

Independence County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Emphases of Matter

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 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
August 28, 2023
LOCO03222

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

Independence 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 Independence County, Arkansas (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated August 28, 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 August 28, 2023.

Purpose of This Report

The purpose of this report is solely to describe 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



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
August 28, 2023

Arkansas



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

Rep. Jimmy Gazaway
House Chair
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

County Judge: Robert Griffin
Treasurer: Bob Treadway
Sheriff: Shawn Stephens
Tax Collector: Paul Albert
County Clerk: Tracey Mitchell
Circuit Clerk: Greg Wallis
Assessor: Diane Tucker
County Librarian: Carlene Morrison
District Court Clerk: Tammy Gregory

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 that reads "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
August 28, 2023

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 5,548,682	\$ 1,859,064	\$ 11,750,746
Accounts receivable	238,027	92,670	187,444
	\$ 5,786,709	\$ 1,951,734	\$ 11,938,190
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 96,716	\$ 1,151,553	\$ 145,446
Settlements pending			1,045,399
Total Liabilities	96,716	1,151,553	1,190,845
Fund Balances:			
Restricted		400,000	8,369,875
Committed		400,181	1,348,934
Assigned	1,911,610		1,028,536
Unassigned	3,778,383		
Total Fund Balances	5,689,993	800,181	10,747,345
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,786,709	\$ 1,951,734	\$ 11,938,190

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,292,022	\$ 3,003,107	\$ 435,759
Federal aid	69,488	1,222,460	3,981,615
Property taxes	2,746,407	1,296,603	556,743
Sales taxes	638,016	1,740,044	5,320,922
Fines, forfeitures, and costs	848,830		144,240
Interest	35,152	25,664	145,266
Officers' fees	290,795		217,004
Jail fees	385,068		47,467
Reimbursement of law enforcement	822,860		
Sanitation fees			1,395,220
911 fees			673,993
Franchise fees	41		
Treasurer's commission	135,273		45,000
Collector's commission	378,375		
Taxes apportioned - Assessor's salary and expense	533,958		
Other	243,895	624,006	961,599
TOTAL REVENUES	8,420,180	7,911,884	13,924,828
Less: Treasurer's commission	51,015	36,756	54,589
NET REVENUES	8,369,165	7,875,128	13,870,239
EXPENDITURES			
Current:			
General government	2,697,220		326,332
Law enforcement	5,115,246		401,105
Highways and streets		9,386,661	65,092
Public safety	100,321		1,232,399
Sanitation			2,310,950
Health	1,550		358,855
Recreation and culture			971,212
Social services	139,689		484,195
Hydroelectric project			209
Economic development			159,278
Total Current	8,054,026	9,386,661	6,309,627
Debt Service:			
Financed purchases principal		377,933	
Financed purchases interest		15,743	
TOTAL EXPENDITURES	8,054,026	9,780,337	6,309,627

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 315,139	\$ (1,905,209)	\$ 7,560,612
OTHER FINANCING SOURCES (USES)			
Transfers in			258,562
Transfers out	(155,562)		(103,000)
Contribution of sales and property taxes from City of Southside (Note 15)	143,011	470,975	182,014
Sales taxes collected and remitted to community college			(1,904,885)
Sales taxes collected and remitted to fire departments			(1,904,885)
Sale of capital assets	1,969,870		
TOTAL OTHER FINANCING SOURCES (USES)	1,957,319	470,975	(3,472,194)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,272,458	(1,434,234)	4,088,418
FUND BALANCES - JANUARY 1	3,417,535	2,234,415	6,658,927
FUND BALANCES - DECEMBER 31	\$ 5,689,993	\$ 800,181	\$ 10,747,345

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

INDEPENDENCE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,132,974	\$ 1,292,022	\$ 159,048	\$ 2,805,448	\$ 3,003,107	\$ 197,659
Federal aid		69,488	69,488	2,497,542	1,222,460	(1,275,082)
Property taxes	2,597,307	2,746,407	149,100	1,135,800	1,296,603	160,803
Sales taxes	599,900	638,016	38,116	1,911,650	1,740,044	(171,606)
Fines, forfeitures, and costs	854,978	848,830	(6,148)			
Interest	6,500	35,152	28,652	8,000	25,664	17,664
Officers' fees	295,000	290,795	(4,205)			
Jail fees	288,843	385,068	96,225			
Reimbursement of law enforcement	561,629	822,860	261,231			
Franchise fees		41	41			
Treasurer's commission		135,273	135,273			
Collector's commission	394,393	378,375	(16,018)			
Taxes apportioned - Assessor's salary and expense	666,431	533,958	(132,473)			
Other	622,532	243,895	(378,637)	731,700	624,006	(107,694)
TOTAL REVENUES	8,020,487	8,420,180	399,693	9,090,140	7,911,884	(1,178,256)
Less: Treasurer's commission		51,015	(51,015)		36,756	(36,756)
NET REVENUES	8,020,487	8,369,165	348,678	9,090,140	7,875,128	(1,215,012)
EXPENDITURES						
Current:						
General government	2,606,864	2,697,220	(90,356)			
Law enforcement	7,285,891	5,115,246	2,170,645			
Highways and streets				9,921,178	9,386,661	534,517
Public safety	109,075	100,321	8,754			
Health	2,400	1,550	850			
Social services	147,820	139,689	8,131			
Total Current	10,152,050	8,054,026	2,098,024	9,921,178	9,386,661	534,517
Debt Service:						
Financed purchases principal				305,852	377,933	(72,081)
Financed purchases interest				180,854	15,743	165,111
TOTAL EXPENDITURES	10,152,050	8,054,026	2,098,024	10,407,884	9,780,337	627,547

INDEPENDENCE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,131,563)	\$ 315,139	\$ 2,446,702	\$ (1,317,744)	\$ (1,905,209)	\$ (587,465)
OTHER FINANCING SOURCES (USES)						
Transfers in	405,401		(405,401)			
Transfers out	(118,750)	(155,562)	(36,812)			
Contribution of sales and property taxes from City of Southside (Note 15)	110,000	143,011	33,011	370,000	470,975	100,975
Sale of capital assets	2,000,000	1,969,870	(30,130)			
TOTAL OTHER FINANCING SOURCES (USES)	2,396,651	1,957,319	(439,332)	370,000	470,975	100,975
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	265,088	2,272,458	2,007,370	(947,744)	(1,434,234)	(486,490)
FUND BALANCES - JANUARY 1	837,950	3,417,535	2,579,585	1,137,575	2,234,415	1,096,840
FUND BALANCES - DECEMBER 31	\$ 1,103,038	\$ 5,689,993	\$ 4,586,955	\$ 189,831	\$ 800,181	\$ 610,350

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

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 Capital Projects Funds as reported with other funds in the aggregate.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, state aid, sales taxes, officer's fees, commission, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,099,522	\$ 1,179,846
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	18,053,201	18,975,648
Total Deposits	\$ 19,152,723	\$ 20,155,494

The above total deposits do not include cash on hand of \$5,769.

