

Cleveland County, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CLEVELAND COUNTY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Cleveland 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 Cleveland County, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated April 15, 2025. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2023:

County Judge: Jimmy Cummings
Treasurer: Angie Kimsey
Sheriff: Jack H. Rogers
Tax Collector: Patti Wilson
County/Circuit Clerk: Brandy Herring
Assessor: Barbara Reaves
District Court Clerk: Renee Herring
County Librarian: Hilda Terry

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

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 William White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 15, 2025
LOCO01323

CLEVELAND COUNTY, ARKANSAS
 BALANCE SHEET - REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Exhibit A

| | General | Road | Other Funds in the Aggregate | |
|--|----------------------------|----------------------------|------------------------------------|----------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,279,751 | \$ 1,280,585 | \$ 5,624,610 | |
| Accounts receivable | 24,078 | 5,255 | | 28,377 |
| Interfund receivables | | 61,779 | | |
| TOTAL ASSETS | <u>\$ 3,303,829</u> | <u>\$ 1,347,619</u> | <u>\$ 5,652,987</u> | |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 8,353 | \$ 4,038 | \$ 95,679 | |
| Interfund payables | 61,779 | | | |
| Settlements pending | 89,734 | | | 161,852 |
| Total Liabilities | <u>159,866</u> | <u>4,038</u> | | <u>257,531</u> |
| Fund Balances: | | | | |
| Restricted | | 217,374 | 5,086,208 | |
| Committed | 292,450 | 1,126,207 | 175,258 | |
| Assigned | 491,788 | | | 133,990 |
| Unassigned | 2,359,725 | | | |
| Total Fund Balances | <u>3,143,963</u> | <u>1,343,581</u> | <u>5,395,456</u> | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 3,303,829</u> | <u>\$ 1,347,619</u> | <u>\$ 5,652,987</u> | |

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

CLEVELAND COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Exhibit B

| | General | Road | Other Funds in the Aggregate |
|---|------------------|------------------|------------------------------------|
| REVENUES | | | |
| State aid | \$ 544,599 | \$ 1,400,909 | \$ 114,419 |
| Federal aid | 17,946 | | 113,376 |
| Property taxes | 504,430 | 244,860 | 86,696 |
| Sales taxes | 183,560 | 408,568 | 1,613,016 |
| Fines, forfeitures, and costs | 138,480 | | 45,750 |
| Interest | 67,223 | 8,055 | 108,930 |
| Officers' fees | 17,614 | | 44,398 |
| 911 fees | | | 164,848 |
| Sanitation fees | | | 3,365 |
| Jail fees | | | 38,896 |
| Reimbursements from cities | 148,885 | | 11,202 |
| Insurance proceeds | | 101,168 | |
| Treasurer's commission | 91,588 | | 12,994 |
| Collector's commission | 123,940 | | 18,737 |
| Taxes apportioned - Assessor's salary and expense | 143,330 | | |
| Other | 34,996 | 23,494 | 12,383 |
| TOTAL REVENUES | 2,016,591 | 2,187,054 | 2,389,010 |
| Less: Treasurer's commission | 28,354 | 41,772 | 40,259 |
| NET REVENUES | 1,988,237 | 2,145,282 | 2,348,751 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 872,210 | | 149,705 |
| Law enforcement | 967,322 | | 189,367 |
| Highways and streets | | 1,404,625 | 224,000 |
| Public safety | 45,291 | | 129,324 |
| Sanitation | | | 956,014 |
| Health | 16,130 | | 73,583 |
| Recreation and culture | | | 110,657 |
| Social services | 59,199 | | 800 |
| Total Current | 1,960,152 | 1,404,625 | 1,833,450 |
| Debt Service: | | | |
| Financed purchase principal | | 108,941 | |
| Financed purchase interest | | 5,774 | |
| TOTAL EXPENDITURES | 1,960,152 | 1,519,340 | 1,833,450 |

CLEVELAND COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Exhibit B

| | General | Road | Other Funds in the Aggregate |
|--|----------------------------|----------------------------|------------------------------------|
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>\$ 28,085</u> | <u>\$ 625,942</u> | <u>\$ 515,301</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 342,450 | | 9,500 |
| Transfers out | <u>(9,500)</u> | | <u>(342,450)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>332,950</u> | | <u>(332,950)</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 361,035 | 625,942 | 182,351 |
| FUND BALANCES - JANUARY 1 | <u>2,782,928</u> | <u>717,639</u> | <u>5,213,105</u> |
| FUND BALANCES - DECEMBER 31 | <u><u>\$ 3,143,963</u></u> | <u><u>\$ 1,343,581</u></u> | <u><u>\$ 5,395,456</u></u> |

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

CLEVELAND 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, 2023
 (UNAUDITED)

| | General | | | Road | | |
|---|------------------|------------------|--|------------------|------------------|--|
| | | | Variance Favorable (Unfavorable) | | | Variance Favorable (Unfavorable) |
| | Budget | Actual | | Budget | Actual | |
| REVENUES | | | | | | |
| State aid | \$ 432,000 | \$ 544,599 | \$ 112,599 | \$ 1,337,000 | \$ 1,400,909 | \$ 63,909 |
| Federal aid | 18,445 | 17,946 | (499) | | | |
| Property taxes | 421,100 | 504,430 | 83,330 | 215,500 | 244,860 | 29,360 |
| Sales taxes | 165,000 | 183,560 | 18,560 | 370,000 | 408,568 | 38,568 |
| Fines, forfeitures, and costs | 172,890 | 138,480 | (34,410) | | | |
| Interest | 28,000 | 67,223 | 39,223 | | | |
| Officers' fees | 7,900 | 17,614 | 9,714 | | | |
| Reimbursements from cities | | 148,885 | 148,885 | | | |
| Insurance proceeds | | | | | 101,168 | 101,168 |
| Local fees 6 | | | | | | |
| Other 1 | | | | | | |
| Treasurer's commission | | 91,588 | 91,588 | | | |
| Collector's commission | 170,000 | 123,940 | (46,060) | | | |
| Taxes apportioned - Assessor's salary and expense | 102,000 | 143,330 | 41,330 | | | |
| Other | 197,505 | 34,996 | (162,509) | | 23,494 | 23,494 |
| TOTAL REVENUES | 1,714,840 | 2,016,591 | 301,751 | 1,922,500 | 2,187,054 | 264,554 |
| Less: Treasurer's commission | | 28,354 | (28,354) | | 41,772 | (41,772) |
| NET REVENUES | 1,714,840 | 1,988,237 | 273,397 | 1,922,500 | 2,145,282 | 222,782 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 901,171 | 872,210 | 28,961 | | | |
| Law enforcement | 1,436,799 | 967,322 | 469,477 | | | |
| Highways and streets | | | | 2,140,050 | 1,404,625 | 735,425 |
| Public safety | 89,158 | 45,291 | 43,867 | | | |
| Health | 38,650 | 16,130 | 22,520 | | | |
| Social services | 62,405 | 59,199 | 3,206 | | | |
| Total Current | 2,528,183 | 1,960,152 | 568,031 | 2,140,050 | 1,404,625 | 735,425 |
| Debt Service: | | | | | | |
| Financed purchase principal | | | | | 108,941 | (108,941) |
| Financed purchase interest | | | | | 5,774 | (5,774) |
| TOTAL EXPENDITURES | 2,528,183 | 1,960,152 | 568,031 | 2,140,050 | 1,519,340 | 620,710 |

