

Hempstead County, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



HEMPSTEAD COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas



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Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Hempstead 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 Hempstead County, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated September 4, 2024. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2023:

County Judge: Jerry Crane
Treasurer: Judy Flowers
Sheriff/Tax Collector: James Singleton
County Clerk: Karen Smith
Circuit Clerk: Gail Wolfenbarger
Assessor: Renee Gilbert
County Librarian: Courtney McNiel
District Court Clerk: Sherri Rateliff

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 White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 4, 2024
LOCO02923

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 3,515,209	\$ 3,178,129	\$ 12,697,184
Accounts receivable	<u>454,806</u>	<u>69,769</u>	<u>198,272</u>
TOTAL ASSETS	<u><u>\$ 3,970,015</u></u>	<u><u>\$ 3,247,898</u></u>	<u><u>\$ 12,895,456</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 65,631	\$ 48,524	\$ 180,719
Settlements pending	58,527		1,996,339
Total Liabilities	<u>124,158</u>	<u>48,524</u>	<u>2,177,058</u>
Fund Balances:			
Restricted			5,121,635
Committed		3,199,374	4,077,956
Assigned	2,000		1,518,807
Unassigned	<u>3,843,857</u>		
Total Fund Balances	<u>3,845,857</u>	<u>3,199,374</u>	<u>10,718,398</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,970,015</u></u>	<u><u>\$ 3,247,898</u></u>	<u><u>\$ 12,895,456</u></u>

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

HEMPSTEAD 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	\$ 740,248	\$ 1,858,473	\$ 125,003
Federal aid	140,458		89,587
Property taxes	2,153,329	442,412	430,636
Sales taxes		642,234	5,110,014
Fines, forfeitures, and costs	543,872		191,454
Interest	119,722	136,961	360,029
Officers' fees	33,117		107,041
Insurance premiums collected	24,114	318	
Sanitation fees			345,811
Jail fees			246,595
911 fees			349,580
Treasurer's commission	135,846		30,268
Collector's commission	193,557		72,939
Taxes apportioned - Assessor's salary and expense	394,038		
Other	332,394	302,608	166,605
TOTAL REVENUES	4,810,695	3,383,006	7,625,562
Less: Treasurer's commission	39,805	26,860	53,197
NET REVENUES	4,770,890	3,356,146	7,572,365
EXPENDITURES			
Current:			
General government	1,811,773		1,054,899
Law enforcement	2,222,400		3,291,602
Highways and streets	134,820	3,381,243	404,000
Public safety	121,047		294,429
Sanitation	13,432		1,083,358
Health	68,099		
Recreation and culture	5,765		499,135
Social services	133,531		15,000
Total Current	4,510,867	3,381,243	6,642,423
Debt Service:			
Financed purchases principal		239,560	151,676
Financed purchases interest		4,818	3,711
TOTAL EXPENDITURES	4,510,867	3,625,621	6,797,810

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 260,023</u>	<u>\$ (269,475)</u>	<u>\$ 774,555</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			417,708
Transfers out	(47,564)		(370,144)
Sales tax remitted to University of Arkansas at Hope			<u>(1,912,629)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(47,564)</u>		<u>(1,865,065)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	212,459	(269,475)	(1,090,510)
FUND BALANCES - JANUARY 1	<u>3,633,398</u>	<u>3,468,849</u>	<u>11,808,908</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,845,857</u>	<u>\$ 3,199,374</u>	<u>\$ 10,718,398</u>

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

HEMPSTEAD 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)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 533,741	\$ 740,248	\$ 206,507	\$ 1,737,000	\$ 1,858,473	\$ 121,473
Federal aid	63,771	140,458	76,687			
Property taxes	1,960,800	2,153,329	192,529	409,000	442,412	33,412
Sales taxes				800,000	642,234	(157,766)
Fines, forfeitures, and costs	547,000	543,872	(3,128)			
Interest	3,800	119,722	115,922	9,147	136,961	127,814
Officers' fees	31,300	33,117	1,817			
Insurance premiums collected		24,114	24,114		318	318
Treasurer's commission	334,400	135,846	(198,554)			
Collector's commission	282,130	193,557	(88,573)			
Taxes apportioned - Assessor's salary and expense		394,038	394,038			
Other	395,022	332,394	(62,628)	37,000	302,608	265,608
TOTAL REVENUES	4,151,964	4,810,695	658,731	2,992,147	3,383,006	390,859
Less: Treasurer's commission		39,805	(39,805)		26,860	(26,860)
NET REVENUES	4,151,964	4,770,890	618,926	2,992,147	3,356,146	363,999
EXPENDITURES						
Current:						
General government	2,392,272	1,811,773	580,499			
Law enforcement	2,458,905	2,222,400	236,505			
Highways and streets		134,820	(134,820)	4,744,411	3,381,243	1,363,168
Public safety	194,665	121,047	73,618			
Sanitation		13,432	(13,432)			
Health	68,137	68,099	38			
Recreation and culture		5,765	(5,765)			
Social services	134,894	133,531	1,363			
Total Current	5,248,873	4,510,867	738,006	4,744,411	3,381,243	1,363,168
Debt Service:						
Financed purchase principal					239,560	(239,560)
Financed purchase interest					4,818	(4,818)
TOTAL EXPENDITURES	5,248,873	4,510,867	738,006	4,744,411	3,625,621	1,118,790

