

Arkansas County, Arkansas

Financial and Compliance Report

December 31, 2022



ARKANSAS COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis (Unaudited)	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis (Unaudited)	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis (Unaudited)	C

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	2
Notes to Schedules 1 and 2	
Other General Information	
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	3-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	3-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	3-3

Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Arkansas 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 Arkansas County, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 17, 2024. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

County Judge: Thomas "Eddie" Best
Treasurer: Charles A. Horton
Sheriff: Dean Mannis
Tax Collector: Dean Mannis
County Clerk: Melissa Wood
Circuit Clerk: Sarah Merchant
Assessor: Marcia Theis
County Librarian: Sarah Beth Cole

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

Noncompliance with state law and accepted accounting practices was noted in the office of **County Treasurer**.

County Treasurer

The Treasurer's monthly reconciled bank and certificates of deposit balances did not agree with the Treasurer's Summary, in noncompliance with Ark. Code Ann. § 14-25-114. A similar issue was noted in the three previous reports.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 17, 2024
LOCO00122

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 5,704,487	\$ 1,129,579	\$ 6,300,611
Accounts receivable	222,695		109,648
Interfund receivables			286,257
	<u>5,927,182</u>	<u>1,129,579</u>	<u>6,696,516</u>
TOTAL ASSETS	\$ 5,927,182	\$ 1,129,579	\$ 6,696,516
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 84,609	\$ 75,290	\$ 228,098
Interfund payables	255,090		31,167
Settlements pending			786,816
Total Liabilities	<u>339,699</u>	<u>75,290</u>	<u>1,046,081</u>
Fund Balances:			
Restricted			3,616,023
Assigned	278,874	1,054,289	2,034,412
Unassigned	5,308,609		
Total Fund Balances	<u>5,587,483</u>	<u>1,054,289</u>	<u>5,650,435</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,927,182	\$ 1,129,579	\$ 6,696,516

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 702,435	\$ 2,295,090	\$ 162,551
Federal aid	282,189	23,261	1,853,838
Property taxes	1,899,699	809,600	170,652
Sales taxes			4,453,701
Fines, forfeitures, and costs	197,420		62,984
Interest	6,301	1,040	5,802
Officers' fees	93,375		109,550
Franchise fees	613		
Sanitation	661,106		
Jail fees			392,624
911 fees			315,361
Commissary profit			17,206
Phone commission			36,014
Treasurer's commission	120,357		29,245
Collector's commission	318,280		75,040
Taxes apportioned - Assessor's salary and expense	328,466		
Other	124,026	82,950	18,412
	<u>4,734,267</u>	<u>3,211,941</u>	<u>7,702,980</u>
TOTAL REVENUES			
Less: Treasurer's commission	39,392	60,013	95,640
	<u>4,694,875</u>	<u>3,151,928</u>	<u>7,607,340</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	797,616		1,779,559
Law enforcement	872,751		3,568,343
Highways and streets		3,425,188	
Public safety	9,535		176,537
Sanitation	602,606		
Health	68,654		
Recreation and culture			163,820
Social services	131,067		
Total Current	<u>2,482,229</u>	<u>3,425,188</u>	<u>5,688,259</u>
Debt Service:			
Financed purchases principal		148,579	
Financed purchases interest		1,992	
	<u>2,482,229</u>	<u>3,575,759</u>	<u>5,688,259</u>
TOTAL EXPENDITURES			

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,212,646</u>	<u>\$ (423,831)</u>	<u>\$ 1,919,081</u>
OTHER FINANCING SOURCES (USES) Sales tax remitted to community college			<u>(2,337,987)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,212,646	(423,831)	(418,906)
FUND BALANCES - JANUARY 1	<u>3,374,837</u>	<u>1,478,120</u>	<u>6,069,341</u>
FUND BALANCES - DECEMBER 31	<u>\$ 5,587,483</u>	<u>\$ 1,054,289</u>	<u>\$ 5,650,435</u>

