

Grant County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



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Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

Grant 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 Grant 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, 2021, 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 Grant County, Arkansas, as of December 31, 2021; 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 Grant County, Arkansas, as of December 31, 2021, 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 Regulatory Basis 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.

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 April 17, 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



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

Little Rock, Arkansas
April 17, 2023
LOCO02721



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

Grant 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 Grant County, Arkansas (County), as of and for the year ended December 31, 2021, 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 April 17, 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 April 17, 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". The signature is fluid and cursive, with the first and last names being more prominent.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
April 17, 2023

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

MANAGEMENT LETTER

Grant 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 2021:

County Judge: Randy Pruitt
Treasurer: Tim Stuckey
Sheriff/Tax Collector: Ray Vance
County/Circuit Clerk: GERALD Harrison
Assessor: Kristi Pruitt
County Librarian: Jessica Reeves
Museum Treasurer: Brady Bone
Juvenile Probation Officer: Scarlet Lancaster

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, reading "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
April 17, 2023

GRANT COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,613,228	\$ 2,907,095	\$ 4,999,633
Accounts receivable	222,259	89,259	275,813
Interfund receivables			8,501
	<u>3,835,487</u>	<u>2,996,354</u>	<u>5,283,947</u>
TOTAL ASSETS	<u>\$ 3,835,487</u>	<u>\$ 2,996,354</u>	<u>\$ 5,283,947</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 71,025	\$ 21,980	\$ 40,615
Interfund payables	8,501		
Settlements pending			400,421
Total Liabilities	<u>79,526</u>	<u>21,980</u>	<u>441,036</u>
Fund Balances:			
Restricted		2,974,374	4,799,351
Committed			34,229
Assigned	184,201		9,331
Unassigned	3,571,760		
Total Fund Balances	<u>3,755,961</u>	<u>2,974,374</u>	<u>4,842,911</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,835,487</u>	<u>\$ 2,996,354</u>	<u>\$ 5,283,947</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 693,968	\$ 1,698,520	\$ 204,847
Federal aid	64,525		1,826,810
Property taxes	1,099,602	489,991	207,794
Sales taxes	1,101,336	1,101,336	1,239,059
Fines, forfeitures, and costs	517,223		94,660
Interest	9,793	8,325	12,392
Officers' fees	140,651		67,867
Donations			19,085
911 fees			347,468
Sanitation fees	468,346		
Rental income			6,750
Jail fees			119,935
Treasurer's commission	129,285		20,979
Collector's commission	237,537		45,943
Taxes apportioned - Assessor's salary and expense	244,785		
Other	258,364	60,320	41,073
TOTAL REVENUES	4,965,415	3,358,492	4,254,662
Less: Treasurer's commission	75,773	62,613	39,193
NET REVENUES	4,889,642	3,295,879	4,215,469
EXPENDITURES			
Current:			
General government	1,507,697		272,260
Law enforcement	1,513,091		859,376
Highways and streets		2,608,322	102,104
Public safety	79,177		883,227
Sanitation	512,776		103,351
Health	28,633		492,977
Recreation and culture	222,085		328,409
Social services	59,695		
Airport	3,000		
Total Current	3,926,154	2,608,322	3,041,704
Debt Service:			
Lease principal	2,893		
Lease interest	54		
Note principal			2,759
Note interest			493
TOTAL EXPENDITURES	3,929,101	2,608,322	3,044,956

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 960,541	\$ 687,557	\$ 1,170,513
OTHER FINANCING SOURCES (USES)			
Transfers in	77,578		159,482
Transfers out	(40,383)		(196,677)
TOTAL OTHER FINANCING SOURCES (USES)	37,195		(37,195)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	997,736	687,557	1,133,318
FUND BALANCES - JANUARY 1	2,758,225	2,286,817	3,709,593
FUND BALANCES - DECEMBER 31	\$ 3,755,961	\$ 2,974,374	\$ 4,842,911