HEMPSTEAD 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)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,096,909)	\$ 260,023	\$ 1,356,932	\$ (1,752,264)	\$ (269,475)	\$ 1,482,789
OTHER FINANCING SOURCES (USES)						
Transfers in	219,000		(219,000)			
Transfers out		(47,564)	(47,564)			
TOTAL OTHER FINANCING SOURCES (USES)	219,000	(47,564)	(266,564)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(877,909)	212,459	1,090,368	(1,752,264)	(269,475)	1,482,789
FUND BALANCES - JANUARY 1	5,176,603	3,633,398	(1,543,205)	2,609,200	3,468,849	859,649
FUND BALANCES - DECEMBER 31	<u>\$ 4,298,694</u>	<u>\$ 3,845,857</u>	<u>\$ (452,837)</u>	<u>\$ 856,936</u>	<u>\$ 3,199,374</u>	<u>\$ 2,342,438</u>

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

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY 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 Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste
ASSETS									
Cash and cash equivalents	\$ 167,339	\$ 514,126	\$ 27,196	\$ 68,393	\$ 80,291	\$ 10,212	\$ 67,570	\$ 1,235,590	\$ 1,872,818
Accounts receivable	30,268	72,939	315	2,051	93	225	7,033	16,681	36,559
TOTAL ASSETS	\$ 197,607	\$ 587,065	\$ 27,511	\$ 70,444	\$ 80,384	\$ 10,437	\$ 74,603	\$ 1,252,271	\$ 1,909,377
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 1,781			\$ 734	\$ 15,147	\$ 39,456
Settlements pending									
Total Liabilities				1,781			734	15,147	39,456
Fund Balances:									
Restricted	\$ 197,607	\$ 587,065	\$ 27,511	68,663	\$ 80,384	\$ 10,437	47,869	1,237,124	
Committed									557,962
Assigned							26,000		1,311,959
Total Fund Balances	197,607	587,065	27,511	68,663	80,384	10,437	73,869	1,237,124	1,869,921
TOTAL LIABILITIES AND FUND BALANCES	\$ 197,607	\$ 587,065	\$ 27,511	\$ 70,444	\$ 80,384	\$ 10,437	\$ 74,603	\$ 1,252,271	\$ 1,909,377

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness
ASSETS								
Cash and cash equivalents	\$ 5,820		\$ 131,818	\$ 171,144	\$ 14,944	\$ 757,075	\$ 27,267	\$ 4,165
Accounts receivable	86	\$ 2	2,161	5,274	15	834	138	414
TOTAL ASSETS	\$ 5,906	\$ 2	\$ 133,979	\$ 176,418	\$ 14,959	\$ 757,909	\$ 27,405	\$ 4,579
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable						\$ 9,283		\$ 31
Settlements pending								
Total Liabilities						9,283		31
Fund Balances:								
Restricted	\$ 5,906	\$ 2	\$ 133,979	\$ 176,418	\$ 14,959	748,626	\$ 27,405	
Committed								
Assigned								4,548
Total Fund Balances	5,906	2	133,979	176,418	14,959	748,626	27,405	4,548
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,906	\$ 2	\$ 133,979	\$ 176,418	\$ 14,959	\$ 757,909	\$ 27,405	\$ 4,579

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS									
	Indigent Defense	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost	Voluntary Tax / Deputies Salaries	South Arkansas Water System Grant
ASSETS									
Cash and cash equivalents	\$ 27,946	\$ 22,907	\$ 16,606	\$ 1,477	\$ 8,461	\$ 138,242	\$ 73,445	\$ 3,697	\$ 361,128
Accounts receivable	113	256	64	177	13	21,853	331	179	
TOTAL ASSETS	\$ 28,059	\$ 23,163	\$ 16,670	\$ 1,654	\$ 8,474	\$ 160,095	\$ 73,776	\$ 3,876	\$ 361,128
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,918					\$ 67,008			
Settlements pending									
Total Liabilities	2,918					67,008			
Fund Balances:									
Restricted		\$ 23,163	\$ 16,670	\$ 1,654	\$ 8,474		\$ 73,776	\$ 3,876	\$ 361,128
Committed									
Assigned	25,141					93,087			
Total Fund Balances	25,141	23,163	16,670	1,654	8,474	93,087	73,776	3,876	361,128
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,059	\$ 23,163	\$ 16,670	\$ 1,654	\$ 8,474	\$ 160,095	\$ 73,776	\$ 3,876	\$ 361,128

