

Sevier County, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



SEVIER COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas

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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

Financial and Compliance Report

Sevier 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 Sevier County, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 26, 2023. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

County Judge: Greg Ray
Treasurer: Heather Barnes
Sheriff: Robert Gentry
County Clerk: Debbie Akin
Circuit Clerk: Kathy Smith
Assessor: Sheila Ridley
County Librarian: Johnye Fisher

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, other matters came to our attention that would warrant disclosure in this report.

Other Matters

On November 24, 2021, a County employee's email was compromised, and a fraudulent email was sent to the County's bank, requesting sales tax funds be deposited into a different account. The County notified the bank when the funds were not received; subsequently, the bank returned the funds to the County and notified Arkansas State Police.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
April 26, 2023
LOCO06621

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,750,619	\$ 2,053,201	\$ 22,514,426
Accounts receivable	190,884	33,741	258,120
	<u>3,941,503</u>	<u>2,086,942</u>	<u>22,772,546</u>
TOTAL ASSETS	<u>\$ 3,941,503</u>	<u>\$ 2,086,942</u>	<u>\$ 22,772,546</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 34,376	\$ 23,228	\$ 67,405
Settlements pending	141,959	1,167	313,782
Total Liabilities	<u>176,335</u>	<u>24,395</u>	<u>381,187</u>
Fund Balances:			
Restricted		2,062,547	22,295,226
Assigned	611,177		134,379
Unassigned	3,153,991		(38,246)
Total Fund Balances	<u>3,765,168</u>	<u>2,062,547</u>	<u>22,391,359</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,941,503</u>	<u>\$ 2,086,942</u>	<u>\$ 22,772,546</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 567,229	\$ 1,647,732	\$ 113,349
Federal aid	166,442		1,965,389
Property taxes	580,035	358,364	151,965
Sales taxes	736,986	451,701	5,120,613
Fines, forfeitures, and costs	302,006		80,671
Interest	47,990	20,339	72,765
Officers' fees	50,231		102,454
Sanitation Fees			32,127
911 surcharge			321,933
Airport			78,153
Jail Fees			299,930
Dispatcher reimbursement			150,280
Treasurer's commission	79,732		23,968
Collector's commission	150,855		30,259
Taxes apportioned - Assessor's salary and expense	219,384		
Other	196,353	33,231	79,397
TOTAL REVENUES	3,097,243	2,511,367	8,623,253
Less: Treasurer's commission	19,976	20,401	51,172
NET REVENUES	3,077,267	2,490,966	8,572,081
EXPENDITURES			
Current:			
General government	1,208,972		91,584
Law enforcement	1,532,745		1,407,993
Highways and streets	39,168	2,273,690	
Public safety	52,116		224,471
Sanitation	21,627		1,134,141
Health	76,620		10,120,740
Recreation and culture	11,232		139,073
Social services	71,844		
Airport			235,440
Total Current	3,014,324	2,273,690	13,353,442
Debt Service:			
Bond interest and other charges			534,485
TOTAL EXPENDITURES	3,014,324	2,273,690	13,887,927

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 62,943</u>	<u>\$ 217,276</u>	<u>\$ (5,315,846)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000		180,893
Transfers out			(230,893)
Sale tax remitted to Cossatot Community College			<u>(596,972)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>		<u>(646,972)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	112,943	217,276	(5,962,818)
FUND BALANCES - JANUARY 1	<u>3,652,225</u>	<u>1,845,271</u>	<u>28,354,177</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,765,168</u></u>	<u><u>\$ 2,062,547</u></u>	<u><u>\$ 22,391,359</u></u>

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

SEVIER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 440,656	\$ 567,229	\$ 126,573	\$ 1,356,833	\$ 1,647,732	\$ 290,899
Federal aid	939,919	166,442	(773,477)			
Property taxes	544,974	580,035	35,061	318,000	358,364	40,364
Sales taxes	660,677	736,986	76,309	100,000	451,701	351,701
Fines, forfeitures, and costs	349,100	302,006	(47,094)			
Interest	45,200	47,990	2,790	64,250	20,339	(43,911)
Officers' fees	45,250	50,231	4,981			
Treasurer's commission	73,000	79,732	6,732			
Collector's commission	140,000	150,855	10,855			
Taxes apportioned - Assessor's salary and expense	280,000	219,384	(60,616)			
Other	175,850	196,353	20,503	24,781	33,231	8,450
TOTAL REVENUES	3,694,626	3,097,243	(597,383)	1,863,864	2,511,367	647,503
Less: Treasurer's commission		19,976	(19,976)		20,401	(20,401)
NET REVENUES	3,694,626	3,077,267	(617,359)	1,863,864	2,490,966	627,102
EXPENDITURES						
Current:						
General government	1,573,582	1,208,972	364,610			
Law enforcement	1,505,064	1,532,745	(27,681)			
Highways and streets		39,168	(39,168)	2,950,515	2,273,690	676,825
Public safety	84,889	52,116	32,773			
Sanitation		21,627	(21,627)			
Health	115,510	76,620	38,890			
Recreation and culture	3,500	11,232	(7,732)			
Social services	78,342	71,844	6,498			
TOTAL EXPENDITURES	3,360,887	3,014,324	346,563	2,950,515	2,273,690	676,825

