

Hempstead County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



HEMPSTEAD COUNTY, ARKANSAS
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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**

Independent Auditor's Report

Hempstead 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 Hempstead 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 Hempstead 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 Hempstead 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 March 1, 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
March 1, 2023
LOCO02921

Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

Hempstead 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 Hempstead 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 March 1, 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 March 1, 2023.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

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

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
March 1, 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

Hempstead 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: Jerry Crane
Treasurer: Judy Flowers
Sheriff/Tax Collector: James Singleton
County Clerk: Karen Smith
Circuit Clerk: Gail Wolfenbarger
Assessor: Kim Smith
County Librarian: Courtney McNiel
District Court Clerk: Sherri Rateliff

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

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

ARKANSAS LEGISLATIVE AUDIT

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

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
March 1, 2023

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,944,659	\$ 3,828,653	\$ 9,469,184
Accounts receivable	509,833	64,982	323,027
Interfund receivables			39,527
	<u>3,454,492</u>	<u>3,893,635</u>	<u>9,831,738</u>
TOTAL ASSETS	<u>\$ 3,454,492</u>	<u>\$ 3,893,635</u>	<u>\$ 9,831,738</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 39,825	\$ 168,586	\$ 167,777
Interfund payables	39,527		
Settlements pending	25,466		1,910,163
Total Liabilities	<u>104,818</u>	<u>168,586</u>	<u>2,077,940</u>
Fund Balances:			
Restricted	233,611	157,598	4,351,808
Committed		3,567,451	2,216,548
Assigned	2,000		1,185,442
Unassigned	3,114,063		
Total Fund Balances	<u>3,349,674</u>	<u>3,725,049</u>	<u>7,753,798</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,454,492</u>	<u>\$ 3,893,635</u>	<u>\$ 9,831,738</u>

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

HEMPSTEAD 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	\$ 708,567	\$ 1,783,142	\$ 106,862
Federal aid	97,949		2,557,713
Property taxes	2,007,212	404,454	399,349
Sales taxes		259,340	8,385,450
Fines, forfeitures, and costs	471,376		173,863
Interest	15,625	26,878	34,386
Officers' fees	31,571		133,640
Sanitation fees			402,689
Jail fees			340,322
911 fees			415,953
Insurance premiums collected	97,093		
Treasurer's commission	128,634		34,857
Collector's commission	164,897		69,361
Taxes apportioned - Assessor's salary and expense	404,644		
Other	232,733	241,804	337,635
TOTAL REVENUES	4,360,301	2,715,618	13,392,080
Less: Treasurer's commission	32,949	20,446	78,381
NET REVENUES	4,327,352	2,695,172	13,313,699
EXPENDITURES			
Current:			
General government	1,777,746		3,230,531
Law enforcement	1,968,523		2,688,211
Highways and streets		3,195,346	248,368
Public safety	112,289		257,840
Sanitation			1,000,119
Health	55,594		5,806
Recreation and culture			504,793
Social services	103,450		
Total Current	4,017,602	3,195,346	7,935,668
Debt Service:			
Lease principal		50,444	77,538
Lease interest		11,203	14,828
TOTAL EXPENDITURES	4,017,602	3,256,993	8,028,034

HEMPSTEAD 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	<u>\$ 309,750</u>	<u>\$ (561,821)</u>	<u>\$ 5,285,665</u>
OTHER FINANCING SOURCES (USES) Sales tax remitted to University of Arkansas at Hope			<u>(1,732,391)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	309,750	(561,821)	3,553,274
FUND BALANCES - JANUARY 1	<u>3,039,924</u>	<u>4,286,870</u>	<u>4,200,524</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,349,674</u></u>	<u><u>\$ 3,725,049</u></u>	<u><u>\$ 7,753,798</u></u>

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

HEMPSTEAD 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	\$ 493,155	\$ 708,567	\$ 215,412	\$ 1,641,219	\$ 1,783,142	\$ 141,923
Federal aid	56,197	97,949	41,752			
Property taxes	1,896,000	2,007,212	111,212	261,000	404,454	143,454
Sales taxes				725,000	259,340	(465,660)
Fines, forfeitures, and costs	471,100	471,376	276			
Interest	2,000	15,625	13,625	30,000	26,878	(3,122)
Officers' fees	29,700	31,571	1,871			
Insurance premiums collected		97,093	97,093			
Treasurer's commission		128,634	128,634			
Collector's commission	322,000	164,897	(157,103)			
Taxes apportioned - Assessor's salary and expense	296,000	404,644	108,644			
Other	434,045	232,733	(201,312)	18,000	241,804	223,804
TOTAL REVENUES	4,000,197	4,360,301	360,104	2,675,219	2,715,618	40,399
Less: Treasurer's commission		32,949	(32,949)		20,446	(20,446)
NET REVENUES	4,000,197	4,327,352	327,155	2,675,219	2,695,172	19,953
EXPENDITURES						
Current:						
General government	2,341,481	1,777,746	563,735			
Law enforcement	2,259,961	1,968,523	291,438			
Highways and streets				4,624,089	3,195,346	1,428,743
Public safety	111,293	112,289	(996)			
Health	63,404	55,594	7,810			
Social services	132,408	103,450	28,958			
Total Current	4,908,547	4,017,602	890,945	4,624,089	3,195,346	1,428,743
Debt Service:						
Lease principal					50,444	(50,444)
Lease interest					11,203	(11,203)
TOTAL EXPENDITURES	4,908,547	4,017,602	890,945	4,624,089	3,256,993	1,367,096

