

Hempstead County, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



HEMPSTEAD COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Sen. John Payton
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House Chair
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House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Hempstead County, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated December 14, 2023. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2022:

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

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

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

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas
December 14, 2023
LOCO02922

HEMPSTEAD COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,230,391	\$ 3,480,888	\$ 13,816,169
Accounts receivable	449,578	58,467	287,266
	<u>3,679,969</u>	<u>3,539,355</u>	<u>14,103,435</u>
TOTAL ASSETS	<u>\$ 3,679,969</u>	<u>\$ 3,539,355</u>	<u>\$ 14,103,435</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 40,569	\$ 70,506	\$ 132,073
Settlements pending	6,002		2,162,454
Total Liabilities	<u>46,571</u>	<u>70,506</u>	<u>2,294,527</u>
Fund Balances:			
Restricted	140,420		5,991,397
Committed		3,468,849	4,293,373
Assigned	2,000		1,524,138
Unassigned	3,490,978		
Total Fund Balances	<u>3,633,398</u>	<u>3,468,849</u>	<u>11,808,908</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,679,969</u>	<u>\$ 3,539,355</u>	<u>\$ 14,103,435</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, 2022
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 835,427	\$ 2,139,721	\$ 129,548
Federal aid	145,189		2,174,510
Property taxes	1,992,837	393,015	389,246
Sales taxes		658,011	7,502,808
Fines, forfeitures, and costs	612,435		184,117
Interest	14,720	18,973	41,233
Officers' fees	31,972		127,319
Insurance premiums collected	23,746		
Sanitation fees			386,428
Jail fees			181,288
911 fees			345,785
Treasurer's commission	133,757		33,211
Collector's commission	175,202		70,324
Taxes apportioned - Assessor's salary and expense	432,575		
Other	334,437	277,402	242,328
TOTAL REVENUES	4,732,297	3,487,122	11,808,145
Less: Treasurer's commission	37,082	25,227	75,769
NET REVENUES	4,695,215	3,461,895	11,732,376
EXPENDITURES			
Current:			
General government	2,019,728		680,222
Law enforcement	2,177,496		2,625,549
Highways and streets		3,557,011	275,142
Public safety	64,930		443,527
Sanitation			1,042,877
Health	53,513		
Recreation and culture			522,892
Social services	91,774		
Total Current	4,407,441	3,557,011	5,590,209
Debt Service:			
Financed purchase principal		151,925	181,878
Financed purchase interest		9,159	12,186
TOTAL EXPENDITURES	4,407,441	3,718,095	5,784,273

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 287,774</u>	<u>\$ (256,200)</u>	<u>\$ 5,948,103</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	950		5,000
Transfers out	(5,000)		(950)
Sales tax remitted to University of Arkansas at Hope			<u>(1,897,043)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,050)</u>		<u>(1,892,993)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	283,724	(256,200)	4,055,110
FUND BALANCES - JANUARY 1	<u>3,349,674</u>	<u>3,725,049</u>	<u>7,753,798</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,633,398</u></u>	<u><u>\$ 3,468,849</u></u>	<u><u>\$ 11,808,908</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, 2022
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 611,179	\$ 835,427	\$ 224,248	\$ 1,548,000	\$ 2,139,721	\$ 591,721
Federal aid	69,950	145,189	75,239			
Property taxes	2,055,500	1,992,837	(62,663)	255,200	393,015	137,815
Sales taxes				257,000	658,011	401,011
Fines, forfeitures, and costs	392,983	612,435	219,452			
Interest	5,340	14,720	9,380	20,000	18,973	(1,027)
Officers' fees	32,120	31,972	(148)			
Insurance premiums collected		23,746	23,746			
Treasurer's commission		133,757	133,757			
Collector's commission	312,130	175,202	(136,928)			
Taxes apportioned - Assessor's salary and expense	259,000	432,575	173,575			
Other	578,230	334,437	(243,793)	39,000	277,402	238,402
TOTAL REVENUES	4,316,432	4,732,297	415,865	2,119,200	3,487,122	1,367,922
Less: Treasurer's commission		37,082	(37,082)		25,227	(25,227)
NET REVENUES	4,316,432	4,695,215	378,783	2,119,200	3,461,895	1,342,695
EXPENDITURES						
Current:						
General government	2,461,668	2,019,728	441,940			
Law enforcement	2,276,641	2,177,496	99,145			
Highways and streets				4,874,357	3,557,011	1,317,346
Public safety	229,385	64,930	164,455			
Health	94,706	53,513	41,193			
Social services	114,203	91,774	22,429			
Total Current	5,176,603	4,407,441	769,162	4,874,357	3,557,011	1,317,346
Debt Service:						
Financed purchase principal					151,925	(151,925)
Financed purchase interest					9,159	(9,159)
TOTAL EXPENDITURES	5,176,603	4,407,441	769,162	4,874,357	3,718,095	1,156,262

