

Phillips County, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



PHILLIPS COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Sen. John Payton
Senate Vice Chair



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House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Phillips 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 Phillips County, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 5, 2024. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

County Judge: Clark Hall
Treasurer: Vacant (August 25, 2022 - December 31, 2022)
Nancy Heard (January 1, 2022 - August 24, 2022)
Sheriff: Neal Byrd
Tax Collector: Neal Byrd
County Clerk: Linda Winfield
Circuit Clerk: Chasity Deisch
Assessor: Jerome Turner
County Librarian: Linda Bennett

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

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

County Judge

1. The County disbursed funds totaling \$8,977 to the Phillips County Ambulance Association without a contract for services, in apparent conflict with Ark. Const. art. 12, § 5, as interpreted in Op. Att'y Gen. no. 1992-099. A similar finding was issued in the prior report.
2. Although the County employed janitorial staff, the County paid \$172,836 and \$251,637 for janitorial services in calendar years 2023 and 2022, respectively. Review of these expenditures revealed the following questionable transactions:
 - The County paid a janitorial employee \$33,675 and \$68,358 in 2023 and 2022, respectively, without a contract for services and in excess of salary.
 - A janitorial employee submitted invoices totaling \$20,400 and \$11,175 for 2023 and 2022, respectively; the County paid these invoices prior to services being provided.

Based on available documentation, we were unable to determine if janitorial employees provided these services during regular business hours.

Additionally, a non-employee was paid \$66,035 and \$75,079 in 2023 and 2022, respectively; although contracts were provided, payments exceeded contracted amounts.

A similar finding was noted in the previous three reports dating back to 2019.

County Judge (Continued)

3. The following issues were noted with financed purchase agreements:

- The County did not comply with agreements.
- Payments were not made in a timely manner.
- Documentation was not maintained.
- Expenditures for financed purchases were not classified as principal and interest.

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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 5, 2024
LOCO05422

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,077,894	\$ 2,015,358	\$ 7,579,731
Investments			90,330
Accounts receivable	1,021,559	26,131	131,032
Interfund receivables	1,868		
	<u>2,101,321</u>	<u>2,041,489</u>	<u>7,801,093</u>
TOTAL ASSETS	<u>\$ 2,101,321</u>	<u>\$ 2,041,489</u>	<u>\$ 7,801,093</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 170,287	\$ 152,281	\$ 100,305
Interfund payables		1,868	
Settlements pending	9,530		3,215,952
Total Liabilities	<u>179,817</u>	<u>154,149</u>	<u>3,316,257</u>
Fund Balances:			
Restricted		1,532,371	4,647,914
Assigned	219,490	354,969	25,000
Unassigned	1,702,014		(188,078)
Total Fund Balances	<u>1,921,504</u>	<u>1,887,340</u>	<u>4,484,836</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,101,321</u>	<u>\$ 2,041,489</u>	<u>\$ 7,801,093</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 829,171	\$ 1,718,153	\$ 240,982
Federal aid	99,627	3,070	1,726,972
Property taxes	1,813,574	839,725	344,059
Sales taxes	807,418		1,625,307
Fines, forfeitures, and costs	58,790		108,322
Interest	3,118	4,376	41,432
Officers' fees	14,402		99,649
Net increase (decrease) in fair value of investments			3,475
Contributions from regional library			30,000
Emergency 911 fees			296,884
Jail fees			740,939
Donations			12,549
Phone commission			101,499
Treasurer's commission	185,919		22,185
Collector's commission	261,755		47,485
Taxes apportioned - Assessor's salary and expense	439,948		
Other	217,265	242,520	70,064
TOTAL REVENUES	4,730,987	2,807,844	5,511,803
Less: Treasurer's commission	63,885	48,141	50,705
NET REVENUES	4,667,102	2,759,703	5,461,098
EXPENDITURES			
Current:			
General government	2,013,295		1,220,406
Law enforcement	1,772,243		1,918,737
Highways and streets		2,103,873	415,750
Public safety	10,700		497,303
Health	72,433		
Recreation and culture	1,166		238,202
Social services	80,450		
Total Current	3,950,287	2,103,873	4,290,398
Debt Service:			
Bond principal			335,000
Bond interest and other charges			385,274
Financed purchases principal	10,651	298,886	4,298
Financed purchases interest	1,349	15,678	1,548
TOTAL EXPENDITURES	3,962,287	2,418,437	5,016,518

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

Exhibit B

	General	Road	Other Funds in the Aggregate
	<u> </u>	<u> </u>	<u> </u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$ 704,815	\$ 341,266	\$ 444,580
OTHER FINANCING SOURCES (USES)			
Transfers in			931,298
Transfers out			<u>(931,298)</u>
TOTAL OTHER FINANCING SOURCES (USES)			<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	704,815	341,266	444,580
FUND BALANCES - JANUARY 1	<u>1,216,689</u>	<u>1,546,074</u>	<u>4,040,256</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,921,504</u></u>	<u><u>\$ 1,887,340</u></u>	<u><u>\$ 4,484,836</u></u>

