Arkansas County, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

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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, 2024, and have issued our report thereon dated August 10, 2026. 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 2024:

County Judge: Thomas “Eddie” Best
Treasurer: Ruby Dillion
Sheriff/Tax Collector: Johnny Cheek
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 Judge**.

County Judge

2 CFR § 200.501 requires management to obtain a federal compliance audit when federal expenditures exceed $750,000, which occurred in 2023. As of report date, the County had obtained an engagement letter; however, the audit had not been completed. The County could be responsible for repayment of federal expenditures if noncompliance is noted during a federal compliance audit. A similar finding was noted in the previous engagement.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 10, 2026
LOCO00124

Exhibit A

ARKANSAS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 5,974,884	$ 902,792	$ 7,155,521
Accounts receivable	254,237	24,462	203,799
TOTAL ASSETS	$ 6,229,121	$ 927,254	$ 7,359,320
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 102,979	$ 49,193	$ 78,226
Settlements pending	22,124		620,624
Total Liabilities	125,103	49,193	698,850
Fund Balances:			
Restricted		85,087	3,376,119
Assigned	255,724	792,974	3,284,351
Unassigned	5,848,294		
Total Fund Balances	6,104,018	878,061	6,660,470
TOTAL LIABILITIES AND FUND BALANCES	$ 6,229,121	$ 927,254	$ 7,359,320

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, 2024
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	$ 575,778	$ 2,242,328	$ 245,525
Federal aid	54,429	7,082	10,379
Property taxes	2,294,001	903,710	164,684
Sales taxes			4,808,317
Fines, forfeitures, and costs	303,630		93,619
Interest	67,746	692	47,860
Officers' fees	89,522		194,617
Franchise fees	263		
Sanitation	662,258		
Jail fees			608,738
911 fees			292,411
Commissary profit			34,734
Phone commission			80,633
Donations			4,500
Treasurer's commission	141,138		31,974
Collector's commission	338,789		89,873
Taxes apportioned - Assessor's salary and expense	359,842		
Other	70,801	40,138	28,656
TOTAL REVENUES	4,958,197	3,193,950	6,736,520
Less: Treasurer's commission	38,544	34,111	74,617
NET REVENUES	4,919,653	3,159,839	6,661,903
EXPENDITURES			
Current:			
General government	2,829,887		342,213
Law enforcement	1,727,803		2,594,293
Highways and streets		3,025,097	
Public safety	67,882		183,081
Sanitation	624,145		
Health	42,174		
Recreation and culture			198,245
Social services	123,987		
Total Current	5,415,878	3,025,097	3,317,832
Debt Service:			
Financed purchase principal		49,285	
Financed purchase interest		370	
TOTAL EXPENDITURES	5,415,878	3,074,752	3,317,832

ARKANSAS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (496,225)	$ 85,087	$ 3,344,071
OTHER FINANCING SOURCES (USES)			
Sales tax remitted to community college			(2,375,758)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(496,225)	85,087	968,313
FUND BALANCES - JANUARY 1	6,600,243	792,974	5,692,157
FUND BALANCES - DECEMBER 31	$ 6,104,018	$ 878,061	$ 6,660,470