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, 2022
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (860,171)</u>	<u>\$ 287,774</u>	<u>\$ 1,147,945</u>	<u>\$ (2,755,157)</u>	<u>\$ (256,200)</u>	<u>\$ 2,498,957</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		950	950	245,000		(245,000)
Transfers out		<u>(5,000)</u>	<u>(5,000)</u>	<u></u>	<u></u>	<u></u>
TOTAL OTHER FINANCING SOURCES (USES)		<u>(4,050)</u>	<u>(4,050)</u>	<u>245,000</u>	<u></u>	<u>(245,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(860,171)	283,724	1,143,895	(2,510,157)	(256,200)	2,253,957
FUND BALANCES - JANUARY 1	<u>1,052,574</u>	<u>3,349,674</u>	<u>2,297,100</u>	<u>2,994,259</u>	<u>3,725,049</u>	<u>730,790</u>
FUND BALANCES - DECEMBER 31	<u>\$ 192,403</u>	<u>\$ 3,633,398</u>	<u>\$ 3,440,995</u>	<u>\$ 484,102</u>	<u>\$ 3,468,849</u>	<u>\$ 2,984,747</u>

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

HEMPSTEAD COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022
(UNAUDITED)

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	\$ 140,075	\$ 444,709	\$ 16,792	\$ 67,422	\$ 70,487	\$ 7,101	\$ 59,935	\$ 1,181,688	\$ 1,397,376
Accounts receivable	33,211	70,324	1,260	1,659	66	233	10,839	14,971	66,703
TOTAL ASSETS	<u>\$ 173,286</u>	<u>\$ 515,033</u>	<u>\$ 18,052</u>	<u>\$ 69,081</u>	<u>\$ 70,553</u>	<u>\$ 7,334</u>	<u>\$ 70,774</u>	<u>\$ 1,196,659</u>	<u>\$ 1,464,079</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 102	\$ 113			\$ 2,244	\$ 9,728	\$ 40,949
Settlements pending									
Total Liabilities			<u>102</u>	<u>113</u>			<u>2,244</u>	<u>9,728</u>	<u>40,949</u>
Fund Balances:									
Restricted	\$ 173,286	\$ 515,033	17,950	68,968	\$ 70,553	\$ 7,334	42,530	1,186,931	
Committed									456,982
Assigned							26,000		966,148
Total Fund Balances	<u>173,286</u>	<u>515,033</u>	<u>17,950</u>	<u>68,968</u>	<u>70,553</u>	<u>7,334</u>	<u>68,530</u>	<u>1,186,931</u>	<u>1,423,130</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 173,286</u>	<u>\$ 515,033</u>	<u>\$ 18,052</u>	<u>\$ 69,081</u>	<u>\$ 70,553</u>	<u>\$ 7,334</u>	<u>\$ 70,774</u>	<u>\$ 1,196,659</u>	<u>\$ 1,464,079</u>

HEMPSTEAD COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022
(UNAUDITED)

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	\$ 4,614	\$ 125	\$ 137,396	\$ 106,536	\$ 13,266	\$ 665,304	\$ 24,710	\$ 1,341	\$ 4,884
Accounts receivable	134	6	5,632	4,835	4	4,629	6	442	2,779
TOTAL ASSETS	<u>\$ 4,748</u>	<u>\$ 131</u>	<u>\$ 143,028</u>	<u>\$ 111,371</u>	<u>\$ 13,270</u>	<u>\$ 669,933</u>	<u>\$ 24,716</u>	<u>\$ 1,783</u>	<u>\$ 7,663</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						\$ 7,789		\$ 64	\$ 2,321
Settlements pending									
Total Liabilities						<u>7,789</u>		<u>64</u>	<u>2,321</u>
Fund Balances:									
Restricted	\$ 4,748	\$ 131	\$ 143,028	\$ 111,371	\$ 13,270	662,144	\$ 24,716		
Committed									
Assigned								1,719	5,342
Total Fund Balances	<u>4,748</u>	<u>131</u>	<u>143,028</u>	<u>111,371</u>	<u>13,270</u>	<u>662,144</u>	<u>24,716</u>	<u>1,719</u>	<u>5,342</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,748</u>	<u>\$ 131</u>	<u>\$ 143,028</u>	<u>\$ 111,371</u>	<u>\$ 13,270</u>	<u>\$ 669,933</u>	<u>\$ 24,716</u>	<u>\$ 1,783</u>	<u>\$ 7,663</u>