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND
	Automated Records System Grant	Selective Traffic Enforcement Grant	Law Library	Hempstead / Nevada County Drug Court Grant	American Rescue Plan Act	Economic Development Grant - Tyson	Capital Improvement / Courthouse
ASSETS							
Cash and cash equivalents	\$ 1	\$ 4,950	\$ 104,980	\$ 4,046	\$ 1,199,124	\$ 1	\$ 3,578,066
Accounts receivable			198				
TOTAL ASSETS	<u>\$ 1</u>	<u>\$ 4,950</u>	<u>\$ 105,178</u>	<u>\$ 4,046</u>	<u>\$ 1,199,124</u>	<u>\$ 1</u>	<u>\$ 3,578,066</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable			\$ 1,246		\$ 43,115		
Settlements pending							
Total Liabilities			<u>1,246</u>		<u>43,115</u>		
Fund Balances:							
Restricted	\$ 1	\$ 4,950	103,932	\$ 4,046	1,156,009	\$ 1	
Committed							\$ 3,519,994
Assigned							58,072
Total Fund Balances	<u>1</u>	<u>4,950</u>	<u>103,932</u>	<u>4,046</u>	<u>1,156,009</u>	<u>1</u>	<u>3,578,066</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1</u>	<u>\$ 4,950</u>	<u>\$ 105,178</u>	<u>\$ 4,046</u>	<u>\$ 1,199,124</u>	<u>\$ 1</u>	<u>\$ 3,578,066</u>

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

CUSTODIAL FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 1,143,147	\$ 130,766	\$ 176,827	\$ 351,940	\$ 158,964	\$ 34,695	\$ 12,697,184
Accounts receivable							198,272
TOTAL ASSETS	\$ 1,143,147	\$ 130,766	\$ 176,827	\$ 351,940	\$ 158,964	\$ 34,695	\$ 12,895,456
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 180,719
Settlements pending	\$ 1,143,147	\$ 130,766	\$ 176,827	\$ 351,940	\$ 158,964	\$ 34,695	1,996,339
Total Liabilities	1,143,147	130,766	176,827	351,940	158,964	34,695	2,177,058
Fund Balances:							
Restricted							5,121,635
Committed							4,077,956
Assigned							1,518,807
Total Fund Balances							10,718,398
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,143,147	\$ 130,766	\$ 176,827	\$ 351,940	\$ 158,964	\$ 34,695	\$ 12,895,456

HEMPSTEAD 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 Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste
REVENUES									
State aid					\$ 6,338			\$ 81,746	
Federal aid									
Property taxes								415,620	
Sales taxes									\$ 1,284,756
Fines, forfeitures, and costs			\$ 12,680	\$ 23,353					
Interest	\$ 7,397	\$ 23,361	527	3,257	3,598		\$ 3,014	42,576	71,856
Officers' fees						\$ 3,103	92,830		
Sanitation fees									345,811
Jail fees									
911 fees									
Treasurer's commission	30,268								
Collector's commission		72,939							
Other				77			17	10,145	2,885
TOTAL REVENUES	37,665	96,300	13,207	26,687	9,936	3,103	95,861	550,087	1,705,308
Less: Treasurer's commission			6	123	105		1,060	4,996	19,772
NET REVENUES	37,665	96,300	13,201	26,564	9,831	3,103	94,801	545,091	1,685,536
EXPENDITURES									
Current:									
General government	13,344	24,268					89,462		
Law enforcement			3,640	26,869					
Highways and streets									
Public safety									
Sanitation									1,083,358
Recreation and culture								494,898	
Social services									
Total Current	13,344	24,268	3,640	26,869			89,462	494,898	1,083,358
Debt Service:									
Financed purchase principal									151,676
Financed purchase interest									3,711
TOTAL EXPENDITURES	13,344	24,268	3,640	26,869			89,462	494,898	1,238,745
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,321	72,032	9,561	(305)	9,831	3,103	5,339	50,193	446,791
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	24,321	72,032	9,561	(305)	9,831	3,103	5,339	50,193	446,791
FUND BALANCES - JANUARY 1	173,286	515,033	17,950	68,968	70,553	7,334	68,530	1,186,931	1,423,130
FUND BALANCES - DECEMBER 31	\$ 197,607	\$ 587,065	\$ 27,511	\$ 68,663	\$ 80,384	\$ 10,437	\$ 73,869	\$ 1,237,124	\$ 1,869,921