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, 2024
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 218,746	$ 575,778	$ 357,032	$ 1,236,100	$ 2,242,328	$ 1,006,228
Federal aid	21,172	54,429	33,257	7,700	7,082	(618)
Property taxes	2,810,000	2,294,001	(515,999)	750,000	903,710	153,710
Fines, forfeitures, and costs	82,500	303,630	221,130			
Interest	2,625	67,746	65,121	827	692	(135)
Officers' fees	9,778	89,522	79,744	4,200		(4,200)
Franchise fees	613	263	(350)			
Sanitation	636,190	662,258	26,068			
Treasurer's commission	137,500	141,138	3,638			
Collector's commission	330,000	338,789	8,789			
Taxes apportioned - Assessor's salary and expense	328,864	359,842	30,978			
Other	6,000	70,801	64,801	13,000	40,138	27,138
TOTAL REVENUES	4,583,988	4,958,197	374,209	2,011,827	3,193,950	1,182,123
Less: Treasurer's commission		38,544	(38,544)		34,111	(34,111)
NET REVENUES	4,583,988	4,919,653	335,665	2,011,827	3,159,839	1,148,012
EXPENDITURES						
Current:						
General government	3,030,891	2,829,887	201,004			
Law enforcement	1,724,450	1,727,803	(3,353)			
Highways and streets				3,734,259	3,025,097	709,162
Public safety	70,161	67,882	2,279			
Sanitation	637,100	624,145	12,955			
Health	50,025	42,174	7,851			
Social services	124,212	123,987	225			
Total Current	5,636,839	5,415,878	220,961	3,734,259	3,025,097	709,162
Debt Service:						
Financed purchase principal					49,285	(49,285)
Financed purchase interest					370	(370)
TOTAL EXPENDITURES	5,636,839	5,415,878	220,961	3,734,259	3,074,752	659,507
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,052,851)	(496,225)	556,626	(1,722,432)	85,087	1,807,519
FUND BALANCES - JANUARY 1		6,600,243	6,600,243		792,974	792,974
FUND BALANCES - DECEMBER 31	$ (1,052,851)	$ 6,104,018	$ 7,156,869	$ (1,722,432)	$ 878,061	$ 2,600,493

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, 2024
(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
ASSETS								
Cash and cash equivalents	$ 118,475	$ 525,931	$ 36,319	$ 39,093	$ 42,591	$ 153,292	$ 10,001	$ 60
Accounts receivable			794		628	39,272		
TOTAL ASSETS	$ 118,475	$ 525,931	$ 37,113	$ 39,093	$ 43,219	$ 192,564	$ 10,001	$ 60
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			$ 1,144	$ 1,283		$ 5,230		
Settlements pending								
Total Liabilities			1,144	1,283		5,230		
Fund Balances:								
Restricted	$ 98,475	$ 525,931	35,969	37,810	$ 43,219	187,334		$ 60
Assigned	20,000						$ 10,001	
Total Fund Balances	118,475	525,931	35,969	37,810	43,219	187,334	10,001	60
TOTAL LIABILITIES AND FUND BALANCES	$ 118,475	$ 525,931	$ 37,113	$ 39,093	$ 43,219	$ 192,564	$ 10,001	$ 60

ARKANSAS COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	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	Adult Drug Court - Opioid Settlement	County Library Southern District
ASSETS								
Cash and cash equivalents	$ 3,303,265	$ 43,487	$ 1,222,009	$ 215	$ 398	$ 2,170	$ 10,464	$ 841,628
Accounts receivable	129,945		2,280					
TOTAL ASSETS	$ 3,433,210	$ 43,487	$ 1,224,289	$ 215	$ 398	$ 2,170	$ 10,464	$ 841,628
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 60,087		$ 2,123				$ 959	
Settlements pending								
Total Liabilities	60,087		2,123				959	
Fund Balances:								
Restricted	118,773	$ 43,487	1,222,166	$ 215	$ 398	$ 2,170	9,505	$ 841,628
Assigned	3,254,350							
Total Fund Balances	3,373,123	43,487	1,222,166	215	398	2,170	9,505	841,628
TOTAL LIABILITIES AND FUND BALANCES	$ 3,433,210	$ 43,487	$ 1,224,289	$ 215	$ 398	$ 2,170	$ 10,464	$ 841,628