HEMPSTEAD 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	\$ (908,350)	\$ 309,750	\$ 1,218,100	\$ (1,948,870)	\$ (561,821)	\$ 1,387,049
OTHER FINANCING SOURCES (USES)						
Transfers in	648,233		(648,233)	248,368		(248,368)
Transfers out	(91,689)		91,689			
TOTAL OTHER FINANCING SOURCES (USES)	556,544		(556,544)	248,368		(248,368)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(351,806)	309,750	661,556	(1,700,502)	(561,821)	1,138,681
FUND BALANCES - JANUARY 1	617,560	3,039,924	2,422,364	4,248,522	4,286,870	38,348
FUND BALANCES - DECEMBER 31	\$ 265,754	\$ 3,349,674	\$ 3,083,920	\$ 2,548,020	\$ 3,725,049	\$ 1,177,029

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

HEMPSTEAD 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 tax that are restricted or committed for maintaining and constructing roads.

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

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

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

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

HEMPSTEAD 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, savings accounts, and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, treasurer's commission, collector's commission, excess assessor's salary and expense and other funds that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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)	\$ 1,639,071	\$ 1,713,917
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	14,563,622	15,227,627
Uncollateralized	39,372	102,698
Total Deposits	<u>\$ 16,242,065</u>	<u>\$ 17,044,242</u>

The above total deposits do not include cash on hand of \$431.

Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$102,698 of the County's bank balance of \$17,044,242 was uninsured and uncollateralized and exposed to custodial credit risk.

HEMPSTEAD 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
Federal aid	\$ 13,853		\$ 930
Property taxes	54,226	\$ 12,218	11,386
Fines, forfeitures, and costs	32,567		4,224
Interest	13		
Officers' fees	2,448		10,828
Sanitation fees			47,497
Jail fees			21,851
911 fees			6,464
Treasurer's commission	128,650		34,857
Collector's commission	164,897		69,361
Other	75,501	29,409	25,912
Treasurer's commission charged	37,678	23,355	89,717
Totals	<u>\$ 509,833</u>	<u>\$ 64,982</u>	<u>\$ 323,027</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>\$ 39,825</u>	<u>\$ 168,586</u>	<u>\$ 167,777</u>

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

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund		\$ 39,527
Other Funds in the Aggregate:		
CMRS 911 Board (Commercial Mobile Radio Service)	\$ 39,527	
Totals	<u>\$ 39,527</u>	<u>\$ 39,527</u>

Interfund receivables and payables consist of errors in expending restricted revenues. These balances were repaid in September 2022.

NOTE 7: 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			\$ 1,800,942
Law enforcement			593,399
Highways and streets		\$ 157,598	
Public safety			764,414
Health	\$ 233,611		
Recreation and culture			1,193,053
Total Restricted	<u>233,611</u>	<u>157,598</u>	<u>4,351,808</u>
Committed for:			
Highways and streets		3,567,451	
Sanitation			435,861
Capital outlay			1,780,687
Total Committed		<u>3,567,451</u>	<u>2,216,548</u>
Assigned to:			
General government			26,000
Law enforcement	2,000		521,650
Sanitation			579,720
Capital outlay			58,072
Total Assigned	<u>2,000</u>		<u>1,185,442</u>
Unassigned	<u>3,114,063</u>		
Totals	<u>\$ 3,349,674</u>	<u>\$ 3,725,049</u>	<u>\$ 7,753,798</u>

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

NOTE 8: 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 \$23,093,820. 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 \$10,662,164. The amount of short-term financing obligations was \$837,291 leaving a legal debt margin of \$9,824,873.

NOTE 9: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 1,031,427
Reappraisal contract	741,500
Construction contract	<u>181,782</u>
Total Commitments	<u><u>\$ 1,954,709</u></u>

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

NOTE 9: 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 August 8, 2019, with Bancorp South on the purchase of a 2020 Mack truck in the amount of \$177,300, 36 monthly payments of \$2,462 and one payment of \$105,000 due September 8, 2022; interest at 3.74%. Payments are to be made from the Solid Waste Fund.	\$ 121,523
Lease purchase agreement dated September 4, 2019, with Bancorp South on the purchase of a 2019 Mack truck in the amount of \$156,620; 36 monthly payments of \$1,854 and one payment of \$105,000 due October 4, 2022; interest at 3.74%. Payments are to be made from the Road Fund.	116,725
Lease purchase agreement dated December 3, 2019, with Bancorp South on the purchase of a 2020 Mack truck in the amount of \$209,900, 38 monthly installments of \$2,858 and one payment of \$120,312 due on March 3, 2023; interest at 3.528%. Payments are to be made from the Solid Waste Fund.	154,268
Lease purchase agreement dated October 20, 2020, with Bancorp South on the purchase of two (2) 2020 Mack trucks in the amount of \$314,800, 36 monthly installments of \$3,438 and one payment of \$210,000 due on November 14, 2023; interest at 2.34%. Payments are to be made from the Road Fund.	274,760
Lease purchase agreement dated January 5, 2021, with Bancorp South on the purchase of a 2021 Mack Truck in the amount of \$195,600, 36 monthly installments of \$2,685 and one payment of \$110,000 due on February 5, 2024; interest at 2.34%. Payments are to be made from the Solid Waste Fund.	170,015
Total Direct Borrowings	<u>837,291</u>
Arkansas District Judge Retirement unfunded liability due to the Arkansas Public Retirement System (APERS) determined by actuarial valuation as of December 31, 2004, and amortized over a 30-year period. Payments amounts are adjusted annually by APERS. Payments are to be made from the General Fund.	83,285
Compensated absences consisting of accrued vacation leave adjusted to current salary cost.	<u>110,851</u>
Total Long-term liabilities	<u><u>\$ 1,031,427</u></u>

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

The County's outstanding lease purchases from direct borrowings of \$837,291 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.