CLEVELAND 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, 2023
 (UNAUDITED)

| | General | | | Road | | |
|--|--------------|--------------|--|--------------|--------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | \$ (813,343) | \$ 28,085 | \$ 841,428 | \$ (217,550) | \$ 625,942 | \$ 843,492 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | | | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 135,000 | 342,450 | 207,450 | | | |
| Transfers out | | (9,500) | (9,500) | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | 135,000 | 332,950 | 197,950 | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (678,343) | 361,035 | 1,039,378 | (217,550) | 625,942 | 843,492 |
| FUND BALANCES - JANUARY 1 | 818,527 | 2,782,928 | 1,964,401 | 520,000 | 717,639 | 197,639 |
| FUND BALANCES - DECEMBER 31 | \$ 140,184 | \$ 3,143,963 | \$ 3,003,779 | \$ 302,450 | \$ 1,343,581 | \$ 1,041,131 |

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

CLEVELAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUND IN THE AGGREGATE - REGULARTORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

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 Cost | County Public Library | Solid Waste | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 21,625 | \$ 39,247 | \$ 210 | \$ 5,495 | \$ 13,155 | \$ 48,300 | \$ 126,323 | \$ 3,304,509 | |
| Accounts receivable | | 1,487 | | 255 | | 3,454 | 861 | | 12,310 |
| TOTAL ASSETS | \$ 21,625 | \$ 40,734 | \$ 210 | \$ 5,750 | \$ 13,155 | \$ 51,754 | \$ 127,184 | \$ 3,316,819 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | | | | | | | | \$ 221 | |
| Settlements pending | | | | | | | | | |
| Total Liabilities | | | | | | | | 221 | |
| Fund Balances: | | | | | | | | | |
| Restricted | \$ 21,625 | \$ 40,734 | \$ 210 | \$ 5,750 | \$ 13,155 | \$ 51,754 | \$ 126,963 | \$ 3,184,679 | |
| Committed | | | | | | | | | |
| Assigned | | | | | | | | | 132,140 |
| Total Fund Balances | 21,625 | 40,734 | 210 | 5,750 | 13,155 | 51,754 | 126,963 | 3,316,819 | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 21,625 | \$ 40,734 | \$ 210 | \$ 5,750 | \$ 13,155 | \$ 51,754 | \$ 127,184 | \$ 3,316,819 | |

CLEVELAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUND IN THE AGGREGATE - REGULARTORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

| SPECIAL REVENUE FUNDS | | | | | | | | |
|--|---------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|---|------------------------|---------------------------------------|
| | County Clerk Operating | Child Support Collection Costs | Communication Facility and Equipment | Jail Operation and Maintenance | Boating Safety and Enforcement | CMRS 911 Board (Commercial Mobile Radio Service) | Indigent Defense | Circuit Court Juvenile Division |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 710 | \$ 2,013 | \$ 53,196 | \$ 84,903 | \$ 7,167 | \$ 118,008 | \$ 3,686 | \$ 2,291 |
| Accounts receivable | 8 | | 178 | 820 | | | 142 | |
| TOTAL ASSETS | \$ 718 | \$ 2,013 | \$ 53,374 | \$ 85,723 | \$ 7,167 | \$ 118,008 | \$ 3,828 | \$ 2,291 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | | | | \$ 1,562 | | | \$ 1,978 | |
| Settlements pending | | | | | | | | |
| Total Liabilities | | | | <u>1,562</u> | | | <u>1,978</u> | |
| Fund Balances: | | | | | | | | |
| Restricted | \$ 718 | \$ 2,013 | \$ 53,374 | \$ 84,161 | \$ 7,167 | \$ 118,008 | | \$ 2,291 |
| Committed | | | | | | | | |
| Assigned | | | | | | | <u>1,850</u> | |
| Total Fund Balances | <u>718</u> | <u>2,013</u> | <u>53,374</u> | <u>84,161</u> | <u>7,167</u> | <u>118,008</u> | <u>1,850</u> | <u>2,291</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 718</u> | <u>\$ 2,013</u> | <u>\$ 53,374</u> | <u>\$ 85,723</u> | <u>\$ 7,167</u> | <u>\$ 118,008</u> | <u>\$ 3,828</u> | <u>\$ 2,291</u> |

CLEVELAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUND IN THE AGGREGATE - REGULARTORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

| SPECIAL REVENUE FUNDS | | | | | | | | | |
|--|------------------------|--|---|--------------------------------|----------------------|------------------------|-----------------------------|------------------|---|
| | | | | | | | | | Additional District Judge's Retirement |
| | Juvenile Court Cost | Circuit Clerk Commissioner's Fee | Assessor's Late Assessment Fee | American Rescue Plan Act | Ambulance Service | Sheriff's Equipment | Special Jail Maintenance | | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 70 | \$ 291 | \$ 1,635 | \$ 127,744 | \$ 1,046,138 | \$ 176,677 | \$ 2,772 | \$ 81,932 | |
| Accounts receivable | | | 14 | | 1,926 | 6,650 | 36 | | 236 |
| TOTAL ASSETS | \$ 70 | \$ 291 | \$ 1,649 | \$ 127,744 | \$ 1,048,064 | \$ 183,327 | \$ 2,808 | \$ 82,168 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | | | | | \$ 89,018 | \$ 2,900 | | | |
| Settlements pending | | | | | | | | | |
| Total Liabilities | | | | | 89,018 | 2,900 | | | |
| Fund Balances: | | | | | | | | | |
| Restricted | \$ 70 | \$ 291 | \$ 1,649 | 38,726 | 1,045,164 | \$ 10,169 | \$ 2,808 | \$ 82,168 | |
| Committed | | | | | | 173,158 | | | |
| Assigned | | | | | | | | | |
| Total Fund Balances | 70 | 291 | 1,649 | 38,726 | 1,045,164 | 183,327 | 2,808 | 82,168 | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 70 | \$ 291 | \$ 1,649 | \$ 127,744 | \$ 1,048,064 | \$ 183,327 | \$ 2,808 | \$ 82,168 | |

CLEVELAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUND IN THE AGGREGATE - REGULARATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

| SPECIAL REVENUE FUNDS | | | | | | | | | |
|--|----------------------|-------------------|--------------------------------------|------------------|-----------------------------|-----------------|--------------------------------|--------------------------|-------------------------------|
| | | | | | | | | | |
| | Chemical Stockpile | | Emergency Preparedness Program Grant | | Solid Waste Recycling Grant | | Woodlawn Fire Department Grant | Automated Records System | Blue and You Foundation Grant |
| ASSETS | Hospital Maintenance | | | | | | | | |
| Cash and cash equivalents | \$ 14,563 | \$ 100,776 | \$ 2,100 | \$ 42,258 | \$ 11,278 | \$ 2,507 | \$ 203 | \$ 37 | |
| Accounts receivable | | | | | | | | | |
| TOTAL ASSETS | \$ 14,563 | \$ 100,776 | \$ 2,100 | \$ 42,258 | \$ 11,278 | \$ 2,507 | \$ 203 | \$ 37 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | | | | | | | | | |
| Settlements pending | | | | | | | | | |
| Total Liabilities | | | | | | | | | |
| Fund Balances: | | | | | | | | | |
| Restricted | \$ 14,563 | \$ 100,776 | | \$ 42,258 | \$ 11,278 | \$ 2,507 | \$ 203 | \$ 37 | |
| Committed | | | \$ 2,100 | | | | | | |
| Assigned | | | | | | | | | |
| Total Fund Balances | 14,563 | 100,776 | 2,100 | 42,258 | 11,278 | 2,507 | 203 | 37 | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 14,563 | \$ 100,776 | \$ 2,100 | \$ 42,258 | \$ 11,278 | \$ 2,507 | \$ 203 | \$ 37 | |

CLEVELAND COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUND IN THE AGGREGATE - REGULARTORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

| | CAPITAL PROJECTS FUND | | CUSTODIAL FUNDS | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|----------------------------|----------------------------|--|
| | Water Reservoir | Treasurer's Accounts | Collector's Accounts | Sheriff's Accounts | County/Circuit Clerk's Accounts | District Court Accounts | Totals | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 20,939 | \$ 65,981 | \$ 46,100 | \$ 8,281 | \$ 36,118 | \$ 5,372 | \$ 5,624,610 | |
| Accounts receivable | <u> </u> | <u> </u> | 28,377 | |
| TOTAL ASSETS | <u>\$ 20,939</u> | <u>\$ 65,981</u> | <u>\$ 46,100</u> | <u>\$ 8,281</u> | <u>\$ 36,118</u> | <u>\$ 5,372</u> | <u>\$ 5,652,987</u> | |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | | | | | | | \$ 95,679 | |
| Settlements pending | | \$ 65,981 | \$ 46,100 | \$ 8,281 | \$ 36,118 | \$ 5,372 | 161,852 | |
| Total Liabilities | | <u>65,981</u> | <u>46,100</u> | <u>8,281</u> | <u>36,118</u> | <u>5,372</u> | <u>257,531</u> | |
| Fund Balances: | | | | | | | | |
| Restricted | \$ 20,939 | | | | | | 5,086,208 | |
| Committed | | | | | | | 175,258 | |
| Assigned | | | | | | | 133,990 | |
| Total Fund Balances | <u>20,939</u> | | | | | | <u>5,395,456</u> | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 20,939</u> | <u>\$ 65,981</u> | <u>\$ 46,100</u> | <u>\$ 8,281</u> | <u>\$ 36,118</u> | <u>\$ 5,372</u> | <u>\$ 5,652,987</u> | |

CLEVELAND 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, 2023
 (UNAUDITED)

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 Cost | County Public Library | Solid Waste | County Clerk Operating | |
| REVENUES | | | | | | | | | | |
| State aid | | | | | \$ 3,065 | | | \$ 25,162 | | |
| Federal aid | | | | | | | | | | |
| Property taxes | | | | | | | | 86,400 | | |
| Sales taxes | | | | | | | | | | \$ 1,433,792 |
| Fines, forfeitures, and costs | | | | | \$ 5,408 | | | | | |
| Interest | \$ 152 | \$ 292 | \$ 2 | \$ 2 | 53 | 121 | | | 1,044 | 78,935 |
| Officers' fees | | | | | | | | | | \$ 5 |
| 911 fees | | | | | | | | | | 140 |
| Sanitation fees | | | | | | | | | | 3,365 |
| Jail fees | | | | | | | | | | |
| Reimbursements from cities | | | | | | | | | | |
| Insurance proceeds | | | | | | | | | | |
| Treasurer's commission | 12,994 | | | | | | | | | |
| Collector's commission | | 18,737 | | | | | | | | |
| Other | | | | | 31 | 16 | \$ 276 | 2,689 | 7,594 | 1 |
| TOTAL REVENUES | 13,146 | 19,029 | 4 | 5,492 | 3,202 | 276 | 115,295 | 1,523,686 | 146 | |
| Less: Treasurer's commission | | 6 | | 104 | 64 | 782 | 2,321 | 30,179 | 3 | |
| NET REVENUES | 13,146 | 19,023 | 4 | 5,388 | 3,138 | (506) | 112,974 | 1,493,507 | 143 | |
| Current: | | | | | | | | | | |
| General government | 8,977 | 17,538 | | | 3,106 | 30,307 | | | | |
| Law enforcement | | | | | 6,405 | | | | | |
| Highways and streets | | | | | | | | | | |
| Public safety | | | | | | | | | | 956,014 |
| Sanitation | | | | | | | | | | |
| Health | | | | | | | | | | |
| Recreation and culture | | | | | | | | 110,657 | | |
| Social services | | | | | | | | | | |
| TOTAL EXPENDITURES | 8,977 | 17,538 | | 6,405 | 3,106 | 30,307 | 110,657 | 956,014 | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,169 | 1,485 | 4 | (1,017) | 32 | (30,813) | 2,317 | 537,493 | 143 | |
| 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 | 4,169 | 1,485 | 4 | (1,017) | 32 | (30,813) | 2,317 | 537,493 | 143 | |
| FUND BALANCES - JANUARY 1 | 17,456 | 39,249 | 206 | 6,767 | 13,123 | 43,741 | 124,646 | 2,779,326 | 575 | |
| FUND BALANCES - DECEMBER 31 | \$ 21,625 | \$ 40,734 | \$ 210 | \$ 5,750 | \$ 13,155 | \$ 12,928 | \$ 126,963 | \$ 3,316,819 | \$ 718 | |