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

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, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 16,789		\$ 23,005
Federal aid	10,382		21,567
Property taxes	7,795		
Fines, forfeitures, and costs	46,098		9,918
Interest	7		
Officers' fees	16,061		15,670
Jail fees	77,732		178
Sanitation fees			56,738
911 fees			9,239
Franchise fees	18		
Other	63,145	\$ 92,670	51,129
Totals	<u>\$ 238,027</u>	<u>\$ 92,670</u>	<u>\$ 187,444</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 93,917	\$ 1,150,978	\$ 144,890
Salaries payable	2,799	575	556
Totals	<u>\$ 96,716</u>	<u>\$ 1,151,553</u>	<u>\$ 145,446</u>

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

NOTE 6: 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			\$ 6,838,712
Law enforcement			581,227
Highways and streets		\$ 400,000	
Public safety			38,604
Recreation and culture			615,785
Social services			8,443
Economic development			277,531
Capital outlay			9,573
Total Restricted		<u>400,000</u>	<u>8,369,875</u>
Committed for:			
Highways and streets		400,181	
Sanitation			1,063,879
Recreation and culture			258,699
Social services			22,000
Hydroelectric project			4,356
Total Committed		<u>400,181</u>	<u>1,348,934</u>
Assigned to:			
General government			388
Law enforcement	\$ 1,911,610		1,499
Public safety			208,673
Sanitation			606,840
Health			157,270
Social services			53,866
Total Assigned	<u>1,911,610</u>		<u>1,028,536</u>
Unassigned	<u>3,778,383</u>		
Totals	<u>\$ 5,689,993</u>	<u>\$ 800,181</u>	<u>\$ 10,747,345</u>

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2022, the legal debt limit for bonded debt was \$51,796,243. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2022, the legal debt limit for short-term financing obligations was \$16,088,023. The amount of short-term financing obligations was \$386,344 leaving a legal debt margin of \$15,701,679.

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

NOTE 8: Commitments

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

	December 31, 2022
Long-term liabilities	\$ 386,344
Construction contract	252,098
 Total Commitments	 \$ 638,442

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 with Caterpillar Financial Services Corporation in the amount of \$216,600, entered into on August 24, 2021, for the purchase of a motor grader to be repaid in 59 monthly payments of \$2,226 beginning October 13, 2021 and a final payment of \$109,826 on September 13, 2026. The interest rate is 2.99%. Payments are to be made from the Road Fund.	\$ 190,664
Financed purchase agreement with Cadence Bank in the amount of \$212,750, entered into on April 28, 2022, for the purchase of a motor grader to be repaid in 48 monthly payments of \$2,577 beginning May 28, 2022 and a final payment of \$106,000 on May 28, 2026. The interest rate is 2.59%. Payments are to be made from the Road Fund.	195,680
 Total Long-term liabilities	 \$ 386,344

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 \$386,344 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Direct Borrowings</u>					
8/24/21	9/13/26	2.99%	\$ 216,600	\$ 190,664	\$ 25,936
4/28/22	5/28/26	2.59%	212,750	195,680	17,070
 Total Long-Term Debt			 \$ 429,350	 \$ 386,344	 \$ 43,006

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

NOTE 8: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrowings</u>				
Financed purchases	\$ 551,527	\$ 212,750	\$ 377,933	\$ 386,344

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 47,440	\$ 10,197	\$ 57,637
2024	48,771	8,866	57,637
2025	50,139	7,497	57,636
2026	239,994	3,949	243,943
Totals	\$ 386,344	\$ 30,509	\$ 416,853

Construction Contract

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

Project Name	Completed Date	Contract Balance December 31, 2022
Big Creek Bridge Replacement	4/13/2023	\$ 252,098

NOTE 9: Interfund Transfers

The General Fund transferred \$155,562 to Other Funds in the Aggregate (Emergency 911 \$100,000, Indigent Defense \$15,562, and Department of Human Services/Health Building \$40,000) for supplemental funding. Within the Other Funds in the Aggregate, Sales Tax – Recreation transferred \$103,000 to Independence County Shooting Sports (\$81,000) and Senior Citizens (\$22,000).

NOTE 10: Subsequent Event

On June 13, 2023, the County entered into a \$2,992,490 construction contract for the construction of a new Senior Citizen center.

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

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

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.

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

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. 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 \$1,155,457.

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 \$9,729,066.

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). In 2021, the County was awarded \$7,347,063 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$7,347,063 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 14: Jointly Governed Organization

White River Regional Solid Waste Management District

The County is a member of the White River Regional Solid Waste Management District. The District is a jointly governed organization comprised of Cleburne, Fulton, Independence, IZard, Jackson, Sharp, Stone, Van Buren, White, and Woodruff 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. Independence County did not make any payments to the White River Regional Solid Waste Management District in 2022.

NOTE 15: Interlocal Agreement

The County entered into an interlocal agreement with the City of Southside on January 2, 2017, to provide various services. Under the agreement, the City will donate all of its road millage (property taxes) funds received from the County and 82.5% of its sales tax revenue to be used by the County for the following purposes: general use (4.5%); law enforcement (12%); road repairs, maintenance, and improvements (45%); and solid waste supplements, garbage and roadside pickup (21%).

NOTE 16: Sale of Capital Assets

On April 19, 2022, the County received \$1,969,870 for the sale of the Juvenile Detention Center to the Arkansas Department of Corrections.