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

NOTE 9: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Direct Borrowings</u>					
8/8/19	9/8/22	3.74%	\$ 177,300	\$ 121,523	\$ 55,777
9/4/19	10/4/22	3.74%	156,620	116,725	39,895
12/3/19	3/3/23	3.528%	209,900	154,268	55,632
10/20/20	11/14/23	2.34%	314,800	274,760	40,040
1/5/21	2/5/24	2.34%	195,600	170,015	25,585
Total Long-Term Debt			<u>\$ 1,054,220</u>	<u>\$ 837,291</u>	<u>\$ 216,929</u>

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
<u>Direct Borrowings</u>				
Capital leases	<u>\$ 769,673</u>	<u>\$ 195,600</u>	<u>\$ 127,982</u>	<u>\$ 837,291</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2022	\$ 331,313	\$ 20,977	\$ 352,290
2023	393,726	8,896	402,622
2024	112,252	433	112,685
Totals	<u>\$ 837,291</u>	<u>\$ 30,306</u>	<u>\$ 867,597</u>

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

NOTE 9: Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology, Inc., on November 29, 2021, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$12,358 for a total of \$741,500 beginning February 1, 2022. Contract expense, related to the previous contract, for 2021 was \$137,200.

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

Year	December 31, 2021
2022	\$ 148,300
2023	148,300
2024	148,300
2025	148,300
2026	148,300
Total	<u>\$ 741,500</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2021:

Project Name	Completed	Contract Balance December 31, 2021
New Courthouse Renovation	June 2022	<u>\$ 181,782</u>

NOTE 10: Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid Upper Southwest Arkansas Regional Solid Waste Management District \$176,955 during 2021. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate audited financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District are available at www.arklegaudit.gov.

Eighth North Drug Task Force

The Prosecuting Attorney of the Eighth-North Judicial District, the Sheriffs' Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott entered into an agreement to establish the Eighth North Drug Task Force. The agreement became effective on April 1, 2018, and shall be in effect until such time a party provides notice of their intent not to continue in this task force. The task force is governed by a board of directors consisting of the Prosecuting Attorney, Hempstead County Sheriff, Nevada County Sheriff, Prescott Police Chief, and Hope Police Chief. Funding for the task force will come from monies seized by officers during drug arrests and forfeited by court order to the Eighth North Judicial District Drug Control Fund administered by the Prosecutor's office. There were no payments made to or on behalf of the Eighth North Drug Task Force by the County in 2021. Separate financial statements for the Eighth North Drug Task Force are not available.

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

NOTE 11: 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 \$100,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

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.

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

NOTE 12: 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 \$594,465.

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 \$1,493,984.

NOTE 13: 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 \$4,182,339 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$4,182,339 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 14: Federal Funds Program Compliance

The federal grants of the County have not yet received a compliance audit 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.

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste
ASSETS									
Cash and cash equivalents	\$ 132,804	\$ 401,443	\$ 9,942	\$ 83,507	\$ 63,861	\$ 6,506	\$ 48,766	\$ 1,178,066	\$ 1,005,642
Accounts receivable	34,857	69,361	158	1,016	72	172	11,816	15,805	67,176
Interfund receivables									
TOTAL ASSETS	\$ 167,661	\$ 470,804	\$ 10,100	\$ 84,523	\$ 63,933	\$ 6,678	\$ 60,582	\$ 1,193,871	\$ 1,072,818
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 652				\$ 9,598	\$ 57,237
Settlements pending									
Total Liabilities				652				9,598	57,237
Fund Balances:									
Restricted	\$ 167,661	\$ 470,804	\$ 10,100	83,871	\$ 63,933	\$ 6,678	\$ 34,582	1,184,273	
Committed									435,861
Assigned							26,000		579,720
Total Fund Balances	167,661	470,804	10,100	83,871	63,933	6,678	60,582	1,184,273	1,015,581
TOTAL LIABILITIES AND FUND BALANCES	\$ 167,661	\$ 470,804	\$ 10,100	\$ 84,523	\$ 63,933	\$ 6,678	\$ 60,582	\$ 1,193,871	\$ 1,072,818