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 480,101	\$ 702,435	\$ 222,334	\$ 1,338,716	\$ 2,295,090	\$ 956,374
Federal aid	43,688	282,189	238,501	6,924	23,261	16,337
Property taxes	2,902,291	1,899,699	(1,002,592)	785,179	809,600	24,421
Fines, forfeitures, and costs	249,632	197,420	(52,212)			
Interest	2,234	6,301	4,067	908	1,040	132
Officers' fees	95,834	93,375	(2,459)			
Franchise fees	977	613	(364)			
Sanitation	595,506	661,106	65,600			
Treasurer's commission	135,072	120,357	(14,715)			
Collector's commission	320,000	318,280	(1,720)			
Taxes apportioned - Assessor's salary and expense	274,533	328,466	53,933			
Other	83,258	124,026	40,768	28,593	82,950	54,357
TOTAL REVENUES	5,183,126	4,734,267	(448,859)	2,160,320	3,211,941	1,051,621
Less: Treasurer's commission		39,392	(39,392)		60,013	(60,013)
NET REVENUES	5,183,126	4,694,875	(488,251)	2,160,320	3,151,928	991,608
EXPENDITURES						
Current:						
General government	2,606,402	797,616	1,808,786			
Law enforcement	1,831,494	872,751	958,743			
Highways and streets				3,466,216	3,425,188	41,028
Public safety	64,536	9,535	55,001			
Sanitation	637,100	602,606	34,494			
Health	73,825	68,654	5,171			
Social services	133,071	131,067	2,004			
Total Current	5,346,428	2,482,229	2,864,199	3,466,216	3,425,188	41,028
Debt Service:						
Financed purchase principal				192,000	148,579	43,421
Financed purchase interest					1,992	(1,992)
TOTAL EXPENDITURES	5,346,428	2,482,229	2,864,199	3,658,216	3,575,759	82,457

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (163,302)	\$ 2,212,646	\$ 2,375,948	\$ (1,497,896)	\$ (423,831)	\$ 1,074,065
OTHER FINANCING SOURCES (USES) Transfers out	(311,425)		311,425			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(474,727)	2,212,646	2,687,373	(1,497,896)	(423,831)	1,074,065
FUND BALANCES - JANUARY 1	3,700,000	3,374,837	(325,163)	1,100,000	1,478,120	378,120
FUND BALANCES - DECEMBER 31	\$ 3,225,273	\$ 5,587,483	\$ 2,362,210	\$ (397,896)	\$ 1,054,289	\$ 1,452,185

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

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

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Reappraisal Cost	Support Collections Costs	County Jail Sales Tax
ASSETS									
Cash and cash equivalents	\$ 109,934	\$ 265,426	\$ 18,130	\$ 31,602	\$ 36,145	\$ 195,746	\$ 10,001	\$ 1,251	\$ 1,975,486
Accounts receivable			576		728	7,597		32	86,021
Interfund receivables		147,781							
TOTAL ASSETS	\$ 109,934	\$ 413,207	\$ 18,706	\$ 31,602	\$ 36,873	\$ 203,343	\$ 10,001	\$ 1,283	\$ 2,061,507
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 1,260		\$ 281			\$ 25,929
Interfund payables									31,167
Settlements pending									
Total Liabilities				1,260		281			57,096
Fund Balances:									
Restricted	\$ 89,934	\$ 413,207	\$ 18,706	30,342	\$ 36,873	203,062		\$ 1,283	
Assigned	20,000						\$ 10,001		2,004,411
Total Fund Balances	109,934	413,207	18,706	30,342	36,873	203,062	10,001	1,283	2,004,411
TOTAL LIABILITIES AND FUND BALANCES	\$ 109,934	\$ 413,207	\$ 18,706	\$ 31,602	\$ 36,873	\$ 203,343	\$ 10,001	\$ 1,283	\$ 2,061,507

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library Southern District	Phillips County Community College Sales Tax	Records Preservation and Restoration
ASSETS									
Cash and cash equivalents	\$ 48,855	\$ 964,796	\$ 215	\$ 781	\$ 2,170	\$ 872,381	\$ 757,721	\$ 183,668	\$ (1,069)
Accounts receivable		3,940							1,000
Interfund receivables							41,764	28,322	15,025
TOTAL ASSETS	\$ 48,855	\$ 968,736	\$ 215	\$ 781	\$ 2,170	\$ 872,381	\$ 799,485	\$ 211,990	\$ 14,956
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 120	\$ 1,588						\$ 183,668	
Interfund payables									
Settlements pending									
Total Liabilities	120	1,588						183,668	
Fund Balances:									
Restricted	48,735	967,148	\$ 215	\$ 781	\$ 2,170	\$ 872,381	\$ 799,485	28,322	\$ 14,956
Assigned									
Total Fund Balances	48,735	967,148	215	781	2,170	872,381	799,485	28,322	14,956
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,855	\$ 968,736	\$ 215	\$ 781	\$ 2,170	\$ 872,381	\$ 799,485	\$ 211,990	\$ 14,956