SEVIER COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 333,739	\$ 62,943	\$ (270,796)	\$ (1,086,651)	\$ 217,276	\$ 1,303,927
OTHER FINANCING SOURCES (USES)						
Transfers in	118,400	50,000	(68,400)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	452,139	112,943	(339,196)	(1,086,651)	217,276	1,303,927
FUND BALANCES - JANUARY 1	3,301,610	3,652,225	350,615	1,845,163	1,845,271	108
FUND BALANCES - DECEMBER 31	\$ 3,753,749	\$ 3,765,168	\$ 11,419	\$ 758,512	\$ 2,062,547	\$ 1,304,035

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

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library
ASSETS							
Cash and cash equivalents	\$ 37,599	\$ 47,313	\$ 20,108	\$ 14,402	\$ 16,195	\$ 106,840	\$ 477,130
Accounts receivable	2	30,264	580	2	529	8,202	4,779
TOTAL ASSETS	\$ 37,601	\$ 77,577	\$ 20,688	\$ 14,404	\$ 16,724	\$ 115,042	\$ 481,909
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable						\$ 1,974	\$ 537
Settlements pending							489
Total Liabilities						<u>1,974</u>	<u>1,026</u>
Fund Balances:							
Restricted	\$ 37,601	\$ 77,577	\$ 20,688	\$ 14,404	\$ 16,724	113,068	346,504
Assigned							134,379
Unassigned							
Total Fund Balances	<u>37,601</u>	<u>77,577</u>	<u>20,688</u>	<u>14,404</u>	<u>16,724</u>	<u>113,068</u>	<u>480,883</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,601	\$ 77,577	\$ 20,688	\$ 14,404	\$ 16,724	\$ 115,042	\$ 481,909

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

Schedule 1

SPECIAL REVENUE FUNDS

	Solid Waste	Support Collection's Cost	Communication Facility and Equipment	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle
ASSETS							
Cash and cash equivalents	\$ 2,484,145	\$ 4,792	\$ 106,532	\$ 689,514	\$ 10,910	\$ 599,634	\$ 15,071
Accounts receivable	16,277	62	1,513	52,087	20	69,793	43
TOTAL ASSETS	<u>\$ 2,500,422</u>	<u>\$ 4,854</u>	<u>\$ 108,045</u>	<u>\$ 741,601</u>	<u>\$ 10,930</u>	<u>\$ 669,427</u>	<u>\$ 15,114</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 31,914			\$ 8,804		\$ 2,431	
Settlements pending							
Total Liabilities	<u>31,914</u>			<u>8,804</u>		<u>2,431</u>	
Fund Balances:							
Restricted	2,468,508	\$ 4,854	\$ 108,045	732,797	\$ 10,930	666,996	\$ 15,114
Assigned							
Unassigned							
Total Fund Balances	<u>2,468,508</u>	<u>4,854</u>	<u>108,045</u>	<u>732,797</u>	<u>10,930</u>	<u>666,996</u>	<u>15,114</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,500,422</u>	<u>\$ 4,854</u>	<u>\$ 108,045</u>	<u>\$ 741,601</u>	<u>\$ 10,930</u>	<u>\$ 669,427</u>	<u>\$ 15,114</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Victim/Witness	Indigent Defense	Circuit Court Juvenile Division	Sevier County Airport Board	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan
ASSETS							
Cash and cash equivalents	\$ 1,881	\$ 1,484	\$ 4,810	\$ 117,057	\$ 3,888	\$ 2,459	\$ 1,651,705
Accounts receivable	3,418	529	571	483	7	9	
TOTAL ASSETS	\$ 5,299	\$ 2,013	\$ 5,381	\$ 117,540	\$ 3,895	\$ 2,468	\$ 1,651,705
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 482						
Settlements pending							
Total Liabilities	482						
Fund Balances:							
Restricted	4,817	\$ 2,013	\$ 5,381	\$ 117,540	\$ 3,895	\$ 2,468	\$ 1,651,705
Assigned							
Unassigned							
Total Fund Balances	4,817	2,013	5,381	117,540	3,895	2,468	1,651,705
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,299	\$ 2,013	\$ 5,381	\$ 117,540	\$ 3,895	\$ 2,468	\$ 1,651,705

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

Schedule 1

SPECIAL REVENUE FUNDS

	Sevier County Medical Center	Jail Rehabilitation Education	Residential Substance Abuse Treatment	Comprehensive Opioid Abuse Site Base Program	Coronavirus Emergency Supplemental Funding	County Law Library	Cossatot Community College Sales Tax
ASSETS							
Cash and cash equivalents	\$ 174,730	\$ 24	\$ (37,505)	\$ 11,120	\$ (26,090)	\$ 5,802	
Accounts receivable			75	8,954	26,090	279	6,834
TOTAL ASSETS	<u>\$ 174,730</u>	<u>\$ 24</u>	<u>\$ (37,430)</u>	<u>\$ 20,074</u>	<u>\$ 0</u>	<u>\$ 6,081</u>	<u>\$ 6,834</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 12,981		\$ 816	\$ 6		\$ 626	\$ 6,834
Settlements pending							
Total Liabilities	<u>12,981</u>		<u>816</u>	<u>6</u>		<u>626</u>	<u>6,834</u>
Fund Balances:							
Restricted	161,749	\$ 24		20,068		5,455	
Assigned							
Unassigned			(38,246)				
Total Fund Balances	<u>161,749</u>	<u>24</u>	<u>(38,246)</u>	<u>20,068</u>		<u>5,455</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 174,730</u>	<u>\$ 24</u>	<u>\$ (37,430)</u>	<u>\$ 20,074</u>	<u>\$ 0</u>	<u>\$ 6,081</u>	<u>\$ 6,834</u>