HEMPSTEAD COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2022
(UNAUDITED)

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	South Arkansas Water System Grant	Arkansas Geographic Information Grant
ASSETS									
Cash and cash equivalents	\$ 20,762	\$ 16,162	\$ 2,139	\$ 7,108	\$ 486,457	\$ 66,424	\$ 5,147	\$ 1	\$ 8,025
Accounts receivable	278	25	260	10	35,524	806	146		
TOTAL ASSETS	\$ 21,040	\$ 16,187	\$ 2,399	\$ 7,118	\$ 521,981	\$ 67,230	\$ 5,293	\$ 1	\$ 8,025
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 250				\$ 55,124				
Settlements pending									
Total Liabilities	250				55,124				
Fund Balances:									
Restricted	20,790	\$ 16,187	\$ 2,399	\$ 7,118		\$ 67,230	\$ 5,293	\$ 1	\$ 8,025
Committed									
Assigned					466,857				
Total Fund Balances	20,790	16,187	2,399	7,118	466,857	67,230	5,293	1	8,025
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,040	\$ 16,187	\$ 2,399	\$ 7,118	\$ 521,981	\$ 67,230	\$ 5,293	\$ 1	\$ 8,025

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	Selective Traffic Enforcement Grant	Law Library	Hempstead / Nevada County Drug Court Grant	American Rescue Plan Act	Library American Rescue Plan Act	Residential Substance Abuse Treatment	Juvenile Drug Court Grant	Economic Development Grant - Tyson
ASSETS								
Cash and cash equivalents	\$ 4,950	\$ 98,305	\$ 4,046	\$ 2,687,457	\$ 4,237	\$ 2,013	\$ 20,000	\$ 1
Accounts receivable		212				7,750		
TOTAL ASSETS	<u>\$ 4,950</u>	<u>\$ 98,517</u>	<u>\$ 4,046</u>	<u>\$ 2,687,457</u>	<u>\$ 4,237</u>	<u>\$ 9,763</u>	<u>\$ 20,000</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 2,492				\$ 4,118		
Settlements pending								
Total Liabilities		<u>2,492</u>				<u>4,118</u>		
Fund Balances:								
Restricted	\$ 4,950	96,025	\$ 4,046	\$ 2,687,457	\$ 4,237	5,645	\$ 20,000	\$ 1
Committed								
Assigned								
Total Fund Balances	<u>4,950</u>	<u>96,025</u>	<u>4,046</u>	<u>2,687,457</u>	<u>4,237</u>	<u>5,645</u>	<u>20,000</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,950</u>	<u>\$ 98,517</u>	<u>\$ 4,046</u>	<u>\$ 2,687,457</u>	<u>\$ 4,237</u>	<u>\$ 9,763</u>	<u>\$ 20,000</u>	<u>\$ 1</u>

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022
 (UNAUDITED)

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	\$ 3,876,720	\$ 1,119,221	\$ 303,435	\$ 188,072	\$ 353,521	\$ 155,459	\$ 42,746	\$ 13,816,169
Accounts receivable	24,522							287,266
TOTAL ASSETS	\$ 3,901,242	\$ 1,119,221	\$ 303,435	\$ 188,072	\$ 353,521	\$ 155,459	\$ 42,746	\$ 14,103,435
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 6,779							\$ 132,073
Settlements pending		\$ 1,119,221	\$ 303,435	\$ 188,072	\$ 353,521	\$ 155,459	\$ 42,746	2,162,454
Total Liabilities	6,779	1,119,221	303,435	188,072	353,521	155,459	42,746	2,294,527
Fund Balances:								
Restricted								5,991,397
Committed	3,836,391							4,293,373
Assigned	58,072							1,524,138
Total Fund Balances	3,894,463							11,808,908
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,901,242	\$ 1,119,221	\$ 303,435	\$ 188,072	\$ 353,521	\$ 155,459	\$ 42,746	\$ 14,103,435

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, 2022
(UNAUDITED)