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

Schedule 1

	SPECIAL REVENUE FUNDS			CUSTODIAL FUNDS						
	Juvenile Detention Center Grant	Communication Facility and Equipment	District Court Cost	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge's Accounts	Totals
ASSETS										
Cash and cash equivalents	\$ (36,855)	\$ 93,921	\$ (16,510)	\$ 469,188	\$ 1,200	\$ 86,284	\$ 1,990	\$ 180,732	\$ 47,422	\$ 6,300,611
Accounts receivable		9,754								109,648
Interfund receivables	36,855		16,510							286,257
TOTAL ASSETS	\$ 0	\$ 103,675	\$ 0	\$ 469,188	\$ 1,200	\$ 86,284	\$ 1,990	\$ 180,732	\$ 47,422	\$ 6,696,516
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable		\$ 15,252								\$ 228,098
Interfund payables										31,167
Settlements pending				\$ 469,188	\$ 1,200	\$ 86,284	\$ 1,990	\$ 180,732	\$ 47,422	786,816
Total Liabilities		15,252		469,188	1,200	86,284	1,990	180,732	47,422	1,046,081
Fund Balances:										
Restricted		88,423								3,616,023
Assigned										2,034,412
Total Fund Balances		88,423								5,650,435
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 103,675	\$ 0	\$ 469,188	\$ 1,200	\$ 86,284	\$ 1,990	\$ 180,732	\$ 47,422	\$ 6,696,516

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Reappraisal Cost	Support Collections Costs
REVENUES								
State aid				\$ 6,237			\$ 108,906	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 10,721					
Interest	\$ 79	\$ 249	19	28	\$ 29	\$ 196		\$ 5
Officers' fees					10,717	92,668		463
Jail fees								
911 fees								
Commissary profit								
Phone commission								
Treasurer's commission	29,245							
Collector's commission		75,040						
Other			12		105	2,118		7
TOTAL REVENUES	29,324	75,289	10,752	6,265	10,851	94,982	108,906	475
Less: Treasurer's commission			209		214	1,913		10
NET REVENUES	29,324	75,289	10,543	6,265	10,637	93,069	108,906	465
EXPENDITURES								
Current:								
General government	18,362	31,225		1,784	4,382	112,609	108,906	5,000
Law enforcement			18,983					
Public safety								
Recreation and culture								
Total Current	18,362	31,225	18,983	1,784	4,382	112,609	108,906	5,000
TOTAL EXPENDITURES	18,362	31,225	18,983	1,784	4,382	112,609	108,906	5,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,962	44,064	(8,440)	4,481	6,255	(19,540)		(4,535)
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,962	44,064	(8,440)	4,481	6,255	(19,540)		(4,535)
FUND BALANCES - JANUARY 1	98,972	369,143	27,146	25,861	30,618	222,602	10,001	5,818
FUND BALANCES - DECEMBER 31	\$ 109,934	\$ 413,207	\$ 18,706	\$ 30,342	\$ 36,873	\$ 203,062	\$ 10,001	\$ 1,283

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Jail Sales Tax	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library Southern District
REVENUES								
State aid		\$ 1,650						\$ 14,591
Federal aid	\$ 152,708						\$ 1,698,225	2,905
Property taxes								170,652
Sales taxes	2,226,851							
Fines, forfeitures, and costs	52,263							
Interest	2,587	109	\$ 767					1,676
Officers' fees					\$ 266			
Jail fees	392,624							
911 fees			315,361					
Commissary profit								
Phone commission								
Treasurer's commission								
Collector's commission								
Other	11,085	17	662		1	\$ 1		3,404
TOTAL REVENUES	2,838,118	1,776	316,790		267	1	1,698,225	193,228
Less: Treasurer's commission	44,543		983		5			3,226
NET REVENUES	2,793,575	1,776	315,807		262	1	1,698,225	190,002
EXPENDITURES								
Current:								
General government					365		1,491,751	
Law enforcement	2,472,075	4,779					981,311	
Public safety			125,529				51,008	
Recreation and culture								163,820
Total Current	2,472,075	4,779	125,529		365		2,524,070	163,820
TOTAL EXPENDITURES	2,472,075	4,779	125,529		365		2,524,070	163,820
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	321,500	(3,003)	190,278		(103)	1	(825,845)	26,182
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	321,500	(3,003)	190,278		(103)	1	(825,845)	26,182
FUND BALANCES - JANUARY 1	1,682,911	51,738	776,870	\$ 215	884	2,169	1,698,226	773,303
FUND BALANCES - DECEMBER 31	\$ 2,004,411	\$ 48,735	\$ 967,148	\$ 215	\$ 781	\$ 2,170	\$ 872,381	\$ 799,485