HEMPSTEAD 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								
	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense
REVENUES									
State aid					\$ 1,706				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 63,100			\$ 1,833	\$ 44,259	\$ 13,308
Interest			\$ 5,941			\$ 31,962	866	30	369
Officers' fees	\$ 1,158	\$ 171	9,520						
Sanitation fees									
Jail fees				2,651					
911 fees						349,580			
Treasurer's commission									
Collector's commission									
Other			45,305			87		3,527	10,652
TOTAL REVENUES	1,158	171	60,766	65,751	1,706	381,629	2,699	47,816	24,329
Less: Treasurer's commission		2	520	704	17	718	10	472	129
NET REVENUES	1,158	169	60,246	65,047	1,689	380,911	2,689	47,344	24,200
EXPENDITURES									
Current:									
General government		298	60,278						
Law enforcement								60,079	36,401
Highways and streets									
Public safety						294,429			
Sanitation									
Recreation and culture									
Social services									
Total Current		298	60,278			294,429		60,079	36,401
Debt Service:									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES		298	60,278			294,429		60,079	36,401
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,158	(129)	(32)	65,047	1,689	86,482	2,689	(12,735)	(12,201)
OTHER FINANCING SOURCES (USES)									
Transfers in								15,564	32,000
Transfers out			(9,017)						
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)			(9,017)					15,564	32,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,158	(129)	(9,049)	65,047	1,689	86,482	2,689	2,829	19,799
FUND BALANCES - JANUARY 1	4,748	131	143,028	111,371	13,270	662,144	24,716	1,719	5,342
FUND BALANCES - DECEMBER 31	\$ 5,906	\$ 2	\$ 133,979	\$ 176,418	\$ 14,959	\$ 748,626	\$ 27,405	\$ 4,548	\$ 25,141

HEMPSTEAD 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								
	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost	Voluntary Tax / Deputies Salaries	South Arkansas Water System Grant	Arkansas Geographic Information Grant
REVENUES									
State aid									
Federal aid									
Property taxes				\$ 1,017			\$ 13,999		
Sales taxes					\$ 1,912,629				
Fines, forfeitures, and costs	\$ 3,450	\$ 483				\$ 7,828			
Interest				354	16,824				
Officers' fees			\$ 259						
Sanitation fees									
Jail fees					243,944				
911 fees									
Treasurer's commission									
Collector's commission									
Other	231				93,226	443	10		
TOTAL REVENUES	3,681	483	259	1,371	2,266,623	8,271	14,009		
Less: Treasurer's commission	36		4	15	24,044	89	149		
NET REVENUES	3,645	483	255	1,356	2,242,579	8,182	13,860		
EXPENDITURES									
Current:									
General government			1,000						\$ 8,025
Law enforcement	1,272				2,616,349	1,636	15,277		
Highways and streets									
Public safety									
Sanitation									
Recreation and culture									
Social services									
Total Current	1,272		1,000		2,616,349	1,636	15,277		8,025
Debt Service:									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	1,272		1,000		2,616,349	1,636	15,277		8,025
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,373	483	(745)	1,356	(373,770)	6,546	(1,417)		(8,025)
OTHER FINANCING SOURCES (USES)									
Transfers in								\$ 361,127	
Transfers out									
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)								361,127	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,373	483	(745)	1,356	(373,770)	6,546	(1,417)	361,127	(8,025)
FUND BALANCES - JANUARY 1	20,790	16,187	2,399	7,118	466,857	67,230	5,293	1	8,025
FUND BALANCES - DECEMBER 31	\$ 23,163	\$ 16,670	\$ 1,654	\$ 8,474	\$ 93,087	\$ 73,776	\$ 3,876	\$ 361,128	\$ 0

HEMPSTEAD 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							
	Automated Records System Grant	Selective Traffic Enforcement Grant	Law Library	University of Arkansas Community College at Hope	Hempstead / Nevada County Drug Court Grant	American Rescue Plan Act	Library American Rescue Plan Act	Residential Substance Abuse Treatment
REVENUES								
State aid	\$ 25,213							
Federal aid								\$ 89,587
Property taxes								
Sales taxes				\$ 1,912,629				
Fines, forfeitures, and costs			\$ 21,160					
Interest			4,670			\$ 113,185		
Officers' fees								
Sanitation fees								
Jail fees								
911 fees								
Treasurer's commission								
Collector's commission								
Other								
TOTAL REVENUES	25,213		25,830	1,912,629		113,185		89,587
Less: Treasurer's commission			226					
NET REVENUES	25,213		25,604	1,912,629		113,185		89,587
EXPENDITURES								
Current:								
General government	25,212					486,373		
Law enforcement			17,697			378,133		104,249
Highways and streets						404,000		
Public safety								
Sanitation								
Recreation and culture							\$ 4,237	
Social services						15,000		
Total Current	25,212		17,697			1,283,506	4,237	104,249
Debt Service:								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES	25,212		17,697			1,283,506	4,237	104,249
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1		7,907	1,912,629		(1,170,321)	(4,237)	(14,662)
OTHER FINANCING SOURCES (USES)								
Transfers in								9,017
Transfers out						(361,127)		
Sales tax remitted to University of Arkansas at Hope				(1,912,629)				
TOTAL OTHER FINANCING SOURCES (USES)				(1,912,629)		(361,127)		9,017
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1		7,907			(1,531,448)	(4,237)	(5,645)
FUND BALANCES - JANUARY 1		\$ 4,950	96,025		\$ 4,046	2,687,457	4,237	5,645
FUND BALANCES - DECEMBER 31	\$ 1	\$ 4,950	\$ 103,932	\$ 0	\$ 4,046	\$ 1,156,009	\$ 0	\$ 0