Schedule 1

ARKANSAS COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

	SPECIAL REVENUE FUNDS					
	Phillips County Community College Sales Tax	Records Preservation and Restoration	Local Law Enforcement Block Grant	Juvenile Detention Center Grant	Peer Recovery Support Specialist Grant	Communication Facility and Equipment
ASSETS						
Cash and cash equivalents		$ 18,206	$ 7,400	$ 32,791	$ (6,724)	$ 133,826
Accounts receivable	$ 20,081					10,799
TOTAL ASSETS	$ 20,081	$ 18,206	$ 7,400	$ 32,791	$ (6,724)	$ 144,625
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			$ 7,400			
Settlements pending						
Total Liabilities			7,400			
Fund Balances:						
Restricted	$ 20,081	$ 18,206		$ 32,791	$ (6,724)	$ 144,625
Assigned						
Total Fund Balances	20,081	18,206		32,791	(6,724)	144,625
TOTAL LIABILITIES AND FUND BALANCES	$ 20,081	$ 18,206	$ 7,400	$ 32,791	$ (6,724)	$ 144,625

Schedule 1

ARKANSAS COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

	CUSTODIAL FUNDS						
	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	$ 398,959	$ 1,200	$ 68,276	$ 1,990	$ 106,076	$ 44,123	$ 7,155,521
Accounts receivable							203,799
TOTAL ASSETS	$ 398,959	$ 1,200	$ 68,276	$ 1,990	$ 106,076	$ 44,123	$ 7,359,320
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							$ 78,226
Settlements pending	$ 398,959	$ 1,200	$ 68,276	$ 1,990	$ 106,076	$ 44,123	620,624
Total Liabilities	398,959	1,200	68,276	1,990	106,076	44,123	698,850
Fund Balances:							
Restricted							3,376,119
Assigned							3,284,351
Total Fund Balances							6,660,470
TOTAL LIABILITIES AND FUND BALANCES	$ 398,959	$ 1,200	$ 68,276	$ 1,990	$ 106,076	$ 44,123	$ 7,359,320

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, 2024
(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				$ 6,222		$ 34,725	$ 108,997	
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			$ 12,182					
Interest	$ 119	$ 485	34	43	$ 43	192		$ 1
Officers' fees					9,251	179,856		233
Jail fees								
911 fees								
Commissary profit								
Phone commission								
Donations								
Treasurer's commission	31,974							
Collector's commission		89,873						
Other	31	151	90		70	1,516		8
TOTAL REVENUES	32,124	90,509	12,306	6,265	9,364	216,289	108,997	242
Less: Treasurer's commission			228	125	186	2,812		5
NET REVENUES	32,124	90,509	12,078	6,140	9,178	213,477	108,997	237
EXPENDITURES								
Current:								
General government	22,932	27,916		2,240	5,500	172,510	108,997	1,503
Law enforcement			1,144					
Public safety								
Recreation and culture								
TOTAL EXPENDITURES	22,932	27,916	1,144	2,240	5,500	172,510	108,997	1,503
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,192	62,593	10,934	3,900	3,678	40,967		(1,266)
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,192	62,593	10,934	3,900	3,678	40,967		(1,266)
FUND BALANCES - JANUARY 1	109,283	463,338	25,035	33,910	39,541	146,367	10,001	1,326
FUND BALANCES - DECEMBER 31	$ 118,475	$ 525,931	$ 35,969	$ 37,810	$ 43,219	$ 187,334	$ 10,001	$ 60

ARKANSAS COUNTY, ARKANSAS

Schedule 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

(UNAUDITED)

	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	Adult Drug Court - Opioid Settlement
REVENUES							
State aid	$ 44,400	$ 2,198					$ 15,724
Federal aid							
Property taxes							
Sales taxes	2,404,159						
Fines, forfeitures, and costs	81,437						
Interest	21,332	1,008	$ 1,293				
Officers' fees					$ 160		
Jail fees	608,738						
911 fees			292,411				
Commissary profit							
Phone commission							
Donations							
Treasurer's commission							
Collector's commission							
Other	9,400	14	1,543		3		
TOTAL REVENUES	3,169,466	3,220	295,247		163		15,724
Less: Treasurer's commission	34,544	43	5,216		3		
NET REVENUES	3,134,922	3,177	290,031		160		15,724
EXPENDITURES							
Current:							
General government					500		
Law enforcement	2,407,410						6,219
Public safety			183,081				
Recreation and culture							
TOTAL EXPENDITURES	2,407,410		183,081		500		6,219
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	727,512	3,177	106,950		(340)		9,505
OTHER FINANCING SOURCES (USES)							
Sales tax remitted to community college							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	727,512	3,177	106,950		(340)		9,505
FUND BALANCES - JANUARY 1	2,645,611	40,310	1,115,216	$ 215	738	$ 2,170	
FUND BALANCES - DECEMBER 31	$ 3,373,123	$ 43,487	$ 1,222,166	$ 215	$ 398	$ 2,170	$ 9,505