CLEVELAND 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, 2023
 (UNAUDITED)

Schedule 2

| | SPECIAL REVENUE FUNDS | | | | | | | | | |
|---|--------------------------------|--------------------------------------|--------------------------------|--------------------------------|--|------------------|---------------------------------|---------------------|----------------------------------|-----------|
| | Child Support Collection Costs | Communication Facility and Equipment | Jail Operation and Maintenance | Boating Safety and Enforcement | CMRS 911 Board (Commercial Mobile Radio Service) | Indigent Defense | Circuit Court Juvenile Division | Juvenile Court Cost | Circuit Clerk Commissioner's Fee | |
| REVENUES | | | | | | | | | | |
| State aid | | | | | | | | | | |
| Federal aid | | | | | | | | | | |
| Property taxes | | | | | | | | | | |
| Sales taxes | | | | | | | | | | |
| Fines, forfeitures, and costs | | | | | | | | | | |
| Interest | \$ 26 | \$ 434 | \$ 21,485 | \$ 55 | | \$ 1,701 | \$ 19 | \$ 20 | \$ 1 | \$ 2 |
| Officers' fees | 23 | 4,312 | 724 | | | | | | | 30 |
| 911 fees | | | | | | \$ 164,848 | | | | |
| Sanitation fees | | | | | | | | | | |
| Jail fees | | | | | | | | | | |
| Reimbursements from cities | | | | | | | | | | |
| Insurance proceeds | | | | | | | | | | |
| Treasurer's commission | | | | | | | | | | |
| Collector's commission | | | | | | | | | | |
| Other | 1 | 29 | 166 | 6 | 267 | 15 | 1 | | | |
| TOTAL REVENUES | 50 | 4,775 | 22,375 | 1,153 | 165,115 | 3,177 | 21 | 1 | 1 | 32 |
| Less: Treasurer's commission | 8 | 93 | 428 | 23 | 800 | 63 | 1 | | | 1 |
| NET REVENUES | 42 | 4,682 | 21,947 | 1,130 | 164,315 | 3,114 | 20 | 1 | 1 | 31 |
| Current: | | | | | | | | | | |
| General government | 2,609 | | | | | | | | | |
| Law enforcement | | 2,480 | 20,326 | | | | | | | |
| Highways and streets | | | | | | | | | | |
| Public safety | | | | | | 111,746 | | | | |
| Sanitation | | | | | | | | | | |
| Health | | | | | | | | | | |
| Recreation and culture | | | | | | | | | | |
| Social services | | | | | | | | | | |
| TOTAL EXPENDITURES | 2,609 | 2,480 | 20,326 | | 111,746 | 9,554 | 197 | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (2,567) | 2,202 | 1,621 | 1,130 | 52,569 | (6,440) | (177) | 1 | 1 | 31 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | | | | | | 6,000 | | | | |
| Transfers out | | | | | | | | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | | | | | | 6,000 | | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (2,567) | 2,202 | 1,621 | 1,130 | 52,569 | (440) | (177) | 1 | 1 | 31 |
| FUND BALANCES - JANUARY 1 | 4,580 | 51,172 | 82,540 | 6,037 | 65,439 | 2,290 | 2,468 | 69 | 260 | |
| FUND BALANCES - DECEMBER 31 | \$ 2,013 | \$ 53,374 | \$ 84,161 | \$ 7,167 | \$ 118,008 | \$ 1,850 | \$ 2,291 | \$ 70 | \$ 291 | |

CLEVELAND 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, 2023
 (UNAUDITED)

Schedule 2

| SPECIAL REVENUE FUNDS | | | | | | | | | |
|--|--------------------------------------|--------------------------------|----------------------|------------------------|-----------------------------|--|-------------------------|---|------------------|
| | Assessor's Late Assessment Fee | American Rescue Plan Act | Ambulance Service | Sheriff's Equipment | Special Jail Maintenance | Additional District Judge's Retirement | Hospital Maintenance | Chemical Stockpile Emergency Preparedness Program Grant | Mitigation Grant |
| REVENUES | | | | | | | | | |
| State aid | | | | | | | | | |
| Federal aid | | | | | | | | | |
| Property taxes | \$ 294 | | | | | | | | |
| Sales taxes | | \$ 179,224 | | | | | | | |
| Fines, forfeitures, and costs | | | | | | | | | |
| Interest | 12 | \$ 4,143 | 20,939 | \$ 11,696 | | \$ 5,460 | | | |
| Officers' fees | | | | 1,277 | \$ 21 | | | | |
| 911 fees | | | | 1,418 | | | | | |
| Sanitation fees | | | | | | | | | |
| Jail fees | | | | | 38,160 | 736 | | | |
| Reimbursements from cities | | | | | 11,202 | | | | |
| Insurance proceeds | | | | | | | | | |
| Treasurer's commission | | | | | | | | | |
| Collector's commission | | | | | | | | | |
| Other | | | | 931 | 317 | 4 | 39 | | |
| TOTAL REVENUES | 306 | 4,143 | 201,094 | 64,070 | 761 | 5,499 | 128 | 100,776 | 12,600 |
| Less: Treasurer's commission | 6 | | 3,976 | 1,279 | 15 | 104 | | | |
| NET REVENUES | 300 | 4,143 | 197,118 | 62,791 | 746 | 5,395 | 128 | 100,776 | 12,600 |
| Current: | | | | | | | | | |
| General government | | 10,980 | | | | | | | |
| Law enforcement | | 148,740 | | | 1,665 | | | | |
| Highways and streets | | 224,000 | | | | | | | |
| Public safety | | 3,578 | | | | | | | 14,000 |
| Sanitation | | | | | | | | | |
| Health | | | 72,450 | | | | 1,133 | | |
| Recreation and culture | | | | | | | | | |
| Social services | | | | | | | | | |
| TOTAL EXPENDITURES | | 387,298 | 72,450 | 1,665 | | | 1,133 | | 14,000 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 300 | (383,155) | 124,668 | 61,126 | 746 | 5,395 | (1,005) | 100,776 | (1,400) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in | | | | | | | | | 3,500 |
| Transfers out | | (342,450) | | | | | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | | (342,450) | | | | | | | 3,500 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 300 | (725,605) | 124,668 | 61,126 | 746 | 5,395 | (1,005) | 100,776 | 2,100 |
| FUND BALANCES - JANUARY 1 | 1,349 | 764,331 | 920,496 | 122,201 | 2,062 | 76,773 | 15,568 | | |
| FUND BALANCES - DECEMBER 31 | \$ 1,649 | \$ 38,726 | \$ 1,045,164 | \$ 183,327 | \$ 2,808 | \$ 82,168 | \$ 14,563 | \$ 100,776 | \$ 2,100 |