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

Schedule 1

SPECIAL REVENUE FUNDS									
	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense
ASSETS									
Cash and cash equivalents	\$ 3,502	\$ 692	\$ 107,587	\$ 140,544	\$ 11,772	\$ 720,032	\$ 12,317	\$ 13,812	\$ 10,241
Accounts receivable	97	6	3,887	3,794	26	8,800	60	472	2,446
Interfund receivables						39,527			
TOTAL ASSETS	<u>\$ 3,599</u>	<u>\$ 698</u>	<u>\$ 111,474</u>	<u>\$ 144,338</u>	<u>\$ 11,798</u>	<u>\$ 768,359</u>	<u>\$ 12,377</u>	<u>\$ 14,284</u>	<u>\$ 12,687</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						\$ 11,970			\$ 849
Settlements pending									
Total Liabilities						<u>11,970</u>			<u>849</u>
Fund Balances:									
Restricted	\$ 3,599	\$ 698	\$ 111,474	\$ 144,338	\$ 11,798	756,389	\$ 12,377	\$ 11,539	
Committed									
Assigned								2,745	11,838
Total Fund Balances	<u>3,599</u>	<u>698</u>	<u>111,474</u>	<u>144,338</u>	<u>11,798</u>	<u>756,389</u>	<u>12,377</u>	<u>14,284</u>	<u>11,838</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,599</u>	<u>\$ 698</u>	<u>\$ 111,474</u>	<u>\$ 144,338</u>	<u>\$ 11,798</u>	<u>\$ 768,359</u>	<u>\$ 12,377</u>	<u>\$ 14,284</u>	<u>\$ 12,687</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost	Voluntary Tax / Deputies Salaries	Economic Development Grant - Tyson	South Arkansas Water System Grant
ASSETS									
Cash and cash equivalents	\$ 18,790	\$ 15,891	\$ 2,112	\$ 6,123	\$ 498,388	\$ 59,660	\$ 4,178	\$ 1	\$ 1
Accounts receivable	161		46	10	64,208	294	182		
Interfund receivables									
TOTAL ASSETS	<u>\$ 18,951</u>	<u>\$ 15,891</u>	<u>\$ 2,158</u>	<u>\$ 6,133</u>	<u>\$ 562,596</u>	<u>\$ 59,954</u>	<u>\$ 4,360</u>	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 55,529				
Settlements pending									
Total Liabilities					<u>55,529</u>				
Fund Balances:									
Restricted	\$ 18,951	\$ 15,891	\$ 2,158	\$ 6,133		\$ 59,954	\$ 4,360	\$ 1	\$ 1
Committed									
Assigned					507,067				
Total Fund Balances	<u>18,951</u>	<u>15,891</u>	<u>2,158</u>	<u>6,133</u>	<u>507,067</u>	<u>59,954</u>	<u>4,360</u>	<u>1</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,951</u>	<u>\$ 15,891</u>	<u>\$ 2,158</u>	<u>\$ 6,133</u>	<u>\$ 562,596</u>	<u>\$ 59,954</u>	<u>\$ 4,360</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Arkansas Geographic Information Grant	Automated Records System Grant	Selective Traffic Enforcement Grant	No Proof of Insurance	Law Library	Hempstead / Nevada County Drug Court Grant	Danson's Pellet ACEDP Grant	American Rescue Plan Act	Library American Rescue Plan Act
ASSETS									
Cash and cash equivalents	\$ 8,025	\$ 47,999	\$ 4,020	\$ 9,669	\$ 90,976	\$ 4,046	\$ 1	\$ 996,694	\$ 8,780
Accounts receivable			930		225				
Interfund receivables									
TOTAL ASSETS	<u>\$ 8,025</u>	<u>\$ 47,999</u>	<u>\$ 4,950</u>	<u>\$ 9,669</u>	<u>\$ 91,201</u>	<u>\$ 4,046</u>	<u>\$ 1</u>	<u>\$ 996,694</u>	<u>\$ 8,780</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 1,120				
Settlements pending									
Total Liabilities					<u>1,120</u>				
Fund Balances:									
Restricted	\$ 8,025	\$ 47,999	\$ 4,950	\$ 9,669	90,081	\$ 4,046	\$ 1	\$ 996,694	\$ 8,780
Committed									
Assigned									
Total Fund Balances	<u>8,025</u>	<u>47,999</u>	<u>4,950</u>	<u>9,669</u>	<u>90,081</u>	<u>4,046</u>	<u>1</u>	<u>996,694</u>	<u>8,780</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,025</u>	<u>\$ 47,999</u>	<u>\$ 4,950</u>	<u>\$ 9,669</u>	<u>\$ 91,201</u>	<u>\$ 4,046</u>	<u>\$ 1</u>	<u>\$ 996,694</u>	<u>\$ 8,780</u>

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

Schedule 1

	CAPITAL PROJECTS FUND	CUSTODIAL FUNDS						
	Capital Improvement / Courthouse	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 1,832,631	\$ 1,112,262	\$ 124,494	\$ 160,852	\$ 291,053	\$ 171,433	\$ 50,069	\$ 9,469,184
Accounts receivable	36,950							323,027
Interfund receivables								39,527
TOTAL ASSETS	\$ 1,869,581	\$ 1,112,262	\$ 124,494	\$ 160,852	\$ 291,053	\$ 171,433	\$ 50,069	\$ 9,831,738
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 30,822							\$ 167,777
Settlements pending		\$ 1,112,262	\$ 124,494	\$ 160,852	\$ 291,053	\$ 171,433	\$ 50,069	1,910,163
Total Liabilities	30,822	1,112,262	124,494	160,852	291,053	171,433	50,069	2,077,940
Fund Balances:								
Restricted								4,351,808
Committed	1,780,687							2,216,548
Assigned	58,072							1,185,442
Total Fund Balances	1,838,759							7,753,798
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,869,581	\$ 1,112,262	\$ 124,494	\$ 160,852	\$ 291,053	\$ 171,433	\$ 50,069	\$ 9,831,738