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

Schedule 1

	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	CUSTODIAL FUNDS				
	Hospital Capital Project	2020 Sales and Use Tax Bond Issue	Treasurer's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 13,418,110	\$ 2,241,473	\$ 216,411	\$ 34,191	\$ 1,264	\$ 61,427	\$ 22,514,426
Accounts receivable	42	26,676					258,120
TOTAL ASSETS	\$ 13,418,152	\$ 2,268,149	\$ 216,411	\$ 34,191	\$ 1,264	\$ 61,427	\$ 22,772,546
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 67,405
Settlements pending			\$ 216,411	\$ 34,191	\$ 1,264	\$ 61,427	313,782
Total Liabilities			216,411	34,191	1,264	61,427	381,187
Fund Balances:							
Restricted	\$ 13,418,152	\$ 2,268,149					22,295,226
Assigned							134,379
Unassigned							(38,246)
Total Fund Balances	13,418,152	2,268,149					22,391,359
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,418,152	\$ 2,268,149	\$ 216,411	\$ 34,191	\$ 1,264	\$ 61,427	\$ 22,772,546

SEVIER COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste	Support Collection's Cost
REVENUES									
State aid				\$ 4,961			\$ 27,010	\$ 7,472	
Federal aid									
Property taxes							151,231		
Sales taxes								1,204,363	
Fines, forfeitures, and costs			\$ 7,390						
Interest	\$ 192	\$ 469	175	178	\$ 184	\$ 1,166	3,469	24,707	\$ 63
Officers' fees					8,353	85,613			2,195
Sanitation Fees								32,127	
911 surcharge									
Airport									
Jail Fees									
Dispatcher reimbursement									
Treasurer's commission	23,968								
Collector's commission		30,259							
Other		6		29		56	11,599	3,806	
TOTAL REVENUES	24,160	30,734	7,565	5,168	8,537	86,835	193,309	1,272,475	2,258
Less: Treasurer's commission	2	4	65	2	74	745	1,547	10,911	19
NET REVENUES	24,158	30,730	7,500	5,166	8,463	86,090	191,762	1,261,564	2,239
EXPENDITURES									
Current:									
General government	11,875	13,857		3,540	13,983	41,448			2,000
Law enforcement									
Public safety									
Sanitation								1,134,141	
Health									
Recreation and culture							139,073		
Airport									
Total Current	11,875	13,857		3,540	13,983	41,448	139,073	1,134,141	2,000
Debt Service:									
Bond interest and other charges									
TOTAL EXPENDITURES	11,875	13,857		3,540	13,983	41,448	139,073	1,134,141	2,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,283	16,873	7,500	1,626	(5,520)	44,642	52,689	127,423	239
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(30,000)			
Sale tax remitted to Cossatot Community College									
TOTAL OTHER FINANCING SOURCES (USES)						(30,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	12,283	16,873	7,500	1,626	(5,520)	14,642	52,689	127,423	239
FUND BALANCES - JANUARY 1	25,318	60,704	13,188	12,778	22,244	98,426	428,194	2,341,085	4,615
FUND BALANCES - DECEMBER 31	\$ 37,601	\$ 77,577	\$ 20,688	\$ 14,404	\$ 16,724	\$ 113,068	\$ 480,883	\$ 2,468,508	\$ 4,854

SEVIER COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Communication Facility and Equipment	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense	Circuit Court Juvenile Division
REVENUES								
State aid			\$ 1,689				\$ 1,618	
Federal aid								
Property taxes								
Sales taxes		\$ 903,272						
Fines, forfeitures, and costs		49,838			\$ 3,190	\$ 5,902	6,934	\$ 3,816
Interest	\$ 911	5,037	105	\$ 6,405	138		63	32
Officers' fees	5,733							
Sanitation Fees								
911 surcharge				321,933				
Airport								
Jail Fees		299,930						
Dispatcher reimbursement		150,280						
Treasurer's commission								
Collector's commission								
Other	37,132	6,396				5,761	80	
TOTAL REVENUES	43,776	1,414,753	1,794	328,338	3,328	11,663	8,695	3,848
Less: Treasurer's commission	74	9,207	15	2,435	29	50	141	32
NET REVENUES	43,702	1,405,546	1,779	325,903	3,299	11,613	8,554	3,816
EXPENDITURES								
Current:								
General government	137							
Law enforcement		1,167,878	111			8,522	14,100	
Public safety				224,471				
Sanitation								
Health								
Recreation and culture								
Airport								
Total Current	137	1,167,878	111	224,471		8,522	14,100	
Debt Service:								
Bond interest and other charges								
TOTAL EXPENDITURES	137	1,167,878	111	224,471		8,522	14,100	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	43,565	237,668	1,668	101,432	3,299	3,091	(5,546)	3,816
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Sale tax remitted to Cossatot Community College								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	43,565	237,668	1,668	101,432	3,299	3,091	(5,546)	3,816
FUND BALANCES - JANUARY 1	64,480	495,129	9,262	565,564	11,815	1,726	7,559	1,565
FUND BALANCES - DECEMBER 31	\$ 108,045	\$ 732,797	\$ 10,930	\$ 666,996	\$ 15,114	\$ 4,817	\$ 2,013	\$ 5,381