CLEVELAND 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, 2023
 (UNAUDITED)

Schedule 2

| | SPECIAL REVENUE FUNDS | | | | | CAPITAL PROJECTS FUNDS | | | |
|--|--------------------------------|--------------------------------------|--------------------------------|-------------------------------------|------------------------|--|---------------------------|--------------------|---------------------|
| | Solid Waste Recycling Grant | Woodlawn Fire Department Grant | Automated Records System | Blue and You Foundation Grant | Entergy Micro Grant | Entergy Micro Grant Veteran's Office | Courthouse Restoration | Water Reservoir | Totals |
| REVENUES | | | | | | | | | |
| State aid | | \$ 11,278 | | | | | \$ 72,380 | | \$ 114,419 |
| Federal aid | | | | | | | | | 113,376 |
| Property taxes | | | | | | | | | 86,696 |
| Sales taxes | | | | | | | | | 1,613,016 |
| Fines, forfeitures, and costs | | | | | | | | | 45,750 |
| Interest | | | | | | | | \$ 174 | 108,577 |
| Officers' fees | | | | | | | | | 5,925 |
| 911 fees | | | | | | | | | 164,848 |
| Sanitation fees | | | | | | | | | 3,365 |
| Jail fees | | | | | | | | | 38,896 |
| Reimbursements from cities | | | | | | | | | 11,202 |
| Insurance proceeds | | | | | | | | | 0 |
| Treasurer's commission | | | | | | | | | 12,994 |
| Collector's commission | | | | | | | | | 18,737 |
| Other | | | | | | | | | 12,383 |
| TOTAL REVENUES | | <u>11,278</u> | | | | | <u>72,380</u> | <u>174</u> | <u>2,350,184</u> |
| Less: Treasurer's commission | | | | | | | | <u>3</u> | <u>40,259</u> |
| NET REVENUES | | <u>11,278</u> | | | | | <u>72,380</u> | <u>171</u> | <u>2,309,925</u> |
| Current: | | | | | | | | | |
| General government | | \$ 3,808 | | | | | 72,380 | | 149,705 |
| Law enforcement | | | | | | | | | 189,367 |
| Highways and streets | | | | | | | | | 224,000 |
| Public safety | | | | | | | | | 129,324 |
| Sanitation | | | | | | | | | 956,014 |
| Health | | | | | | | | | 73,583 |
| Recreation and culture | | | | | | | | | 110,657 |
| Social services | | | | | \$ 800 | | | | 800 |
| TOTAL EXPENDITURES | | <u>3,808</u> | | | | | <u>800</u> | <u>72,380</u> | <u>1,833,450</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | <u>11,278</u> | <u>(3,808)</u> | | | | <u>(800)</u> | | <u>171</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | | | | | | | | | <u>476,475</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in | | | | | | | | | 9,500 |
| Transfers out | | | | | | | | | (342,450) |
| TOTAL OTHER FINANCING SOURCES (USES) | | | | | | | | | <u>(332,950)</u> |
| FUND BALANCES - JANUARY 1 | \$ 42,258 | | 6,315 | \$ 203 | \$ 37 | 800 | | 20,768 | 5,213,105 |
| FUND BALANCES - DECEMBER 31 | <u>\$ 42,258</u> | <u>\$ 11,278</u> | <u>\$ 2,507</u> | <u>\$ 203</u> | <u>\$ 37</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 20,939</u> | <u>\$ 5,356,630</u> |

CLEVELAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023
(UNAUDITED)

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 Cost | Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose. |
| County Public Library | Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library. |
| Solid Waste | Cleveland County Ordinance nos. 2014-6 and 2014-7 (February 3, 2014) established fund to account for the 2% sales and use tax passed by referendum on May 20, 2014, for the operation and maintenance of the solid waste system for the County. Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges and licenses. |
| County Clerk Operating | Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for county clerk's cost. |
| Child Support Collection Costs | Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office. |

CLEVELAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023
(UNAUDITED)

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. |
| Jail Operation and Maintenance | 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. |
| 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. |
| Indigent Defense | Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail. |
| 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. |
| Juvenile Court Cost | Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases. |
| 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. |

CLEVELAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023
(UNAUDITED)