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Solid Waste	Child Support Fee
ASSETS									
Cash and cash equivalents	\$ 99,655	\$ 488,698	\$ 178,503	\$ 79,498	\$ 5,110	\$ 8,543	\$ 608,383	\$ 1,440,651	\$ 47,987
Accounts receivable			1,288		687	12,780	1,366	97,528	
TOTAL ASSETS	\$ 99,655	\$ 488,698	\$ 179,791	\$ 79,498	\$ 5,797	\$ 21,323	\$ 609,749	\$ 1,538,179	\$ 47,987
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 340	\$ 7,028				\$ 2,275	\$ 13,964	\$ 95,748	
Settlements pending									
Total Liabilities	340	7,028				2,275	13,964	95,748	
Fund Balances:									
Restricted	99,315	481,670	\$ 179,791	\$ 79,498	\$ 5,409	19,048	595,785		\$ 47,987
Committed								835,591	
Assigned					388			606,840	
Total Fund Balances	99,315	481,670	179,791	79,498	5,797	19,048	595,785	1,442,431	47,987
TOTAL LIABILITIES AND FUND BALANCES	\$ 99,655	\$ 488,698	\$ 179,791	\$ 79,498	\$ 5,797	\$ 21,323	\$ 609,749	\$ 1,538,179	\$ 47,987

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

Schedule 1

SPECIAL REVENUE FUNDS

	Communication Facility and Equipment	Jail Fine	County Detention Facility	Boating Safety	Emergency 911	Emergency Vehicle	Indigent Defense	Juvenile Probation	Juvenile Court Representation
ASSETS									
Cash and cash equivalents	\$ 22,866	\$ 119,784	\$ 41,968	\$ 19,670	\$ 202,056	\$ 20,143	\$ 1,070		
Accounts receivable	992	6,983	612		9,239	1,287	429	\$ 564	\$ 750
TOTAL ASSETS	<u>\$ 23,858</u>	<u>\$ 126,767</u>	<u>\$ 42,580</u>	<u>\$ 19,670</u>	<u>\$ 211,295</u>	<u>\$ 21,430</u>	<u>\$ 1,499</u>	<u>\$ 564</u>	<u>\$ 750</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 2,622				
Settlements pending									
Total Liabilities					<u>2,622</u>				
Fund Balances:									
Restricted	\$ 23,858	\$ 126,767	\$ 42,580	\$ 19,670		\$ 21,430		\$ 564	\$ 750
Committed									
Assigned					208,673		\$ 1,499		
Total Fund Balances	<u>23,858</u>	<u>126,767</u>	<u>42,580</u>	<u>19,670</u>	<u>208,673</u>	<u>21,430</u>	<u>1,499</u>	<u>564</u>	<u>750</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,858</u>	<u>\$ 126,767</u>	<u>\$ 42,580</u>	<u>\$ 19,670</u>	<u>\$ 211,295</u>	<u>\$ 21,430</u>	<u>\$ 1,499</u>	<u>\$ 564</u>	<u>\$ 750</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Juvenile Diversion Fees	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Facilities Depreciation	Hydroelectric Project	Department of Human Services/ Health Building	Disaster Recovery	County Economic Development
ASSETS									
Cash and cash equivalents		\$ 6,705	\$ 8,976	\$ 6,070,749	\$ 220,250	\$ 4,356	\$ 159,956	\$ 18,270	\$ 275,531
Accounts receivable	\$ 50				8,038				2,200
TOTAL ASSETS	<u>\$ 50</u>	<u>\$ 6,705</u>	<u>\$ 8,976</u>	<u>\$ 6,070,749</u>	<u>\$ 228,288</u>	<u>\$ 4,356</u>	<u>\$ 159,956</u>	<u>\$ 18,270</u>	<u>\$ 277,731</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 2,686		\$ 200
Settlements pending									
Total Liabilities							<u>2,686</u>		<u>200</u>
Fund Balances:									
Restricted	\$ 50	\$ 6,705	\$ 8,976	\$ 6,070,749				\$ 18,270	277,531
Committed					\$ 228,288	\$ 4,356			
Assigned							157,270		
Total Fund Balances	<u>50</u>	<u>6,705</u>	<u>8,976</u>	<u>6,070,749</u>	<u>228,288</u>	<u>4,356</u>	<u>157,270</u>	<u>18,270</u>	<u>277,531</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50</u>	<u>\$ 6,705</u>	<u>\$ 8,976</u>	<u>\$ 6,070,749</u>	<u>\$ 228,288</u>	<u>\$ 4,356</u>	<u>\$ 159,956</u>	<u>\$ 18,270</u>	<u>\$ 277,731</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Sales Tax - Recreation	Drug Court Program	Independence County Driving While Intoxicated Court	Independence County Shooting Sports	Act 490 of 2009 Drug Court Program Fee	Drug Court Graduation	Sheriff's Special Needs	Sheriff Drug Investigation	Senior Citizen
ASSETS									
Cash and cash equivalents	\$ 133,133	\$ 2,847	\$ 55,395	\$ 127,823	\$ 21,238	\$ 57	\$ 35,880	\$ 27,490	\$ 81,119
Accounts receivable			9,267		80				20,412
TOTAL ASSETS	\$ 133,133	\$ 2,847	\$ 64,662	\$ 127,823	\$ 21,318	\$ 57	\$ 35,880	\$ 27,490	\$ 101,531
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,578		\$ 88	\$ 679			\$ 29		\$ 17,222
Settlements pending									
Total Liabilities	1,578		88	679			29		17,222
Fund Balances:									
Restricted		\$ 2,847	64,574		\$ 21,318	\$ 57	35,851	\$ 27,490	8,443
Committed	131,555			127,144					22,000
Assigned									53,866
Total Fund Balances	131,555	2,847	64,574	127,144	21,318	57	35,851	27,490	84,309
TOTAL LIABILITIES AND FUND BALANCES	\$ 133,133	\$ 2,847	\$ 64,662	\$ 127,823	\$ 21,318	\$ 57	\$ 35,880	\$ 27,490	\$ 101,531