SEVIER COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Sevier County Airport Board	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan	Sevier County Medical Center	Jail Rehabilitation Education	Residential Substance Abuse Treatment	Center for Tech and Civic Life Grant
REVENUES								
State aid	\$ 16,549							
Federal aid	175,484			\$ 1,651,705			\$ 112,110	
Property taxes			\$ 734					
Sales taxes	2,071							
Fines, forfeitures, and costs								
Interest	231	\$ 39	21	175	\$ 1,499			
Officers' fees		560						
Sanitation Fees								
911 surcharge								
Airport	78,153							
Jail Fees								
Dispatcher reimbursement								
Treasurer's commission								
Collector's commission								
Other	13,632						900	
TOTAL REVENUES	286,120	599	755	1,651,880	1,499		113,010	
Less: Treasurer's commission		5	7	175	30			
NET REVENUES	286,120	594	748	1,651,705	1,469		113,010	
EXPENDITURES								
Current:								
General government								\$ 4,744
Law enforcement							149,805	
Public safety								
Sanitation								
Health					20,613			
Recreation and culture								
Airport	235,440							
Total Current	235,440				20,613		149,805	4,744
Debt Service:								
Bond interest and other charges								
TOTAL EXPENDITURES	235,440				20,613		149,805	4,744
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	50,680	594	748	1,651,705	(19,144)		(36,795)	(4,744)
OTHER FINANCING SOURCES (USES)								
Transfers in					180,893			
Transfers out	(20,000)							
Sale tax remitted to Cossatot Community College								
TOTAL OTHER FINANCING SOURCES (USES)	(20,000)				180,893			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	30,680	594	748	1,651,705	161,749		(36,795)	(4,744)
FUND BALANCES - JANUARY 1	86,860	3,301	1,720			\$ 24	(1,451)	4,744
FUND BALANCES - DECEMBER 31	\$ 117,540	\$ 3,895	\$ 2,468	\$ 1,651,705	\$ 161,749	\$ 24	\$ (38,246)	\$ 0

SEVIER COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
	Comprehensive Opioid Abuse Site Base Program	Coronavirus Emergency Supplemental Funding	County Law Library	Cossatot Community College Sales Tax	Hospital Capital Project	2020 Sales and Use Tax Bond Issue	Totals
REVENUES							
State aid	\$ 54,050						\$ 113,349
Federal aid		\$ 26,090					1,965,389
Property taxes							151,965
Sales taxes				\$ 602,181		\$ 2,408,726	5,120,613
Fines, forfeitures, and costs			\$ 3,601				80,671
Interest			81		\$ 8,093	19,332	72,765
Officers' fees							102,454
Sanitation Fees							32,127
911 surcharge							321,933
Airport							78,153
Jail Fees							299,930
Dispatcher reimbursement							150,280
Treasurer's commission							23,968
Collector's commission							30,259
Other							79,397
TOTAL REVENUES	54,050	26,090	3,682	602,181	8,093	2,428,058	8,623,253
Less: Treasurer's commission			26	5,209	32	20,336	51,172
NET REVENUES	54,050	26,090	3,656	596,972	8,061	2,407,722	8,572,081
EXPENDITURES							
Current:							
General government							91,584
Law enforcement	33,982	26,090	7,505				1,407,993
Public safety							224,471
Sanitation							1,134,141
Health					8,134,358	1,965,769	10,120,740
Recreation and culture							139,073
Airport							235,440
Total Current	33,982	26,090	7,505		8,134,358	1,965,769	13,353,442
Debt Service:							
Bond interest and other charges						534,485	534,485
TOTAL EXPENDITURES	33,982	26,090	7,505		8,134,358	2,500,254	13,887,927
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,068		(3,849)	596,972	(8,126,297)	(92,532)	(5,315,846)
OTHER FINANCING SOURCES (USES)							
Transfers in							180,893
Transfers out						(180,893)	(230,893)
Sale tax remitted to Cossatot Community College				(596,972)			(596,972)
TOTAL OTHER FINANCING SOURCES (USES)				(596,972)		(180,893)	(646,972)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	20,068		(3,849)		(8,126,297)	(273,425)	(5,962,818)
FUND BALANCES - JANUARY 1			9,304		21,544,449	2,541,574	28,354,177
FUND BALANCES - DECEMBER 31	\$ 20,068	\$ 0	\$ 5,455	\$ 0	\$ 13,418,152	\$ 2,268,149	\$ 22,391,359

