

Sharp County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



SHARP COUNTY, ARKANSAS
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Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

Sharp 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 Sharp County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Sharp County, Arkansas, as of December 31, 2021; the regulatory basis revenues, expenditures, and changes in net position; and the budgetary comparisons for the general fund and road fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, road fund, and other funds in the aggregate of Sharp County, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. 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 October 12, 2022, 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
October 12, 2022
LOCO06721

Arkansas

Sen. Ronald Caldwell
Senate Chair

Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair

Rep. Nelda Speaks
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

Sharp 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 Sharp County, Arkansas (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated October 12, 2022. 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 October 12, 2022.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

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

Timothy R. Jones, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 12, 2022

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

County Judge: Gene Moore
Treasurer: Wanda Girtman
Sheriff: Mark Counts
Tax Collector: Charlotte Ratliff
County/Circuit Clerk: Alisa Black
Assessor: Kathy Nix
County Librarian: Cecilia Mullins
District Court Clerk: Amanda Brewer

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

The Quorum Court voted to deed .54 acres of land, valued at \$2,160, to an individual who has maintained this land and had an easement through it to the adjoining property, which this individual owns. However, this arrangement conflicts with Ark. Const. art. 12, § 5, and the "public purpose" doctrine.

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

ARKANSAS LEGISLATIVE AUDIT

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

Timothy R. Jones, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 12, 2022

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,664,967	\$ 2,933,334	\$ 8,848,409
Accounts receivable	107,305	28,866	30,618
	<u>1,772,272</u>	<u>2,962,200</u>	<u>8,879,027</u>
TOTAL ASSETS	<u>\$ 1,772,272</u>	<u>\$ 2,962,200</u>	<u>\$ 8,879,027</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 109,586	\$ 238,383	\$ 39,262
Settlements pending			986,272
Total Liabilities	<u>109,586</u>	<u>238,383</u>	<u>1,025,534</u>
Fund Balances:			
Restricted			7,545,852
Assigned	5,569	2,723,817	307,641
Unassigned	1,657,117		
Total Fund Balances	<u>1,662,686</u>	<u>2,723,817</u>	<u>7,853,493</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,772,272</u>	<u>\$ 2,962,200</u>	<u>\$ 8,879,027</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 586,534	\$ 1,557,982	\$ 363,503
Federal aid	115	25,115	13,336,789
Property taxes	579,335	234,468	174,753
Sales taxes	804,855	536,570	2,121,966
Fines, forfeitures, and costs	397,078		72,669
Interest	13,469	18,619	45,788
Officers' fees	193,763		127,630
Jail fees	108,169		65,865
911 Fees			333,990
Treasurer's commission	92,589		17,015
Collector's commission	215,834		36,476
Taxes apportioned - Assessor's salary and expense	216,000		
Other	282,273	22,720	113,490
TOTAL REVENUES	3,490,014	2,395,474	16,809,934
Less: Treasurer's commission	22,684	20,303	23,829
NET REVENUES	3,467,330	2,375,171	16,786,105
EXPENDITURES			
Current:			
General government	1,130,089		492,398
Law enforcement	1,673,691		1,152,814
Highways and streets		2,249,282	128,859
Public safety	34,530		459,780
Health	13,676		
Recreation and culture	15,998		208,092
Social services	75,023		2,020
Economic development			11,207,663
Total Current	2,943,007	2,249,282	13,651,626
Debt Service:			
Bond principal			990,000
Bond interest and other charges			357,938
Note principal		340,937	
Note interest		9,384	
TOTAL EXPENDITURES	2,943,007	2,599,603	14,999,564

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$ 524,323	\$ (224,432)	\$ 1,786,541
OTHER FINANCING SOURCES (USES)			
Transfers in			101,446
Transfers out	(58,750)		(42,696)
TOTAL OTHER FINANCING SOURCES (USES)	(58,750)		58,750
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	465,573	(224,432)	1,845,291
FUND BALANCES - JANUARY 1	1,197,113	2,948,249	6,008,202
FUND BALANCES - DECEMBER 31	\$ 1,662,686	\$ 2,723,817	\$ 7,853,493

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 466,230	\$ 586,534	\$ 120,304	\$ 1,531,205	\$ 1,557,982	\$ 26,777
Federal aid		115	115		25,115	25,115
Property taxes	676,886	579,335	(97,551)	280,728	234,468	(46,260)
Sales taxes	804,855	804,855	0	536,570	536,570	0
Fines, forfeitures, and costs	395,095	397,078	1,983			
Interest	12,322	13,469	1,147	18,619	18,619	0
Officers' fees	190,578	193,763	3,185			
Jail fees	111,095	108,169	(2,926)			
Treasurer's commission	91,860	92,589	729			
Collector's commission	207,380	215,834	8,454			
Taxes apportioned - Assessor's salary and expense	216,000	216,000	0			
Other	334,213	282,273	(51,940)	81,686	22,720	(58,966)
TOTAL REVENUES	3,506,514	3,490,014	(16,500)	2,448,808	2,395,474	(53,334)
Less: Treasurer's commission		22,684	(22,684)		20,303	(20,303)
NET REVENUES	3,506,514	3,467,330	(39,184)	2,448,808	2,375,171	(73,637)
EXPENDITURES						
Current:						
General government	1,257,893	1,130,089	127,804			
Law enforcement	1,734,932	1,673,691	61,241			
Highways and streets				2,868,500	2,249,282	619,218
Public safety	35,789	34,530	1,259			
Health	22,370	13,676	8,694			
Recreation and culture		15,998	(15,998)			
Social services	80,808	75,023	5,785			
Total Current	3,131,792	2,943,007	188,785	2,868,500	2,249,282	619,218
Debt Service:						
Note principal				290,602	340,937	(50,335)
Note interest					9,384	(9,384)
TOTAL EXPENDITURES	3,131,792	2,943,007	188,785	3,159,102	2,599,603	559,499

