Balances:			
Restricted			4,013,176
Committed		409,451	138,319
Assigned	256,964		132,140
Unassigned	2,540,632		
Total Fund Balances	<u>2,797,596</u>	<u>409,451</u>	<u>4,283,635</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,877,619</u>	<u>\$ 424,131</u>	<u>\$ 4,371,761</u>

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

CLEVELAND 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	\$ 534,508	\$ 1,332,113	\$ 106,830
Federal aid	38,873		834,774
Property taxes	455,180	194,774	80,321
Sales taxes	147,354	327,980	1,332,706
Fines, forfeitures, and costs	203,802		58,934
Interest	30,955	684	27,939
Officers' fees	8,817		72,609
Jail fees			37,806
911 fees			190,071
Sanitation fees			387
Reimbursements from cities	148,135		
Treasurer's commission	75,413		11,694
Collector's commission	113,012		17,854
Taxes apportioned - Assessor's salary and expense	133,680		
Other	66,448	81,296	51,611
TOTAL REVENUES	1,956,177	1,936,847	2,823,536
Less: Treasurer's commission	24,773	29,645	27,525
NET REVENUES	1,931,404	1,907,202	2,796,011
EXPENDITURES			
Current:			
General government	848,414		161,889
Law enforcement	790,944		229,772
Highways and streets		1,776,486	101,550
Public safety	83,756		275,048
Sanitation			660,821
Health	16,623		53,229
Recreation and culture			117,097
Social services	54,880		5,802
Water			59,556
Total Current	1,794,617	1,776,486	1,664,764
Debt Service:			
Lease principal		145,400	
Lease interest		8,036	
TOTAL EXPENDITURES	1,794,617	1,929,922	1,664,764

CLEVELAND 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	\$ 136,787	\$ (22,720)	\$ 1,131,247
OTHER FINANCING SOURCES (USES)			
Transfers in	8	10,554	8,460
Transfers out	(19,014)		(8)
TOTAL OTHER FINANCING SOURCES (USES)	(19,006)	10,554	8,452
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	117,781	(12,166)	1,139,699
FUND BALANCES - JANUARY 1	2,679,815	421,617	3,143,936
FUND BALANCES - DECEMBER 31	\$ 2,797,596	\$ 409,451	\$ 4,283,635

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

CLEVELAND 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	\$ 484,000	\$ 534,508	\$ 50,508	\$ 1,172,000	\$ 1,332,113	\$ 160,113
Federal aid		38,873	38,873	60,000		(60,000)
Property taxes	355,993	455,180	99,187	195,300	194,774	(526)
Sales taxes	210,000	147,354	(62,646)	310,000	327,980	17,980
Fines, forfeitures, and costs	152,851	203,802	50,951			
Interest	40,000	30,955	(9,045)	300	684	384
Officers' fees	24,650	8,817	(15,833)			
Reimbursements from cities		148,135	148,135			
Treasurer's commission	90,000	75,413	(14,587)			
Collector's commission	170,000	113,012	(56,988)			
Taxes apportioned - Assessor's salary and expense	102,000	133,680	31,680			
Other	356,299	66,448	(289,851)		81,296	81,296
TOTAL REVENUES	1,985,793	1,956,177	(29,616)	1,737,600	1,936,847	199,247
Less: Treasurer's commission		24,773	(24,773)		29,645	(29,645)
NET REVENUES	1,985,793	1,931,404	(54,389)	1,737,600	1,907,202	169,602
EXPENDITURES						
Current:						
General government	823,894	848,414	(24,520)			
Law enforcement	1,061,460	790,944	270,516			
Highways and streets				2,141,566	1,776,486	365,080
Public safety	59,110	83,756	(24,646)			
Health	18,490	16,623	1,867			
Social services	59,993	54,880	5,113			
Total Current	2,022,947	1,794,617	228,330	2,141,566	1,776,486	365,080
Debt Service:						
Lease principal					145,400	(145,400)
Lease interest					8,036	(8,036)
TOTAL EXPENDITURES	2,022,947	1,794,617	228,330	2,141,566	1,929,922	211,644

CLEVELAND 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	\$ (37,154)	\$ 136,787	\$ 173,941	\$ (403,966)	\$ (22,720)	\$ 381,246
OTHER FINANCING SOURCES (USES)						
Transfers in	235,313	8	(235,305)	10,554	10,554	0
Transfers out	(137,450)	(19,014)	118,436			
TOTAL OTHER FINANCING SOURCES (USES)	97,863	(19,006)	(116,869)	10,554	10,554	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	60,709	117,781	57,072	(393,412)	(12,166)	381,246
FUND BALANCES - JANUARY 1		2,679,815	2,679,815		421,617	421,617
FUND BALANCES - DECEMBER 31	\$ 60,709	\$ 2,797,596	\$ 2,736,887	\$ (393,412)	\$ 409,451	\$ 802,863