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

GRANT 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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 581,876	\$ 693,968	\$ 112,092	\$ 1,437,000	\$ 1,698,520	\$ 261,520
Federal aid	54,000	64,525	10,525			
Property taxes	1,006,300	1,099,602	93,302	452,500	489,991	37,491
Sales taxes	780,000	1,101,336	321,336	780,000	1,101,336	321,336
Fines, forfeitures, and costs	432,936	517,223	84,287			
Interest	16,700	9,793	(6,907)	18,200	8,325	(9,875)
Officers' fees	112,900	140,651	27,751			
Sanitation fees	441,000	468,346	27,346			
Treasurer's commission	124,000	129,285	5,285			
Collector's commission	250,000	237,537	(12,463)			
Taxes apportioned - Assessor's salary and expense	260,000	244,785	(15,215)			
Other	223,900	258,364	34,464	18,000	60,320	42,320
TOTAL REVENUES	4,283,612	4,965,415	681,803	2,705,700	3,358,492	652,792
Less: Treasurer's commission		75,773	(75,773)		62,613	(62,613)
NET REVENUES	4,283,612	4,889,642	606,030	2,705,700	3,295,879	590,179
EXPENDITURES						
Current:						
General government	1,717,976	1,507,697	210,279			
Law enforcement	2,050,413	1,513,091	537,322			
Highways and streets				3,076,711	2,608,322	468,389
Public safety	91,878	79,177	12,701			
Sanitation	493,200	512,776	(19,576)			
Health	51,658	28,633	23,025			
Recreation and culture	249,402	222,085	27,317			
Social services	71,999	59,695	12,304			
Airport		3,000	(3,000)			
Total Current	4,726,526	3,926,154	800,372	3,076,711	2,608,322	468,389
Debt Service:						
Lease principal		2,893	(2,893)			
Lease interest		54	(54)			
TOTAL EXPENDITURES	4,726,526	3,929,101	797,425	3,076,711	2,608,322	468,389

GRANT 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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (442,914)	\$ 960,541	\$ 1,403,455	\$ (371,011)	\$ 687,557	\$ 1,058,568
OTHER FINANCING SOURCES (USES)						
Transfers in	505,196	77,578	(427,618)			
Transfers out	(41,918)	(40,383)	1,535			
TOTAL OTHER FINANCING SOURCES (USES)	463,278	37,195	(426,083)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	20,364	997,736	977,372	(371,011)	687,557	1,058,568
FUND BALANCES - JANUARY 1	1,430,000	2,758,225	1,328,225	2,019,500	2,286,817	267,317
FUND BALANCES - DECEMBER 31	\$ 1,450,364	\$ 3,755,961	\$ 2,305,597	\$ 1,648,489	\$ 2,974,374	\$ 1,325,885

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

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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 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. See Schedules 1 and 2 for Special Revenue Funds as 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.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

D. 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, and other funds, property taxes, interest, treasurer's commission, payroll related withholdings, restitutions, and officer's fees that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. 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.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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)	\$ 1,363,310	\$ 1,382,542
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	10,155,262	10,428,230
Total Deposits	<u>\$ 11,518,572</u>	<u>\$ 11,810,772</u>

The above total deposits do not include cash on hand of \$1,384.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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: Accounts Receivable

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 139,582
Federal aid	\$ 20,809		
Sales taxes	89,259	\$ 89,259	100,416
Fines, forfeitures, and costs	48,735		4,813
Officers' fees	11,326		4,065
911 fees			11,073
Sanitation fees	27,546		
Jail fees			9,129
Franchise fees	128		
Other	24,456		6,735
Totals	<u>\$ 222,259</u>	<u>\$ 89,259</u>	<u>\$ 275,813</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 71,025</u>	<u>\$ 21,980</u>	<u>\$ 40,615</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund		\$ 8,501
Other Funds in the Aggregate:		
Special Revenue Funds:		
Jail Expense	\$ 8,501	
Totals	<u>\$ 8,501</u>	<u>\$ 8,501</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid as funds are available.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7: Federal Funds Program Compliance

As of report date, the federal grants of the County was not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

NOTE 8: 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			\$ 1,214,047
Law enforcement			407,872
Highways and streets		\$ 2,974,374	
Public safety			2,474,059
Sanitation			138,173
Recreation and culture			565,200
Total Restricted		<u>2,974,374</u>	<u>4,799,351</u>
Committed for:			
Law enforcement			33,529
Public safety			700
Total Committed			<u>34,229</u>
Assigned to:			
General government	\$ 35,059		
Law enforcement			7,863
Public safety			1,468
Sanitation	<u>149,142</u>		
Total Assigned	<u>184,201</u>		<u>9,331</u>
Unassigned	<u>3,571,760</u>		
Totals	<u>\$ 3,755,961</u>	<u>\$ 2,974,374</u>	<u>\$ 4,842,911</u>

NOTE 9: 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, 2021, the legal debt limit for bonded debt was \$24,065,188. 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, 2021, the legal debt limit for short-term financing obligations was \$6,483,622. The amount of short-term financing obligations was \$7,335 leaving a legal debt margin of \$6,476,287.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 39,685
Reappraisal contract	317,310
Total Commitments	<u>\$ 356,995</u>

Long-term Liabilities

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

	December 31, 2021
<u>Direct Borrowings</u>	
Note payable dated May 1, 2019, with Peoples Bank in the amount of \$14,125, with interest at rate of 5.50% for the purchase of a Bombard C5 boat. Monthly payments of \$291 or 60 months. Payments are to be made from the County Rescue Fund.	\$ 7,335
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	32,350
Total Long-term liabilities	<u>\$ 39,685</u>