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 374,722	\$ 524,323	\$ 149,601	\$ (710,294)	\$ (224,432)	\$ 485,862
OTHER FINANCING SOURCES (USES)						
Transfers out	(58,750)	(58,750)	0			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	315,972	465,573	149,601	(710,294)	(224,432)	485,862
FUND BALANCES - JANUARY 1	1,818,482	1,197,113	(621,369)	5,974,371	2,948,249	(3,026,122)
FUND BALANCES - DECEMBER 31	<u>\$ 2,134,454</u>	<u>\$ 1,662,686</u>	<u>\$ (471,768)</u>	<u>\$ 5,264,077</u>	<u>\$ 2,723,817</u>	<u>\$ (2,540,260)</u>

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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. See Schedules 1 and 2 for the Debt Service Fund reported with other funds in the aggregate.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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.

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officer's fees, trusts and commissions 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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

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.

DI. 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.

DII. 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 Emerson – Delta Regional Authority, Arkansas Economic Development Cooperative – Emerson, and Economic Development Administration 2020 Grant – Emerson Funds.

DIII. 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.

There were no committed fund balances at year-end.

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

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)	\$ 750,000	\$ 750,000
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	11,886,389	12,102,460
Uncollateralized	808,222	808,222
Total Deposits	<u>\$ 13,444,611</u>	<u>\$ 13,660,682</u>

The above total deposits do not include cash on hand of \$2,099.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$808,222 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

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.

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid		\$ 5,252	
Property taxes	\$ 8,235	3,391	
Fines, forfeitures, and costs	15,023		\$ 3,397
Interest	469		
Officers' fees	13,291		10,426
Jail fees			789
911 Fees			4,467
Treasurer's commission	2,089		
Collector's commission	11,834		
Other	38,061	3,389	11,539
Treasurer's commission charged	18,303	16,834	
Totals	<u>\$ 107,305</u>	<u>\$ 28,866</u>	<u>\$ 30,618</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 90,641	\$ 227,485	\$ 33,729
Salaries payable	18,945	10,898	5,533
Totals	<u>\$ 109,586</u>	<u>\$ 238,383</u>	<u>\$ 39,262</u>

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

NOTE 6: 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			\$ 1,836,801
Law enforcement			1,458,183
Public safety			30,041
Recreation and culture			235,243
Economic development			2,663
Capital outlay			2,713,955
Debt service			1,268,966
Total Restricted			<u>7,545,852</u>
Assigned to:			
General government	\$ 690		
Law enforcement	4,879		
Highways and streets		\$ 2,723,817	
Public safety			307,641
Total Assigned	<u>5,569</u>	<u>2,723,817</u>	<u>307,641</u>
Unassigned	<u>1,657,117</u>		
Totals	<u>\$ 1,662,686</u>	<u>\$ 2,723,817</u>	<u>\$ 7,853,493</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, 2021, the legal debt limit for bonded debt was \$20,681,089. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2021, the legal debt limit for short-term financing obligations was \$5,659,652. There were no short-term financing obligations.

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

NOTE 8: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 8,768,670
Reappraisal contract	631,200
Total Commitments	<u>\$ 9,399,870</u>

Long-term Liabilities

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

	December 31, 2021
<u>Bonds</u>	
Sales and Use Tax Bond Series 2019 dated February 26, 2019, in the amount of \$10,340,000, due in annual installments of varying amounts plus interest of 3% - 5% through March 1, 2034. Payments are to be made from the Sales and Use Tax Bond Series 2019 Debt Service Fund. Surplus tax receipts will be used to redeem bonds as funds are available.	<u>\$ 8,740,000</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	<u>28,670</u>
Total Long-term liabilities	<u>\$ 8,768,670</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 \$8,740,000 contains a provision that in an event of default, the Trustee may, and upon written request of (1) the Insurer or (2) with the consent of the Insurer, 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
2/26/19	3/1/34	3-5%	<u>\$ 10,340,000</u>	<u>\$ 8,740,000</u>	<u>\$ 1,600,000</u>

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

NOTE 8: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 9,730,000	\$ 0	\$ 990,000	\$ 8,740,000
<u>Direct Borrowings</u>				
Notes payable	340,937	0	340,937	0
Total Long-Term Debt	<u>\$ 10,070,937</u>	<u>\$ 0</u>	<u>\$ 1,330,937</u>	<u>\$ 8,740,000</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Principal	Bonds Interest	Total
2022	\$ 560,000	\$ 317,412	\$ 877,412
2023	590,000	288,663	878,663
2024	620,000	258,412	878,412
2025	650,000	226,663	876,663
2026	685,000	193,287	878,287
2027 through 2031	3,820,000	592,550	4,412,550
2032 through 2034	1,815,000	87,069	1,902,069
Totals	<u>\$ 8,740,000</u>	<u>\$ 1,964,056</u>	<u>\$ 10,704,056</u>

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 5, 2020, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$26,300 for a total of \$946,800 beginning January 15, 2021. Contract expense for 2021 was \$315,600.