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					\$ 6,322			\$ 85,603
Federal aid								
Property taxes								374,206
Sales taxes								
Fines, forfeitures, and costs			\$ 11,146	\$ 20,804				
Interest	\$ 812	\$ 2,301	38	379	365		\$ 325	7,055
Officers' fees						\$ 3,026	112,372	
Sanitation fees								
Jail fees								
911 fees								
Treasurer's commission	33,211							
Collector's commission		70,324						
Other				95			26	48,070
TOTAL REVENUES	34,023	72,625	11,184	21,278	6,687	3,026	112,723	514,934
Less: Treasurer's commission			1	104	67		1,136	8,628
NET REVENUES	34,023	72,625	11,183	21,174	6,620	3,026	111,587	506,306
EXPENDITURES								
Current:								
General government	28,398	28,396				2,370	103,639	
Law enforcement			3,333	36,077				
Highways and streets								
Public safety								
Sanitation								
Recreation and culture								503,648
Total Current	28,398	28,396	3,333	36,077		2,370	103,639	503,648
Debt Service:								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES	28,398	28,396	3,333	36,077		2,370	103,639	503,648
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,625	44,229	7,850	(14,903)	6,620	656	7,948	2,658
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Sales tax remitted to University of Arkansas at Hope								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,625	44,229	7,850	(14,903)	6,620	656	7,948	2,658
FUND BALANCES - JANUARY 1	167,661	470,804	10,100	83,871	63,933	6,678	60,582	1,184,273
FUND BALANCES - DECEMBER 31	\$ 173,286	\$ 515,033	\$ 17,950	\$ 68,968	\$ 70,553	\$ 7,334	\$ 68,530	\$ 1,186,931

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, 2022
(UNAUDITED)

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						\$ 1,476		
Federal aid								
Property taxes								
Sales taxes	\$ 1,253,119							
Fines, forfeitures, and costs					\$ 59,497			\$ 2,595
Interest	6,452			\$ 569			\$ 3,463	76
Officers' fees		\$ 1,149	\$ 630	8,891				
Sanitation fees	386,428							
Jail fees					3,152			
911 fees							345,785	
Treasurer's commission								
Collector's commission								
Other	1,913			54,969			78	
TOTAL REVENUES	1,647,912	1,149	630	64,429	62,649	1,476	349,326	2,671
Less: Treasurer's commission	16,467		6	332	616	4	1,121	1
NET REVENUES	1,631,445	1,149	624	64,097	62,033	1,472	348,205	2,670
EXPENDITURES								
Current:								
General government			1,191					
Law enforcement				32,543	95,000			
Highways and streets								
Public safety							442,450	
Sanitation	1,028,882							
Recreation and culture								
Total Current	1,028,882		1,191	32,543	95,000		442,450	
Debt Service:								
Financed purchase principal	181,878							
Financed purchase interest	12,186							
TOTAL EXPENDITURES	1,222,946		1,191	32,543	95,000		442,450	
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	408,499	1,149	(567)	31,554	(32,967)	1,472	(94,245)	2,670
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out	(950)							
Sales tax remitted to University of Arkansas at Hope								
TOTAL OTHER FINANCING SOURCES (USES)	(950)							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	407,549	1,149	(567)	31,554	(32,967)	1,472	(94,245)	2,670
FUND BALANCES - JANUARY 1	1,015,581	3,599	698	111,474	144,338	11,798	756,389	22,046
FUND BALANCES - DECEMBER 31	\$ 1,423,130	\$ 4,748	\$ 131	\$ 143,028	\$ 111,371	\$ 13,270	\$ 662,144	\$ 24,716

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, 2022
(UNAUDITED)

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							\$ 16,147	
Federal aid								
Property taxes						\$ 960		
Sales taxes							1,897,043	
Fines, forfeitures, and costs	\$ 44,259	\$ 13,243	\$ 3,181	\$ 296				\$ 7,936
Interest	14	19				35	2,099	
Officers' fees					\$ 1,251			
Sanitation fees								
Jail fees							178,136	
911 fees								
Treasurer's commission								
Collector's commission								
Other	3,531	7,407	354				112,882	1,632
TOTAL REVENUES	47,804	20,669	3,535	296	1,251	995	2,206,307	9,568
Less: Treasurer's commission	443	117	30		10	10	21,654	78
NET REVENUES	47,361	20,552	3,505	296	1,241	985	2,184,653	9,490
EXPENDITURES								
Current:								
General government					1,000			
Law enforcement	59,926	32,048	1,666				2,224,863	2,214
Highways and streets								
Public safety								
Sanitation								
Recreation and culture								
Total Current	59,926	32,048	1,666		1,000		2,224,863	2,214
Debt Service:								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES	59,926	32,048	1,666		1,000		2,224,863	2,214
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,565)	(11,496)	1,839	296	241	985	(40,210)	7,276
OTHER FINANCING SOURCES (USES)								
Transfers in		5,000						
Transfers out								
Sales tax remitted to University of Arkansas at Hope								
TOTAL OTHER FINANCING SOURCES (USES)		5,000						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,565)	(6,496)	1,839	296	241	985	(40,210)	7,276
FUND BALANCES - JANUARY 1	14,284	11,838	18,951	15,891	2,158	6,133	507,067	59,954
FUND BALANCES - DECEMBER 31	\$ 1,719	\$ 5,342	\$ 20,790	\$ 16,187	\$ 2,399	\$ 7,118	\$ 466,857	\$ 67,230