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions 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 costs of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system. Ark. Code Ann. § 16-20-407 established fund to account for \$2 marriage license fee to be used for operation of the county clerk's office.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Solid Waste	Established pursuant to Sevier County Ordinance no. 251 (January 10, 1994) which levied a one-half percent sales and use tax to finance a solid waste management system and closure of the existing landfill.
Support Collection's 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 and phone commission funds to be used for communications equipment and repair and to train operations staff.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Jail Operation and Maintenance	<p>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; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.</p> <p>Ark. Code Ann. § 12-41-505 established fund to receive \$20 booking and administration fee on persons convicted of a felony or Class A misdemeanor to be used for exclusively the maintenance, operation and capital expenditures of county jail or regional detention center.</p> <p>Established pursuant to Sevier County Ordinance no. 343 (September 22, 2005) which levied a three-eighths of one percent sales and use tax subsequently approved by voters on November 8, 2005 by special election pursuant to Sevier County Ordinance no. 344 (September 22, 2005) to operate and maintain the jail facility and other law enforcement purposes.</p>
Boating Safety and Enforcement	<p>Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.</p>
CMRS 911 Board (Commercial Mobile Radio Service)	<p>Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.</p>
Emergency Vehicle	<p>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.</p>
Victim/Witness	<p>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.</p>
Indigent Defense	<p>Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of juvenile division in chancery court; and for defraying the medical and dental cost for indigent defendants in the county jail.</p>
Circuit Court Juvenile Division	<p>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.</p>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Sevier County Airport Board	Ark. Code Ann. § 14-14-712 and Sevier County Ordinance no. 48 (October 16, 1978) established the Airport Board.
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 expenses of the office of Circuit Clerk.
Assessor's Late Assessment Fee	Arkansas Code Ann. § 26-26-201 established fund to receive an additional .50 delinquent assessment fee to help pay for the expense of assessing property.
American Rescue Plan	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.
Sevier County Medical Center	Established pursuant to Sevier County Ordinances no. 2021-10 (September 13, 2021) and no. 2021-13 (September 13, 2021) for the purpose to receive and or designate to funds the Sevier County Medical Center for operation and maintenance.
Jail Rehabilitation Education	Established pursuant to Sevier County Ordinance no. 2018-62 (July 9, 2018) to receive donations for the rehabilitative education for participants of the Arkansas Residential Substance Abuse Treatment Programs.
Residential Substance Abuse Treatment	Established to receive grant funds for the rehabilitative education for participants of the Arkansas Residential Substance Abuse Treatment Programs.
Center for Tech and Civic Life Grant	Established to receive grant funds for conducting safe and secure elections.
Comprehensive Opioid Abuse Site Base Program	Established pursuant to Sevier County Ordinance no. 2021-03 (February 8, 2021) for the purpose to receive and or designate to fund Arkansas Comprehensive Opioid Abuse Site Base Program.
Coronavirus Emergency Supplemental Funding	Established pursuant to Sevier county Ordinance no. 2021-19 (November 8, 2021) for the purpose to receive and or designate to fund the Coronavirus Emergency Supplemental Funding Program.
County Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Cossatot Community College Sales Tax	Established to receive the 1/4 cent sales tax approved by Sevier County Ordinance no. 2001-311 (January 8, 2001) as approved by referendum on March 16, 2001, for the purpose of operating and maintaining college facilities.
Hospital Capital Project	Established pursuant to Sevier County Ordinance no. 2020-03 (June 8, 2020) to expend construction costs incurred with the construction of a new hospital facility.
2020 Sales and Use Tax Bond Issue	Established pursuant to Sevier County Ordinance no. 2020-04 (September 11, 2020) to receive sales and use tax monies to be used for the payment of principal, interest, and fees for the construction of a new hospital facility.

Treasurer's accounts consist primarily of property taxes and treasurer's commission not distributed to the appropriate agencies.

Sheriff's accounts consist primarily of inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with the treasurer.

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

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

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Debt Service 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.

SEVIER COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(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.

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, officer's fees, excess commissions, 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. 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.
3. 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.

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

1. (Continued)

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 except for the Center for Tech and Civic Life Grant.

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.

There were no committed balances at year-end.

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

2. Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,923,856
Law enforcement			908,658
Highways and streets		\$ 2,062,547	
Public safety			682,110
Sanitation			2,468,508
Health			161,749
Recreation and culture			346,504
Airport			117,540
Capital outlay			13,418,152
Debt service			2,268,149
Total Restricted		<u>2,062,547</u>	<u>22,295,226</u>
Assigned to:			
General government	\$ 611,177		
Recreation and culture			134,379
Total Assigned	<u>611,177</u>		<u>134,379</u>
Unassigned	<u>3,153,991</u>		<u>(38,246)</u>
Totals	<u>\$ 3,765,168</u>	<u>\$ 2,062,547</u>	<u>\$ 22,391,359</u>