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

Year	December 31, 2021
2022	\$ 315,600
2023	315,600
Total	<u>\$ 631,200</u>

NOTE 9: Interfund Transfers

The General Fund transferred \$58,750 to Other Funds in the Aggregate (Emergency 911/Central Dispatch) to supplement operations. Within Other Funds in the Aggregate, the Sales and Use Tax Revenue Fund transferred \$42,696 to the Sales and Use Tax Bond Fund, Series 2020 for debt related payments.

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

NOTE 10: Pledged Revenues

The County pledged future 0.75% sales and use taxes to repay \$10,340,000 in bonds that were issued in 2019 to provide funding for acquiring, constructing, improving, expanding, equipping, furnishing, operating, and maintaining new or existing jail and law enforcement facilities. Total principal and interest remaining on the bonds are \$8,740,000 and \$1,964,056, respectively, payable through March 1, 2034. For 2021, principal and interest paid were \$990,000 and \$354,988, respectively.

The Debt Service Fund received \$1,414,644 and the Jail/Law Enforcement Facilities Quarter Cent Tax Fund received \$707,322 in sales taxes in 2021. The 0.5% sales tax collected in excess of debt service payments on these bonds is permitted to be used for the early retirement of bonds until they are paid. The 0.25% sales tax collected may be used to acquire, construct, improve, expand, equip, furnish, operate, and maintain new or existing jail and law enforcement facilities, including any necessary utility, road, and parking improvements related thereto or in support thereof and to pay and secure the repayment of Jail and Law Enforcement Bonds.

NOTE 11: Jointly Governed Organizations

White River Regional Library

Sharp, Independence, Stone, Cleburne, Izard, and Fulton Counties entered into an agreement in May 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the White River Regional Library. Initially, the parties agreed to the formation of a regional library board for a period of two years. The Board's existence was continued from year to year thereafter, unless a participating member gave notice of cancellation at least 60 days prior to the end of the fiscal year. Independence County cancelled its membership on April 10, 2016. The White River Regional Library Board is comprised of one board member from each of the participating counties. The County Library did not pay any regional library expenditures in 2021. Contact the White River Regional Library at P.O. Box 1107, Mountain View, Arkansas 72560, to obtain financial statements.

White River Regional Solid Waste Management District

The County is a member of the White River Regional Solid Waste Management District. This 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. Sharp County did not make any payments to the White River Regional Solid Waste Management District in 2021.

NOTE 12: 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.

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

NOTE 12: Risk Management (Continued)

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.

NOTE 13: 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 \$392,734.

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 \$987,002.

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

NOTE 14: 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 \$3,387,904 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$3,387,904 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's	County Library	County Clerk's Operating
ASSETS								
Cash and cash equivalents	\$ 13,838	\$ 214,302	\$ 5,766	\$ 7,109	\$ 12,153	\$ 200,514	\$ 240,040	\$ 4,490
Accounts receivable			180	697		9,608	209	16
TOTAL ASSETS	<u>\$ 13,838</u>	<u>\$ 214,302</u>	<u>\$ 5,946</u>	<u>\$ 7,806</u>	<u>\$ 12,153</u>	<u>\$ 210,122</u>	<u>\$ 240,249</u>	<u>\$ 4,506</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 11			\$ 24		\$ 901	\$ 13,443	
Settlements pending								
Total Liabilities	<u>11</u>			<u>24</u>		<u>901</u>	<u>13,443</u>	
Fund Balances:								
Restricted	13,827	\$ 214,302	\$ 5,946	7,782	\$ 12,153	209,221	226,806	\$ 4,506
Assigned								
Total Fund Balances	<u>13,827</u>	<u>214,302</u>	<u>5,946</u>	<u>7,782</u>	<u>12,153</u>	<u>209,221</u>	<u>226,806</u>	<u>4,506</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,838</u>	<u>\$ 214,302</u>	<u>\$ 5,946</u>	<u>\$ 7,806</u>	<u>\$ 12,153</u>	<u>\$ 210,122</u>	<u>\$ 240,249</u>	<u>\$ 4,506</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Property Reappraisal Cost	Child Support Collection Cost	Drug Control/Law Enforcement Forfeitures	Jail Operating and Maintenance Fees Act 209 of 2009	County Detention Facility	Boating Safety	Emergency 911/Central Dispatch	Public Defender
ASSETS								
Cash and cash equivalents	\$ 27,470	\$ 19,443	\$ 4,521	\$ 83,315	\$ 3,219	\$ 6,840	\$ 335,037	\$ 7,312
Accounts receivable				13,516	329		4,467	356
TOTAL ASSETS	<u>\$ 27,470</u>	<u>\$ 19,443</u>	<u>\$ 4,521</u>	<u>\$ 96,831</u>	<u>\$ 3,548</u>	<u>\$ 6,840</u>	<u>\$ 339,504</u>	<u>\$ 7,668</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 728			\$ 5,542	
Settlements pending								
Total Liabilities				<u>728</u>			<u>5,542</u>	
Fund Balances:								
Restricted	\$ 27,470	\$ 19,443	\$ 4,521	96,103	\$ 3,548	\$ 6,840	26,321	\$ 7,668
Assigned							307,641	
Total Fund Balances	<u>27,470</u>	<u>19,443</u>	<u>4,521</u>	<u>96,103</u>	<u>3,548</u>	<u>6,840</u>	<u>333,962</u>	<u>7,668</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,470</u>	<u>\$ 19,443</u>	<u>\$ 4,521</u>	<u>\$ 96,831</u>	<u>\$ 3,548</u>	<u>\$ 6,840</u>	<u>\$ 339,504</u>	<u>\$ 7,668</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	District Court Adult Drug Test	Circuit Court Juvenile Division	Circuit Clerk Commission Fee	Assessor's Fee	Sherriff's Restitution Assessments	Emergency Management	Local Law Enforcement	Sherriff's K-9
ASSETS								
Cash and cash equivalents	\$ 4,937	\$ 37,119	\$ 6,394	\$ 2,206	\$ 26,909	\$ 3,720	\$ 10,623	\$ 2,713
Accounts receivable	75	745			420			
TOTAL ASSETS	<u>\$ 5,012</u>	<u>\$ 37,864</u>	<u>\$ 6,394</u>	<u>\$ 2,206</u>	<u>\$ 27,329</u>	<u>\$ 3,720</u>	<u>\$ 10,623</u>	<u>\$ 2,713</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 174					
Settlements pending								
Total Liabilities			<u>174</u>					
Fund Balances:								
Restricted	\$ 5,012	\$ 37,864	6,220	\$ 2,206	\$ 27,329	\$ 3,720	\$ 10,623	\$ 2,713
Assigned								
Total Fund Balances	<u>5,012</u>	<u>37,864</u>	<u>6,220</u>	<u>2,206</u>	<u>27,329</u>	<u>3,720</u>	<u>10,623</u>	<u>2,713</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,012</u>	<u>\$ 37,864</u>	<u>\$ 6,394</u>	<u>\$ 2,206</u>	<u>\$ 27,329</u>	<u>\$ 3,720</u>	<u>\$ 10,623</u>	<u>\$ 2,713</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Law Enforcement Memorial	Economic Development	Sherriff's Reserve Officer	Jail/Law Enforcement Facilities Quarter Cent Tax	Communications Facilities and Equipment	American Rescue Plan Act	County Library American Rescue Plan Act
ASSETS							
Cash and cash equivalents	\$ 218	\$ 2,663	\$ 837	\$ 1,215,600	\$ 43,905	\$ 1,327,566	\$ 8,437
Accounts receivable							
TOTAL ASSETS	\$ 218	\$ 2,663	\$ 837	\$ 1,215,600	\$ 43,905	\$ 1,327,566	\$ 8,437
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable				\$ 18,326		\$ 113	
Settlements pending							
Total Liabilities				<u>18,326</u>		<u>113</u>	
Fund Balances:							
Restricted	\$ 218	\$ 2,663	\$ 837	1,197,274	\$ 43,905	1,327,453	\$ 8,437
Assigned							
Total Fund Balances	<u>218</u>	<u>2,663</u>	<u>837</u>	<u>1,197,274</u>	<u>43,905</u>	<u>1,327,453</u>	<u>8,437</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 218	\$ 2,663	\$ 837	\$ 1,215,600	\$ 43,905	\$ 1,327,566	\$ 8,437