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, 2024
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	County Library Southern District	Phillips County Community College Sales Tax	Records Preservation and Restoration	Local Law Enforcement Block Grant	Juvenile Detention Center Grant	Peer Recovery Support Specialist Grant	Communication Facility and Equipment	Totals
REVENUES								
State aid	$ 2,092				$ 31,167			$ 245,525
Federal aid	2,979			$ 7,400				10,379
Property taxes	164,684							164,684
Sales taxes		$ 2,404,158						4,808,317
Fines, forfeitures, and costs								93,619
Interest	21,780		$ 20				$ 1,510	47,860
Officers' fees							5,117	194,617
Jail fees								608,738
911 fees								292,411
Commissary profit							34,734	34,734
Phone commission							80,633	80,633
Donations			4,500					4,500
Treasurer's commission								31,974
Collector's commission								89,873
Other	4,158						11,672	28,656
TOTAL REVENUES	195,693	2,404,158	4,520	7,400	31,167		133,666	6,736,520
Less: Treasurer's commission	3,453	28,002						74,617
NET REVENUES	192,240	2,376,156	4,520	7,400	31,167		133,666	6,661,903
EXPENDITURES								
Current:								
General government			115					342,213
Law enforcement				7,400		$ 53,013	119,107	2,594,293
Public safety								183,081
Recreation and culture	198,245							198,245
TOTAL EXPENDITURES	198,245		115	7,400		53,013	119,107	3,317,832
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,005)	2,376,156	4,405		31,167	(53,013)	14,559	3,344,071
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to community college		(2,375,758)						(2,375,758)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,005)	398	4,405		31,167	(53,013)	14,559	968,313
FUND BALANCES - JANUARY 1	847,633	19,683	13,801		1,624	46,289	130,066	5,692,157
FUND BALANCES - DECEMBER 31	$ 841,628	$ 20,081	$ 18,206	$ 0	$ 32,791	$ (6,724)	$ 144,625	$ 6,660,470

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

Fund Name	Fund Description
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.
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.

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

Fund Name	Fund Description
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.
Adult Drug Court - Opioid Settlement	Established to account for a grant from State-Wide Opioid Settlement proceeds to be used for evidence-based, evidence-informed, or promising activities, programs, or strategies that expand the availability of treatment for individuals affected by substance use disorders.
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.
Local Law Enforcement Block Grant	Established to account for a grant received from the Department of Justice for local law enforcement programs.
Juvenile Detention Center Grant	Grants received from the State of Arkansas for the operation and maintenance of the Juvenile Detention Center.
Peer Recovery Support Specialist Grant	Arkansas County Ordinance no. 2023-23 (December 12, 2023) established fund for Arkansas County Adult Drug Court to receive Arkansas Department of Human Services Grant to provide support and guidance for those struggling with behavioral health disorders.
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.

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

Fund Name	Fund Description

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

Collector's accounts consist of change funds.

Sheriff's accounts consist primarily of fees settlement, bonds, and inmate trust money.

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

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

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

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 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.

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.

1. (Continued)

B. Basis of Accounting – Regulatory (Continued)

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

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.

1. (Continued)

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.