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

Schedule 1

SPECIAL REVENUE FUNDS								
	Donation Fund 911	Bayou Trail Project	Sheriff's Grant	Court Security Grant	Driving While Intoxicated Court Grant	Juvenile Officer Grant	Juvenile Drug Court Incentive	Elections COVID Response Grant
ASSETS								
Cash and cash equivalents	\$ 664	\$ 20,000		\$ 66	\$ 1,302	\$ 20,027		\$ 19,355
Accounts receivable			\$ 11,875				\$ 1,017	
TOTAL ASSETS	\$ 664	\$ 20,000	\$ 11,875	\$ 66	\$ 1,302	\$ 20,027	\$ 1,017	\$ 19,355
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable							\$ 987	
Settlements pending								
Total Liabilities							987	
Fund Balances:								
Restricted	\$ 664	\$ 20,000	\$ 11,875	\$ 66	\$ 1,302	\$ 20,027	30	\$ 19,355
Committed								
Assigned								
Total Fund Balances	664	20,000	11,875	66	1,302	20,027	30	19,355
TOTAL LIABILITIES AND FUND BALANCES	\$ 664	\$ 20,000	\$ 11,875	\$ 66	\$ 1,302	\$ 20,027	\$ 1,017	\$ 19,355

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

Schedule 1

	CAPITAL PROJECT FUND	CUSTODIAL FUNDS						Totals
	Cord Volunteer Fire Department	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	
ASSETS								
Cash and cash equivalents	\$ 9,573	\$ 372,365	\$ 232,299	\$ 58,705	\$ 9,945	\$ 207,850	\$ 164,235	\$ 11,750,746
Accounts receivable								187,444
TOTAL ASSETS	\$ 9,573	\$ 372,365	\$ 232,299	\$ 58,705	\$ 9,945	\$ 207,850	\$ 164,235	\$ 11,938,190
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 145,446
Settlements pending		\$ 372,365	\$ 232,299	\$ 58,705	\$ 9,945	\$ 207,850	\$ 164,235	1,045,399
Total Liabilities		372,365	232,299	58,705	9,945	207,850	164,235	1,190,845
Fund Balances:								
Restricted	\$ 9,573							8,369,875
Committed								1,348,934
Assigned								1,028,536
Total Fund Balances	9,573							10,747,345
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,573	\$ 372,365	\$ 232,299	\$ 58,705	\$ 9,945	\$ 207,850	\$ 164,235	\$ 11,938,190

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Solid Waste	Child Support Fee
REVENUES									
State aid				\$ 12,842			\$ 142,306	\$ 107,486	
Federal aid									
Property taxes							555,162		
Sales taxes								812,020	
Fines, forfeitures, and costs									
Interest	\$ 1,791						8,441	18	
Officers' fees			\$ 19,807		\$ 8,020	\$ 160,513			\$ 3,733
Jail fees									
Sanitation fees								1,343,893	
911 fees									
Treasurer's commission	45,000								
Other	486					2,905	19,776	319,397	
TOTAL REVENUES	47,277		19,807	12,842	8,020	163,418	725,685	2,582,814	3,733
Less: Treasurer's commission			116	75	48	965	4,204	15,448	21
NET REVENUES	47,277		19,691	12,767	7,972	162,453	721,481	2,567,366	3,712
EXPENDITURES									
Current:									
General government	46,924	\$ 29,373		5,777	10,361	212,490			
Law enforcement			5,321						
Highways and streets									
Public safety									
Sanitation								2,310,950	
Health									
Recreation and culture							671,037		
Social services									
Hydroelectric project									
Economic development									
TOTAL EXPENDITURES	46,924	29,373	5,321	5,777	10,361	212,490	671,037	2,310,950	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	353	(29,373)	14,370	6,990	(2,389)	(50,037)	50,444	256,416	3,712
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Contribution of sales and property taxes from City of Southside (Note 15)								182,014	
Sales taxes collected and remitted to community college									
Sales taxes collected and remitted to fire departments									
TOTAL OTHER FINANCING SOURCES (USES)								182,014	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	353	(29,373)	14,370	6,990	(2,389)	(50,037)	50,444	438,430	3,712
FUND BALANCES - JANUARY 1	98,962	511,043	165,421	72,508	8,186	69,085	545,341	1,004,001	44,275
FUND BALANCES - DECEMBER 31	<u>\$ 99,315</u>	<u>\$ 481,670</u>	<u>\$ 179,791</u>	<u>\$ 79,498</u>	<u>\$ 5,797</u>	<u>\$ 19,048</u>	<u>\$ 595,785</u>	<u>\$ 1,442,431</u>	<u>\$ 47,987</u>

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	Communication Facility and Equipment	Jail Fine	County Detention Facility	Boating Safety	Emergency 911	Emergency Vehicle	Indigent Defense	Juvenile Probation	Juvenile Court Representation
REVENUES									
State aid				\$ 3,057					
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 94,163	\$ 5,379			\$ 19,210	\$ 11,236		\$ 5,157
Interest	\$ 799								
Officers' fees	15,189						20	\$ 4,145	975
Jail fees	43,779		3,688						
Sanitation fees									
911 fees					\$ 673,993				
Treasurer's commission									
Other	907				3,000				
TOTAL REVENUES	60,674	94,163	9,067	3,057	676,993	19,210	11,256	4,145	6,132
Less: Treasurer's commission		552	54	18	3,877	117	52	22	33
NET REVENUES	60,674	93,611	9,013	3,039	673,116	19,093	11,204	4,123	6,099
EXPENDITURES									
Current:									
General government									
Law enforcement	63,470	103,821					30,479	3,631	5,534
Highways and streets									
Public safety				2,335	763,309				
Sanitation									
Health									
Recreation and culture									
Social services									
Hydroelectric project									
Economic development									
TOTAL EXPENDITURES	63,470	103,821		2,335	763,309		30,479	3,631	5,534
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,796)	(10,210)	9,013	704	(90,193)	19,093	(19,275)	492	565
OTHER FINANCING SOURCES (USES)									
Transfers in					100,000		15,562		
Transfers out									
Contribution of sales and property taxes from City of Southside (Note 15)									
Sales taxes collected and remitted to community college									
Sales taxes collected and remitted to fire departments									
TOTAL OTHER FINANCING SOURCES (USES)					100,000		15,562		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,796)	(10,210)	9,013	704	9,807	19,093	(3,713)	492	565
FUND BALANCES - JANUARY 1	26,654	136,977	33,567	18,966	198,866	2,337	5,212	72	185
FUND BALANCES - DECEMBER 31	<u>\$ 23,858</u>	<u>\$ 126,767</u>	<u>\$ 42,580</u>	<u>\$ 19,670</u>	<u>\$ 208,673</u>	<u>\$ 21,430</u>	<u>\$ 1,499</u>	<u>\$ 564</u>	<u>\$ 750</u>