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

Schedule 1

	CAPITAL PROJECTS FUNDS						
	Jail Construction	United States Department of Agriculture Grants	Emerson - Delta Regional Authority	Arkansas Economic Development Cooperative - Emerson	Economic Development Administration 2020 Grant - Emerson	Arkansas Economic Development Cooperative - Senior Citizens Grant	Arkansas Economic Development Cooperative - Childcare Grant
ASSETS							
Cash and cash equivalents	\$ 2,287,068	\$ 1	\$ 1	\$ 1	\$ 426,882	\$ 1	\$ 1
Accounts receivable							
TOTAL ASSETS	<u>\$ 2,287,068</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 426,882</u>	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Restricted	\$ 2,287,068	\$ 1	\$ 1	\$ 1	\$ 426,882	\$ 1	\$ 1
Assigned							
Total Fund Balances	<u>2,287,068</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>426,882</u>	<u>1</u>	<u>1</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,287,068</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 426,882</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

Schedule 1

	DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Sales and Use Tax Bond Fund, Series 2020	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 1,268,966	\$ 196,882	\$ 182,793	\$ 202,422	\$ 336,302	\$ 67,873	\$ 8,848,409
Accounts receivable							30,618
TOTAL ASSETS	<u>\$ 1,268,966</u>	<u>\$ 196,882</u>	<u>\$ 182,793</u>	<u>\$ 202,422</u>	<u>\$ 336,302</u>	<u>\$ 67,873</u>	<u>\$ 8,879,027</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 39,262
Settlements pending		\$ 196,882	\$ 182,793	\$ 202,422	\$ 336,302	\$ 67,873	986,272
Total Liabilities		<u>196,882</u>	<u>182,793</u>	<u>202,422</u>	<u>336,302</u>	<u>67,873</u>	<u>1,025,534</u>
Fund Balances:							
Restricted	\$ 1,268,966						7,545,852
Assigned							307,641
Total Fund Balances	<u>1,268,966</u>						<u>7,853,493</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,268,966</u>	<u>\$ 196,882</u>	<u>\$ 182,793</u>	<u>\$ 202,422</u>	<u>\$ 336,302</u>	<u>\$ 67,873</u>	<u>\$ 8,879,027</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's	County Library	County Clerk's Operating
REVENUES								
State aid					\$ 6,813		\$ 39,629	
Federal aid								
Property taxes							173,849	
Sales taxes								
Fines, forfeitures, and costs			\$ 2,385	\$ 10,481				\$ 28
Interest	\$ 19	\$ 1,245	36	45	86	\$ 1,087	1,453	276
Officers' fees						106,050		
Jail fees								
911 Fees								
Treasurer's commission	17,015							
Collector's commission		36,476						
Other	6	6				2,401	4,455	
TOTAL REVENUES	17,040	37,727	2,421	10,526	6,899	109,538	219,386	304
Less: Treasurer's commission		581	34	159	105	1,717	3,399	5
NET REVENUES	17,040	37,146	2,387	10,367	6,794	107,821	215,987	299
EXPENDITURES								
Current:								
General government	15,494	22,896			2,515	54,676		
Law enforcement			1,791	8,992				
Highways and streets								
Public safety								
Recreation and culture							197,270	
Social services								
Economic development								
Total Current	15,494	22,896	1,791	8,992	2,515	54,676	197,270	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	15,494	22,896	1,791	8,992	2,515	54,676	197,270	
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	1,546	14,250	596	1,375	4,279	53,145	18,717	299
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	1,546	14,250	596	1,375	4,279	53,145	18,717	299
FUND BALANCES - JANUARY 1	12,281	200,052	5,350	6,407	7,874	156,076	208,089	4,207
FUND BALANCES - DECEMBER 31	\$ 13,827	\$ 214,302	\$ 5,946	\$ 7,782	\$ 12,153	\$ 209,221	\$ 226,806	\$ 4,506