2. Details of Fund Balance Classifications

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 933,684
Law enforcement			378,641
Highways and streets		$ 85,087	
Public safety			1,222,166
Recreation and culture			841,628
Total Restricted		85,087	3,376,119
Assigned to:			
General government			30,001
Law enforcement	$ 9,319		3,254,350
Highways and streets		792,974	
Sanitation	246,405		
Total Assigned	255,724	792,974	3,284,351
Unassigned	5,848,294		
Totals	$ 6,104,018	$ 878,061	$ 6,660,470

3. Commitments

Total commitments consist of the following at December 31, 2024:

	December 31, 2024
Long-term liabilities	$ 42,257
Reappraisal contract	326,991
Total Commitments	$ 369,248

3. Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2024, are comprised of the following:

	December 31, 2024
Direct Borrowings	
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.	$ 11,443
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	30,814
Total Long-term liabilities	$ 42,257

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 $11,443 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.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	$ 47,148
Ending balance compensated absences	30,814
Net Increase (Decrease)	$ (16,334)

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, 2024	Maturities to December 31, 2024
Direct Borrowings					
4/19/21	4/19/25	0.90%	$ 180,016	$ 11,443	$ 168,573

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Direct Borrowings				
Financed purchases	$ 60,728	$ 0	$ 49,285	$ 11,443

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2024:

Years Ending	Direct Borrowings		
December 31,	Principal	Interest	Total
2025	$ 11,443	$ 17	$ 11,460

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Service on November 7, 2023, for a county-wide reappraisal. The County is obligated for 48 monthly payments of $9,083 for a total of $435,988 beginning January 1, 2024. Contract expense for 2024, was $108,997.

The County is obligated for the following amounts at December 31, 2024:

Year	December 31, 2024
2025	$ 108,997
2026	108,997
2027	108,997
Total	$ 326,991

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 $254,399 to the Stuttgart Library Commission in 2024. Financial statements of the Stuttgart Library Commission are available at Stuttgart City Hall.

5. Jointly Governed Organization

Tri-County Drug Task Force

The Sheriffs' Departments of Arkansas, Jefferson, and Lincoln Counties, the Prosecuting Attorney Offices of the 11th Judicial District East and 11th Judicial District West, and the Pine Bluff Police Department entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2024 to June 30, 2025, 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 2024 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 Arkansas 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 5.75% as of July 1, 2024. 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, 2024, (date of APERS Employer Allocation Report) were $610,952.

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, 2024, (actuarial valuation date and measurement date) was $4,367,861.