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



CLEVELAND 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	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Solid Waste
ASSETS								
Cash and cash equivalents	\$ 12,064	\$ 39,305	\$ 188	\$ 7,888	\$ 12,173	\$ 29,392	\$ 124,822	\$ 2,245,009
Accounts receivable		1,353		390		4,178	2,992	7,290
TOTAL ASSETS	<u>\$ 12,064</u>	<u>\$ 40,658</u>	<u>\$ 188</u>	<u>\$ 8,278</u>	<u>\$ 12,173</u>	<u>\$ 33,570</u>	<u>\$ 127,814</u>	<u>\$ 2,252,299</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 76		\$ 53	\$ 2	\$ 285
Settlements pending								
Total Liabilities				<u>76</u>		<u>53</u>	<u>2</u>	<u>285</u>
Fund Balances:								
Restricted	\$ 12,064	\$ 40,658	\$ 188	8,202	\$ 12,173	33,517	127,812	2,119,874
Committed								
Assigned								132,140
Total Fund Balances	<u>12,064</u>	<u>40,658</u>	<u>188</u>	<u>8,202</u>	<u>12,173</u>	<u>33,517</u>	<u>127,812</u>	<u>2,252,014</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,064</u>	<u>\$ 40,658</u>	<u>\$ 188</u>	<u>\$ 8,278</u>	<u>\$ 12,173</u>	<u>\$ 33,570</u>	<u>\$ 127,814</u>	<u>\$ 2,252,299</u>

CLEVELAND 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	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Circuit Court Juvenile Division
ASSETS							
Cash and cash equivalents	\$ 625	\$ 5,141	\$ 47,624	\$ 73,615	\$ 4,929	\$ 83,719	\$ 2,551
Accounts receivable	4		390	2,280		142	
<b>TOTAL ASSETS</b>	<b>\$ 629</b>	<b>\$ 5,141</b>	<b>\$ 48,014</b>	<b>\$ 75,895</b>	<b>\$ 4,929</b>	<b>\$ 83,719</b>	<b>\$ 2,551</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable				\$ 1,320		\$ 587	
Settlements pending							
<b>Total Liabilities</b>				<b>1,320</b>		<b>587</b>	
Fund Balances:							
Restricted	\$ 629	\$ 5,141	\$ 48,014	74,575	\$ 4,929	83,132	\$ 2,551
Committed							
Assigned							
<b>Total Fund Balances</b>	<b>629</b>	<b>5,141</b>	<b>48,014</b>	<b>74,575</b>	<b>4,929</b>	<b>83,132</b>	<b>2,551</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 629</b>	<b>\$ 5,141</b>	<b>\$ 48,014</b>	<b>\$ 75,895</b>	<b>\$ 4,929</b>	<b>\$ 83,719</b>	<b>\$ 2,551</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Juvenile Court Cost	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Ambulance Service	Sheriff's Equipment	Special Jail Maintenance	Additional District Judge's Retirement
ASSETS								
Cash and cash equivalents	\$ 69	\$ 328	\$ 1,080	\$ 428,329	\$ 799,158	\$ 135,269	\$ 1,356	\$ 69,100
Accounts receivable			14		691	3,050	126	590
TOTAL ASSETS	<u>\$ 69</u>	<u>\$ 328</u>	<u>\$ 1,094</u>	<u>\$ 428,329</u>	<u>\$ 799,849</u>	<u>\$ 138,319</u>	<u>\$ 1,482</u>	<u>\$ 69,690</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 69	\$ 328	\$ 1,094	\$ 428,329	\$ 799,849		\$ 1,482	\$ 69,690
Committed						\$ 138,319		
Assigned								
Total Fund Balances	<u>69</u>	<u>328</u>	<u>1,094</u>	<u>428,329</u>	<u>799,849</u>	<u>138,319</u>	<u>1,482</u>	<u>69,690</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 69</u>	<u>\$ 328</u>	<u>\$ 1,094</u>	<u>\$ 428,329</u>	<u>\$ 799,849</u>	<u>\$ 138,319</u>	<u>\$ 1,482</u>	<u>\$ 69,690</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS						
	Solid Waste Recycling Grant	Automated Records System	Blue & You Foundation Grant	Walmart Community Grant	Entergy Micro Grant	Entergy Micro Grant Veteran's Office	Hospital Maintenance
ASSETS							
Cash and cash equivalents	\$ 66,258	\$ 30,969	\$ 903	\$ 178	\$ 500	\$ 800	\$ 16,540
Accounts receivable							
TOTAL ASSETS	<u>\$ 66,258</u>	<u>\$ 30,969</u>	<u>\$ 903</u>	<u>\$ 178</u>	<u>\$ 500</u>	<u>\$ 800</u>	<u>\$ 16,540</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Restricted	\$ 66,258	\$ 30,969	\$ 903	\$ 178	\$ 500	\$ 800	\$ 16,540
Committed							
Assigned							
Total Fund Balances	<u>66,258</u>	<u>30,969</u>	<u>903</u>	<u>178</u>	<u>500</u>	<u>800</u>	<u>16,540</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,258</u>	<u>\$ 30,969</u>	<u>\$ 903</u>	<u>\$ 178</u>	<u>\$ 500</u>	<u>\$ 800</u>	<u>\$ 16,540</u>