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Property Reappraisal Cost	Child Support Collection Cost	Drug Control/Law Enforcement Forfeitures	Jail Operating and Maintenance Fees Act 209 of 2009	County Detention Facility	Boating Safety	Emergency 911/Central Dispatch	Public Defender
REVENUES								
State aid	\$ 315,588					\$ 1,473		
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs				\$ 55,371				\$ 3,194
Interest	144	\$ 125	\$ 30	439	\$ 33	40	\$ 2,015	53
Officers' fees		1,791						
Jail fees				33,342	4,527			
911 Fees							333,990	
Treasurer's commission								
Collector's commission								
Other				1,290			443	
TOTAL REVENUES	315,732	1,916	30	90,442	4,560	1,513	336,448	3,247
Less: Treasurer's commission		28		1,272	69	23	4,883	26
NET REVENUES	315,732	1,888	30	89,170	4,491	1,490	331,565	3,221
EXPENDITURES								
Current:								
General government	322,100	774						
Law enforcement			162	64,270	6,144	466		3,000
Highways and streets								
Public safety							428,080	
Recreation and culture								
Social services								
Economic development								
Total Current	322,100	774	162	64,270	6,144	466	428,080	3,000
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	322,100	774	162	64,270	6,144	466	428,080	3,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,368)	1,114	(132)	24,900	(1,653)	1,024	(96,515)	221
OTHER FINANCING SOURCES (USES)								
Transfers in							58,750	
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)							58,750	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,368)	1,114	(132)	24,900	(1,653)	1,024	(37,765)	221
FUND BALANCES - JANUARY 1	33,838	18,329	4,653	71,203	5,201	5,816	371,727	7,447
FUND BALANCES - DECEMBER 31	\$ 27,470	\$ 19,443	\$ 4,521	\$ 96,103	\$ 3,548	\$ 6,840	\$ 333,962	\$ 7,668

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	District Court Adult Drug Test	Circuit Court Juvenile Division	Circuit Clerk Commission Fee	Assessor's Fee	Sherriff's Restitution Assessments	Emergency Management	Local Law Enforcement	Sherriff's K-9
REVENUES								
State aid								
Federal aid								
Property taxes				\$ 904				
Sales taxes								
Fines, forfeitures, and costs	\$ 1,210							
Interest	28	\$ 218	\$ 59	15	\$ 172	\$ 24	\$ 60	\$ 18
Officers' fees		6,460	61		3,880			
Jail fees								
911 Fees								
Treasurer's commission								
Collector's commission								
Other			5				35,648	
TOTAL REVENUES	1,238	6,678	125	919	4,052	24	35,708	18
Less: Treasurer's commission	15	99	2	14	57			
NET REVENUES	1,223	6,579	123	905	3,995	24	35,708	18
EXPENDITURES								
Current:								
General government			3,339	905				
Law enforcement	400				2,550		30,207	
Highways and streets								
Public safety								
Recreation and culture								
Social services								
Economic development								
Total Current	400		3,339	905	2,550		30,207	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	400		3,339	905	2,550		30,207	
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	823	6,579	(3,216)	0	1,445	24	5,501	18
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	823	6,579	(3,216)		1,445	24	5,501	18
FUND BALANCES - JANUARY 1	4,189	31,285	9,436	2,206	25,884	3,696	5,122	2,695
FUND BALANCES - DECEMBER 31	\$ 5,012	\$ 37,864	\$ 6,220	\$ 2,206	\$ 27,329	\$ 3,720	\$ 10,623	\$ 2,713

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Law Enforcement Memorial	Economic Development	Sherriff's Reserve Officer	Jail/Law Enforcement Facilities Quarter Cent Tax	Sales and Use Tax Revenue Fund, Series 2020	Communications Facilities and Equipment	American Rescue Plan Act	County Library American Rescue Plan Act
REVENUES								
State aid								
Federal aid							\$ 1,693,952	\$ 8,437
Property taxes								
Sales taxes				\$ 707,322				
Fines, forfeitures, and costs								
Interest	\$ 2	\$ 17	\$ 5	6,277		\$ 175		
Officers' fees						9,388		
Jail fees						27,996		
911 Fees								
Treasurer's commission								
Collector's commission								
Other				68,404				
TOTAL REVENUES	2	17	5	782,003		37,559	1,693,952	8,437
Less: Treasurer's commission				11,341				
NET REVENUES	2	17	5	770,662		37,559	1,693,952	8,437
EXPENDITURES								
Current:								
General government							69,699	
Law enforcement	40			376,747		8,466	123,399	
Highways and streets							128,859	
Public safety							31,700	
Recreation and culture							10,822	
Social services							2,020	
Economic development		144						
Total Current	40	144		376,747		8,466	366,499	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	40	144		376,747		8,466	366,499	
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(38)	(127)	5	393,915		29,093	1,327,453	8,437
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out					\$ (42,696)			
TOTAL OTHER FINANCING SOURCES (USES)					(42,696)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	(38)	(127)	5	393,915	(42,696)	29,093	1,327,453	8,437
FUND BALANCES - JANUARY 1	256	2,790	832	803,359	42,696	14,812		
FUND BALANCES - DECEMBER 31	\$ 218	\$ 2,663	\$ 837	\$ 1,197,274	\$ 0	\$ 43,905	\$ 1,327,453	\$ 8,437