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

The County's outstanding note from direct borrowings of \$7,335 contains 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Direct Borrowings</u>					
5/2/16	5/20/21	7.18%	\$ 29,633	\$ 0	\$ 29,633
5/1/19	5/15/24	5.50%	14,125	7,335	6,790
Total Direct Borrowings			<u>\$ 43,758</u>	<u>\$ 7,335</u>	<u>\$ 36,423</u>

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
<u>Direct Borrowings</u>				
Notes payable	\$ 10,094	\$ 0	\$ 2,759	\$ 7,335
Capital leases	2,893	0	2,893	0
Total Long-Term Debt	<u>\$ 12,987</u>	<u>\$ 0</u>	<u>\$ 5,652</u>	<u>\$ 7,335</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Principal	Direct Borrowings Interest	Total
2022	\$ 2,916	\$ 355	\$ 3,271
2023	3,083	169	3,252
2024	1,336	19	1,355
Totals	<u>\$ 7,335</u>	<u>\$ 543</u>	<u>\$ 7,878</u>

County-Wide Reappraisal Contract

The County entered into a contract with TriMark Appraisals, LLC on October 26, 2021, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$8,814 for a total of \$317,310 beginning January 1, 2022. Contract expense for 2021 was \$106,876.

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

Year	December 31, 2021
2022	\$ 105,770
2023	105,770
2024	105,770
Total	<u>\$ 317,310</u>

NOTE 11: Interfund Transfers

The General Fund transferred \$40,383 to Other Funds in the Aggregate to support operations: \$21,882 to Victim Witness Fund, \$10,000 to County Library Fund, and \$8,501 to Jail Expense Fund. The Other Funds in the Aggregate transferred \$77,578 of sales taxes from Emergency Medical Service Tax Fund to the General Fund. Within Other Funds in the Aggregate, the Emergency Medical Service Tax Fund transferred sales taxes of \$50,000 to Communication Equipment Tax Fund, \$36,099 to Jail Expense Fund, and \$33,000 to County Emergency Rescue Fund.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Joint Ventures:

A. 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 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 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 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 the county's one mil tax and has control of its particular library. The County Library made no payments to or on behalf of the Regional Library in 2021. The financial statements of the Mid-Arkansas Regional Library have not been audited. Financial information may be obtained from Hot Spring County Library, 202 East Third Street, Malvern, Arkansas 72104.

B. Regional Airport Authority

Grant County and the City of Sheridan share a joint ownership of the airport on a 50-50 basis as established by an interlocal agreement, per Grant County Ordinance no. 1978-21 (January 9, 1978). The Authority is governed by eight board members. Each governing body appoints three members and the County Judge and the Mayor each appoint an additional member. The County paid \$3,000 to the Regional Airport Authority in 2021. The financial statements of the Regional Airport Authority have not been audited. Financial information may be obtained at 101 West Center, Sheridan, Arkansas 72150.

NOTE 13: Jointly Governed Organizations

A. Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. The County did not provide any funding for the district in 2021. Separate financial statements may be obtained at P.O. Box 6806, Pine Bluff, Arkansas 71611.

B. Group "6" Narcotics Enforcement Unit

The Prosecuting Attorneys of the Seventh and Ninth (East) Judicial Districts, the Sheriffs' Departments of Clark, Grant, and Hot Spring Counties, and the Police Departments of Malvern, Sheridan, and Arkadelphia entered into an agreement to establish the Group "6" Narcotics Enforcement Unit. The agreement covers the period July 1, 2021 to June 30, 2022, and may be extended by mutual agreement. Funding was provided through state grants in addition to contributions from the participating parties. Grant County made salary and expense payments on behalf of the Group "6" Narcotics Enforcement unit in the amount of \$94,512 in 2021, which was reimbursed by the Group "6" Narcotics Enforcement Unit. Separate financial statements of the Group "6" Narcotics Enforcement Unit are not available.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 14: 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 \$50,000,000 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.

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.

GRANT COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2021 (date of APERS Employer Allocation Report) were \$471,458.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$1,184,848.

NOTE 16: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The County was awarded \$3,547,762 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$3,547,762 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Communication, Facility, and Equipment	Museum	County Public Library	Indigent Defense	County Administration of Justice	Victim/Witness	Emergency 911	Juvenile Probation	County Recorder's Cost
ASSETS									
Cash and cash equivalents	\$ 58,866	\$ 51,135	\$ 509,483	\$ 91,406	\$ 54,815		\$ 682,952	\$ 72,366	\$ 118,912
Accounts receivable			4,582	1,131	1,538	\$ 7,863	55,702	745	3,041
Interfund receivables									
TOTAL ASSETS	\$ 58,866	\$ 51,135	\$ 514,065	\$ 92,537	\$ 56,353	\$ 7,863	\$ 738,654	\$ 73,111	\$ 121,953
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 1,068		
Settlements pending									
Total Liabilities							1,068		
Fund Balances:									
Restricted	\$ 58,866	\$ 51,135	\$ 514,065	\$ 92,537	\$ 56,353		737,586	\$ 73,111	\$ 121,953
Committed									
Assigned						\$ 7,863			
Total Fund Balances	58,866	51,135	514,065	92,537	56,353	7,863	737,586	73,111	121,953
TOTAL LIABILITIES AND FUND BALANCES	\$ 58,866	\$ 51,135	\$ 514,065	\$ 92,537	\$ 56,353	\$ 7,863	\$ 738,654	\$ 73,111	\$ 121,953