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

Schedule 1

	CAPITAL PROJECTS FUND	CUSTODIAL FUNDS					
	Water Reservoir	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 20,705	\$ 2,071	\$ 37,922	\$ 4,607	\$ 29,208	\$ 11,995	\$ 4,348,271
Accounts receivable							23,490
TOTAL ASSETS	<u>\$ 20,705</u>	<u>\$ 2,071</u>	<u>\$ 37,922</u>	<u>\$ 4,607</u>	<u>\$ 29,208</u>	<u>\$ 11,995</u>	<u>\$ 4,371,761</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 2,323
Settlements pending		\$ 2,071	\$ 37,922	\$ 4,607	\$ 29,208	\$ 11,995	85,803
Total Liabilities		<u>2,071</u>	<u>37,922</u>	<u>4,607</u>	<u>29,208</u>	<u>11,995</u>	<u>88,126</u>
Fund Balances:							
Restricted	\$ 20,705						4,013,176
Committed							138,319
Assigned							132,140
Total Fund Balances	<u>20,705</u>						<u>4,283,635</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,705</u>	<u>\$ 2,071</u>	<u>\$ 37,922</u>	<u>\$ 4,607</u>	<u>\$ 29,208</u>	<u>\$ 11,995</u>	<u>\$ 4,371,761</u>

CLEVELAND 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	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Solid Waste	County Clerk Operating
REVENUES									
State aid					\$ 3,043		\$ 24,528		
Federal aid									
Property taxes							80,021		
Sales taxes								\$ 1,184,628	
Fines, forfeitures, and costs				\$ 7,029					
Interest	\$ 15	\$ 44		15	20	\$ 39	175	17,462	\$ 1
Officers' fees			\$ 108			48,886			176
Jail fees									
911 fees									
Sanitation fees								387	
Treasurer's commission	11,694								
Collector's commission		17,854							
Other				20	9	135	3,827	2,986	
TOTAL REVENUES	11,709	17,898	108	7,064	3,072	49,060	108,551	1,205,463	177
Less: Treasurer's commission		1		133	61	979	2,105	17,925	3
NET REVENUES	11,709	17,897	108	6,931	3,011	48,081	106,446	1,187,538	174
EXPENDITURES									
Current:									
General government	8,143	12,486			2,169	41,666			
Law enforcement				11,056					
Highways and streets									
Public safety									
Sanitation								654,426	
Health									
Recreation and culture							103,362		
Social services									
Water									
TOTAL EXPENDITURES	8,143	12,486		11,056	2,169	41,666	103,362	654,426	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,566	5,411	108	(4,125)	842	6,415	3,084	533,112	174
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,566	5,411	108	(4,125)	842	6,415	3,084	533,112	174
FUND BALANCES - JANUARY 1	8,498	35,247	80	12,327	11,331	27,102	124,728	1,718,902	455
FUND BALANCES - DECEMBER 31	\$ 12,064	\$ 40,658	\$ 188	\$ 8,202	\$ 12,173	\$ 33,517	\$ 127,812	\$ 2,252,014	\$ 629

CLEVELAND 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							
	Support Collections Costs	Communication Facility and Equipment	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Indigent Defense	Circuit Court Juvenile Division	Juvenile Court Cost
REVENUES								
State aid				\$ 1,353				
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 35,178			\$ 3,360		
Interest	\$ 8	\$ 65	92	6		1	\$ 4	
Officers' fees	1,903	5,876					480	
Jail fees								
911 fees					\$ 190,071			
Sanitation fees								
Treasurer's commission								
Collector's commission								
Other	5	17	87	4	111	9	2	
TOTAL REVENUES	1,916	5,958	35,357	1,363	190,182	3,370	486	
Less: Treasurer's commission	38	111	660	27	800	65	10	
NET REVENUES	1,878	5,847	34,697	1,336	189,382	3,305	476	
EXPENDITURES								
Current:								
General government	735							
Law enforcement		1,819	13,484			7,891		
Highways and streets								
Public safety					206,062			
Sanitation								
Health								
Recreation and culture								
Social services								
Water								
TOTAL EXPENDITURES	735	1,819	13,484		206,062	7,891		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,143	4,028	21,213	1,336	(16,680)	(4,586)	476	
OTHER FINANCING SOURCES (USES)								
Transfers in					2,460	6,000		
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)					2,460	6,000		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,143	4,028	21,213	1,336	(14,220)	1,414	476	
FUND BALANCES - JANUARY 1	3,998	43,986	53,362	3,593	97,352	609	2,075	\$ 69
FUND BALANCES - DECEMBER 31	\$ 5,141	\$ 48,014	\$ 74,575	\$ 4,929	\$ 83,132	\$ 2,023	\$ 2,551	\$ 69