7. Capital Assets

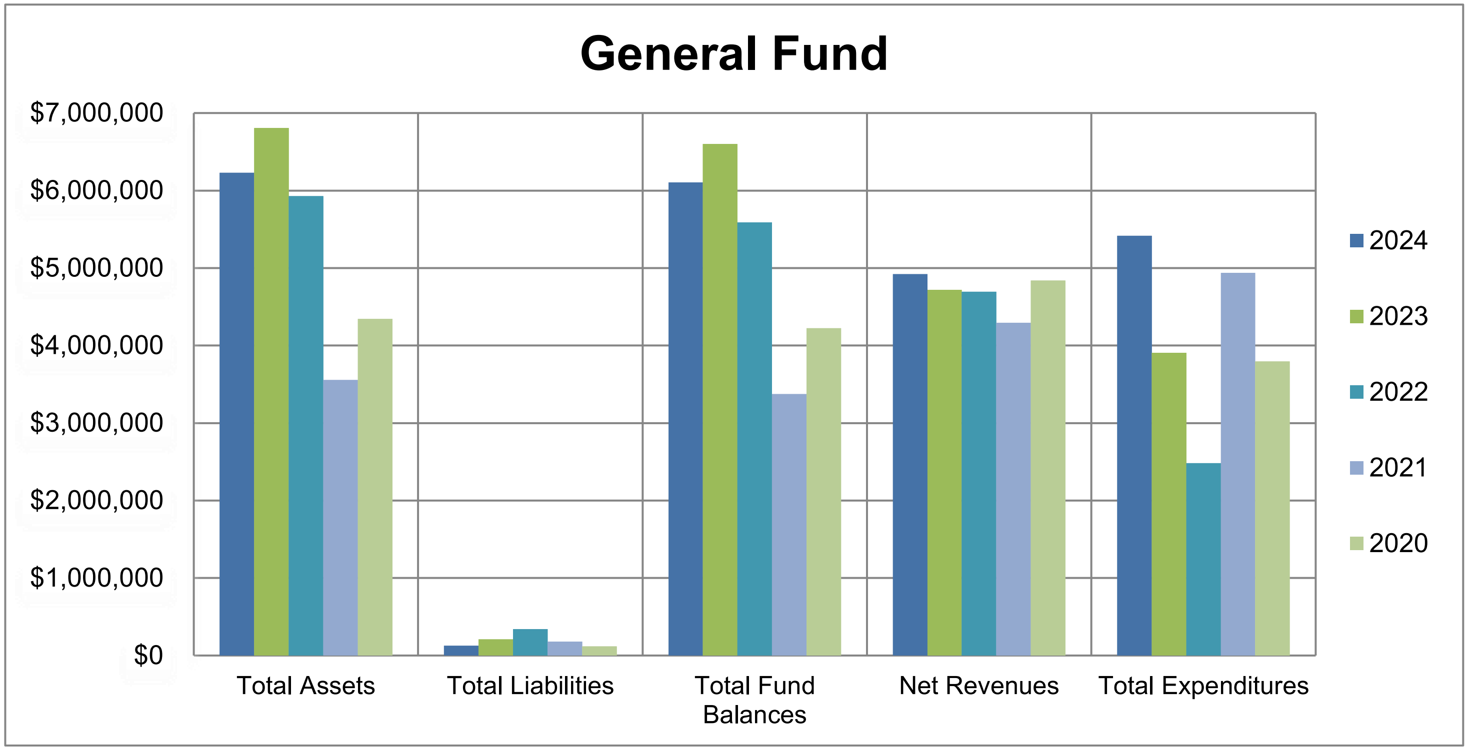
The County's capital assets records are summarized below

	December 31, 2024
Land	$ 29,000
Buildings	9,274,794
Equipment	4,397,901
Total	$ 13,701,695