3. Commitments

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

	December 31, 2021
Long-term liabilities	\$ 24,633,434
Reappraisal contract	393,456
Construction contract	<u>12,895,149</u>
Total Commitments	<u>\$ 37,922,039</u>

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

3. Commitments (Continued)

Long-term Liabilities

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

	<u>December 31, 2021</u>
<u>Bonds</u>	
2020 Sales and Use Tax Refunding Bond Issue, dated October 22, 2020, in the amount of \$24,250,000, due in annual installments of \$170,000 - \$1,320,000 plus interest through August 1, 2050; interest at 0.639% - 3.282% due on February 1 and August 1 of each year beginning on February 1, 2021. Payments are to be made from the 2020 Sale and Use Tax Refunding Bond Issue Debt Service Fund.	\$ 24,250,000
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	190,351
Landfill closure and postclosure care costs	<u>193,083</u>
Total Long-term liabilities	<u>\$ 24,633,434</u>

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

The County's outstanding bonds payable of \$24,250,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

Post Employment Benefits Other Than Pensions

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

Landfill Closure and Postclosure Care Costs

Sevier County is the owner of permit #0288-S4-R1 to operate a Class IV solid waste landfill. The original permit was revised effective August 2006 to allow the County to use a modified trench fill. State and federal regulations require a final cover to be placed on the landfill site for when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of the closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care cost has a balance of \$193,083 as of December 31, 2021, which is based on 83% usage of the landfill. The County will recognize the remaining estimated closure and postclosure care cost of \$39,772 as the remaining capacity is filled.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2021. However, the actual cost of the closure and postclosure may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

In accordance with Arkansas Department of Environmental Quality (ADEQ) Regulation #22, the County has provided financial assurance of \$203,969 in the form of a Contract of Obligation dated July 14, 2020. This Contract of Obligation authorizes the State Treasurer to withhold from any funds being disbursed from the State of Arkansas to Sevier County the sum of \$203,969 upon receiving notice from Director of Arkansas Department of Environmental Quality of Sevier County's failure to properly close the landfill.

SEVIER COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2021
(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, 2021</u>	<u>Maturities to December 31, 2021</u>
<u>Bonds</u>					
10/22/20	8/1/50	0.639 - 3.282%	<u>\$ 24,250,000</u>	<u>\$ 24,250,000</u>	<u>\$ 0</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2021</u>
Bonds payable	<u>\$ 24,250,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,250,000</u>

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Bonds Interest</u>	<u>Total</u>
2022	\$ 170,000	\$ 672,142	\$ 842,142
2023	170,000	671,056	841,056
2024	345,000	669,675	1,014,675
2025	345,000	666,187	1,011,187
2026	525,000	662,355	1,187,355
2027 through 2031	3,480,000	3,156,212	6,636,212
2032 through 2036	4,065,000	2,744,659	6,809,659
2037 through 2041	4,670,000	2,138,839	6,808,839
2042 through 2046	5,455,000	361,956	5,816,956
2047 through 2050	<u>5,025,000</u>	<u>419,111</u>	<u>5,444,111</u>
Totals	<u>\$ 24,250,000</u>	<u>\$ 12,162,192</u>	<u>\$ 36,412,192</u>

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions on October 28, 2020, for a county-wide reappraisal. The County is obligated for monthly payments of \$8,197 for a total of \$491,820 beginning January 15, 2021. Contract expense for 2021 was \$98,364.

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

3. Commitments (Continued)

County-Wide Reappraisal Contract (Continued)

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

Year	December 31, 2021
2022	\$ 98,364
2023	98,364
2024	98,364
2025	98,364
Total	<u>\$ 393,456</u>

Construction Contract

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

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2021
Sevier County Hospital	December 6, 2022	<u>\$ 12,895,149</u>

4. Interfund Transfers

The Other Funds in the Aggregate transferred to the General Fund \$30,000 of excess funds from the County Recorder's Cost fund for operations and \$20,000 from the County Airport Fund for prior year expenditures. Within Other Funds in the Aggregate, \$180,893 was transferred from the Debt Service Fund to the Sevier County Medical Center Fund for expenditures relating to the new hospital.

5. Subsequent Events

Subsequent to December 31, 2021, the County entered into 31 construction contracts totaling \$907,294 related to the construction of the new hospital.

6. Pledged Revenues

The County pledged future 1% sales and use taxes to repay \$24,250,000 in bonds that were issued in 2020 to provide funding for the construction of a county hospital. Total principal and interest remaining on the bonds are \$24,250,000 and \$12,162,192, respectively, payable through August 1, 2050. For 2021, interest paid was \$520,910.

The Debt Service Fund received \$2,408,726 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose for which tax collections may be used.

7. Joint Venture: Regional Library

Sevier, Little River, and Howard Counties entered into an agreement on October 9, 2013, in accordance with Ark. Code Ann. § 13-2-401 to establish the Regional Library. The agreement states that Tri-County Regional Library is governed by a six member board which is made up of two appointed representatives of each county library board. Each county library is to contribute .25 per capita per year from their one mill property tax fund for the operation of the Tri-County Regional Library System. The County Library paid \$4,228 for regional library expenditures in 2021.