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

Schedule 2

	CAPITAL PROJECTS FUNDS							DEBT SERVICE FUND	
	Jail Construction	United States Department of Agriculture Grants	Emerson - Delta Regional Authority	Arkansas Economic Development Cooperative - Emerson	Economic Development Administration 2020 Grant - Emerson	Arkansas Economic Development Cooperative - Senior Citizens Grant	Arkansas Economic Development Cooperative - Childcare Grant	Sales and Use Tax Bond Fund, Series 2020	Totals
REVENUES									
State aid									\$ 363,503
Federal aid			\$ 300,000	\$ 8,705,100	\$ 2,629,300				13,336,789
Property taxes									174,753
Sales taxes								\$ 1,414,644	2,121,966
Fines, forfeitures, and costs									72,669
Interest	\$ 20,159							11,433	45,788
Officers' fees									127,630
Jail fees									65,865
911 Fees									333,990
Treasurer's commission									17,015
Collector's commission									36,476
Other	828			1	1	\$ 1	\$ 1		113,490
TOTAL REVENUES	20,987		300,000	8,705,101	2,629,301	1	1	1,426,077	16,809,934
Less: Treasurer's commission									23,829
NET REVENUES	20,987		300,000	8,705,101	2,629,301	1	1	1,426,077	16,786,105
EXPENDITURES									
Current:									
General government									492,398
Law enforcement	526,180								1,152,814
Highways and streets									128,859
Public safety									459,780
Recreation and culture									208,092
Social services									2,020
Economic development			300,000	8,705,100	2,202,419				11,207,663
Total Current	526,180		300,000	8,705,100	2,202,419				13,651,626
Debt Service:									
Bond principal								990,000	990,000
Bond interest and other charges								357,938	357,938
TOTAL EXPENDITURES	526,180		300,000	8,705,100	2,202,419			1,347,938	14,999,564
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(505,193)			1	426,882	1	1	78,139	1,786,541
OTHER FINANCING SOURCES (USES)									
Transfers in								42,696	101,446
Transfers out									(42,696)
TOTAL OTHER FINANCING SOURCES (USES)								42,696	58,750
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(505,193)			1	426,882	1	1	120,835	1,845,291
FUND BALANCES - JANUARY 1	2,792,261	\$ 1	1					1,148,131	6,008,202
FUND BALANCES - DECEMBER 31	\$ 2,287,068	\$ 1	\$ 1	\$ 1	\$ 426,882	\$ 1	\$ 1	\$ 1,268,966	\$ 7,853,493

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Recorder's	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.
County Clerk's Operating	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
Property Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Collection Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Drug Control/Law Enforcement Forfeitures	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operating and Maintenance Fees Act 209 of 2009	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.

SHARP 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>
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/Central Dispatch	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.
District Court Adult Drug Test	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.
Circuit Court Juvenile Division	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.
Circuit Clerk Commission Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's 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.
Sherriff's Restitution Assessments	Ark. Code Ann. § 5-4-205 established fund to receive a \$5 fee for restitution payments to defray the cost of restitution collection.
Emergency Management	Established to account for donations received to provide emergency assistance during natural disasters.
Local Law Enforcement	Established to account for a grants and other revenue received for local law enforcement programs.
Sherriff's K-9	Established to account for donation and fines assessed by the District Judge to support the Sheriff's K-9 unit.

SHARP 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>
Law Enforcement Memorial	Established to account for donations received to maintain the law enforcement memorial.
Economic Development	Established to account for donations and grants received for economic development.
Sherriff's Reserve Officer	Established to account for donations received to support reserve officers.
Jail/Law Enforcement Facilities Quarter Cent Tax	Sharp County Ordinance no. 2018-5 (August 13, 2018) provided for the levying of a sales and use tax of one-quarter of one percent (0.25%) to acquire, construct, improve, expand, equip, furnish, operate and maintain new or existing jail and law enforcement facilities, including any necessary utility, road, and parking improvements related thereto or in support thereof, and to pay and secure the repayment of Jail and Law Enforcement Bonds. The authorizing ordinance 2019-1 (January 15, 2019) provides for the creation of the facilities fund for the recording of jail and law enforcement related expenses allowable from this tax.
Sales and Use Tax Revenue Fund, Series 2020	Sharp County Ordinance nos. 2018-5 and 2018-7 (August 13, 2018) provided for the levying of a sales and use tax of one quarter of one percent (.25%) to acquire, construct, improve, expand, equip, furnish, operate, and maintain new or existing jail facilities and to retire bonds; and one-half of one percent (.50%) sales and use tax for the purpose of retiring bonds issued for the purpose of financing a new jail facility, respectively. The authorizing ordinance 2019-1 (January 15, 2019) provides for the creation of the revenue fund for the collection of the taxes when received.
Communications Facilities 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.
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.