CLEVELAND 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								
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Ambulance Service	Sheriff's Equipment	Special Jail Maintenance	Additional District Judge's Retirement	Cleveland County Fair Grant	Courthouse Security Grant
REVENUES									
State aid									\$ 12,906
Federal aid			\$ 772,680						
Property taxes		\$ 299							
Sales taxes				\$ 148,078					
Fines, forfeitures, and costs					\$ 4,364		\$ 9,003		
Interest	\$ 1	1	129	9,673	155	\$ 4			
Officers' fees	170				15,010				
Jail fees					36,770	1,036			
911 fees									
Sanitation fees									
Treasurer's commission									
Collector's commission									
Other		1		394	10,509	3	21		
TOTAL REVENUES	171	301	772,809	158,145	66,808	1,043	9,024		12,906
Less: Treasurer's commission	3	6		3,141	1,271	18	168		
NET REVENUES	168	295	772,809	155,004	65,537	1,025	8,856		12,906
EXPENDITURES									
Current:									
General government	351		96,339						
Law enforcement			88,256	40,000	62,386	2,330			
Highways and streets			101,550						
Public safety			33,549						12,906
Sanitation			6,395						
Health				51,477					
Recreation and culture			12,789					\$ 946	
Social services			5,602						
Water									
TOTAL EXPENDITURES	351		344,480	91,477	62,386	2,330		946	12,906
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(183)	295	428,329	63,527	3,151	(1,305)	8,856	(946)	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(183)	295	428,329	63,527	3,151	(1,305)	8,856	(946)	
FUND BALANCES - JANUARY 1	511	799		736,322	135,168	2,787	60,834	946	
FUND BALANCES - DECEMBER 31	\$ 328	\$ 1,094	\$ 428,329	\$ 799,849	\$ 138,319	\$ 1,482	\$ 69,690	\$ 0	\$ 0



CLEVELAND 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								
	Highway 35 Fire Department Grant	Solid Waste Recycling Grant	Woodlawn Fire Department Grant	Automated Records System	Blue & You Foundation Grant	LLEEG - Local Law Enforcement Equipment Grant	Walmart Community Grant	Entergy Micro Grant	Entergy Micro Grant Veteran's Office
REVENUES									
State aid	\$ 15,000	\$ 50,000							
Federal aid						\$ 2,550			
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Jail fees									
911 fees									
Sanitation fees									
Treasurer's commission									
Collector's commission									
Other		2		\$ 30,969	\$ 1,000			\$ 500	\$ 1,000
TOTAL REVENUES	15,000	50,002		30,969	1,000	2,550		500	1,000
Less: Treasurer's commission									
NET REVENUES	15,000	50,002		30,969	1,000	2,550		500	1,000
EXPENDITURES									
Current:									
General government									
Law enforcement						2,550			
Highways and streets									
Public safety	15,000		\$ 6,612		97		\$ 822		
Sanitation									
Health									
Recreation and culture									
Social services									200
Water									
TOTAL EXPENDITURES	15,000		6,612		97	2,550	822		200
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES		50,002	(6,612)	30,969	903		(822)	500	800
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES		50,002	(6,612)	30,969	903		(822)	500	800
FUND BALANCES - JANUARY 1		16,256	6,612				1,000		
FUND BALANCES - DECEMBER 31	\$ 0	\$ 66,258	\$ 0	\$ 30,969	\$ 903	\$ 0	\$ 178	\$ 500	\$ 800

CLEVELAND 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 FUNDS			
	Hospital Maintenance	Arkansas Community and Economic Development Grant	Courthouse Restoration Grant	Water Reservoir	Cleveland County Water Project	Totals
REVENUES						
State aid						\$ 106,830
Federal aid					\$ 59,544	834,774
Property taxes	\$ 1					80,321
Sales taxes						1,332,706
Fines, forfeitures, and costs						58,934
Interest				\$ 29		27,939
Officers' fees						72,609
Jail fees						37,806
911 fees						190,071
Sanitation fees						387
Treasurer's commission						11,694
Collector's commission						17,854
Other						51,611
<b>TOTAL REVENUES</b>	<b>1</b>			<b>29</b>	<b>59,544</b>	<b>2,823,536</b>
Less: Treasurer's commission						27,525
<b>NET REVENUES</b>	<b>1</b>			<b>29</b>	<b>59,544</b>	<b>2,796,011</b>
EXPENDITURES						
Current:						
General government						161,889
Law enforcement						229,772
Highways and streets						101,550
Public safety						275,048
Sanitation						660,821
Health	1,752					53,229
Recreation and culture						117,097
Social services						5,802
Water					59,556	59,556
<b>TOTAL EXPENDITURES</b>	<b>1,752</b>				<b>59,556</b>	<b>1,664,764</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<b>(1,751)</b>			<b>29</b>	<b>(12)</b>	<b>1,131,247</b>
OTHER FINANCING SOURCES (USES)						
Transfers in						8,460
Transfers out		\$ (7)	\$ (1)			(8)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(7)</b>	<b>(1)</b>			<b>8,452</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)</b>						
<b>EXPENDITURES AND OTHER USES</b>	<b>(1,751)</b>	<b>(7)</b>	<b>(1)</b>	<b>29</b>	<b>(12)</b>	<b>1,139,699</b>
FUND BALANCES - JANUARY 1	18,291	7	1	20,676	12	3,143,936
FUND BALANCES - DECEMBER 31	\$ 16,540	\$ 0	\$ 0	\$ 20,705	\$ 0	\$ 4,283,635

CLEVELAND 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.
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 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.
Solid Waste	Cleveland County Ordinance nos. 2014-6 and 2014-7 (February 3, 2014) established fund to account for the 2% sales and use tax passed by referendum on May 20, 2014 for the operation and maintenance of the solid waste system for the County. Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges and licenses.
County Clerk Operating	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
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.