HEMPSTEAD 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 FUND	Totals
	Juvenile Drug Court Grant	Economic Development Grant - Tyson	Juvenile Court Funds (AOC)	Capital Improvement / Courthouse	
REVENUES					
State aid			\$ 10,000		\$ 125,003
Federal aid					89,587
Property taxes					430,636
Sales taxes					5,110,014
Fines, forfeitures, and costs					191,454
Interest				\$ 30,242	360,029
Officers' fees					107,041
Sanitation fees					345,811
Jail fees					246,595
911 fees					349,580
Treasurer's commission					30,268
Collector's commission					72,939
Other					166,605
TOTAL REVENUES			10,000	30,242	7,625,562
Less: Treasurer's commission					53,197
NET REVENUES			10,000	30,242	7,572,365
EXPENDITURES					
Current:					
General government				346,639	1,054,899
Law enforcement	\$ 20,000		10,000		3,291,602
Highways and streets					404,000
Public safety					294,429
Sanitation					1,083,358
Recreation and culture					499,135
Social services					15,000
Total Current	20,000		10,000	346,639	6,642,423
Debt Service:					
Financed purchase principal					151,676
Financed purchase interest					3,711
TOTAL EXPENDITURES	20,000		10,000	346,639	6,797,810
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,000)			(316,397)	774,555
OTHER FINANCING SOURCES (USES)					
Transfers in					417,708
Transfers out					(370,144)
Sales tax remitted to University of Arkansas at Hope					(1,912,629)
TOTAL OTHER FINANCING SOURCES (USES)					(1,865,065)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(20,000)			(316,397)	(1,090,510)
FUND BALANCES - JANUARY 1	20,000	\$ 1		3,894,463	11,808,908
FUND BALANCES - DECEMBER 31	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 3,578,066</u>	<u>\$ 10,718,398</u>

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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 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.
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	Ark. Code Ann. § 8-6-212 established fund to collect fees and other funds to defray the county's share of the cost of operating the solid waste management facility. Hempstead County Ordinance no. 1985-14 (November 23, 1985) established fund to account for sales and use tax committed for sanitation.
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 Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

HEMPSTEAD COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety 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.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
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. Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.

HEMPSTEAD COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
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.
County Jail	Hempstead County Ordinance nos. 1991-31 and 1991-32 (December 19, 1991) established fund to receive sales tax revenues to be used for the payment of bonds for the construction of a jail and for maintenance and operation of the Hempstead County Jail. All bonds were retired in 2003. Revenues are currently used for the operation and maintenance of the jail facility.
	Hempstead County Ordinance no. 2012-06 (February 23, 2012) (pursuant to Ark. Code Ann. § 12-41-505) requiring every person who may be committed to the common jail of the County for any criminal offense or misdemeanor, if he or she shall pay the expenses of carrying him or her to jail and also for his or her support from the day of his or her initial incarceration for the whole time he or she remains there.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Voluntary Tax / Deputies Salaries	Hempstead County Ordinance no. 2015-16 (October 22, 2015), pursuant to Ark. Code Ann. §§ 26-25-106, 26-73-103, established fund to receive annual voluntary tax in the amount of \$10 levied on every tax statement for real property in Hempstead County. The funds are to be used to increase the salaries of certified Hempstead County Sheriff deputies.
South Arkansas Water System Grant	Established to account for federal grant proceeds for construction of water lines to service residents within Hempstead County who are currently without a dependable source of drinking water.
Arkansas Geographic Information Grant	Established to account for a state grant to be used for address point and road centerline mapping.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Automated Records System Grant	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.
Selective Traffic Enforcement Grant	Established to account for federal grant proceeds to be used by law enforcement for equipment, technology, and overtime expenses during high visibility traffic safety campaigns and/or mobilizations.
Law Library	Ark. Code Ann. §§ 16-23-101 - 105 established fund to receive costs levied on criminal and civil cases to be used for any purpose related to the establishment, maintenance, and operations of a county law library.
University of Arkansas Community College at Hope	Established to receive and remit two one-quarter cent sales taxes to UACCH to be used for acquiring, constructing, equipping, operating, and maintaining capital improvements. The sales taxes were approved by voters on March 5, 1996, and March 11, 2008.
Hempstead / Nevada County Drug Court Grant	Established to account for an Arkansas Community Correction grant and a private donation to be used for drug court purposes.
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.
Library 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.
Residential Substance Abuse Treatment	Established to account for federal grant proceeds to be used by law enforcement to provide residential substance abuse treatment and services to inmates.
Juvenile Drug Court Grant	Established to account for an Arkansas Specialty Court Program grant to be used for juvenile drug court program.
Economic Development Grant - Tyson	Established to account for federal grant proceeds for highway infrastructure improvements in association with industrial development.
Juvenile Court Funds (AOC)	Established to account for an Administrative Office of Courts grant to be used for juvenile officer services.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
Capital Improvement / Courthouse	Hempstead County Ordinance no. 2017-26 (December 12, 2017) established fund to receive monies set aside by the Quorum Court to fund renovation of new courthouse property. Hempstead County Ordinance no. 2019-21 (December 2, 2019), as approved by referendum on March 3, 2020, providing for the levy of a temporary 1% sales and use tax, which expired on June 30, 2022. The tax is to be used for acquiring, constructing, improving, remodeling, equipping, furnishing, repairing, operating, and maintaining a new County courthouse, and any necessary land acquisition, relocation costs and parking, drainage, flood control, lighting, street, road, curb, and utility improvements therefore and preserving, repairing and demolishing all or a portion of the existing County courthouse and remediating any environmental hazards therein or associated therewith.