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, 2022
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Voluntary Tax / Deputies Salaries	South Arkansas Water System Grant	Arkansas Geographic Information Grant	Automated Records System Grant	Selective Traffic Enforcement Grant	Law Library	University of Arkansas Community College at Hope	Hempstead / Nevada County Drug Court Grant
REVENUES								
State aid								
Federal aid								
Property taxes	\$ 14,080							
Sales taxes							\$ 1,897,043	
Fines, forfeitures, and costs						\$ 21,160		
Interest						494		
Officers' fees								
Sanitation fees								
Jail fees								
911 fees								
Treasurer's commission								
Collector's commission								
Other	20							
TOTAL REVENUES	14,100					21,654	1,897,043	
Less: Treasurer's commission	141					212		
NET REVENUES	13,959					21,442	1,897,043	
EXPENDITURES								
Current:								
General government				\$ 47,999				
Law enforcement	13,026					15,498		
Highways and streets								
Public safety								
Sanitation								
Recreation and culture								
Total Current	13,026			47,999		15,498		
Debt Service:								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES	13,026			47,999		15,498		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	933			(47,999)		5,944	1,897,043	
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Sales tax remitted to University of Arkansas at Hope							(1,897,043)	
TOTAL OTHER FINANCING SOURCES (USES)							(1,897,043)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	933			(47,999)		5,944		
FUND BALANCES - JANUARY 1	4,360	\$ 1	\$ 8,025	47,999	\$ 4,950	90,081		\$ 4,046
FUND BALANCES - DECEMBER 31	\$ 5,293	\$ 1	\$ 8,025	\$ 0	\$ 4,950	\$ 96,025	\$ 0	\$ 4,046

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, 2022
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	Danson's Pellet ACEDP Grant	American Rescue Plan Act	Library American Rescue Plan Act	Residential Substance Abuse Treatment	Juvenile Drug Court Grant	Economic Development Grant - Tyson	Capital Improvement / Courthouse	Totals
REVENUES								
State aid					\$ 20,000			\$ 129,548
Federal aid		\$ 2,091,170	\$ 8,780	\$ 74,560				2,174,510
Property taxes								389,246
Sales taxes							\$ 2,455,603	7,502,808
Fines, forfeitures, and costs								184,117
Interest		12,190					4,547	41,233
Officers' fees								127,319
Sanitation fees								386,428
Jail fees								181,288
911 fees								345,785
Treasurer's commission								33,211
Collector's commission								70,324
Other				10,836			515	242,328
TOTAL REVENUES		2,103,360	8,780	85,396	20,000		2,460,665	11,808,145
Less: Treasurer's commission							24,591	75,769
NET REVENUES		2,103,360	8,780	85,396	20,000		2,436,074	11,732,376
EXPENDITURES								
Current:								
General government	\$ 1	86,858					380,370	680,222
Law enforcement		29,604		79,751				2,625,549
Highways and streets		275,142						275,142
Public safety		1,077						443,527
Sanitation		13,995						1,042,877
Recreation and culture		5,921	13,323					522,892
Total Current	1	412,597	13,323	79,751			380,370	5,590,209
Debt Service:								
Financed purchase principal								181,878
Financed purchase interest								12,186
TOTAL EXPENDITURES	1	412,597	13,323	79,751			380,370	5,784,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1)	1,690,763	(4,543)	5,645	20,000		2,055,704	5,948,103
OTHER FINANCING SOURCES (USES)								
Transfers in								5,000
Transfers out								(950)
Sales tax remitted to University of Arkansas at Hope								(1,897,043)
TOTAL OTHER FINANCING SOURCES (USES)								(1,892,993)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1)	1,690,763	(4,543)	5,645	20,000		2,055,704	4,055,110
FUND BALANCES - JANUARY 1	1	996,694	8,780			\$ 1	1,838,759	7,753,798
FUND BALANCES - DECEMBER 31	\$ 0	\$ 2,687,457	\$ 4,237	\$ 5,645	\$ 20,000	\$ 1	\$ 3,894,463	\$ 11,808,908