CLEVELAND 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>
Jail Operation and 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.
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Indigent Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Juvenile Court Cost	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
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 county 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.
Ambulance Service	Cleveland County Ordinance no. 2004-8 and 2004-9 (September 21, 2004) and Cleveland County Ordinance no 2004-38 (December 6, 2004) established fund to account for the sales and use tax passed by referendum on November 2, 2004 to operate and maintain an ambulance service for Cleveland County.
Sheriff's Equipment	Cleveland County Ordinances nos. 1998-5 and 1998-6 (April 6, 1998) established fund to account for circuit court ordered fines and funds from housing prisoners for state, county and city agencies to be used for sheriff's equipment expenses.

CLEVELAND 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>
Special 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.
Additional District Judge's Retirement	Ark. Code Ann. § 24-8-318 established fund to receive up to 5% of all fines and forfeitures collected by the District Court or by the City or County for violations of municipal ordinances, or state laws to pay for current and any projected retirement funding obligations of District Court Judges and Clerks.
Cleveland County Fair Grant	Established to account for a grant received for the purpose of county fair improvements from the Arkansas Economic Development Commission, Division of Rural Services.
Courthouse Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
Highway 35 Fire Department Grant	Established to receive a Rural Community Grant for the purpose of operating and maintaining the Highway 35 Volunteer Fire Department.
Solid Waste Recycling Grant	Cleveland County Ordinance no. 2012-7 (July 2, 2012) established fund to receive solid waste recycling grant for solid waste salaries.
Woodlawn Fire Department Grant	Established to receive a Rural Community Grant for the purpose of operating and maintaining the Woodlawn Volunteer Fire Department.
Automated Records System	Established to account for an Association of Arkansas Counties Automated Records Fund Grant, authorized by Ark. Code Ann. § 14-20-107, to purchase technology to improve the automation of the Circuit Clerk's office and/or the services that office may provide.
Blue & You Foundation Grant	Established to receive grant funds from the Blue & You Foundation Mini-Grant to Supply and Train First Responders to Better Serve the Underserved.
LLEEG - Local Law Enforcement Equipment Grant	Established to receive grant funds from the "Edward Byrne Memorial Justice Assistance Grant (JAG) Program" for Law Enforcement Purposes.
Walmart Community Grant	Established to receive community grant funds from Walmart for the purpose of investing in the community.
Entergy Micro Grant	Established to account for grant funds from Entergy to support the Office of Emergency Management for school outreach.
Entergy Micro Grant Veteran's Office	Established to account for grant funds from Entergy to support the Cleveland County Veterans Office.

CLEVELAND 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>
Hospital Maintenance	Ark. Const. amend. 32 established fund to collect and disburse property tax to be used for maintenance, operation, and support of public hospital.
Arkansas Community and Economic Development Grant	Established to account for U.S. Department of Housing and Urban Development Disaster Recovery Grant for bridge replacement received from Arkansas Community and Economic Development.
Courthouse Restoration Grant	Established fund to receive grant funds from Southeast Arkansas Planning Development District to restore the Courthouse.
Water Reservoir	Established to account for a Governor's improvement grant to construct a water reservoir in Cleveland County to provide a source of drinking water.
Cleveland County Water Project	Established to account for U.S. Department of Housing and Urban Development Grant to replace service lines for the Cleveland County Water Users Association that were damaged due to heavy rains and flooding during 2008 received from Arkansas Community and Economic Development.

Treasurer's accounts consist primarily of funds 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, and forfeitures.

County/Circuit Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court.

District Court accounts consist primarily of fines and costs not yet distributed to the county and/or state.

CLEVELAND 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 Funds presented on Schedules 1 and 2 are reported with other funds in the aggregate.

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

CLEVELAND COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
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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, excess commissions, funds held in trust, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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



CLEVELAND COUNTY, ARKANSAS  
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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 except for the Worker's Compensation and Real Estate Administration of Justice accounts, Road Fund, and the other operating funds except for the Woodlawn Fire Department Grant, Water Reservoir, and Entergy Micro Grant 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.