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

8. Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid the Upper Southwest Arkansas Regional Solid Waste Management District \$269,908 in 2021. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District may be obtained at www.arklegaudit.gov.

Ninth West Judicial District Drug Task Force

The Prosecuting Attorney of the Ninth West Judicial District, the Sheriffs' Departments of Little River, Sevier, Howard, and Pike Counties, and the Police Departments of Nashville, De Queen, and Ashdown entered into an agreement to establish the Ninth West Judicial District Drug Task Force. The agreement covers the period July 1, 2021 to June 30, 2022, and may be extended upon written mutual agreement. Funding is provided through federal and state grants in addition to contributions from the participating entities. In 2021, Sevier County contributed \$3,000 to the Ninth West Judicial District Drug Task Force. Separate financial statements for the Ninth West Judicial District Drug Task Force are not available.

9. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2021 (date of APERS Employer Allocation Report) were \$434,811.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$1,092,746.

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

10. Capital Assets

	December 31, 2021
Land	\$ 503,989
Buildings	11,625,655
Construction in progress	8,284,362
Equipment	<u>7,350,377</u>
Total	<u>\$ 27,764,383</u>

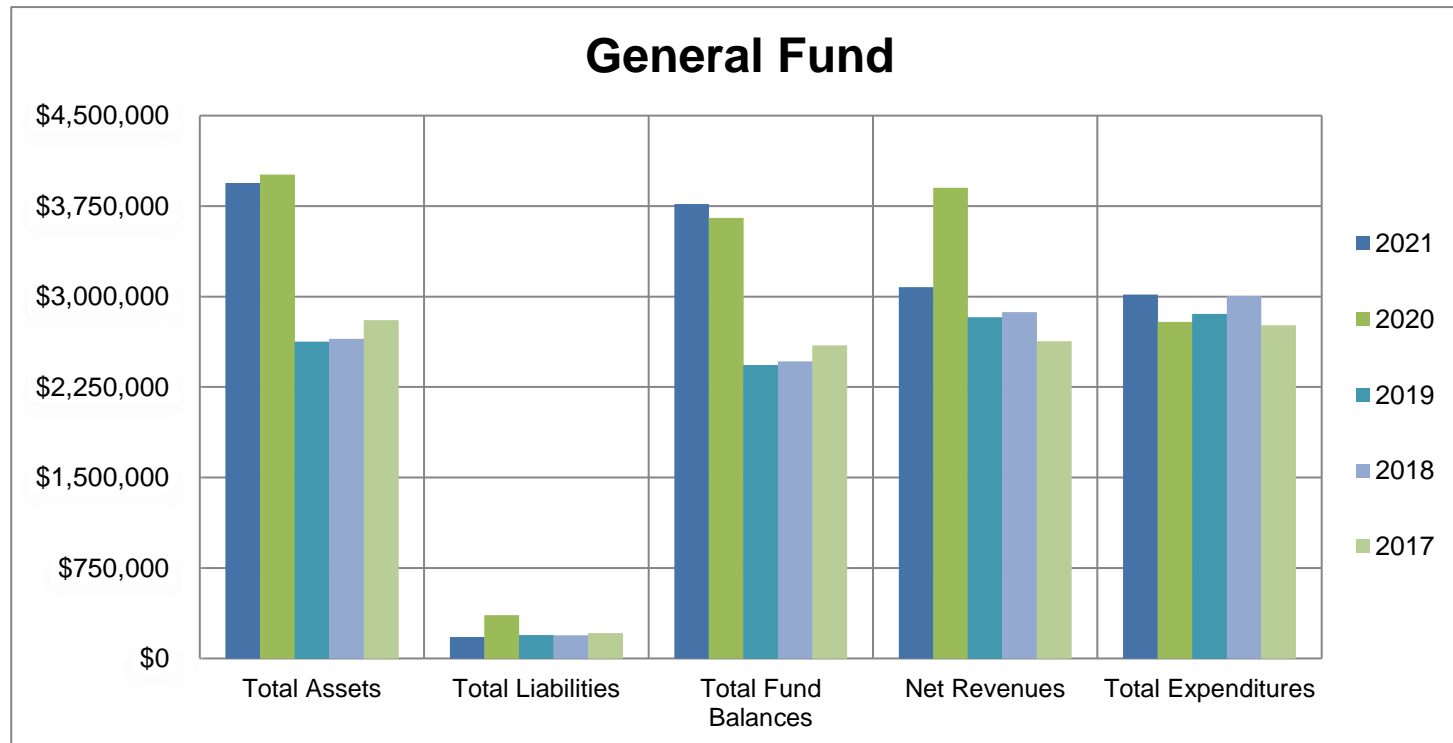
11. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The County was awarded \$3,303,410 in federal aid from the American Rescue Plan Act of 2021, and as of report date \$3,303,410 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