HEMPSTEAD 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							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library
REVENUES								
State aid					\$ 6,391			\$ 82,637
Federal aid								
Property taxes								383,515
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 807	\$ 2,623	\$ 3,956 29	\$ 21,328 390	405		\$ 337	6,656
Officers' fees						\$ 3,404	119,731	
Sanitation fees								
Jail fees								
911 fees								
Treasurer's commission	34,857							
Collector's commission		69,361						
Other		50		156			44	12,054
TOTAL REVENUES	35,664	72,034	3,985	21,874	6,796	3,404	120,112	484,862
Less: Treasurer's commission				82	64	4	1,139	3,892
NET REVENUES	35,664	72,034	3,985	21,792	6,732	3,400	118,973	480,970
EXPENDITURES								
Current:								
General government	9,645	43,083				800	105,249	
Law enforcement			928	56,489				
Highways and streets								
Public safety								
Sanitation								
Health								
Recreation and culture								447,124
Total Current	9,645	43,083	928	56,489		800	105,249	447,124
Debt Service:								
Lease principal								
Lease interest								
TOTAL EXPENDITURES	9,645	43,083	928	56,489		800	105,249	447,124
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,019	28,951	3,057	(34,697)	6,732	2,600	13,724	33,846
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to University of Arkansas at Hope								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	26,019	28,951	3,057	(34,697)	6,732	2,600	13,724	33,846
FUND BALANCES - JANUARY 1	141,642	441,853	7,043	118,568	57,201	4,078	46,858	1,150,427
FUND BALANCES - DECEMBER 31	\$ 167,661	\$ 470,804	\$ 10,100	\$ 83,871	\$ 63,933	\$ 6,678	\$ 60,582	\$ 1,184,273

HEMPSTEAD 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							
	Solid Waste	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle
REVENUES								
State aid						\$ 1,547		
Federal aid								
Property taxes								
Sales taxes	\$ 1,455,884							
Fines, forfeitures, and costs					\$ 59,290			\$ 2,073
Interest	3,156			\$ 482			\$ 4,002	71
Officers' fees		\$ 1,431	\$ 591	8,280				
Sanitation fees	402,689							
Jail fees					3,130			
911 fees							415,953	
Treasurer's commission								
Collector's commission								
Other	5,991			54,994			84	
TOTAL REVENUES	1,867,720	1,431	591	63,756	62,420	1,547	420,039	2,144
Less: Treasurer's commission	17,226		7	362	596	25	2,054	1
NET REVENUES	1,850,494	1,431	584	63,394	61,824	1,522	417,985	2,143
EXPENDITURES								
Current:								
General government			456					
Law enforcement				25,244				
Highways and streets								
Public safety							249,401	
Sanitation	919,579							
Health								
Recreation and culture								
Total Current	919,579		456	25,244			249,401	
Debt Service:								
Lease principal	77,538							
Lease interest	14,828							
TOTAL EXPENDITURES	1,011,945		456	25,244			249,401	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	838,549	1,431	128	38,150	61,824	1,522	168,584	2,143
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to University of Arkansas at Hope								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	838,549	1,431	128	38,150	61,824	1,522	168,584	2,143
FUND BALANCES - JANUARY 1	177,032	2,168	570	73,324	82,514	10,276	587,805	10,234
FUND BALANCES - DECEMBER 31	\$ 1,015,581	\$ 3,599	\$ 698	\$ 111,474	\$ 144,338	\$ 11,798	\$ 756,389	\$ 12,377

HEMPSTEAD 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

	Victim/Witness	Indigent Defense	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost
REVENUES								
State aid		\$ 1,287						
Federal aid								
Property taxes						\$ 988		
Sales taxes							\$ 1,732,392	
Fines, forfeitures, and costs	\$ 44,259	11,725	\$ 2,966	\$ 565		35		\$ 6,924
Interest	99	106					2,069	
Officers' fees					\$ 203			
Sanitation fees								
Jail fees							337,192	
911 fees								
Treasurer's commission								
Collector's commission								
Other	3,553	7,494	243				137,919	325
TOTAL REVENUES	47,911	20,612	3,209	565	203	1,023	2,209,572	7,249
Less: Treasurer's commission	415	111	28		3	11	19,810	66
NET REVENUES	47,496	20,501	3,181	565	200	1,012	2,189,762	7,183
EXPENDITURES								
Current:								
General government					900			
Law enforcement	51,718	30,817	974				1,950,458	675
Highways and streets								
Public safety								
Sanitation								
Health								
Recreation and culture								
Total Current	51,718	30,817	974		900		1,950,458	675
Debt Service:								
Lease principal								
Lease interest								
TOTAL EXPENDITURES	51,718	30,817	974		900		1,950,458	675
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,222)	(10,316)	2,207	565	(700)	1,012	239,304	6,508
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to University of Arkansas at Hope								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,222)	(10,316)	2,207	565	(700)	1,012	239,304	6,508
FUND BALANCES - JANUARY 1	18,506	22,154	16,744	15,326	2,858	5,121	267,763	53,446
FUND BALANCES - DECEMBER 31	\$ 14,284	\$ 11,838	\$ 18,951	\$ 15,891	\$ 2,158	\$ 6,133	\$ 507,067	\$ 59,954