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

Schedule 2

	SPECIAL REVENUE FUNDS				Totals
	Phillips County Community College Sales Tax	Records Preservation and Restoration	Juvenile Detention Center Grant	Communication Facility and Equipment	
REVENUES					
State aid			\$ 31,167		\$ 162,551
Federal aid					1,853,838
Property taxes					170,652
Sales taxes	\$ 2,226,850				4,453,701
Fines, forfeitures, and costs					62,984
Interest		\$ 12		\$ 46	5,802
Officers' fees				5,436	109,550
Jail fees					392,624
911 fees					315,361
Commissary profit				17,206	17,206
Phone commission				36,014	36,014
Treasurer's commission					29,245
Collector's commission					75,040
Other		1,000			18,412
TOTAL REVENUES	2,226,850	1,012	31,167	58,702	7,702,980
Less: Treasurer's commission	44,537				95,640
NET REVENUES	2,182,313	1,012	31,167	58,702	7,607,340
EXPENDITURES					
Current:					
General government		5,175			1,779,559
Law enforcement			31,166	60,029	3,568,343
Public safety					176,537
Recreation and culture					163,820
Total Current		5,175	31,166	60,029	5,688,259
TOTAL EXPENDITURES		5,175	31,166	60,029	5,688,259
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,182,313	(4,163)	1	(1,327)	1,919,081
OTHER FINANCING SOURCES (USES)					
Sales tax remitted to community college	(2,337,987)				(2,337,987)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(155,674)	(4,163)	1	(1,327)	(418,906)
FUND BALANCES - JANUARY 1	183,996	19,119	(1)	89,750	6,069,341
FUND BALANCES - DECEMBER 31	\$ 28,322	\$ 14,956	\$ 0	\$ 88,423	\$ 5,650,435

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
County Jail Sales Tax	Arkansas County Ordinance no. 93-6 (May 11, 1993) established fund providing for the levy of a 1/2 of 1% sales and use tax to be used for the acquisition, construction, operation, and maintenance of a new correctional facility. 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.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
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 Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
County Library Southern District	Arkansas County Ordinance no. 78-24 (July 14, 1978) established fund to receive all library state aid and property taxes which in turn are paid to the Southern District Library Board for the maintenance, repairs, and day-to-day operations of the Southern District 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.
Phillips County Community College Sales Tax	Arkansas County Ordinance no. 96-1 (February 13, 1996) established fund providing for the levy of a 1/2 of 1% sales and use tax to be used for the acquisition, construction, operation, and maintenance of the Arkansas County campuses.
Records Preservation and Restoration	Established (February 2004) to receive grants and donations for the preservation and restoration of county clerk and circuit clerk records.
Juvenile Detention Center Grant	Grants received from the State of Arkansas for the operation and maintenance of the Juvenile Detention Center.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.

Treasurer's accounts consist primarily of property taxes and treasurer's commission not distributed to the appropriate agencies and funds held for the County Law Library.

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, and inmate trust money.

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

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

County Judge's accounts consist primarily of rural waste fees due to the treasurer.

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

1. **A. Basis of Presentation - Regulatory**

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

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

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

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

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

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

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

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Funds presented on Schedules 1 and 2 are 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.

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

1. (Continued)

B. Basis of Accounting - Regulatory

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

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officer's fees, trust monies and rural waste fees 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.

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

1. (Continued)

D. Property Taxes

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

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year end.