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Solid Waste Recycling	Collector's Automation	Jail Expense	Emergency Medical Service Tax	Drug Task Force Vehicle	Treasurer's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost
ASSETS									
Cash and cash equivalents	\$ 3,173	\$ 156,766		\$ 1,521,704	\$ 32,629	\$ 57,347	\$ 57,029	\$ 35,939	\$ 4,676
Accounts receivable	135,000		\$ 9,129	55,867	900		255		24
Interfund receivables			8,501						
TOTAL ASSETS	<u>\$ 138,173</u>	<u>\$ 156,766</u>	<u>\$ 17,630</u>	<u>\$ 1,577,571</u>	<u>\$ 33,529</u>	<u>\$ 57,347</u>	<u>\$ 57,284</u>	<u>\$ 35,939</u>	<u>\$ 4,700</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 17,630	\$ 19,090					
Settlements pending									
Total Liabilities			<u>17,630</u>	<u>19,090</u>					
Fund Balances:									
Restricted	\$ 138,173	\$ 156,766		1,557,013		\$ 57,347	\$ 57,284	\$ 35,939	\$ 4,700
Committed					\$ 33,529				
Assigned				1,468					
Total Fund Balances	<u>138,173</u>	<u>156,766</u>		<u>1,558,481</u>	<u>33,529</u>	<u>57,347</u>	<u>57,284</u>	<u>35,939</u>	<u>4,700</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 138,173</u>	<u>\$ 156,766</u>	<u>\$ 17,630</u>	<u>\$ 1,577,571</u>	<u>\$ 33,529</u>	<u>\$ 57,347</u>	<u>\$ 57,284</u>	<u>\$ 35,939</u>	<u>\$ 4,700</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Drug Control	Breathalyzer	Assessor Late Fee	County Emergency Rescue	Fingerprint Service	Project Lifesaver	Communication Equipment Tax	American Rescue Plan Act	Law Library
ASSETS									
Cash and cash equivalents	\$ 17,035	\$ 3,838	\$ 3,123	\$ 28,144	\$ 133	\$ 4,085	\$ 150,758	\$ 834,219	\$ 48,679
Accounts receivable		36							
Interfund receivables									
TOTAL ASSETS	<u>\$ 17,035</u>	<u>\$ 3,874</u>	<u>\$ 3,123</u>	<u>\$ 28,144</u>	<u>\$ 133</u>	<u>\$ 4,085</u>	<u>\$ 150,758</u>	<u>\$ 834,219</u>	<u>\$ 48,679</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 2,827					
Settlements pending									
Total Liabilities				<u>2,827</u>					
Fund Balances:									
Restricted	\$ 17,035	\$ 3,874	\$ 3,123	25,317	\$ 133	\$ 3,385	\$ 150,758	\$ 834,219	\$ 48,679
Committed						700			
Assigned									
Total Fund Balances	<u>17,035</u>	<u>3,874</u>	<u>3,123</u>	<u>25,317</u>	<u>133</u>	<u>4,085</u>	<u>150,758</u>	<u>834,219</u>	<u>48,679</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,035</u>	<u>\$ 3,874</u>	<u>\$ 3,123</u>	<u>\$ 28,144</u>	<u>\$ 133</u>	<u>\$ 4,085</u>	<u>\$ 150,758</u>	<u>\$ 834,219</u>	<u>\$ 48,679</u>

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

Schedule 1

	CUSTODIAL FUNDS					
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Juvenile Probation	Totals
ASSETS						
Cash and cash equivalents	\$ 199,153	\$ 72,007	\$ 35,526	\$ 92,696	\$ 1,039	\$ 4,999,633
Accounts receivable						275,813
Interfund receivables						8,501
TOTAL ASSETS	<u>\$ 199,153</u>	<u>\$ 72,007</u>	<u>\$ 35,526</u>	<u>\$ 92,696</u>	<u>\$ 1,039</u>	<u>\$ 5,283,947</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 40,615
Settlements pending	\$ 199,153	\$ 72,007	\$ 35,526	\$ 92,696	\$ 1,039	400,421
Total Liabilities	<u>199,153</u>	<u>72,007</u>	<u>35,526</u>	<u>92,696</u>	<u>1,039</u>	<u>441,036</u>
Fund Balances:						
Restricted						4,799,351
Committed						34,229
Assigned						9,331
Total Fund Balances						<u>4,842,911</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 199,153</u>	<u>\$ 72,007</u>	<u>\$ 35,526</u>	<u>\$ 92,696</u>	<u>\$ 1,039</u>	<u>\$ 5,283,947</u>