HEMPSTEAD 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							
	Voluntary Tax / Deputies Salaries	Courthouse Improvement	Economic Development Grant - Tyson	South Arkansas Water System Grant	Arkansas Geographic Information Grant	Automated Records System Grant	Selective Traffic Enforcement Grant	No Proof of Insurance
REVENUES								
State aid		\$ 15,000						
Federal aid			\$ 209,619				\$ 4,394	
Property taxes	\$ 14,846							
Sales taxes								
Fines, forfeitures, and costs								\$ 40
Interest								
Officers' fees								
Sanitation fees								
Jail fees								
911 fees								
Treasurer's commission								
Collector's commission								
Other	33					\$ 64,469		
TOTAL REVENUES	14,879	15,000	209,619			64,469	4,394	40
Less: Treasurer's commission	140							
NET REVENUES	14,739	15,000	209,619			64,469	4,394	40
EXPENDITURES								
Current:								
General government		15,320	209,619			16,470		
Law enforcement	14,748							
Highways and streets								
Public safety								
Sanitation								
Health								
Recreation and culture								
Total Current	14,748	15,320	209,619			16,470		
Debt Service:								
Lease principal								
Lease interest								
TOTAL EXPENDITURES	14,748	15,320	209,619			16,470		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9)	(320)				47,999	4,394	40
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to University of Arkansas at Hope								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9)	(320)				47,999	4,394	40
FUND BALANCES - JANUARY 1	4,369	320	1	\$ 1	\$ 8,025		556	9,629
FUND BALANCES - DECEMBER 31	\$ 4,360	\$ 0	\$ 1	\$ 1	\$ 8,025	\$ 47,999	\$ 4,950	\$ 9,669

HEMPSTEAD 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						CAPITAL PROJECTS FUND	
	Law Library	University of Arkansas Community College at Hope	Hempstead / Nevada County Drug Court Grant	Danson's Pellet ACEDP Grant	American Rescue Plan Act	Library American Rescue Plan Act	Capital Improvement / Courthouse	Totals
REVENUES								
State aid								\$ 106,862
Federal aid				\$ 243,750	\$ 2,091,170	\$ 8,780		2,557,713
Property taxes								399,349
Sales taxes		\$ 1,732,391					\$ 3,464,783	8,385,450
Fines, forfeitures, and costs	\$ 20,737							173,863
Interest	552				3,376		9,191	34,386
Officers' fees								133,640
Sanitation fees								402,689
Jail fees								340,322
911 fees								415,953
Treasurer's commission								34,857
Collector's commission								69,361
Other	225			1			50,000	337,635
TOTAL REVENUES	21,514	1,732,391		243,751	2,094,546	8,780	3,523,974	13,392,080
Less: Treasurer's commission							32,345	78,381
NET REVENUES	21,514	1,732,391		243,751	2,094,546	8,780	3,491,629	13,313,699
EXPENDITURES								
Current:								
General government				243,750	185,359		2,399,880	3,230,531
Law enforcement	14,489				511,671		30,000	2,688,211
Highways and streets					248,368			248,368
Public safety					8,439			257,840
Sanitation					80,540			1,000,119
Health					5,806			5,806
Recreation and culture					57,669			504,793
Total Current	14,489			243,750	1,097,852		2,429,880	7,935,668
Debt Service:								
Lease principal								77,538
Lease interest								14,828
TOTAL EXPENDITURES	14,489			243,750	1,097,852		2,429,880	8,028,034
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,025	1,732,391		1	996,694	8,780	1,061,749	5,285,665
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to University of Arkansas at Hope		(1,732,391)						(1,732,391)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,025			1	996,694	8,780	1,061,749	3,553,274
FUND BALANCES - JANUARY 1	83,056		\$ 4,046				777,010	4,200,524
FUND BALANCES - DECEMBER 31	\$ 90,081	\$ 0	\$ 4,046	\$ 1	\$ 996,694	\$ 8,780	\$ 1,838,759	\$ 7,753,798

HEMPSTEAD 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 Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Solid Waste	Ark. Code Ann. § 8-6-212 established fund to collect fees and other funds to defray the county's share of the cost of operating the solid waste management facility. Hempstead County Ordinance no. 1985-14 (November 25, 1985) established fund to account for sales and use tax committed for sanitation.
County Clerk Operating	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

HEMPSTEAD 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, 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.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
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.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
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.
Indigent Defense	<p>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.</p> <p>Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.</p>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
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.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
County Jail	<p>Hempstead County Ordinance nos. 1991-31 and 1991-32 (December 19, 1991) established fund to receive sales tax revenues to be used for the payment of bonds for the construction of a jail and for maintenance and operation of the Hempstead County Jail. All bonds were retired in 2003. Revenues are currently used for the operation and maintenance of the jail facility.</p> <p>Hempstead County Ordinance no. 2012-06 (February 23, 2012) (pursuant to Ark. Code Ann. § 12-41-505) requiring every person who may be committed to the common jail of the County for any criminal offense or misdemeanor, if he or she shall pay the expenses of carrying him or her to jail and also for his or her support from the day of his or her initial incarceration for the whole time he or she remains there.</p>
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Voluntary Tax / Deputies Salaries	Hempstead County Ordinance no. 2015-16 (October 22, 2015), pursuant to Ark. Code Ann. §§ 26-25-106, 26-73-103, established fund to receive annual voluntary tax in the amount of \$10 levied on every tax statement for real property in Hempstead County. The funds are to be used to increase the salaries of certified Hempstead County Sheriff deputies.
Courthouse Improvement	Established to account for a state grant to be used for courthouse maintenance and renovation.
Economic Development Grant - Tyson	Established to account for federal grant proceeds for highway infrastructure improvements in association with industrial development.