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

2. Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,693,311
Law enforcement			156,079
Public safety			967,148
Recreation and culture			799,485
Total Restricted			<u>3,616,023</u>
Assigned to:			
General government	\$ 272,647		30,001
Law enforcement	6,227		2,004,411
Highways and streets		\$ 1,054,289	
Total Assigned	<u>278,874</u>	<u>1,054,289</u>	<u>2,034,412</u>
Unassigned	<u>5,308,609</u>		
Totals	<u>\$ 5,587,483</u>	<u>\$ 1,054,289</u>	<u>\$ 5,650,435</u>

3. Commitments

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

	December 31, 2022
Long-term liabilities	\$ 218,154
Reappraisal contract	<u>108,906</u>
Total Commitments	<u>\$ 327,060</u>

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

3. Commitments (Continued)

Long-term Liabilities

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

	December 31, 2022
<u>Direct Borrowings</u>	
Financed purchase agreement dated March 31, 2021 with Deere Credit, Inc in the amount of \$180,016 for 2018 John Deere 670G Motor Grader; 30 monthly payments of \$6,071 through September 2023; Interest 0.9%. Payments are to be made from the Road Fund.	\$ 54,431
Financed purchase agreement dated April 19, 2021 with Deere Credit, Inc in the amount of \$180,016 for 2018 John Deere 670G Motor Grader; 48 monthly payments of \$3,820 through April 2025; Interest 0.9%. Payments are to be made from the Road Fund.	105,796
Total Direct Borrowings	160,227
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	57,927
Total Long-term liabilities	\$ 218,154

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

The County's outstanding direct borrowings of \$160,227 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Direct Borrowings</u>					
3/31/21	9/30/23	0.90%	\$ 180,016	\$ 54,431	\$ 125,585
4/19/21	4/19/25	0.90%	180,016	105,796	74,220
Total Long-Term Debt			\$ 360,032	\$ 160,227	\$ 199,805

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

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrowings</u>				
Financed purchases	\$ 308,806 *	\$ 0	\$ 148,579	\$ 160,227

* Beginning balance was adjusted for prior year errors totaling \$9,627.

Debt Service Requirements to Maturity

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

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 99,500	\$ 971	\$ 100,471
2024	45,476	359	45,835
2025	15,251	29	15,280
Totals	\$ 160,227	\$ 1,359	\$ 161,586

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Services on December 3, 2018, for a county-wide reappraisal. The County is obligated for monthly payments of \$9,088 for a total of \$544,530 beginning January 1, 2019. Contract expense for 2022, was \$108,906.

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

Year	December 31, 2022
2023	\$ 108,906

4. Joint Venture: Regional Library

The Stuttgart Library Commission and the Arkansas County (Northern District) Library Board entered into an agreement in May 1975, in accordance with Amendment no. 30 Section 4 of Amendment no. 38 to the Arkansas Constitution. The agreement states that the Stuttgart Library Commission agrees to make its facilities, books, and employees available for County Library purposes to all residents of the Northern District of Arkansas County, Arkansas. The Arkansas County (Northern District) Library Board agrees to pay over all of the County Library taxes it receives to the Stuttgart Library Commission and to coordinate all its public library activities with those of the Stuttgart Library Commission so as to eliminate duplication of effort and purchases and to achieve the maximum possible benefits of the coordination agreements. The Stuttgart Library Commission agrees to keep accurate records of all monies expended and to render an annual accounting to the Arkansas County (Northern District) Library Board and Arkansas County. The County paid \$284,466 to the Stuttgart Library Commission in 2022. Financial statements of the Stuttgart Library Commission are available at Stuttgart City Hall.

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

5. Jointly Governed Organizations

Tri-County Drug Task Force

The Sheriffs' Departments of Arkansas, Jefferson, and Lincoln Counties and the Prosecuting Attorney Offices of the 11th Judicial District East and 11th Judicial District West entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2022 to June 30, 2023, and may be extended upon written agreement. Funding was provided by a Drug Law Enforcement Program grant applied for by the Tri-County Drug Task Force. No contributions or payments for expenditures were made to the Tri-County Drug Task Force by the County. The 2022 financial statements of the Tri-County Drug Task Force have not been audited.

Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Grant Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. The County did not provide any funding for the Southeast Arkansas Regional Solid Waste Management District. Separate financial statements may be obtained at: P.O. Box 6806, Pine Bluff, AR 71611.

6. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2022, (date of APERS Employer Allocation Report) were \$508,496.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$4,281,591.