SHARP 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 Construction	Sharp County Ordinance no. 2018-7 (August 13, 2018) provided for the issuing of bonds under amendment no. 62 to the Constitution of the State of Arkansas for the purpose of financing all or a portion of the cost of a new jail and law enforcement facilities and the levying of a new one-half of one percent (0.50%) sales and use tax for the purpose of retiring such bonds. The authorizing ordinance 2019-1 (January 15, 2019) provides for the creation of a Jail Construction fund to be used for expenses related to construction of the jail. Funds can be used to pay principal and interest on the bonds if the balance in the bond fund is not sufficient.
United States Department of Agriculture Grants	Established to account for grants received from United States Department of Agriculture for the purpose of purchasing Sheriff's vehicles.
Emerson - Delta Regional Authority	Established to account for grants received from the Delta Regional Authority for the Emerson plant that flow through the county.
Arkansas Economic Development Cooperative - Emerson	Established to account for grants received from the Arkansas Economic Development Cooperative for the Emerson plant.
Economic Development Administration 2020 Grant - Emerson	Established to account for grants received from the Economic Development Administration for the Emerson plant.
Arkansas Economic Development Cooperative - Senior Citizens Grant	Established to account for grants received from the Arkansas Economic Development Cooperative for the new Senior Citizen building.
Arkansas Economic Development Cooperative - Childcare Grant	Established to account for grants received from the Arkansas Economic Development Cooperative for a new Daycare facility.
Sales and Use Tax Bond Fund, Series 2020	Sharp County Ordinance no. 2018-7 provided for the issuing of bonds under amendment no. 62 to the Constitution of the State of Arkansas for the purpose of financing all or a portion of the cost of a new jail and law enforcement facilities and the levying of a new one-half of one percent (0.50%) sales and use tax for the purpose of retiring such bonds. The authorizing ordinance 2019-1 (January 15, 2019) provides for the creation of the bond fund for the recording of debt payments and the debt service reserve required to be maintained.

SHARP 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 accounts consist primarily of property taxes, treasurer's commission, collector's commission, and interest not distributed to the appropriate agencies.
	Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.
	Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.
	County Clerk's accounts consist primarily of fee money to be settled with the treasurer and trust money awaiting disposition by the applicable court.
	District Court accounts consist primarily of fines and costs not yet distributed to the county and/or state.

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

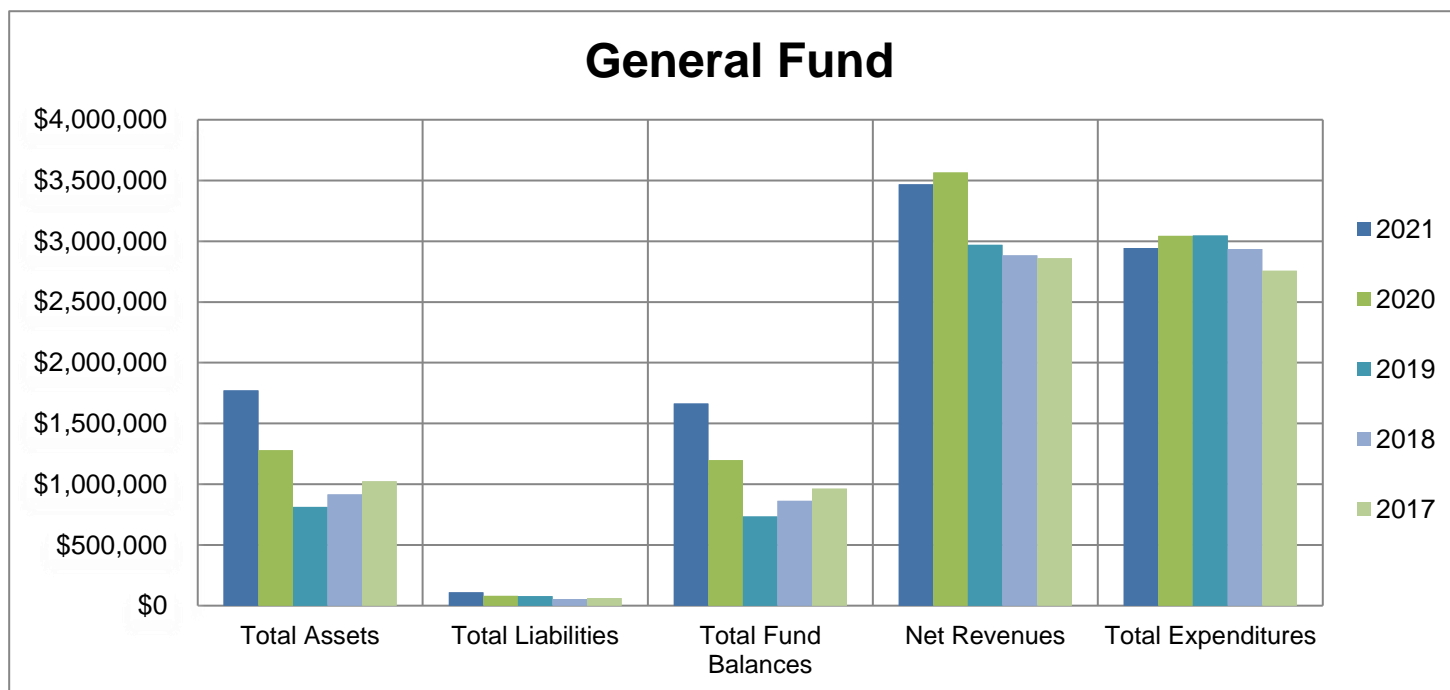
Schedule 3

	December 31, 2021
Land	\$ 180,143
Buildings	10,451,787
Improvements	48,012
Equipment	<u>6,506,137</u>
Total	<u><u>\$ 17,186,079</u></u>