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

| <u>Fund Name</u> | <u>Fund Description</u> |
|---|---|
| Ambulance Service | Cleveland County Ordinance no. 2004-8 and 2004-9 (September 21, 2004) and Cleveland County Ordinance no 2004-38 (December 6, 2004) established fund to account for the sales and use tax passed by referendum on November 2, 2004, to operate and maintain an ambulance service for Cleveland County. |
| Sheriff's Equipment | Cleveland County Ordinances nos. 1998-5 and 1998-6 (April 6, 1998) established fund to account for circuit court ordered fines and funds from housing prisoners for state, county and city agencies to be used for sheriff's equipment expenses. |
| Special Jail Maintenance | 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. |
| Additional District Judge's Retirement | Ark. Code Ann. § 24-8-318 established fund to receive up to 5% of all fines and forfeitures collected by the District Court or by the City or County for violations of municipal ordinances, or state laws to pay for current and any projected retirement funding obligations of District Court Judges and Clerks. |
| Hospital Maintenance | Ark. Const. amend. 32 established fund to collect and disburse property tax to be used for maintenance, operation, and support of public hospital. |
| Chemical Stockpile Emergency Preparedness Program Grant | Established to account for funds received from Arkansas Division of Emergency Management for disaster recovery reimbursement. |
| Mitigation Grant | Established to account for funds received from Arkansas Division of Emergency Management for the Cleveland County Hazard Mitigation Plan Update. |
| Solid Waste Recycling Grant | Cleveland County Ordinance no. 2012-7 (July 2, 2012) established fund to receive solid waste recycling grant for solid waste salaries. |
| Woodlawn Fire Department Grant | Established to account for funds received from the Arkansas Rural Community Grant Program to provide greater communication coverage for the county when natural disasters occur. |
| Automated Records System | Established to account for an Association of Arkansas Counties Automated Records Fund Grant, authorized by Ark. Code Ann. § 14-20-107, to purchase technology to improve the automation of the Circuit Clerk's office and/or the services that office may provide. |
| Blue and You Foundation Grant | Established to receive grant funds from the Blue & You Foundation Mini-Grant to Supply and Train First Responders to Better Serve the Underserved. |
| Entergy Micro Grant | Established to account for grant funds from Entergy to support the Office of Emergency Management for school outreach. |

CLEVELAND COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023
(UNAUDITED)

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

| <u>Fund Name</u> | <u>Fund Description</u> |
|--------------------------------------|---|
| Entergy Micro Grant Veteran's Office | Established to account for grant funds from Entergy to support the Cleveland County Veterans Office. |
| Courthouse Restoration | Established fund to receive grant funds from the Arkansas Historic Preservation Program to restore the Courthouse. |
| Water Reservoir | Established to account for a Governor's improvement grant to construct a water reservoir in Cleveland County to provide a source of drinking water. |

Treasurer's accounts consist primarily of property taxes and fines 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 bonds and forfeitures.

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

District Court accounts consist primarily of fines and costs not yet distributed to the county and/or state.

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects 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.

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1: (Continued)

B. Basis of Accounting - Regulatory

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, Collector's and Treasurer's commission, funds held in trust, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

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.

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

1: **(Continued)**

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

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.

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

2. Details of Fund Balance Classifications

Fund balance classifications at December 31, 2023, are composed of the following:

| Description | General Fund | Road Fund | Other Funds in the Aggregate |
|------------------------|----------------------------|----------------------------|---------------------------------|
| Fund Balances: | | | |
| Restricted for: | | | |
| General government | | | \$ 173,172 |
| Law enforcement | | | 248,168 |
| Highways and streets | \$ 217,374 | | |
| Public safety | | | 230,302 |
| Sanitation | | | 3,226,937 |
| Health | | | 1,059,727 |
| Recreation and culture | | | 126,963 |
| Capital outlay | | | 20,939 |
| Total Restricted | <u>217,374</u> | | <u>5,086,208</u> |
| Committed for: | | | |
| Law enforcement | \$ 292,450 | | 173,158 |
| Highways and streets | | 1,126,207 | |
| Public safety | | | 2,100 |
| Total Committed | <u>292,450</u> | <u>1,126,207</u> | <u>175,258</u> |
| Assigned to: | | | |
| General government | 489,653 | | |
| Law enforcement | 2,135 | | 1,850 |
| Sanitation | | | 132,140 |
| Total Assigned | <u>491,788</u> | | <u>133,990</u> |
| Unassigned | <u>2,359,725</u> | | |
| Totals | <u>\$ 3,143,963</u> | <u>\$ 1,343,581</u> | <u>\$ 5,395,456</u> |

3. Commitments

Total commitments consist of the following at December 31, 2023:

| | December 31, 2023 |
|--------------------------|--------------------------|
| Long-term liabilities | \$ 309,254 |
| Reappraisal contract | <u>78,288</u> |
| Total Commitments | <u>\$ 387,542</u> |

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

3. Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2023, are comprised of the following:

| | | December 31, 2023 |
|---|-------------------|----------------------|
| <u>Direct Borrowings</u> | | |
| Finance-purchase agreement dated March 31, 2020, with John Deere Credit in the amount of \$172,560, with interest rate of 0% for the purchase of a 2016 John Deere Grader. Monthly payments of \$2,876 for 60 months are to be made from the Road Fund. | \$ 43,141 | |
| Finance-purchase agreement dated June 29, 2020, with John Deere Credit in the amount of \$172,644, with interest rate of 0% for the purchase of a 2017 John Deere Grader. Monthly payments of \$2,877 for 60 months are to be made from the Road Fund. | 51,794 | |
| Finance-purchase agreement dated July 12, 2022, with BancorpSouth in the amount of \$210,000, with interest rate of 3.35% for the refinance of two Mack trucks. Monthly payments of \$3,806 for 60 months are to be made from the Road Fund. | 150,645 | |
| Total Direct Borrowings | 245,580 | |
| Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost | 63,674 | |
| Total Long-term liabilities | \$ 309,254 | |

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 \$245,580 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Long-Term Debt Issued and Outstanding

| Date of Issue | Date of Final Maturity | Rate of Interest | Amount Authorized and Issued | Debt Outstanding December 31, 2023 | Maturities to December 31, 2023 |
|-----------------------------|---------------------------|---------------------|------------------------------------|--|---------------------------------------|
| <u>Direct Borrowings</u> | | | | | |
| 3/31/20 | 3/31/25 | 0.00% | \$ 172,560 | \$ 43,141 | \$ 129,419 |
| 6/29/20 | 6/29/25 | 0.00% | 172,644 | 51,794 | 120,850 |
| 7/12/22 | 7/12/27 | 3.35% | 210,000 | 150,645 | 59,355 |
| Total Long-Term Debt | | | \$ 555,204 | \$ 245,580 | \$ 309,624 |

CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)

3. Commitments (Continued)

Changes in Long-Term Debt

| | Balance January 01, 2023 | Issued | Retired | Balance December 31, 2023 |
|--------------------------|-----------------------------|--------|------------|------------------------------|
| <u>Direct Borrowings</u> | | | | |
| Total Financed purchases | \$ 354,521 | \$ 0 | \$ 108,941 | \$ 245,580 |

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2023:

| Years Ending December 31, | Direct Borrowings | | |
|------------------------------|-------------------|-----------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 110,298 | \$ 4,417 | \$ 114,715 |
| 2025 | 68,555 | 3,013 | 71,568 |
| 2026 | 44,112 | 1,562 | 45,674 |
| 2027 | 22,615 | 222 | 22,837 |
| Totals | \$ 245,580 | \$ 9,214 | \$ 254,794 |

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal Service, Inc. on November 12, 2019, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$6,524 for a total of \$391,440 beginning January 1, 2020. Contract expense for 2023, was \$78,288.