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Juvenile Diversion Fees	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library American Rescue Plan Act	Facilities Depreciation	University of Arkansas Community College at Batesville	Hydroelectric Project
REVENUES								
State aid								
Federal aid				\$ 3,673,531	\$ 15,884			
Property taxes			\$ 1,581					
Sales taxes							\$ 1,916,109	
Fines, forfeitures, and costs	\$ 110							
Interest				131,543				
Officers' fees		\$ 802						
Jail fees								
Sanitation fees						\$ 51,327		
911 fees								
Treasurer's commission								
Other								
TOTAL REVENUES	110	802	1,581	3,805,074	15,884	51,327	1,916,109	
Less: Treasurer's commission		5	9			279	11,224	
NET REVENUES	110	797	1,572	3,805,074	15,884	51,048	1,904,885	
EXPENDITURES								
Current:								
General government				18,407				
Law enforcement	60			100,392				
Highways and streets				65,092				
Public safety								
Sanitation								
Health								
Recreation and culture					31,412			
Social services								
Hydroelectric project								\$ 209
Economic development								
TOTAL EXPENDITURES	60			183,891	31,412			209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	50	797	1,572	3,621,183	(15,528)	51,048	1,904,885	(209)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Contribution of sales and property taxes from City of Southside (Note 15)								
Sales taxes collected and remitted to community college							(1,904,885)	
Sales taxes collected and remitted to fire departments								
TOTAL OTHER FINANCING SOURCES (USES)							(1,904,885)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	50	797	1,572	3,621,183	(15,528)	51,048		(209)
FUND BALANCES - JANUARY 1		5,908	7,404	2,449,566	15,528	177,240		4,565
FUND BALANCES - DECEMBER 31	\$ 50	\$ 6,705	\$ 8,976	\$ 6,070,749	\$ 0	\$ 228,288	\$ 0	\$ 4,356

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Department of Human Services/ Health Building	Disaster Recovery	County Economic Development	Sales Tax - Fire Department	Sales Tax - Recreation	Drug Court Program	Independence County Driving While Intoxicated Court	Independence County Shooting Sports
REVENUES								
State aid								
Federal aid							\$ 50,131	
Property taxes								
Sales taxes				\$ 464,012	\$ 212,672			
Fines, forfeitures, and costs								
Interest		\$ 432						
Officers' fees							3,280	
Jail fees								
Sanitation fees								
911 fees								
Treasurer's commission								
Other	\$ 265,950		\$ 101,400		6,500			\$ 91,294
TOTAL REVENUES	265,950	432	101,400	464,012	219,172		53,411	91,294
Less: Treasurer's commission	1,176	2	581	2,718	1,246		19	497
NET REVENUES	264,774	430	100,819	461,294	217,926		53,392	90,797
EXPENDITURES								
Current:								
General government								
Law enforcement							56,633	
Highways and streets								
Public safety				461,294				
Sanitation								
Health	358,855							
Recreation and culture					78,486			190,277
Social services								
Hydroelectric project								
Economic development			49,816					
TOTAL EXPENDITURES	358,855		49,816	461,294	78,486		56,633	190,277
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(94,081)	430	51,003		139,440		(3,241)	(99,480)
OTHER FINANCING SOURCES (USES)								
Transfers in	40,000							81,000
Transfers out					(103,000)			
Contribution of sales and property taxes from City of Southside (Note 15)								
Sales taxes collected and remitted to community college								
Sales taxes collected and remitted to fire departments								
TOTAL OTHER FINANCING SOURCES (USES)	40,000				(103,000)			81,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(54,081)	430	51,003		36,440		(3,241)	(18,480)
FUND BALANCES - JANUARY 1	211,351	17,840	226,528		95,115	\$ 2,847	67,815	145,624
FUND BALANCES - DECEMBER 31	\$ 157,270	\$ 18,270	\$ 277,531	\$ 0	\$ 131,555	\$ 2,847	\$ 64,574	\$ 127,144

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	Act 490 of 2009 Drug Court Program Fee	Drug Court Graduation	Fire Department 1/4 Cent Sales Tax	Sheriff's Special Needs	Sheriff Drug Investigation	Senior Citizen	Donation Fund 911	Bayou Trail Project	Sheriff's Grant
REVENUES									
State aid						\$ 83,473			\$ 11,875
Federal aid				\$ 9,894		220,889			
Property taxes									
Sales taxes			\$ 1,916,109						
Fines, forfeitures, and costs					\$ 8,985				
Interest				644		1,598			
Officers' fees	\$ 520								
Jail fees									
Sanitation fees									
911 fees									
Treasurer's commission									
Other				5,142		144,492	\$ 350		
TOTAL REVENUES	520		1,916,109	15,680	8,985	450,452	350		11,875
Less: Treasurer's commission	3		11,224	4					
NET REVENUES	517		1,904,885	15,676	8,985	450,452	350		11,875
EXPENDITURES									
Current:									
General government									
Law enforcement		\$ 22		6,220	2,968				
Highways and streets									
Public safety							34		
Sanitation									
Health									
Recreation and culture									
Social services						442,009			
Hydroelectric project									
Economic development									
TOTAL EXPENDITURES		22		6,220	2,968	442,009	34		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	517	(22)	1,904,885	9,456	6,017	8,443	316		11,875
OTHER FINANCING SOURCES (USES)									
Transfers in						22,000			
Transfers out									
Contribution of sales and property taxes from City of Southside (Note 15)									
Sales taxes collected and remitted to community college									
Sales taxes collected and remitted to fire departments			(1,904,885)						
TOTAL OTHER FINANCING SOURCES (USES)			(1,904,885)			22,000			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	517	(22)		9,456	6,017	30,443	316		11,875
FUND BALANCES - JANUARY 1	20,801	79		26,395	21,473	53,866	348	\$ 20,000	
FUND BALANCES - DECEMBER 31	\$ 21,318	\$ 57	\$ 0	\$ 35,851	\$ 27,490	\$ 84,309	\$ 664	\$ 20,000	\$ 11,875