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

Collector's accounts consist primarily of delinquent taxes not yet distributed to the various taxing units.

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

County Clerk's accounts consist primarily of trust money.

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

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

HEMPSTEAD 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 tax that are restricted or committed for maintaining and constructing roads.

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund presented on Schedules 1 and 2 is reported with other funds in the aggregate.

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.

HEMPSTEAD 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 accounts, savings accounts, and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and treasurer's commission, collector's commission, excess assessor's salary and expense and other funds that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. 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.

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

1. (Continued)

D. Property Taxes

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

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

HEMPSTEAD 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
Restricted for:			
General government			\$ 2,590,516
Law enforcement			528,699
Public safety			765,296
Recreation and culture			1,237,124
Total Restricted			<u>5,121,635</u>
Committed for:			
Highways and streets		\$ 3,199,374	
Sanitation			557,962
Capital outlay			3,519,994
Total Committed		<u>3,199,374</u>	<u>4,077,956</u>
Assigned to:			
General government			26,000
Law enforcement	\$ 2,000		122,776
Sanitation			1,311,959
Capital outlay			58,072
Total Assigned	<u>2,000</u>		<u>1,518,807</u>
Unassigned	<u>3,843,857</u>		
Totals	<u>\$ 3,845,857</u>	<u>\$ 3,199,374</u>	<u>\$ 10,718,398</u>

3. Commitments

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

	December 31, 2023
Long-term liabilities	\$ 338,114
Reappraisal contract	444,900
Total Commitments	<u>\$ 783,014</u>

HEMPSTEAD 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>	
Financed purchase agreement dated January 5, 2021, with Bancorp South on the purchase of a 2021 Mack Truck in the amount of \$195,600, 36 monthly installments of \$2,685 and one payment of \$110,000 due on February 5, 2024; interest at 2.34%. Payments are to be made from the Solid Waste Fund.	\$ 112,252
Arkansas District Judge Retirement unfunded liability due to the Arkansas Public Retirement System (APERS) determined by actuarial valuation as of December 31, 2004, and amortized over a 30-year period. Payment amounts are adjusted annually by APERS. Payments are to be made from the General Fund.	76,377
Compensated absences consisting of accrued vacation adjusted to current salary cost	149,485
Total Long-term liabilities	\$ 338,114

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 \$112,252 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Direct Borrowings</u>					
1/5/21	2/5/24	2.34%	\$ 195,600	\$ 112,252	\$ 83,348

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
<u>Direct Borrowings</u>				
Financed purchases	\$ 503,488	\$ 0	\$ 391,236	\$ 112,252

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

3. Commitments (Continued)

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	\$ 112,252	\$ 433	\$ 112,685

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology on November 29, 2021, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$12,358 for a total of \$741,500 beginning February 1, 2022. Contract expense for 2023, was \$148,300.

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

Year	December 31, 2023
2024	\$ 148,300
2025	148,300
2026	148,300
Total	\$ 444,900

4. Interfund Transfers

The General Fund transferred \$47,564 to Other Funds in the Aggregate (Indigent Defense - \$32,000 and Victim/Witness - \$15,564) for operating purposes. Within the Other Funds in the Aggregate, \$9,017 was transferred from Communication Facility and Equipment to Residential Substance Abuse Treatment for operating purposes and \$361,127 was transferred from American Rescue Plan Act to South Arkansas Water System Grant for a future water system project.

5. Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid Upper Southwest Arkansas Regional Solid Waste Management District \$168,344 during 2023. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and participating cities within the counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate audited financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District are available at www.arklegaudit.gov.