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

7. Capital Assets

The County's capital assets records are summarized below:

	December 31, 2022
Land	\$ 29,000
Buildings	9,179,794
Equipment	<u>3,803,733</u>
Total	<u>\$ 13,012,527</u>

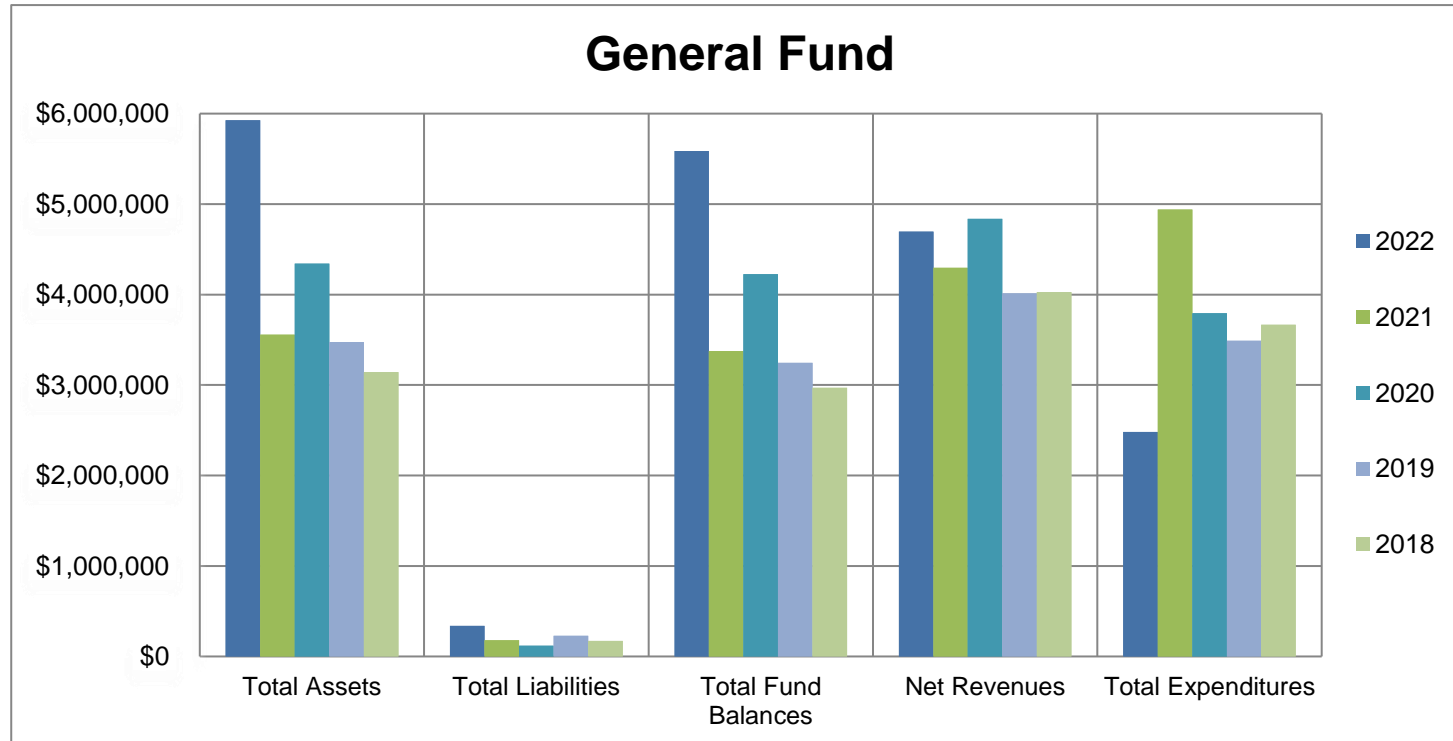
8. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$3,396,451 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$3,396,451 of this amount has been received. In 2022, the County was awarded \$489,928 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$244,964 and \$244,964, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