CLEVELAND COUNTY, ARKANSAS  
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**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			\$ 564,902
Law enforcement			211,723
Public safety			84,213
Sanitation			2,186,132
Health			816,889
Recreation and culture			127,812
Social services			800
Capital outlay			20,705
Total Restricted			<u>4,013,176</u>
Committed for:			
Law enforcement			138,319
Highways and streets		\$ 409,451	
Total Committed		<u>409,451</u>	<u>138,319</u>
Assigned to:			
General government	\$ 256,964		
Sanitation			132,140
Total Assigned	<u>256,964</u>		<u>132,140</u>
Unassigned	<u>2,540,632</u>		
Totals	<u>\$ 2,797,596</u>	<u>\$ 409,451</u>	<u>\$ 4,283,635</u>

**3. Commitments**

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

	December 31, 2021
Long-term liabilities	\$ 529,602
Noncancellable lease	22,525
Reappraisal contract	<u>234,864</u>
Total Commitments	<u>\$ 786,991</u>

CLEVELAND COUNTY, ARKANSAS  
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**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>	
Lease purchase agreement dated June 3, 2019, with BancorpSouth in the amount of \$304,000, with interest rate of 3.441% for the purchase of two Mack trucks. Monthly payments of \$3,370 for 36 months and one final payment of \$210,000 are to be made from the Road Fund.	\$ 220,399
Lease purchase agreement dated March 16, 2020, with BancorpSouth in the amount of \$75,869, with interest rate of 3.16% for the purchase of a John Deere Tractor with a Tiger Boom Mower. Monthly payments of \$3,266 for 24 months are to be made from the Road Fund.	9,747
Lease purchase agreement dated March 31, 2020, with John Deere Credit in the amount of \$172,560, with interest rate of 0% for the purchase of a 2016 John Deere Grader. Monthly payments of \$2,876 for 60 months are to be made from the Road Fund.	112,165
Lease purchase agreement dated June 29, 2020, with John Deere Credit in the amount of \$172,644, with interest rate of 0% for the purchase of a 2017 John Deere Grader. Monthly payments of \$2,877 for 60 months are to be made from the Road Fund.	120,851
Total Direct Borrowings	<u>463,162</u>
Compensated absences consisting of accrued vacation leave adjusted to current salary cost	<u>66,440</u>
Total Long-term liabilities	<u>\$ 529,602</u>

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

The County's outstanding lease purchase agreements from direct borrowings of \$463,162 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.

CLEVELAND COUNTY, ARKANSAS  
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**3. Commitments (Continued)**

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2021</u>	<u>Maturities to December 31, 2021</u>
<u>Direct Borrowings</u>					
6/3/19	5/30/22	3.44%	\$ 304,000	\$ 220,399	\$ 83,601
3/16/20	3/16/22	3.16%	75,869	9,747	66,122
3/31/20	3/31/25	0.00%	172,560	112,165	60,395
6/29/20	6/29/25	0.00%	172,644	120,851	51,793
Total Direct Borrowings			<u>725,073</u>	<u>463,162</u>	<u>261,911</u>
Total Long-Term Debt			<u>\$ 725,073</u>	<u>\$ 463,162</u>	<u>\$ 261,911</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2021</u>
<u>Direct Borrowings</u>				
Capital leases	<u>\$ 608,562</u>	<u>* \$ 0</u>	<u>\$ 145,400</u>	<u>\$ 463,162</u>

\* The capital leases beginning balance was decreased by \$5,770 due to an immaterial prior year error.

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 299,186	\$ 3,133	\$ 302,319
2023	69,040		69,040
2024	69,041		69,041
2025	25,895		25,895
Totals	<u>\$ 463,162</u>	<u>\$ 3,133</u>	<u>\$ 466,295</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for a John Deere 870G Motor Grader on October 28, 2019. Terms of the lease are monthly rental payments of \$1,877 for 36 months. At the end of the lease term, the County will return the equipment. The County is obligated for the following amounts for the next year:

<u>Year</u>	<u>December 31, 2021</u>
2022	<u>\$ 22,525</u>

Rental expense for 2021 was \$22,525.

CLEVELAND 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 Service, Inc. on November 12, 2019, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$6,524 for a total of \$400,500 beginning January 1, 2020. Contract expense for 2021 was \$78,288.

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

<u>Year</u>	<u>December 31, 2021</u>
2022	\$ 78,288
2023	78,288
2024	<u>78,288</u>
Total	<u>\$ 234,864</u>

**4. Interfund Transfers**

The General Fund transferred \$10,554 and \$8,460 to the Road Fund and Other Funds in the Aggregate (Commercial Mobile Radio Service Fund \$ 2,460 and Indigent Defense Fund \$6,000) respectively, to reimburse expenditures. Additionally, the Other Funds in the Aggregate Fund transferred \$8 (Arkansas Community and Economic Development Fund \$7 and Courthouse Restoration Grant Fund \$1) to the General Fund to close completed grant funds.