Eighth North Drug Task Force

The Prosecuting Attorney of the Eighth-North Judicial District, the Sheriffs' Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott entered into an agreement to establish the Eighth North Drug Task Force. The agreement became effective on April 1, 2018, and shall be in effect until such time a party provides notice of their intent not to continue in this task force. The task force is governed by a board of directors consisting of the Prosecuting Attorney, Hempstead County Sheriff, Nevada County Sheriff, Prescott Police Chief, and Hope Police Chief. Funding for the task force will come from monies seized by officers during drug arrests and forfeited by court order to the Eighth North Judicial District Drug Control Fund administered by the Prosecutor's office. There were no payments made to or on behalf of the Eighth North Drug Task Force by the County in 2023. Separate financial statements for the Eighth North Drug Task Force are not available.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
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(UNAUDITED)

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 5.5% 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 \$756,742.

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 \$6,494,642.

7. Capital Assets

The County's capital assets records are summarized below :

	December 31, 2023
Land	\$ 304,713
Buildings	12,986,213
Equipment	<u>10,250,328</u>
Total	<u>\$ 23,541,254</u>

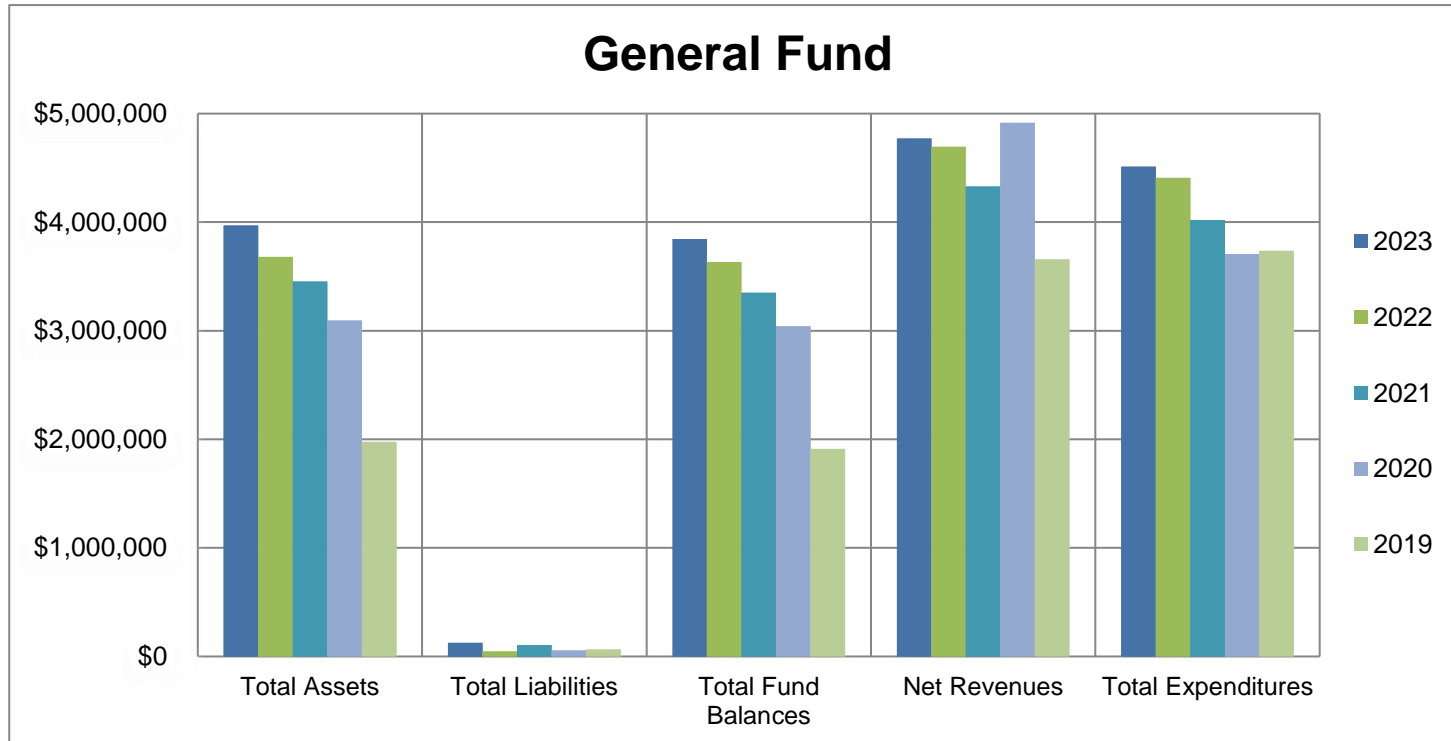
8. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2022, the County was awarded \$100,000 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021, and as of the report date, \$100,000 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