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

Schedule 4-1

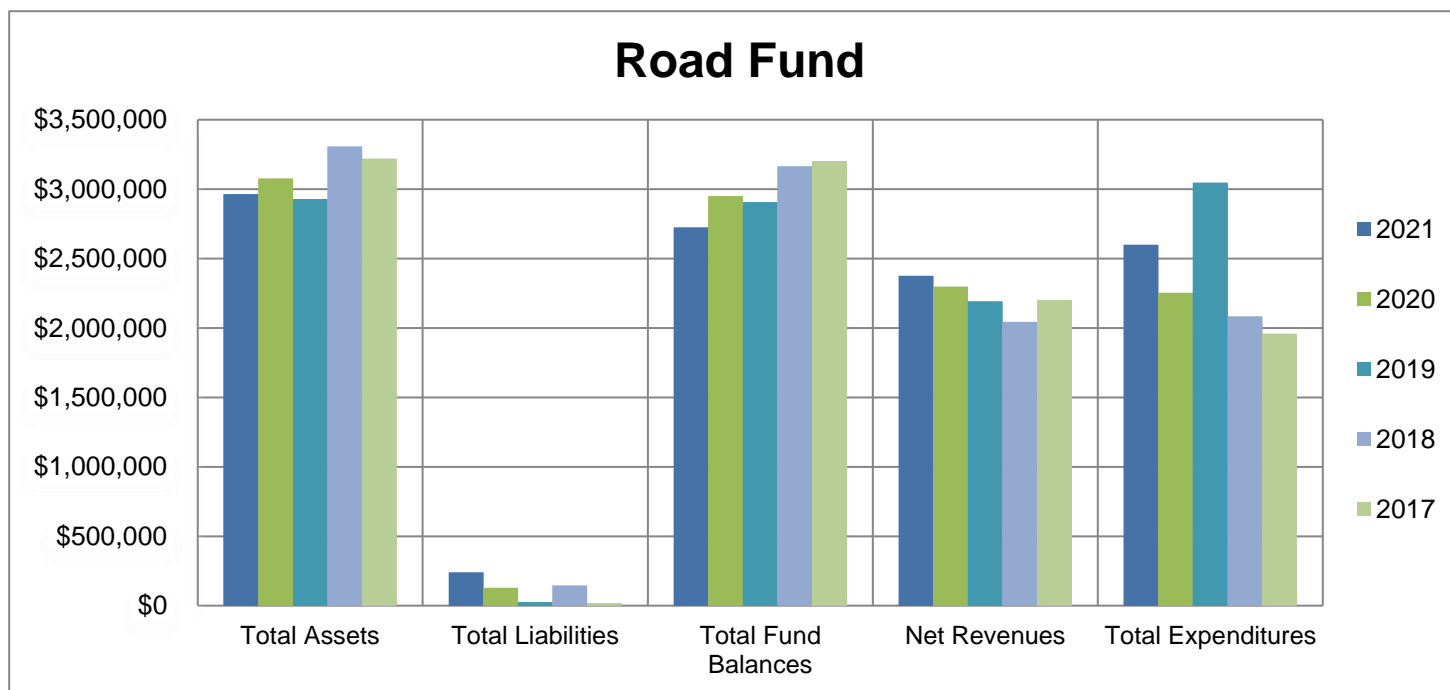
General	2021	2020	2019	2018	2017
Total Assets	\$ 1,772,272	\$ 1,278,321	\$ 812,411	\$ 914,980	\$ 1,023,153
Total Liabilities	109,586	81,208	78,002	53,005	61,356
Total Fund Balances	1,662,686	1,197,113	734,409	861,975	961,797
Net Revenues	3,467,330	3,564,661	2,971,479	2,884,228	2,860,263
Total Expenditures	2,943,007	3,043,207	3,046,170	2,937,050	2,757,911
Total Other Financing Sources/Uses	(58,750)	(58,750)	(52,875)	(47,000)	(47,000)



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

Schedule 4-2

<u>Road</u>	2021	2020	2019	2018	2017
Total Assets	\$ 2,962,200	\$ 3,076,526	\$ 2,928,913	\$ 3,307,126	\$ 3,220,035
Total Liabilities	238,383	128,277	24,197	143,434	16,984
Total Fund Balances	2,723,817	2,948,249	2,904,716	3,163,692	3,203,051
Net Revenues	2,375,171	2,297,154	2,190,633	2,043,001	2,201,049
Total Expenditures	2,599,603	2,253,621	3,045,161	2,082,360	1,958,214
Total Other Financing Sources/Uses			595,552		



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Assets	\$ 8,879,027	\$ 6,992,705	\$ 11,528,893	\$ 1,816,495	\$ 1,716,348
Total Liabilities	1,025,534	984,503	1,058,403	872,945	782,303
Total Fund Balances	7,853,493	6,008,202	10,470,490	943,550	934,045
Net Revenues	16,786,105	3,321,461	2,262,782	1,041,302	1,044,872
Total Expenditures	14,999,564	7,842,499	3,414,706	1,078,797	1,116,978
Total Other Financing Sources/Uses	58,750	58,750	10,678,864	47,000	47,000