**5. Joint Venture – Mid-Arkansas Regional Library**

Dallas, Grant, and Hot Spring Counties entered into an agreement in January 1982 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mid-Arkansas Regional Library. The agreement was amended in September 1989 to include Cleveland County and in July 2019 to include Saline County. The agreement states that the business of the Mid-Arkansas Regional Library shall be handled by the Regional Board composed of the chairman, one other member of each county board, and the four co-regional librarians and shall be administered by a regional director. Funds for the Mid-Arkansas Regional Library consist of state aid grants, federal funds, and any other available funds for the purchase of books, maintenance of bookmobiles, and the employment of drivers and clerks. Each county continues to supervise control over its income from that county's one mil tax and has control of its particular library. The County Library did not pay any regional library expenditures in 2021. The financial statements of the Mid-Arkansas Regional Library have not been audited. Financial information may be obtained at the Hot Spring County Library, 202 East Third Street, Malvern, Arkansas 72104.

**6. Jointly Governed Organization – Thirteenth Judicial District Drug Task Force**

The Prosecuting Attorney's Office of the Thirteenth Judicial District, the Sheriffs' Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and the Police Departments of Camden, El Dorado, Fordyce, Hampton, Magnolia, Rison, and Smackover entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period July 1, 2021 to June 30, 2022 and may be extended upon written mutual agreement. Funding is provided through a Drug Law Enforcement Program grant, applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contributions or payment for expenditures were made to the Thirteenth Judicial Drug Task Force by the County. The 2021 financial statements of the Thirteenth Judicial Drug Task Force have not been audited.

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

**7. Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2021 (date of APERS Employer Allocation Report) were \$252,580.

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 \$634,773.

**8. Capital Assets**

The County's capital assets records are summarized below:

	December 31, 2021
Land	\$ 163,688
Buildings	1,678,829
Equipment	3,300,582
Total	<u>\$ 5,143,099</u>

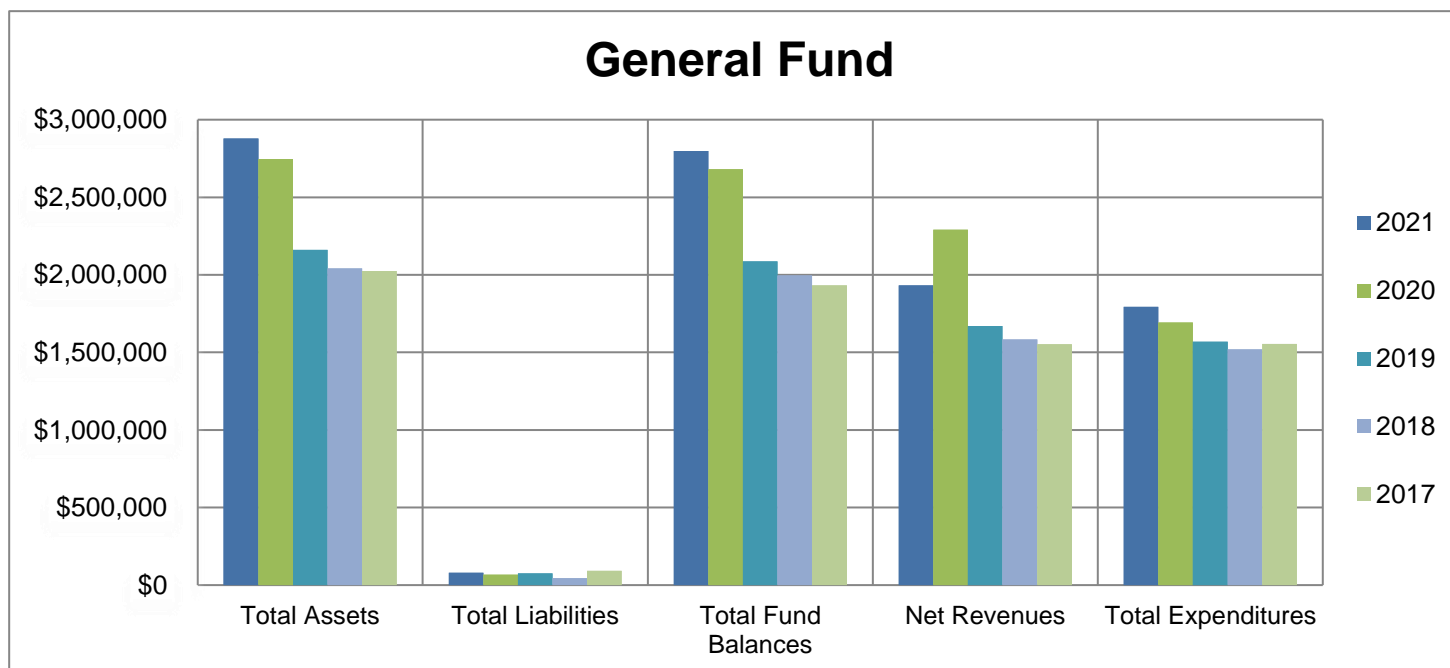
**9. Corona Virus (COVID-19)**

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 \$1,545,360 in federal aid from the American Rescue Plan Act of 2021, and as of our report date, \$1,545,360 had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