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
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 23, 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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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	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. 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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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	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. 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.
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.
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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Residential Substance Abuse Treatment	Established to account for federal grant proceeds to be used by law enforcement to provide residential substance abuse treatment and services to inmates.
Juvenile Drug Court Grant	Established to account for an Arkansas Specialty Court Program grant to be used for juvenile drug court program.
Economic Development Grant - Tyson	Established to account for federal grant proceeds for highway infrastructure improvements in association with industrial development.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
	Treasurer's 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 GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and sales 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. The Special Revenue Funds presented on Schedules 1 and 2 are reported with other funds in the aggregate.

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

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

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

1. (Continued)

B. Basis of Accounting - Regulatory

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

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

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

C. 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, and 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.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

1. (Continued)

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

Fund Balance Classifications (Continued)

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.

D. Property Taxes

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

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

For classification of fund balance amounts, restricted resources are considered spent before unrestricted. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

2. Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government	\$ 140,420		\$ 3,510,591
Law enforcement			603,282
Public safety			686,356
Recreation and culture			1,191,168
Total Restricted	<u>140,420</u>		<u>5,991,397</u>
Committed for:			
Highways and streets		\$ 3,468,849	
Sanitation			456,982
Capital outlay			3,836,391
Total Committed		<u>3,468,849</u>	<u>4,293,373</u>
Assigned to:			
General government			26,000
Law enforcement	2,000		473,918
Sanitation			966,148
Capital outlay			58,072
Total Assigned	<u>2,000</u>		<u>1,524,138</u>
Unassigned	<u>3,490,978</u>		
Totals	<u><u>\$ 3,633,398</u></u>	<u><u>\$ 3,468,849</u></u>	<u><u>\$ 11,808,908</u></u>

3. Commitments

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

	December 31, 2022
Long-term liabilities	\$ 734,762
Reappraisal contract	<u>593,200</u>
Total Commitments	<u><u>\$ 1,327,962</u></u>

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

3. Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
<u>Direct Borrowings</u>	
Financed 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.	\$ 122,457
Financed 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.	239,560
Financed 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.	141,471
Total Direct Borrowings	<u>503,488</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.	78,152
Compensated absences consisting of accrued vacation adjusted to current salary cost	<u>153,122</u>
Total Long-term liabilities	<u>\$ 734,762</u>

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

The County's outstanding financed purchases from direct borrowings of \$503,488 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.

Post Employment Benefits Other Than Pensions

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

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

3. Commitments (Continued)

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2022</u>	<u>Maturities to December 31, 2022</u>
<u>Direct Borrowings</u>					
12/3/19	3/3/23	3.528%	\$ 209,900	\$ 122,457	\$ 87,443
10/20/20	11/14/23	2.34%	314,800	239,560	75,240
1/5/21	2/5/24	2.34%	195,600	141,471	54,129
Total Long-Term Debt			<u>\$ 720,300</u>	<u>\$ 503,488</u>	<u>\$ 216,812</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2022</u>
<u>Direct Borrowings</u>				
Financed purchases	<u>\$ 837,291</u>	<u>\$ 0</u>	<u>\$ 333,803</u>	<u>\$ 503,488</u>

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 391,236	\$ 8,529	\$ 399,765
2024	112,252	433	112,685
Totals	<u>\$ 503,488</u>	<u>\$ 8,962</u>	<u>\$ 512,450</u>

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology 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 for 2022, was \$148,300.

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

<u>Year</u>	<u>December 31, 2022</u>
2023	\$ 148,300
2024	148,300
2025	148,300
2026	148,300
Total	<u>\$ 593,200</u>

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

4. Interfund Transfers

The General Fund transferred \$5,000 to Other Funds in the Aggregate (Indigent Defense) for operating purposes. Additionally, the Other Funds in the Aggregate (Solid Waste) transferred \$950 to the General Fund to correct prior year posting errors.

5. Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid Upper Southwest Arkansas Regional Solid Waste Management District \$161,927 during 2022. 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 2022. Separate financial statements for the Eighth North Drug Task Force are not available.

6. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2022, (date of APERS Employer Allocation Report) were \$807,919.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$6,802,762.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2022
(UNAUDITED)

7. Capital Assets

The County's capital assets records are summarized below :

	December 31, 2022
Land	\$ 304,713
Buildings	12,986,213
Equipment	<u>9,523,987</u>
Total	<u>\$ 22,814,913</u>

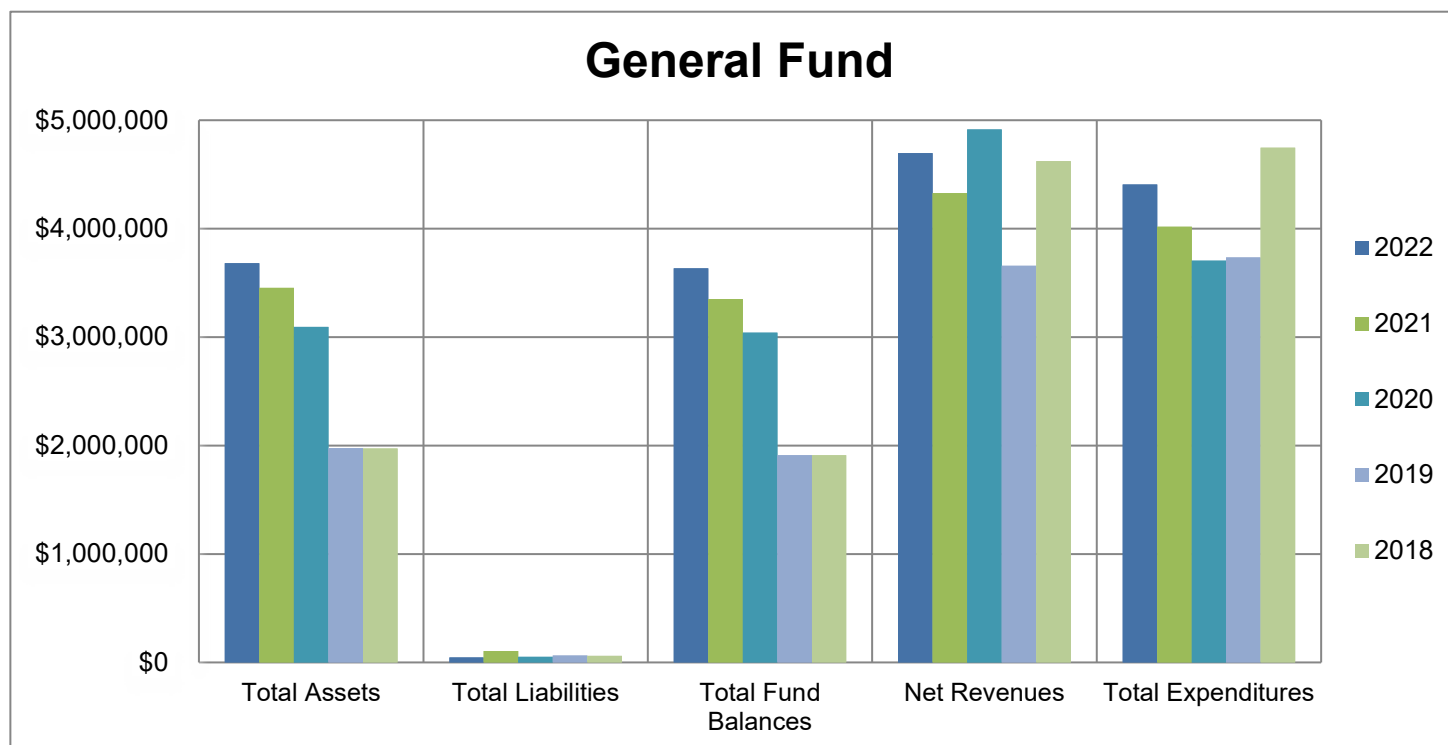
8. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$4,182,339 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$4,182,339 of this amount has been received. In 2022, the County was awarded \$100,000 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$50,000 each year. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