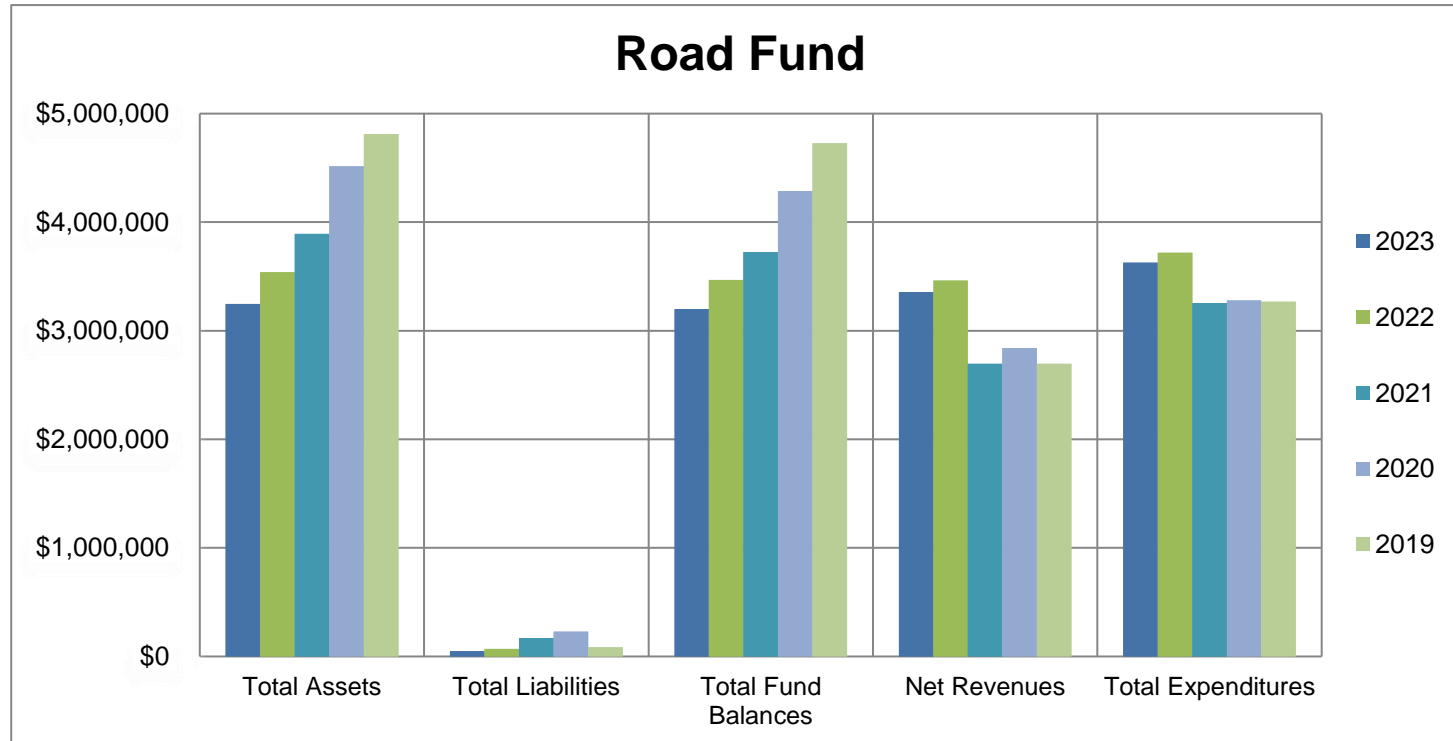
General	2023	2022	2021	2020	2019
Total Assets	\$ 3,970,015	\$ 3,679,969	\$ 3,454,492	\$ 3,093,201	\$ 1,976,635
Total Liabilities	124,158	46,571	104,818	53,277	64,805
Total Fund Balances	3,845,857	3,633,398	3,349,674	3,039,924	1,911,830
Net Revenues	4,770,890	4,695,215	4,327,352	4,915,041	3,657,529
Total Expenditures	4,510,867	4,407,441	4,017,602	3,706,448	3,734,820
Total Other Financing Sources/Uses	(47,564)	(4,050)		(71,072)	79,485



HEMPSTEAD 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>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 3,247,898	\$ 3,539,355	\$ 3,893,635	\$ 4,515,400	\$ 4,811,878
Total Liabilities	48,524	70,506	168,586	228,530	85,208
Total Fund Balances	3,199,374	3,468,849	3,725,049	4,286,870	4,726,670
Net Revenues	3,356,146	3,461,895	2,695,172	2,840,483	2,696,910
Total Expenditures	3,625,621	3,718,095	3,256,993	3,280,283	3,268,766
Total Other Financing Sources/Uses					



HEMPSTEAD 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	\$ 12,895,456	\$ 14,103,435	\$ 9,831,738	\$ 7,125,738	\$ 6,404,371
Total Liabilities	2,177,058	2,294,527	2,077,940	2,925,214	2,009,719
Total Fund Balances	10,718,398	11,808,908	7,753,798	4,200,524	4,394,652
Net Revenues	7,572,365	11,732,376	13,313,699	8,541,648	5,609,862
Total Expenditures	6,797,810	5,784,273	8,028,034	7,315,490	4,910,290
Total Other Financing Sources/Uses	(1,865,065)	(1,892,993)	(1,732,391)	(1,505,233)	(1,477,023)