ARKANSAS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

Schedule 3-1

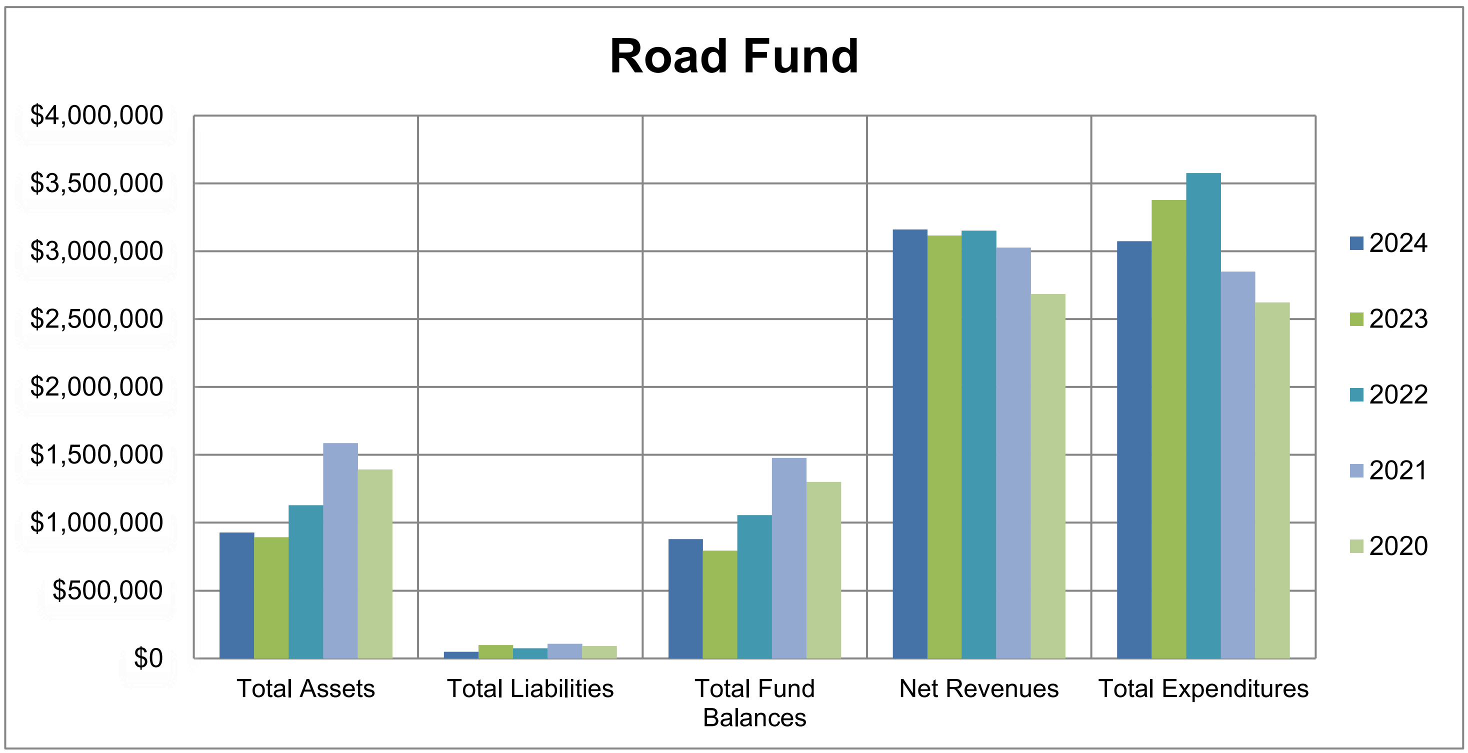
General	2024	2023	2022	2021	2020
Total Assets	$ 6,229,121	$ 6,808,701	$ 5,927,182	$ 3,554,927	$ 4,342,316
Total Liabilities	125,103	208,458	339,699	180,090	117,112
Total Fund Balances	6,104,018	6,600,243	5,587,483	3,374,837	4,225,204
Net Revenues	4,919,653	4,719,186	4,694,875	4,294,633	4,837,858
Total Expenditures	5,415,878	3,906,995	2,482,229	4,937,883	3,794,486
Total Other Financing Sources/Uses					(200,500)



ARKANSAS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

Schedule 3-2

Road	2024	2023	2022	2021	2020
Total Assets	$ 927,254	$ 892,118	$ 1,129,579	$ 1,585,964	$ 1,391,684
Total Liabilities	49,193	99,144	75,290	107,844	91,474
Total Fund Balances	878,061	792,974	1,054,289	1,478,120	1,300,210
Net Revenues	3,159,839	3,116,518	3,151,928	3,026,747	2,685,229
Total Expenditures	3,074,752	3,377,833	3,575,759	2,848,837	2,623,735
Total Other Financing Sources/Uses					200,000



ARKANSAS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2024
(UNAUDITED)

Schedule 3-3

Other Funds in the Aggregate	2024	2023	2022	2021	2020
Total Assets	$ 7,359,320	$ 6,515,288	$ 6,696,516	$ 6,621,434	$ 4,548,421
Total Liabilities	698,850	823,131	1,046,081	552,093	1,039,979
Total Fund Balances	6,660,470	5,692,157	5,650,435	6,069,341	3,508,442
Net Revenues	6,661,903	6,444,111	7,607,340	7,128,865	5,018,428
Total Expenditures	3,317,832	4,059,598	5,688,259	2,943,927	2,779,876
Total Other Financing Sources/Uses	(2,375,758)	(2,342,791)	(2,337,987)	(1,831,077)	(2,194,441)