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Court Security Grant	Driving While Intoxicated Court Grant	Juvenile Officer Grant	Juvenile Drug Court Incentive	Elections COVID Response Grant	Senior Citizens Grant	Independence County Humane Society Grant	Batesville Senior Citizen Center Grant
REVENUES								
State aid	\$ 8,370		\$ 12,271	\$ 4,663				\$ 27,504
Federal aid						\$ 7,770		
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest								
Officers' fees								
Jail fees								
Sanitation fees								
911 fees								
Treasurer's commission								
Other								
TOTAL REVENUES	8,370		12,271	4,663		7,770		27,504
Less: Treasurer's commission								
NET REVENUES	8,370		12,271	4,663		7,770		27,504
EXPENDITURES								
Current:								
General government							\$ 3,000	
Law enforcement	8,304		9,617	4,633				
Highways and streets								
Public safety								
Sanitation								
Health								
Recreation and culture								
Social services						7,770		27,504
Hydroelectric project								
Economic development								
TOTAL EXPENDITURES	8,304		9,617	4,633		7,770	3,000	27,504
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	66		2,654	30			(3,000)	
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Contribution of sales and property taxes from City of Southside (Note 15)								
Sales taxes collected and remitted to community college								
Sales taxes collected and remitted to fire departments								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	66		2,654	30			(3,000)	
FUND BALANCES - JANUARY 1		\$ 1,302	17,373		\$ 19,355		3,000	
FUND BALANCES - DECEMBER 31	\$ 66	\$ 1,302	\$ 20,027	\$ 30	\$ 19,355	\$ 0	\$ 0	\$ 0

INDEPENDENCE COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			Totals
	Oil Trough Senior Citizen Center Grant	Cushman Senior Citizen Center Grant	Newark Senior Citizen Center Grant	Ozark Mountain Poultry Magness Feed Mill Project	Intimidator	Cord Volunteer Fire Department	
REVENUES							
State aid	\$ 3,938	\$ 1,533	\$ 1,441			\$ 15,000	\$ 435,759
Federal aid					\$ 3,516		3,981,615
Property taxes							556,743
Sales taxes							5,320,922
Fines, forfeitures, and costs							144,240
Interest							145,266
Officers' fees							217,004
Jail fees							47,467
Sanitation fees							1,395,220
911 fees							673,993
Treasurer's commission							45,000
Other							961,599
TOTAL REVENUES	3,938	1,533	1,441		3,516	15,000	13,924,828
Less: Treasurer's commission							54,589
NET REVENUES	3,938	1,533	1,441		3,516	15,000	13,870,239
EXPENDITURES							
Current:							
General government							326,332
Law enforcement							401,105
Highways and streets							65,092
Public safety						5,427	1,232,399
Sanitation							2,310,950
Health							358,855
Recreation and culture							971,212
Social services	3,938	1,533	1,441				484,195
Hydroelectric project							209
Economic development				\$ 105,946	3,516		159,278
TOTAL EXPENDITURES	3,938	1,533	1,441	105,946	3,516	5,427	6,309,627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				(105,946)		9,573	7,560,612
OTHER FINANCING SOURCES (USES)							
Transfers in							258,562
Transfers out							(103,000)
Contribution of sales and property taxes from City of Southside (Note 15)							182,014
Sales taxes collected and remitted to community college							(1,904,885)
Sales taxes collected and remitted to fire departments							(1,904,885)
TOTAL OTHER FINANCING SOURCES (USES)							(3,472,194)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				(105,946)		9,573	4,088,418
FUND BALANCES - JANUARY 1				105,946			6,658,927
FUND BALANCES - DECEMBER 31	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,573	\$ 10,747,345

INDEPENDENCE 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.
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 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 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on fee schedule contained in an ordinance. County Ordinance no. 2012-58 (December 11, 2012) authorized solid waste management fees.
Child Support Fee	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 and phone commission funds to be used for communications equipment and repair and to train operations staff.
Jail Fine	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

INDEPENDENCE 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	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
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.
Juvenile Probation	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
Juvenile Diversion Fees	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of Circuit Court.
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.

INDEPENDENCE 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.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
County Library American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Facilities Depreciation	Independence County Ordinance no. 2017-39 (August 14, 2017) established fund to account for funds derived from solid waste fees collected from IESI.
University of Arkansas Community College at Batesville	Established to receive 1/4% sales and use tax, approved by voters on February 24, 1998, levied for the purpose of acquisition, construction, equipping, operations and maintenance of the University of Arkansas Community College at Batesville.
Hydroelectric Project	Independence County Ordinance no. 264-83 (March 11, 1983) established fund to account for expenses associated with the development of the hydroelectric project.
Department of Human Services/ Health Building	Independence County Ordinance no. 99-18 (June 15, 1999) established fund to account for rent and expenses associated with the County Health Office Building.
Disaster Recovery	Independence County Ordinance no. 97-15 (June 10, 1997) established fund to account for Special Disaster Recovery Grant from the Department of Emergency Services.
County Economic Development	Independence County Ordinance no. 2009-42 (August 10, 2009) established fund to account for funds derived from an election approving an economic development sales tax for the purpose of economic development.
Sales Tax - Fire Department	Independence County Ordinance no. 2018-34 (December 10, 2018) established fund to account for 12% of 1% sales tax for fire department expenses.

INDEPENDENCE 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>
Sales Tax - Recreation	Independence County Ordinance no. 2018-34 (December 10, 2018) established fund to account for 5.5% of 1% sales tax for recreation and culture expenses.
Drug Court Program	Established to account for a grant received from the Administrative Office of the Courts for graduation incentives.
Independence County Driving While Intoxicated Court	Independence County Ordinance no. 2009-34 (July 13, 2009) established fund to account for state fines, client contribution fees, and grants to be used for court and class purposes.
Independence County Shooting Sports	Independence County Ordinance no. 2011-09 (February 14, 2011) established fund to account for grants, donations, fees, and expenses associated with the shooting range.
Act 490 of 2009 Drug Court Program Fee	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.
Drug Court Graduation	Independence County Ordinance no. 2011-45 (November 15, 2011) established fund to account for drug court grant.
Fire Department 1/4 Cent Sales Tax	Independence County Ordinance no. 2013-27 (June 10, 2013) established fund to account for 1/2% sales tax for fire department purposes.
Sheriff's Special Needs	Independence County Ordinance no. 2001-07 (March 13, 2001) established fund to account for donations, gifts, and receipts that are designated to be used only for special needs and projects of the Sheriff's office.
Sheriff Drug Investigation	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Senior Citizen	Independence County Ordinance no. 2013-33 (July 9, 2013) established fund to account for grants, donations, fees, and expenses associated with the Senior Citizens program.
Donation Fund 911	Independence County Ordinance no. 2017-46 (December 11, 2017) established fund to account for donations to be used for 911 dispatch.
Bayou Trail Project	Independence County Ordinance no. 2021-05 (February 9, 2021) established fund to account for private donation for bayou trail project.