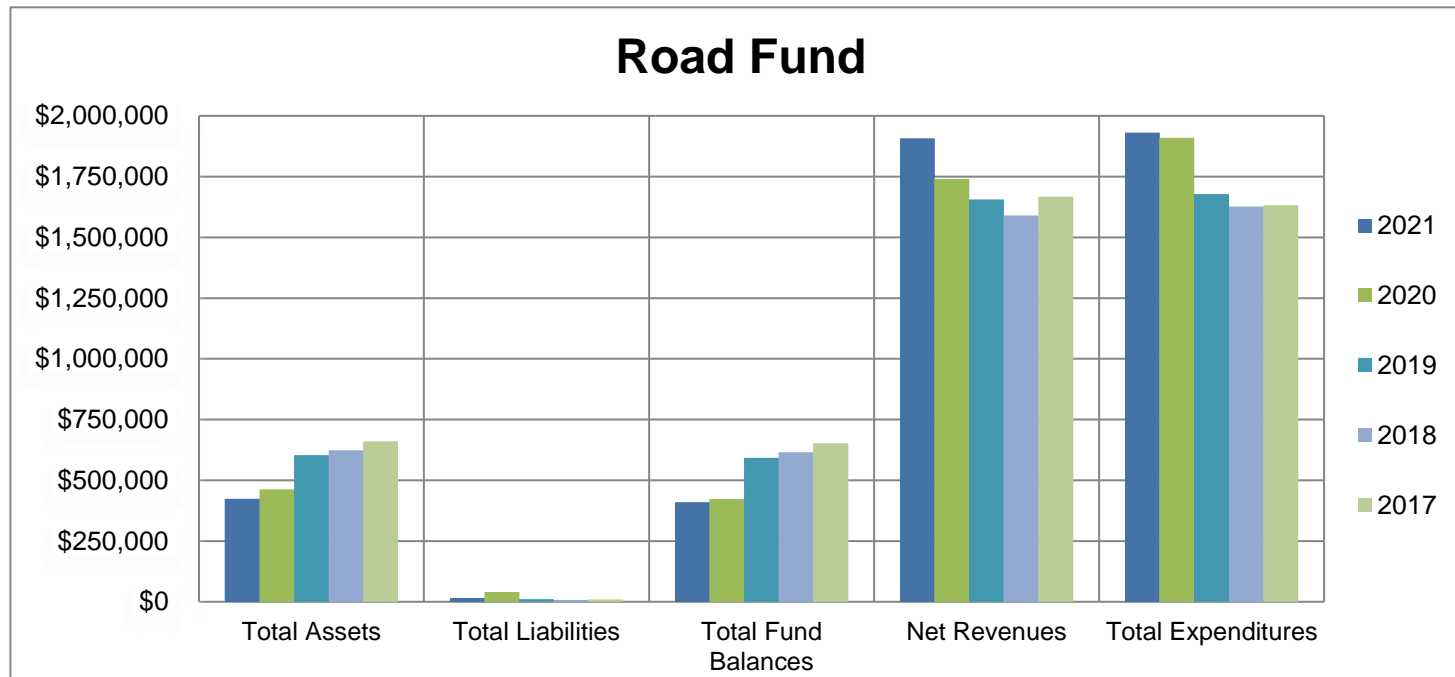
<b>General</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total Assets	\$ 2,877,619	\$ 2,746,180	\$ 2,161,523	\$ 2,041,676	\$ 2,023,850
Total Liabilities	80,023	66,365	75,680	44,987	91,077
Total Fund Balances	2,797,596	2,679,815	2,085,843	1,996,689	1,932,773
Net Revenues	1,931,404	2,290,995	1,670,398	1,584,037	1,551,700
Total Expenditures	1,794,617	1,692,604	1,568,775	1,520,121	1,554,575
Total Other Financing Sources/Uses	(19,006)	(2,000)	(12,019)		22,396



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

Schedule 3-2

<b>Road</b>	2021	2020	2019	2018	2017
Total Assets	\$ 424,131	\$ 461,310	\$ 602,317	\$ 622,869	\$ 659,943
Total Liabilities	14,680	39,693	9,586	7,719	8,170
Total Fund Balances	409,451	421,617	592,731	615,150	651,773
Net Revenues	1,907,202	1,738,667	1,655,169	1,589,476	1,666,291
Total Expenditures	1,929,922	1,908,829	1,677,588	1,626,099	1,631,740
Total Other Financing Sources/Uses	10,554				





CLEVELAND 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

<b><u>Other Funds in the Aggregate</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Total Assets	\$ 4,371,761	\$ 3,348,482	\$ 2,749,347	\$ 2,713,628	\$ 2,258,856
Total Liabilities	88,126	204,546	88,319	283,034	233,133
Total Fund Balances	4,283,635	3,143,936	2,661,028	2,430,594	2,025,723
Net Revenues	2,796,011	2,548,717	1,431,875	1,888,027	1,360,551
Total Expenditures	1,664,764	2,067,213	1,213,460	1,483,156	1,012,946
Total Other Financing Sources/Uses	8,452	2,000	12,019		(22,396)