GRANT 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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Communication, Facility, and Equipment	Museum	County Public Library	Indigent Defense	County Administration of Justice	Victim/Witness	Emergency 911	Juvenile Probation
REVENUES								
State aid			\$ 58,207	\$ 1,632				
Federal aid			34,929					
Property taxes			207,010					
Sales taxes							\$ 550,668	
Fines, forfeitures, and costs				14,970	\$ 18,454	\$ 27,507		
Interest	\$ 5	\$ 75	1,643	311	170	15	1,780	\$ 244
Officers' fees	15,415							7,320
Donations		19,085						
911 fees							347,468	
Rental income								
Jail fees								
Treasurer's commission								
Collector's commission								
Other			10,147	85	100	13,751	8,124	27
TOTAL REVENUES	15,420	19,160	311,936	16,998	18,724	41,273	908,040	7,591
Less: Treasurer's commission			5,246	311	373	506	16,893	145
NET REVENUES	15,420	19,160	306,690	16,687	18,351	40,767	891,147	7,446
EXPENDITURES								
Current:								
General government								
Law enforcement	4,818			22,540	20,896	57,079		7,693
Highways and streets							646,336	
Public safety								
Sanitation								
Health								
Recreation and culture		15,074	269,262					
Total Current	4,818	15,074	269,262	22,540	20,896	57,079	646,336	7,693
Debt Service:								
Note principal								
Note interest								
TOTAL EXPENDITURES	4,818	15,074	269,262	22,540	20,896	57,079	646,336	7,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,602	4,086	37,428	(5,853)	(2,545)	(16,312)	244,811	(247)
OTHER FINANCING SOURCES (USES)								
Transfers in			10,000			21,882		
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)			10,000			21,882		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,602	4,086	47,428	(5,853)	(2,545)	5,570	244,811	(247)
FUND BALANCES - JANUARY 1	48,264	47,049	466,637	98,390	58,898	2,293	492,775	73,358
FUND BALANCES - DECEMBER 31	\$ 58,866	\$ 51,135	\$ 514,065	\$ 92,537	\$ 56,353	\$ 7,863	\$ 737,586	\$ 73,111

GRANT 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

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Recorder's Cost	Solid Waste Recycling	Collector's Automation	Jail Expense	Emergency Medical Service Tax	Drug Task Force Vehicle	Treasurer's Automation	Circuit Court Automation
REVENUES								
State aid		\$ 135,000						
Federal aid					\$ 18,000			
Property taxes					688,391			
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 349	271	\$ 473	\$ 32	5,562	\$ 93	\$ 154	\$ 165
Officers' fees	35,250							9,588
Donations								
911 fees								
Rental income						6,750		
Jail fees				119,935				
Treasurer's commission							20,979	
Collector's commission			45,943					
Other	145	6		893	7,536			
TOTAL REVENUES	35,744	135,277	46,416	120,860	719,489	6,843	21,133	9,753
Less: Treasurer's commission	705	7		1,262	12,872			
NET REVENUES	35,039	135,270	46,416	119,598	706,617	6,843	21,133	9,753
EXPENDITURES								
Current:								
General government	19,840		33,753				14,696	
Law enforcement				171,414				2,496
Highways and streets								
Public safety					179,209			
Sanitation		99,696						
Health					492,977			
Recreation and culture								
Total Current	19,840	99,696	33,753	171,414	672,186		14,696	2,496
Debt Service:								
Note principal								
Note interest								
TOTAL EXPENDITURES	19,840	99,696	33,753	171,414	672,186		14,696	2,496
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,199	35,574	12,663	(51,816)	34,431	6,843	6,437	7,257
OTHER FINANCING SOURCES (USES)								
Transfers in				44,600				
Transfers out					(196,677)			
TOTAL OTHER FINANCING SOURCES (USES)				44,600	(196,677)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	15,199	35,574	12,663	(7,216)	(162,246)	6,843	6,437	7,257
FUND BALANCES - JANUARY 1	106,754	102,599	144,103	7,216	1,720,727	26,686	50,910	50,027
FUND BALANCES - DECEMBER 31	\$ 121,953	\$ 138,173	\$ 156,766	\$ 0	\$ 1,558,481	\$ 33,529	\$ 57,347	\$ 57,284