INDEPENDENCE 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>
Sheriff's Grant	Independence County Ordinance no. 2004-02 (January 13, 2004) established fund to account for the Law Enforcement Block Grant.
Court Security Grant	Independence County Ordinance no. 2022-16 (September 12, 2022) established fund to account for the Court Security Grant.
Driving While Intoxicated Court Grant	Independence County Ordinance no. 2016-16 (April 11, 2016) established fund to account for grants from the Arkansas Department of Community Corrections for court related programs and expenses.
Juvenile Officer Grant	Independence County Ordinance no. 2020-06 (March 9, 2020) established fund to account for state administrative of courts grant for Juvenile Officers.
Juvenile Drug Court Incentive	Independence County Ordinance no. 2020-11 (May 11, 2020) established fund to account for state grant for Juvenile Drug Court.
Elections COVID Response Grant	Independence County Ordinance no. 2020-26 (December 14, 2020) established fund to account for a grant from the Center for Technology and Civic Life.
Senior Citizens Grant	Independence County Ordinance no. 2021-28 (December 13, 2021) established fund to account for a grant for the Senior Citizens Center.
Independence County Humane Society Grant	Independence County Ordinance no. 2022-05 (April 11, 2022) established fund to account for AEDC grant revenue.
Batesville Senior Citizen Center Grant	Independence County Ordinance no. 2022-16 (September 12, 2022) established fund to account for funds derived from State Restrictive Reserve Funds administered through White River Area Agency on Aging, Inc. for the Batesville Senior Citizen Center.
Oil Trough Senior Citizen Center Grant	Independence County Ordinance no. 2022-16 (September 12, 2022) established fund to account for funds derived from State Restrictive Reserve Funds administered through White River Area Agency on Aging, Inc. for the Oil Trough Senior Citizen Center.

INDEPENDENCE 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>
Cushman Senior Citizen Center Grant	Independence County Ordinance no. 2022-16 (September 12, 2022) established fund to account for funds derived from State Restrictive Reserve Funds administered through White River Area Agency on Aging, Inc. for the Cushman Senior Citizen Center.
Newark Senior Citizen Center Grant	Independence County Ordinance no. 2022-16 (September 12, 2022) established fund to account for funds derived from State Restrictive Reserve Funds administered through White River Area Agency on Aging, Inc. for the Newark Senior Citizen Center.
Ozark Mountain Poultry Magness Feed Mill Project	Established to account for federal grants received from the United States Department of Housing and Urban Development and the United States Commerce Department Economic Development Administration for expansion of a poultry facility.
Intimidator	Independence County Ordinance no. 2017-08 (February 13, 2017) established fund to account for funds derived from an Arkansas Economic Development Grant administered through White River Planning and Development.
Cord Volunteer Fire Department	Independence County Ordinance no. 2017-13 (March 13, 2017) established fund to account for funds derived from state General Improvement Fund grants.

Treasurer's accounts consist primarily of property taxes, interest not distributed to the appropriate agencies, and funds held for a rural fire department.

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 accounts and fees to be settled with the treasurer.

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.