HEMPSTEAD 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>
South Arkansas Water System Grant	Established to account for federal grant proceeds for construction of water lines to service residents within Hempstead County who are currently without a dependable source of drinking water.
Arkansas Geographic Information Grant	Established to account for a state grant to be used for address point and road centerline mapping.
Automated Records System Grant	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.
Selective Traffic Enforcement Grant	Established to account for federal grant proceeds to be used by law enforcement for equipment, technology, and overtime expenses during high visibility traffic safety campaigns and/or mobilizations.
No Proof of Insurance	Ark. Code Ann § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Law Library	Ark. Code Ann. §§ 16-23-101 - 105 established fund to receive costs levied on criminal and civil cases to be used for any purpose related to the establishment, maintenance, and operations of a county law library.
University of Arkansas Community College at Hope	Established to receive and remit two one-quarter cent sales taxes to UACCH to be used for acquiring, constructing, equipping, operating, and maintaining capital improvements. The sales taxes were approved by voters on March 5, 1996 and March 11, 2008.
Hempstead / Nevada County Drug Court Grant	Established to account for an Arkansas Community Correction grant and a private donation to be used for drug court purposes.
Danson's Pellet ACEDP Grant	Established to account for federal grant proceeds to be used for expansion for Danson's Hope, LLC in association with community development.
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.

HEMPSTEAD 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>
Library 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.
Capital Improvement / Courthouse	Hempstead County Ordinance no. 2017-26 (December 12, 2017) established fund to receive monies set aside by the Quorum Court to fund renovation of new courthouse property. Hempstead County Ordinance no. 2019-21 (December 2, 2019), as approved by referendum on March 3, 2020, providing for the levy of a temporary 1% sales and use tax, which expired on June 30, 2022. The tax is to be used for acquiring, constructing, improving, remodeling, equipping, furnishing, repairing, operating, and maintaining a new County courthouse, and any necessary land acquisition, relocation costs and parking, drainage, flood control, lighting, street, road, curb, and utility improvements therefore and preserving, repairing and demolishing all or a portion of the existing County courthouse and remediating any environmental hazards therein or associated therewith.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, collector'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, evidence, and inmate trust money.

County Clerk's accounts consist primarily of trust money.

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

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

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

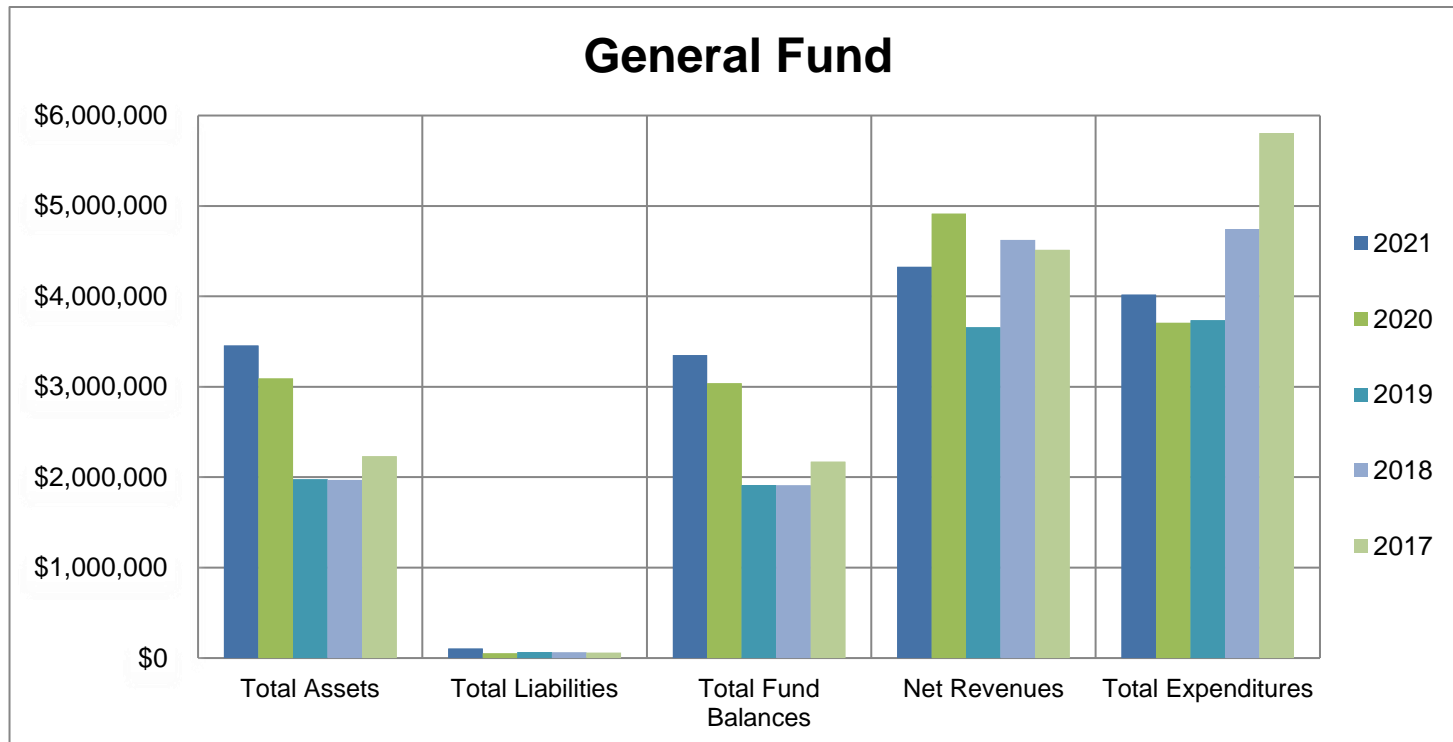
Schedule 3

	December 31, 2021
Land	\$ 304,713
Buildings	9,302,213
Construction In progress	3,544,953
Equipment	<u>9,079,272</u>
Total	<u><u>\$ 22,231,151</u></u>