GRANT 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

Schedule 2

SPECIAL REVENUE FUNDS

	Assessor's Amendment no. 79	County Clerk's Cost	Drug Control	Breathalyzer	Public Safety	Assessor Late Fee	County Emergency Rescue	Fingerprint Service
REVENUES								
State aid	\$ 6,845						\$ 3,163	
Federal aid								
Property taxes						\$ 784		
Sales taxes								
Fines, forfeitures, and costs			\$ 14,655	\$ 433	\$ 150			
Interest	121	\$ 15	39	11		9	114	\$ 1
Officers' fees		294						
Donations								
911 fees								
Rental income								
Jail fees								
Treasurer's commission								
Collector's commission								
Other	38	2	2	3	103	4	17	
TOTAL REVENUES	7,004	311	14,696	447	253	797	3,294	1
Less: Treasurer's commission	140	6	294	9	3	17	66	
NET REVENUES	6,864	305	14,402	438	250	780	3,228	1
EXPENDITURES								
Current:								
General government	3,597					274		
Law enforcement			500		250			
Highways and streets								
Public safety							32,104	
Sanitation								
Health								
Recreation and culture								
Total Current	3,597		500		250	274	32,104	
Debt Service:								
Note principal							2,759	
Note interest							493	
TOTAL EXPENDITURES	3,597		500		250	274	35,356	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,267	305	13,902	438		506	(32,128)	1
OTHER FINANCING SOURCES (USES)								
Transfers in							33,000	
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)							33,000	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,267	305	13,902	438		506	872	1
FUND BALANCES - JANUARY 1	32,672	4,395	3,133	3,436		2,617	24,445	132
FUND BALANCES - DECEMBER 31	\$ 35,939	\$ 4,700	\$ 17,035	\$ 3,874	\$ 0	\$ 3,123	\$ 25,317	\$ 133

GRANT 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

Schedule 2

	SPECIAL REVENUE FUNDS				
	Project Lifesaver	Communication Equipment Tax	American Rescue Plan Act	Law Library	Totals
REVENUES					
State aid					\$ 204,847
Federal aid			\$ 1,773,881		1,826,810
Property taxes					207,794
Sales taxes					1,239,059
Fines, forfeitures, and costs				\$ 18,491	94,660
Interest	\$ 14	\$ 412	158	156	12,392
Officers' fees					67,867
Donations					19,085
911 fees					347,468
Rental income					6,750
Jail fees					119,935
Treasurer's commission					20,979
Collector's commission					45,943
Other				90	41,073
TOTAL REVENUES	14	412	1,774,039	18,737	4,254,662
Less: Treasurer's commission	1			337	39,193
NET REVENUES	13	412	1,774,039	18,400	4,215,469
EXPENDITURES					
Current:					
General government			200,100		272,260
Law enforcement			564,310	7,380	859,376
Highways and streets			102,104		102,104
Public safety			25,578		883,227
Sanitation			3,655		103,351
Health					492,977
Recreation and culture			44,073		328,409
Total Current			939,820	7,380	3,041,704
Debt Service:					
Note principal					2,759
Note interest					493
TOTAL EXPENDITURES			939,820	7,380	3,044,956
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13	412	834,219	11,020	1,170,513
OTHER FINANCING SOURCES (USES)					
Transfers in		50,000			159,482
Transfers out					(196,677)
TOTAL OTHER FINANCING SOURCES (USES)		50,000			(37,195)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	13	50,412	834,219	11,020	1,133,318
FUND BALANCES - JANUARY 1	4,072	100,346		37,659	3,709,593
FUND BALANCES - DECEMBER 31	\$ 4,085	\$ 150,758	\$ 834,219	\$ 48,679	\$ 4,842,911

GRANT 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>
Communication, Facility, and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Museum	Grant County Ordinance no. 1986-1 (August 8, 1986) established the Museum Commission to process donations to defray operation expense of the museum.
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.
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.
County Administration of Justice	Established by Ark. Code Ann § 16-10-307 authorizing court cost to be expended to defray the cost of law enforcement.
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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services. On September 3, 2002, voters approved by ballot to provide 20% of a 1% sales and use tax to be expended to provide Emergency 911 service within the County.
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.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
Solid Waste Recycling	Established by Grant County Ordinance 2011-08 (December 20, 2008) to process grants received from the South East Arkansas Economic Development District to provide facilities for recycling of solid waste materials.

GRANT 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>
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.
Jail Expense	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.
Emergency Medical Service Tax	Established by Grant County Ordinance no. 2008-3 (May 19, 2008) to process the 0.25% sales and use tax to provide ambulance services to the residents of the County. Grant County Ordinance no. 2017-08 (November 20, 2017) for the change of expiration date of the existing one quarter of one percent county-wide sales tax for the purpose of subsidizing emergency medical services which includes any other public safety purpose as approved by the quorum court.
Drug Task Force Vehicle	Established by Grant County Ordinance no. 2015-03 (June 22, 2015) to account for collection and disbursement of funds received from lease of vehicles to the Group Six Narcotics Enforcement Unit. Funds to be used for purchase of vehicles or equipment for drug enforcement for Grant County.
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.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Arkansas Constitution, amendment no. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated record system.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzers.