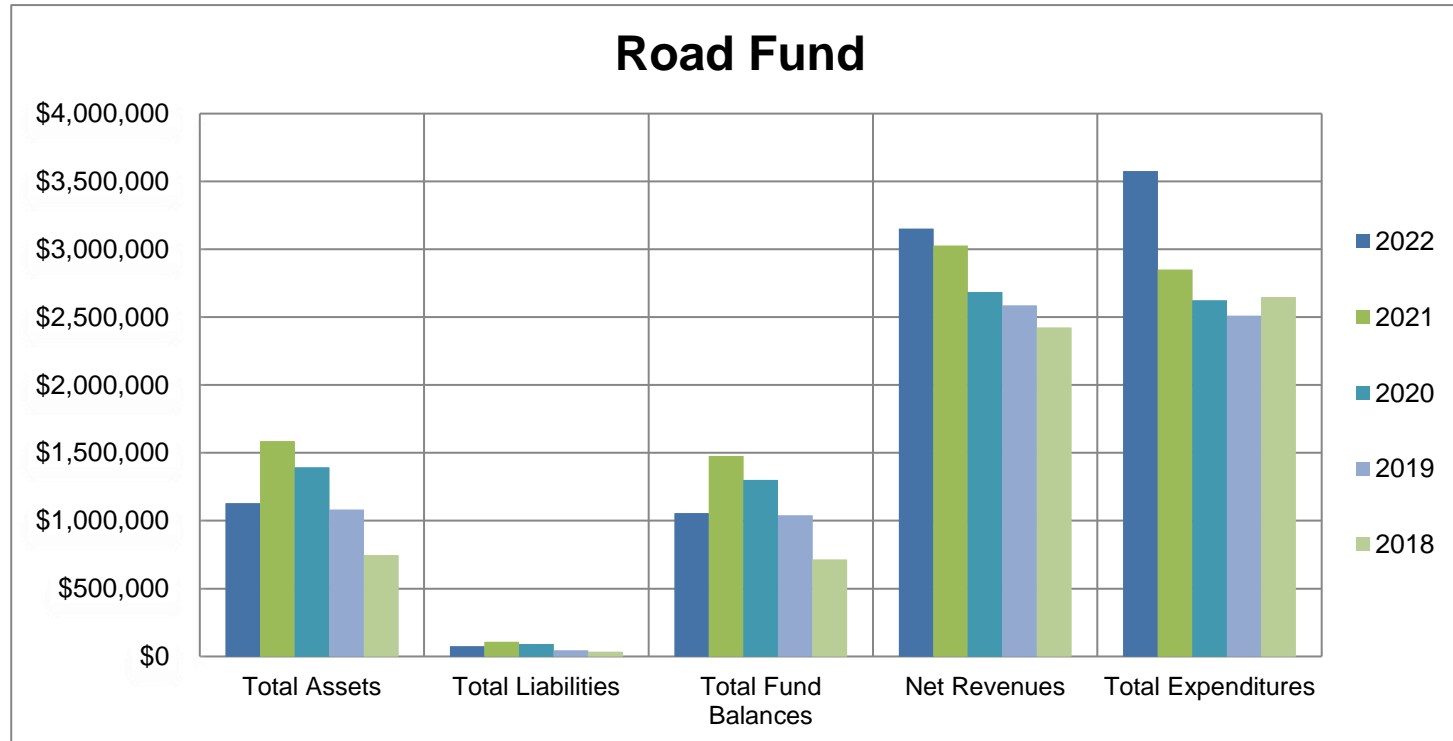
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 5,927,182	\$ 3,554,927	\$ 4,342,316	\$ 3,473,834	\$ 3,142,211
Total Liabilities	339,699	180,090	117,112	229,968	172,068
Total Fund Balances	5,587,483	3,374,837	4,225,204	3,243,866	2,970,143
Net Revenues	4,694,875	4,294,633	4,837,858	4,012,249	4,027,897
Total Expenditures	2,482,229	4,937,883	3,794,486	3,488,526	3,664,965
Total Other Financing Sources/Uses			(200,500)	(250,000)	(200,000)



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

Schedule 3-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 1,129,579	\$ 1,585,964	\$ 1,391,684	\$ 1,081,850	\$ 747,314
Total Liabilities	75,290	107,844	91,474	43,134	34,601
Total Fund Balances	1,054,289	1,478,120	1,300,210	1,038,716	712,713
Net Revenues	3,151,928	3,026,747	2,685,229	2,585,364	2,422,077
Total Expenditures	3,575,759	2,848,837	2,623,735	2,509,361	2,646,076
Total Other Financing Sources/Uses			200,000	250,000	200,000



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

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 6,696,516	\$ 6,621,434	\$ 4,548,421	\$ 3,859,111	\$ 5,080,755
Total Liabilities	1,046,081	552,093	1,039,979	256,314	1,540,166
Total Fund Balances	5,650,435	6,069,341	3,508,442	3,602,797	3,540,589
Net Revenues	7,607,340	7,128,865	5,018,428	4,637,760	4,733,148
Total Expenditures	5,688,259	2,943,927	2,779,876	2,938,245	2,910,479
Total Other Financing Sources/Uses	(2,337,987)	(1,831,077)	(2,194,441)	(1,637,307)	(1,953,577)