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

Schedule 4-1

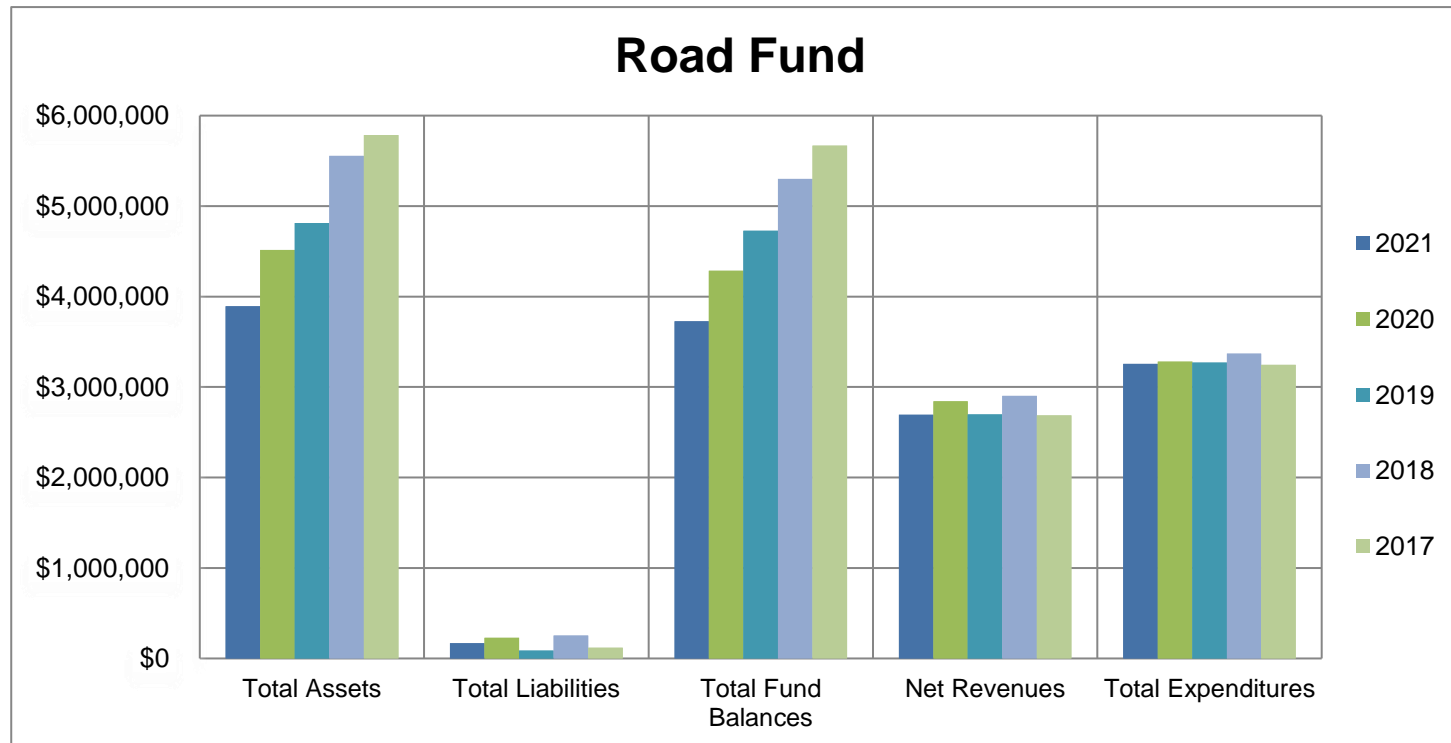
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 3,454,492	\$ 3,093,201	\$ 1,976,635	\$ 1,971,413	\$ 2,230,891
Total Liabilities	104,818	53,277	64,805	61,777	59,326
Total Fund Balances	3,349,674	3,039,924	1,911,830	1,909,636	2,171,565
Net Revenues	4,327,352	4,915,041	3,657,529	4,623,363	4,515,395
Total Expenditures	4,017,602	3,706,448	3,734,820	4,745,764	5,804,821
Total Other Financing Sources/Uses		(71,072)	79,485	(139,528)	(1,454,613)



HEMPSTEAD 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	\$ 3,893,635	\$ 4,515,400	\$ 4,811,878	\$ 5,553,279	\$ 5,785,436
Total Liabilities	168,586	228,530	85,208	254,753	118,167
Total Fund Balances	3,725,049	4,286,870	4,726,670	5,298,526	5,667,269
Net Revenues	2,695,172	2,840,483	2,696,910	2,903,088	2,686,319
Total Expenditures	3,256,993	3,280,283	3,268,766	3,370,512	3,246,631
Total Other Financing Sources/Uses				98,681	



HEMPSTEAD 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

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 9,831,738	\$ 7,125,738	\$ 6,404,371	\$ 6,966,513	\$ 8,589,054
Total Liabilities	2,077,940	2,925,214	2,009,719	1,794,410	2,299,874
Total Fund Balances	7,753,798	4,200,524	4,394,652	5,172,103	6,289,180
Net Revenues	13,313,699	8,541,648	5,609,862	4,857,135	6,246,818
Total Expenditures	8,028,034	7,315,490	4,910,290	4,504,644	5,298,631
Total Other Financing Sources/Uses	(1,732,391)	(1,505,233)	(1,477,023)	(1,469,568)	(26,013)