GRANT 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>
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Assessor Late Fee	Ark. Code Ann. § 26-26-201 established fund to receive a \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
County Emergency Rescue	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.
Fingerprint Service	Ark. Code Ann. § 14-1-102 established fund to receive proceeds from persons utilizing the electronic fingerprinting machine to offset the costs associated with offering a noncriminal fingerprinting service.
Project Lifesaver	Established by Grant County Ordinance no. 2012-4 (August 20, 2012) to process a bracelet monitoring service grant from the United Way and associated monitoring fees.
Communication Equipment Tax	Established by Grant County Ordinance no. 2019-06 (November 19, 2019) for the purpose of purchasing communication equipment for use by first responders and Grant County 911.
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.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.

Treasurer's accounts consist primarily of treasurer's commission and interest 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 evidence money.

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

Juvenile Probation Officer consist primarily of fees to be settled with County Treasurer.

GRANT COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021
(Unaudited)

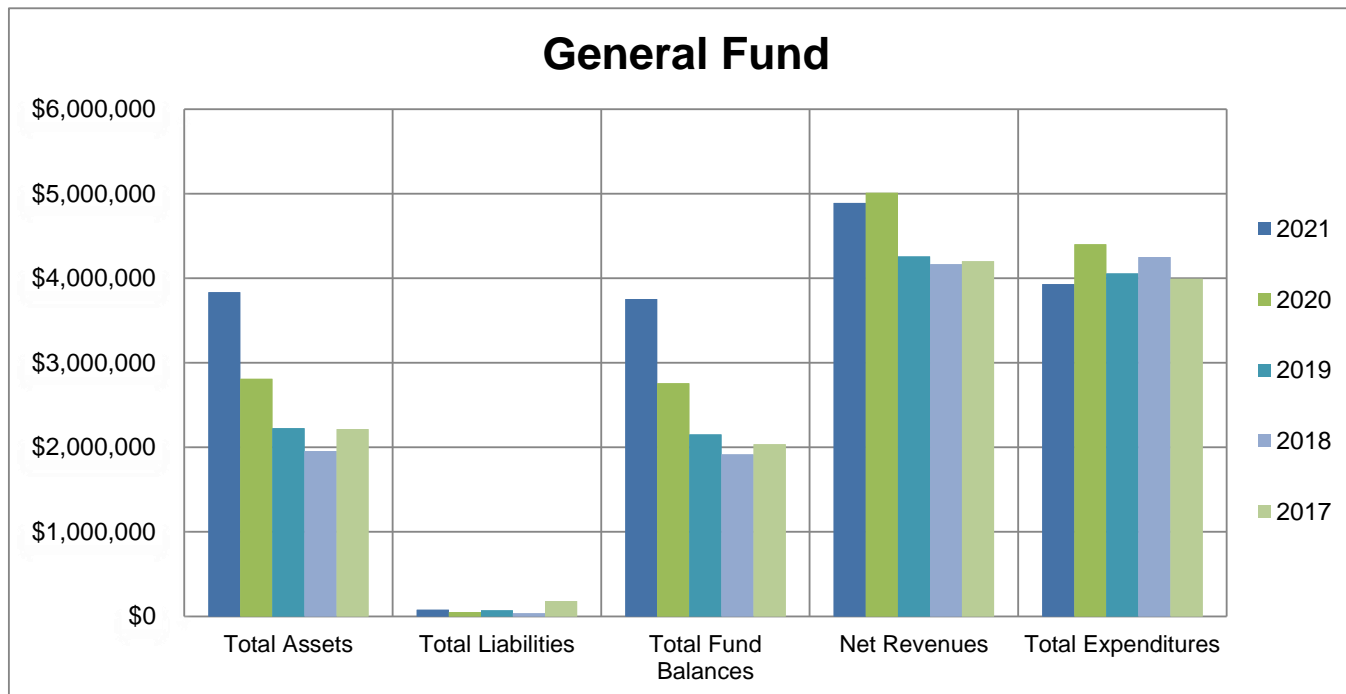
Schedule 3

	December 31, 2021
Land	\$ 452,159
Buildings	4,171,319
Equipment	<u>6,493,314</u>
Total	<u><u>\$ 11,116,792</u></u>