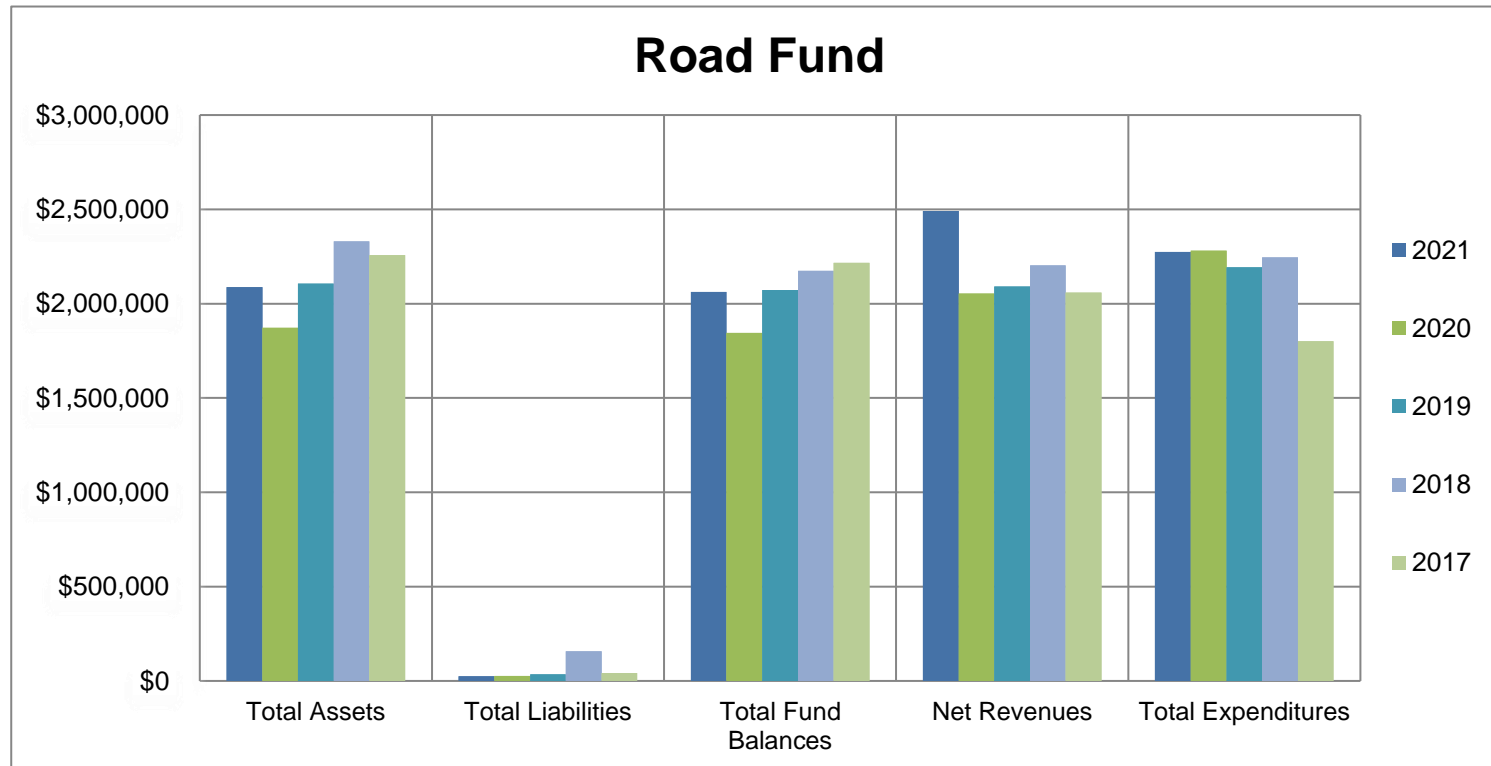
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 3,941,503	\$ 4,008,780	\$ 2,624,060	\$ 2,649,604	\$ 2,801,420
Total Liabilities	176,335	356,555	193,353	189,468	207,977
Total Fund Balances	3,765,168	3,652,225	2,430,707	2,460,136	2,593,443
Net Revenues	3,077,267	3,900,636	2,827,611	2,870,326	2,627,239
Total Expenditures	3,014,324	2,790,285	2,857,040	3,003,633	2,760,232
Total Other Financing Sources/Uses	50,000	111,167			



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

Schedule 3-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 2,086,942	\$ 1,872,283	\$ 2,106,926	\$ 2,330,524	\$ 2,258,004
Total Liabilities	24,395	27,012	35,132	156,768	41,520
Total Fund Balances	2,062,547	1,845,271	2,071,794	2,173,756	2,216,484
Net Revenues	2,490,966	2,053,614	2,091,188	2,202,301	2,058,872
Total Expenditures	2,273,690	2,280,137	2,193,150	2,245,029	1,801,101



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

Schedule 3-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 22,772,546	\$ 28,751,160	\$ 4,112,178	\$ 4,028,716	\$ 3,944,124
Total Liabilities	381,187	396,907	401,116	363,589	312,231
Total Fund Balances	22,391,359	28,354,253	3,711,062	3,665,127	3,631,893
Net Revenues	8,572,081	6,131,026	3,744,522	3,987,688	3,951,296
Total Expenditures	13,887,927	5,100,499	3,229,008	3,480,628	3,507,842
Total Other Financing Sources/Uses	(646,972)	23,599,603	(469,579)	(473,826)	(461,704)