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

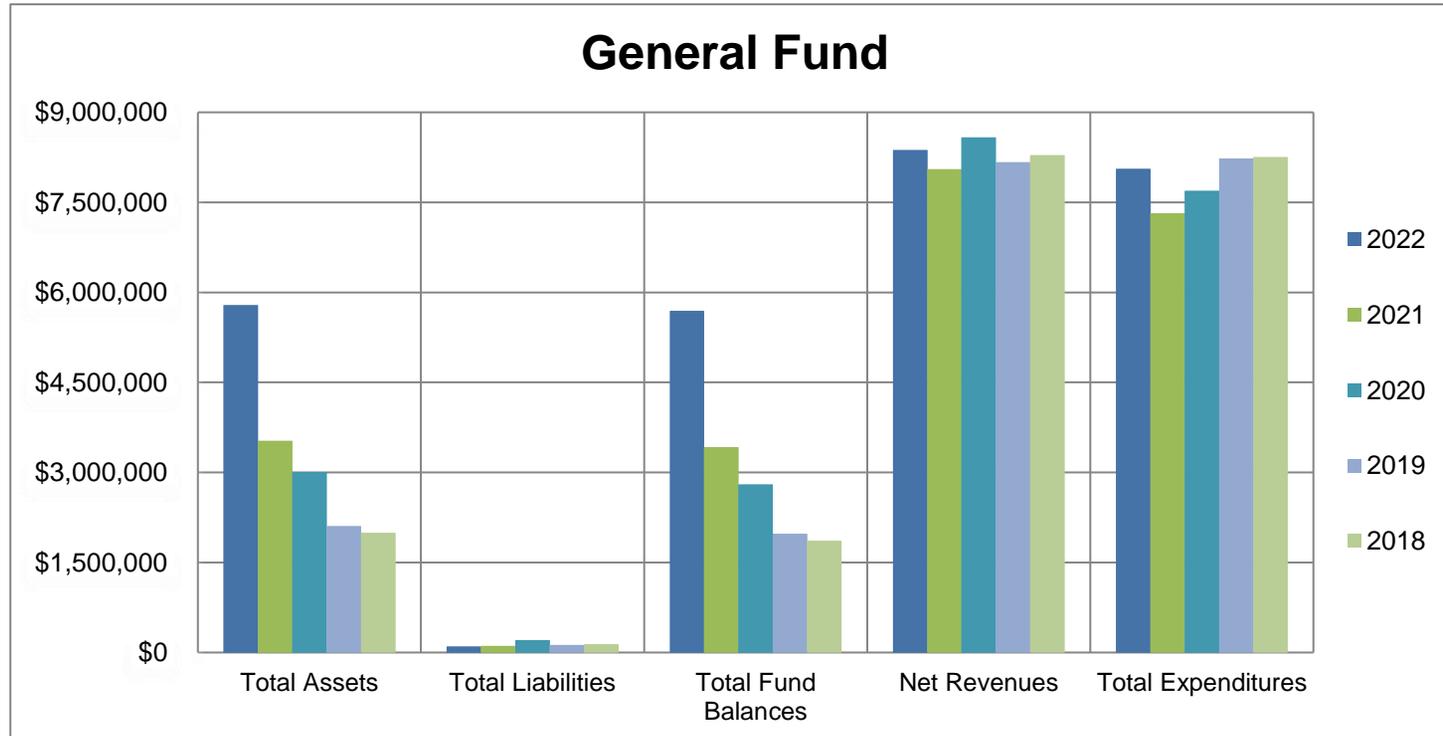
Schedule 3

	<u>December 31, 2022</u>
Land	\$ 2,734,066
Buildings	14,514,496
Equipment	<u>13,248,315</u>
Total	<u><u>\$ 30,496,877</u></u>

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

Schedule 4-1

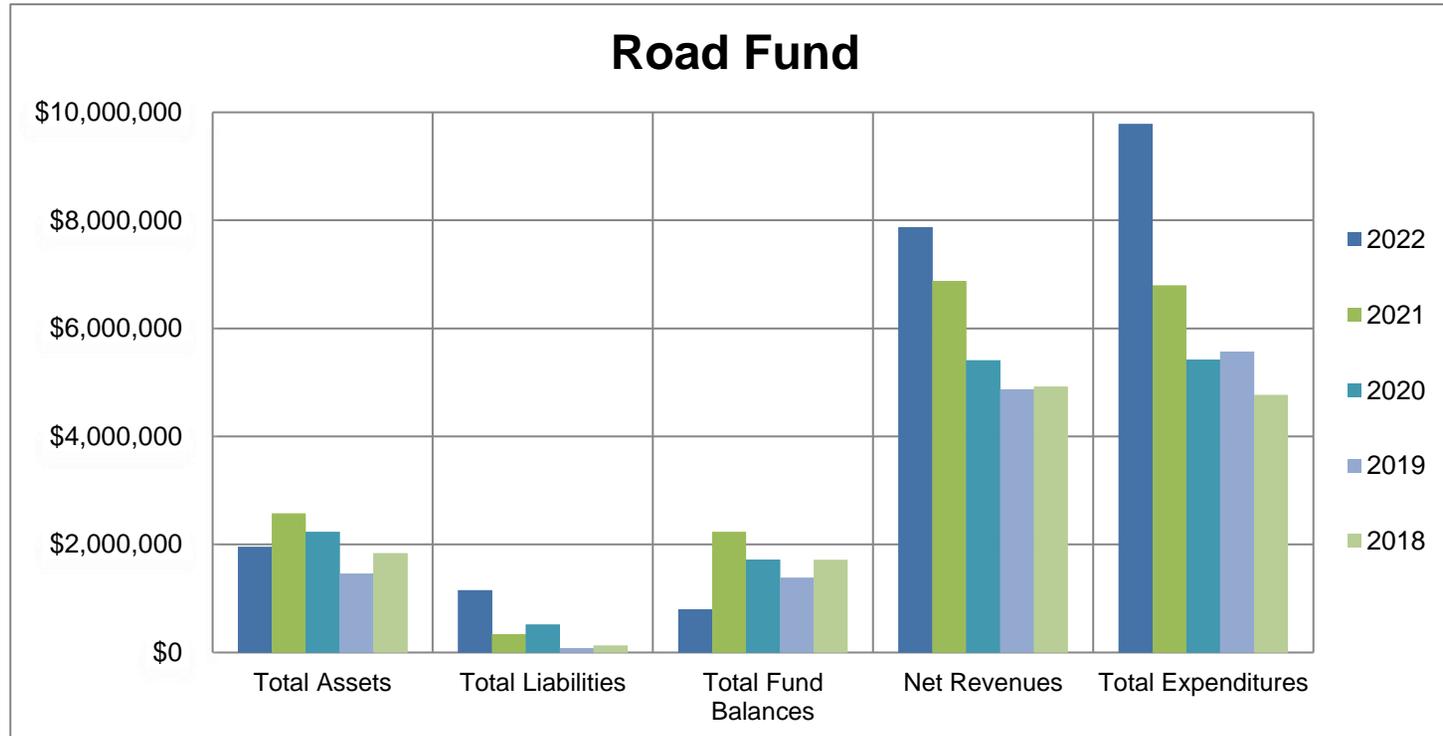
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 5,786,709	\$ 3,524,242	\$ 3,003,712	\$ 2,106,067	\$ 1,993,742
Total Liabilities	96,716	106,707	206,825	127,242	134,105
Total Fund Balances	5,689,993	3,417,535	2,796,887	1,978,825	1,859,637
Net Revenues	8,369,165	8,051,402	8,582,970	8,169,014	8,284,071
Total Expenditures	8,054,026	7,320,867	7,688,692	8,229,400	8,250,847
Total Other Financing Sources/Uses	1,957,319	(109,887)	(76,216)	179,574	298,625



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

Schedule 4-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 1,951,734	\$ 2,574,317	\$ 2,229,265	\$ 1,458,843	\$ 1,839,249
Total Liabilities	1,151,553	339,902	513,261	78,994	124,145
Total Fund Balances	800,181	2,234,415	1,716,004	1,379,849	1,715,104
Net Revenues	7,875,128	6,877,526	5,408,564	4,872,340	4,920,097
Total Expenditures	9,780,337	6,791,394	5,419,782	5,565,911	4,766,303
Total Other Financing Sources/Uses	470,975	432,279	347,373	358,316	345,886



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 11,938,190	\$ 7,739,389	\$ 4,763,925	\$ 4,620,074	\$ 5,379,705
Total Liabilities	1,190,845	1,080,462	973,402	1,449,282	1,571,925
Total Fund Balances	10,747,345	6,658,927	3,790,523	3,170,792	3,807,780
Net Revenues	13,870,239	13,629,308	9,676,388	8,029,368	8,750,002
Total Expenditures	6,309,627	7,511,533	6,084,340	5,953,726	7,481,994
Total Other Financing Sources/Uses	(3,472,194)	(3,249,371)	(2,972,317)	(2,712,630)	(3,501,632)