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

Schedule 4-1

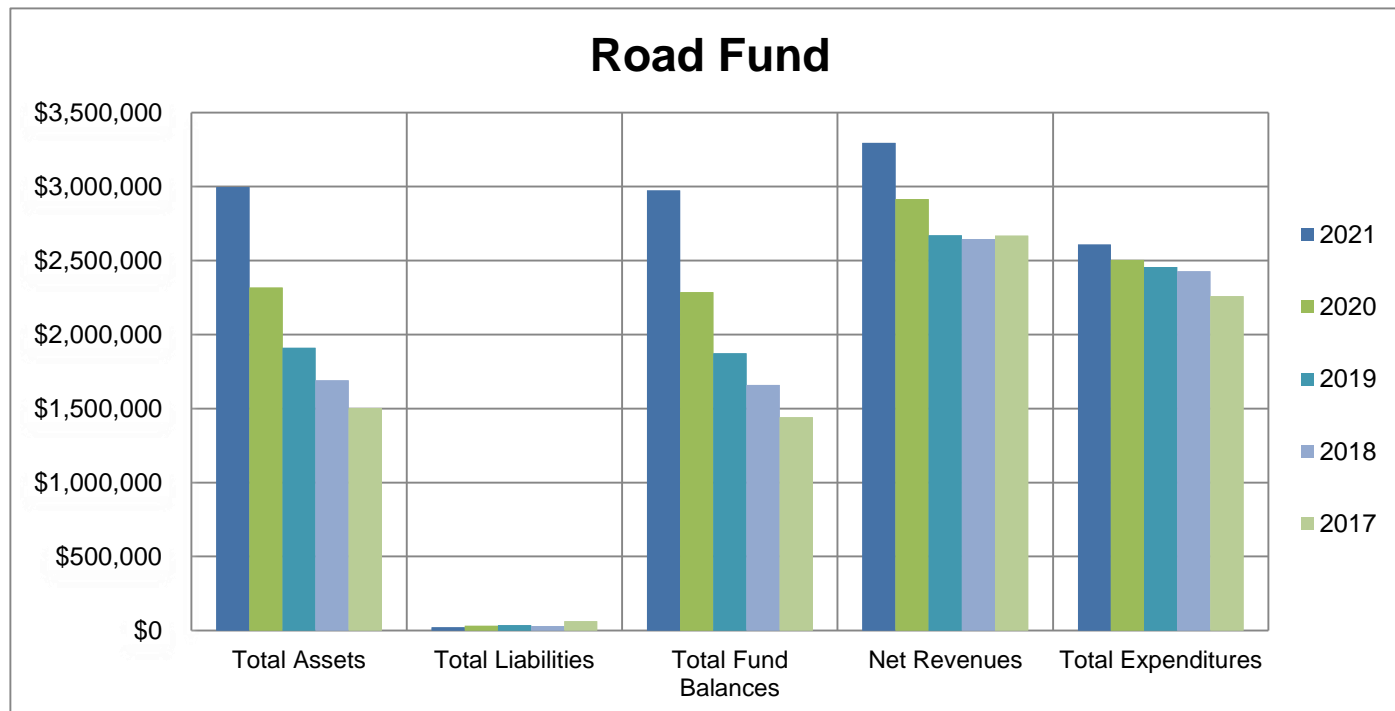
General	2021	2020	2019	2018	2017
Total Assets	\$ 3,835,487	\$ 2,810,945	\$ 2,225,632	\$ 1,956,023	\$ 2,216,000
Total Liabilities	79,526	52,720	72,495	37,897	179,713
Total Fund Balances	3,755,961	2,758,225	2,153,137	1,918,126	2,036,287
Net Revenues	4,889,642	5,012,704	4,259,319	4,165,411	4,201,392
Total Expenditures	3,929,101	4,400,436	4,057,290	4,251,733	3,994,206
Total Other Financing Sources/Uses	37,195	(7,180)	32,982	(31,839)	(34,785)



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

Schedule 4-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 2,996,354	\$ 2,318,320	\$ 1,910,653	\$ 1,689,932	\$ 1,504,687
Total Liabilities	21,980	31,503	36,774	29,523	62,224
Total Fund Balances	2,974,374	2,286,817	1,873,879	1,660,409	1,442,463
Net Revenues	3,295,879	2,916,325	2,671,034	2,644,914	2,668,494
Total Expenditures	2,608,322	2,503,387	2,457,564	2,426,968	2,260,087
Total Other Financing Sources/Uses					



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 5,283,947	\$ 4,182,629	\$ 3,627,704	\$ 3,558,167	\$ 3,539,849
Total Liabilities	441,036	510,695	437,349	425,370	350,910
Total Fund Balances	4,842,911	3,671,934	3,190,355	3,132,797	3,188,939
Net Revenues	4,215,469	1,917,227	1,517,176	1,757,014	1,624,569
Total Expenditures	3,044,956	1,442,828	1,426,636	1,844,995	1,295,369
Total Other Financing Sources/Uses	(37,195)	7,180	(32,982)	31,839	34,785