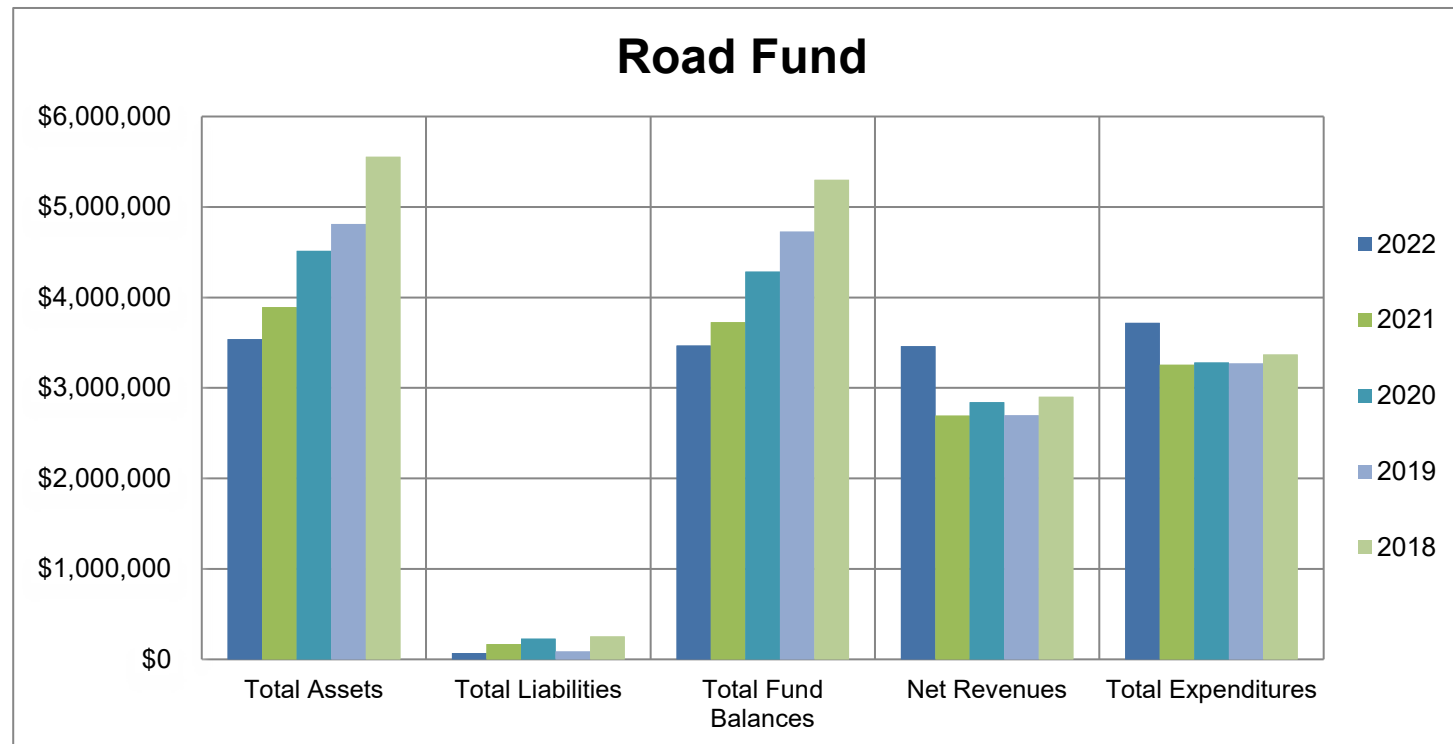
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 3,679,969	\$ 3,454,492	\$ 3,093,201	\$ 1,976,635	\$ 1,971,413
Total Liabilities	46,571	104,818	53,277	64,805	61,777
Total Fund Balances	3,633,398	3,349,674	3,039,924	1,911,830	1,909,636
Net Revenues	4,695,215	4,327,352	4,915,041	3,657,529	4,623,363
Total Expenditures	4,407,441	4,017,602	3,706,448	3,734,820	4,745,764
Total Other Financing Sources/Uses	(4,050)		(71,072)	79,485	(139,528)



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

Schedule 3-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 3,539,355	\$ 3,893,635	\$ 4,515,400	\$ 4,811,878	\$ 5,553,279
Total Liabilities	70,506	168,586	228,530	85,208	254,753
Total Fund Balances	3,468,849	3,725,049	4,286,870	4,726,670	5,298,526
Net Revenues	3,461,895	2,695,172	2,840,483	2,696,910	2,903,088
Total Expenditures	3,718,095	3,256,993	3,280,283	3,268,766	3,370,512
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, 2022
(UNAUDITED)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 14,103,435	\$ 9,831,738	\$ 7,125,738	\$ 6,404,371	\$ 6,966,513
Total Liabilities	2,294,527	2,077,940	2,925,214	2,009,719	1,794,410
Total Fund Balances	11,808,908	7,753,798	4,200,524	4,394,652	5,172,103
Net Revenues	11,732,376	13,313,699	8,541,648	5,609,862	4,857,135
Total Expenditures	5,784,273	8,028,034	7,315,490	4,910,290	4,504,644
Total Other Financing Sources/Uses	(1,892,993)	(1,732,391)	(1,505,233)	(1,477,023)	(1,469,568)