The County is obligated for the following amounts at December 31, 2023:

| Year | December 31, 2023 |
|------|-------------------|
| 2024 | <u>\$ 78,288</u> |

4. Interfund Transfers

The General Fund transferred \$9,500 to Other Funds in the Aggregate Indigent Defense and Mitigation Grant Funds to supplement operations. The American Rescue Plan Act Fund transferred \$342,450 to the General Fund to reimburse prior year expenditures.

5. Joint Venture- Mid-Arkansas Regional Library

Dallas, Grant, and Hot Springs Counties entered into an agreement in January 1982 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mid-Arkansas Regional Library. The agreement was amended in September 1989 to include Cleveland County and in July 2019 to include Saline County. The agreement states that the business of the Mid-Arkansas Regional Library shall be handled by the Regional Board composed of the chairman, one other member of each county board, and the four co-regional librarians and shall be administered by a regional director. Funds for the Mid-Arkansas Regional Library consist of state aid grants, federal funds, and any other available funds for the purchase of books, maintenance of bookmobiles, and the employment of drivers and clerks. Each county continues to supervise control over its income from that county's one mil tax and has control of its particular library. The County Library did not pay any regional library expenditures in 2023. Financial information may be obtained at the Hot Springs County Library, 202 East Third Street, Malvern, Arkansas 72104.

**CLEVELAND COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2023
(UNAUDITED)**

6. Jointly Governed Organizations

A. Thirteenth Judicial District Drug Task Force

The Prosecuting Attorney's Office of the Thirteenth Judicial District, the Sheriffs' Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and the Police Departments of Camden, El Dorado, Fordyce, Hampton, Magnolia, Rison, and Smackover entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period July 1, 2022 to June 30, 2023 and may be extended upon written mutual agreement. Funding is provided through a Drug Law Enforcement Program grant, applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contributions or payment for expenditures were made to the Thirteenth Judicial District Drug Task Force by the County. The 2023 financial statements of the Thirteenth Judicial District Drug Task Force have not been audited. The Cleveland County Sheriff's office chose not to renew this contract on June 30, 2023.

B. Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District (District) in accordance with Ark. Code Ann. § 8-6-703. The County did not provide any funding for the District in 2023. Separate financial statements may be obtained at P.O. Box 6806, Pine Bluff, AR 71611.

7. 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 5.5% as of July 1, 2023. 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, 2023, (date of APERS Employer Allocation Report) were \$253,447.

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, 2023, (actuarial valuation date and measurement date) was \$2,175,172.

8. Capital Assets

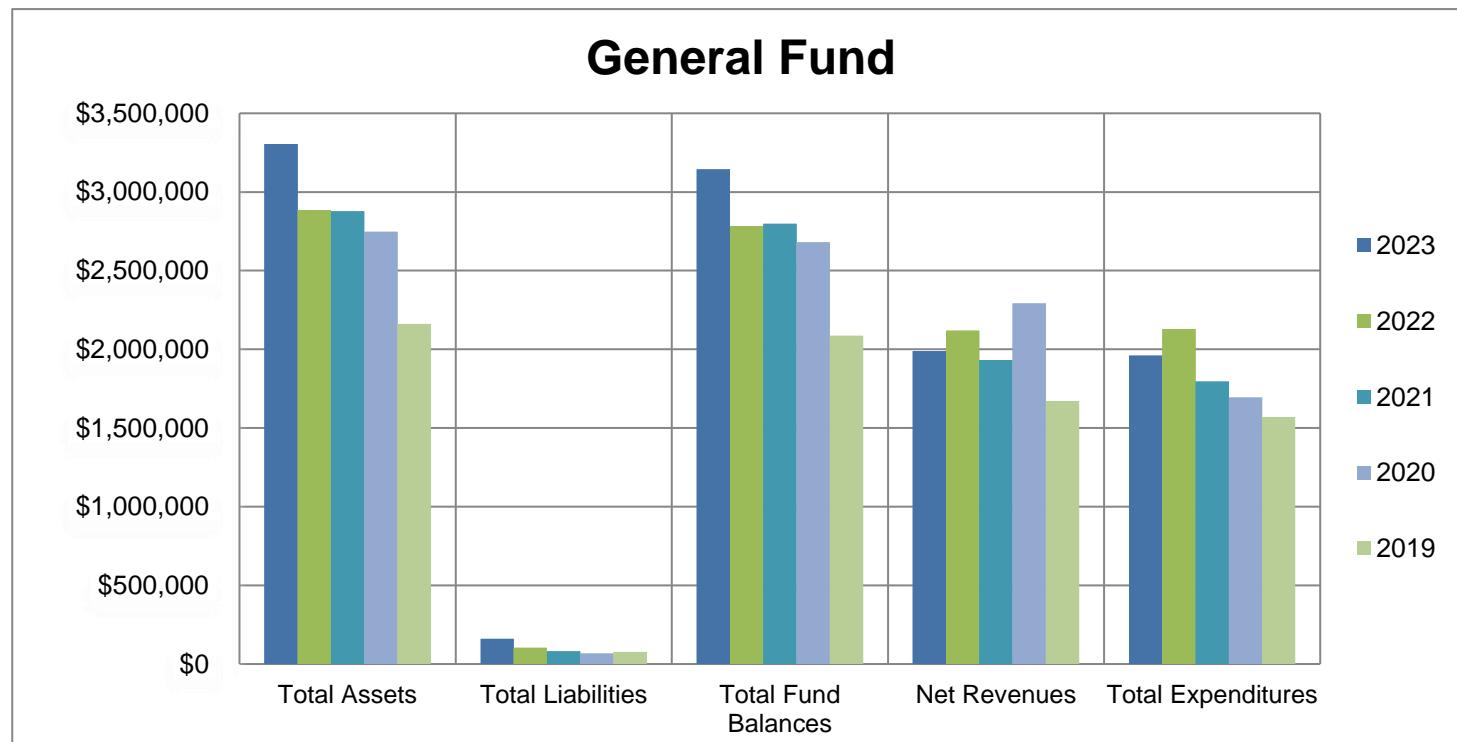
**December 31,
2023**

| | |
|-----------|---------------------|
| Land | \$ 127,476 |
| Buildings | 1,823,415 |
| Equipment | <u>3,484,003</u> |
| Total | <u>\$ 5,434,894</u> |

CLEVELAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3-1

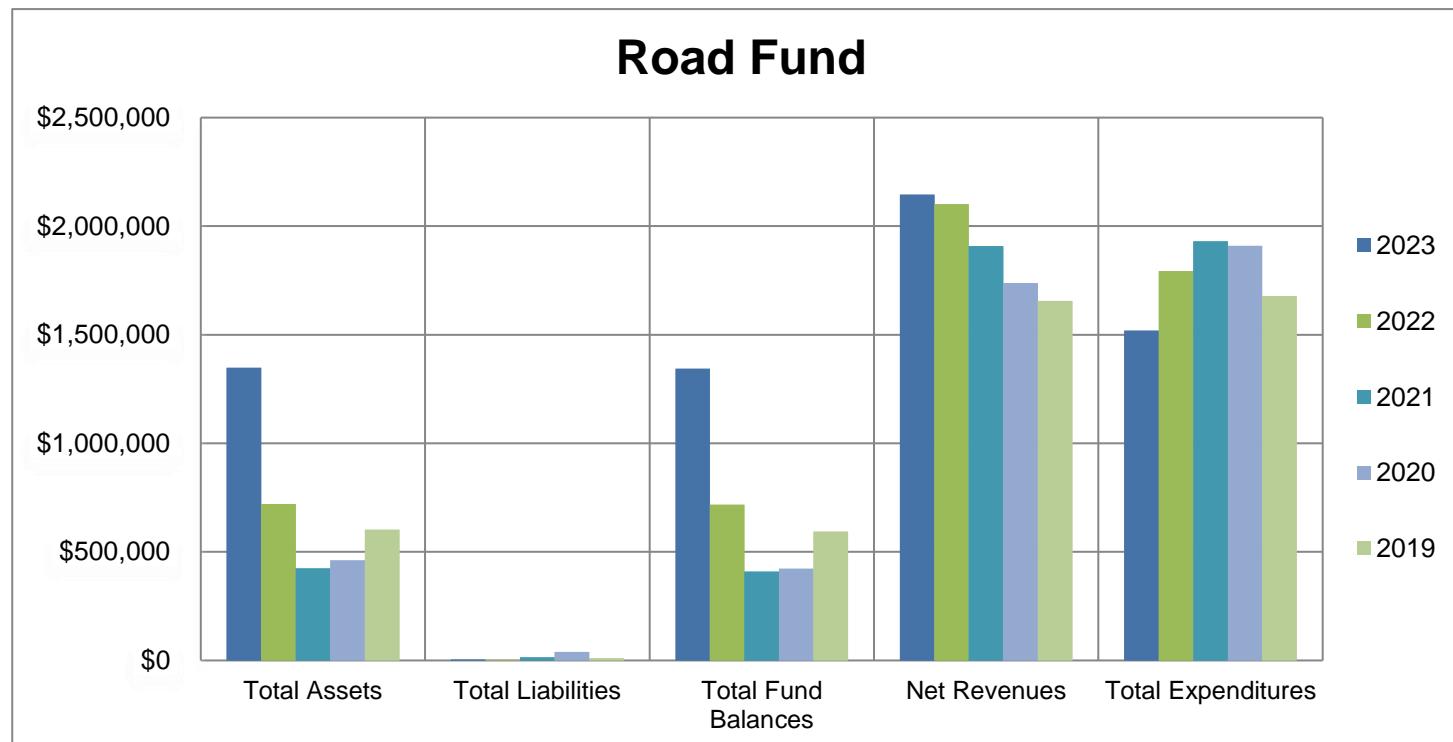
| <u>General</u> | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Assets | \$ 3,303,829 | \$ 2,885,355 | \$ 2,877,619 | \$ 2,746,180 | \$ 2,161,523 |
| Total Liabilities | 159,866 | 102,427 | 80,023 | 66,365 | 75,680 |
| Total Fund Balances | 3,143,963 | 2,782,928 | 2,797,596 | 2,679,815 | 2,085,843 |
| Net Revenues | 1,988,237 | 2,119,222 | 1,931,404 | 2,290,995 | 1,670,398 |
| Total Expenditures | 1,960,152 | 2,127,890 | 1,794,617 | 1,692,604 | 1,568,775 |
| Total Other Financing Sources/Uses | 332,950 | (6,000) | (19,006) | (2,000) | (12,019) |



CLEVELAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3-2

| <u>Road</u> | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------------------------|--------------|------------|------------|------------|------------|
| Total Assets | \$ 1,347,619 | \$ 719,660 | \$ 424,131 | \$ 461,310 | \$ 602,317 |
| Total Liabilities | 4,038 | 2,021 | 14,680 | 39,693 | 9,586 |
| Total Fund Balances | 1,343,581 | 717,639 | 409,451 | 421,617 | 592,731 |
| Net Revenues | 2,145,282 | 2,101,222 | 1,907,202 | 1,738,667 | 1,655,169 |
| Total Expenditures | 1,519,340 | 1,793,034 | 1,929,922 | 1,908,829 | 1,677,588 |
| Total Other Financing Sources/Uses | | | 10,554 | | |



CLEVELAND COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3-3

| <u>Other Funds in the Aggregate</u> | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Assets | \$ 5,652,987 | \$ 5,384,197 | \$ 4,371,761 | \$ 3,348,482 | \$ 2,749,347 |
| Total Liabilities | 257,531 | 170,215 | 88,126 | 204,546 | 88,319 |
| Total Fund Balances | 5,395,456 | 5,213,982 | 4,283,635 | 3,143,936 | 2,661,028 |
| Net Revenues | 2,348,751 | 2,937,843 | 2,796,011 | 2,548,717 | 1,431,875 |
| Total Expenditures | 1,833,450 | 2,013,496 | 1,664,764 | 2,067,213 | 1,213,460 |
| Total Other Financing Sources/Uses | (332,950) | 6,000 | 8,452 | 2,000 | 12,019 |