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid		\$ 829,171	\$ 829,171		\$ 1,718,153	\$ 1,718,153
Federal aid		99,627	99,627		3,070	3,070
Property taxes		1,813,574	1,813,574		839,725	839,725
Sales taxes		807,418	807,418			
Fines, forfeitures, and costs		58,790	58,790			
Interest		3,118	3,118		4,376	4,376
Officers' fees		14,402	14,402			
Unclassified	\$ 4,741,528		(4,741,528)	\$ 2,816,446		(2,816,446)
Treasurer's commission		185,919	185,919			
Collector's commission	192,551	261,755	69,204			
Taxes apportioned - Assessor's salary and expense	408,320	439,948	31,628			
Other		217,265	217,265		242,520	242,520
TOTAL REVENUES	5,342,399	4,730,987	(611,412)	2,816,446	2,807,844	(8,602)
Less: Treasurer's commission		63,885	(63,885)		48,141	(48,141)
NET REVENUES	5,342,399	4,667,102	(675,297)	2,816,446	2,759,703	(56,743)
EXPENDITURES						
Current:						
General government	3,169,335	2,013,295	1,156,040			
Law enforcement	1,824,332	1,772,243	52,089			
Highways and streets				2,684,422	2,103,873	580,549
Public safety	27,283	10,700	16,583			
Health	76,200	72,433	3,767			
Recreation and culture	24,000	1,166	22,834			
Social services	99,718	80,450	19,268			
Unclassified	50,338		50,338			
Total Current	5,271,206	3,950,287	1,320,919	2,684,422	2,103,873	580,549
Debt Service:						
Financed purchases principal		10,651	(10,651)		298,886	(298,886)
Financed purchases interest		1,349	(1,349)		15,678	(15,678)
TOTAL EXPENDITURES	5,271,206	3,962,287	1,308,919	2,684,422	2,418,437	265,985
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	71,193	704,815	633,622	132,024	341,266	209,242
FUND BALANCES - JANUARY 1	500,000	1,216,689	716,689	469,135	1,546,074	1,076,939
FUND BALANCES - DECEMBER 31	\$ 571,193	\$ 1,921,504	\$ 1,350,311	\$ 601,159	\$ 1,887,340	\$ 1,286,181

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

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	County Library	Phillips County Reappraisal Cost	Support Collections Cost
ASSETS									
Cash and cash equivalents	\$ (3,734)	\$ 200,180	\$ (51,554)	\$ 4,552	\$ 15,865	\$ (105,768)	\$ 624,886	\$ 24,554	\$ 605
Investments							90,330		
Accounts receivable	22,185	43,042					7,795		
TOTAL ASSETS	\$ 18,451	\$ 243,222	\$ (51,554)	\$ 4,552	\$ 15,865	\$ (105,768)	\$ 723,011	\$ 24,554	\$ 605
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 1,389			\$ 48	\$ 3,478		\$ 24,554	
Settlements pending									
Total Liabilities		1,389			48	3,478		24,554	
Fund Balances:									
Restricted	\$ 18,451	241,833		\$ 4,552	15,817		\$ 723,011		\$ 605
Assigned									
Unassigned			\$ (51,554)			(109,246)			
Total Fund Balances	18,451	241,833	(51,554)	4,552	15,817	(109,246)	723,011		605
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,451	\$ 243,222	\$ (51,554)	\$ 4,552	\$ 15,865	\$ (105,768)	\$ 723,011	\$ 24,554	\$ 605

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Communication Facility and Equipment	Drug Control	Jail Operations and Maintenance	Boating Safety and Enforcement	Emergency 911	Public Defender	Circuit Clerk Juvenile Division Probation Fee	COPS Grant	Circuit Clerk's Commissioner's Fee
ASSETS									
Cash and cash equivalents	\$ 119,981	\$ 3,458	\$ (1,494)	\$ 23,496	\$ 223,215	\$ (23,766)	\$ 8,389	\$ 45	\$ 2
Investments									
Accounts receivable	30		384		6,293	183	70		
TOTAL ASSETS	\$ 120,011	\$ 3,458	\$ (1,110)	\$ 23,496	\$ 229,508	\$ (23,583)	\$ 8,459	\$ 45	\$ 2
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 7,000	\$ 2,585			
Settlements pending									
Total Liabilities					7,000	2,585			
Fund Balances:									
Restricted	\$ 120,011	\$ 3,458		\$ 23,496	197,508		\$ 8,459	\$ 45	\$ 2
Assigned					25,000				
Unassigned			\$ (1,110)			(26,168)			
Total Fund Balances	120,011	3,458	(1,110)	23,496	222,508	(26,168)	8,459	45	2
TOTAL LIABILITIES AND FUND BALANCES	\$ 120,011	\$ 3,458	\$ (1,110)	\$ 23,496	\$ 229,508	\$ (23,583)	\$ 8,459	\$ 45	\$ 2

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

Schedule 1

	SPECIAL REVENUE FUNDS									
	American Rescue Plan Act	Phillips County Courthouse Park	Phillips County Justice Complex	County Hospital	Jail Booking Area Construction	Circuit Clerk Automated Systems Grant	Dragon Woodland Grant	Emergency Equipment	Assessor's Late Assessment Fee	County Law Library
ASSETS										
Cash and cash equivalents	\$ 1,504,089	\$ 7,121	\$ 158,801	\$ 320,719	\$ 16	\$ 30,500	\$ 2,656	\$ 42,542	\$ 3,917	\$ 108,573
Investments										
Accounts receivable			50,977							73
TOTAL ASSETS	<u>\$ 1,504,089</u>	<u>\$ 7,121</u>	<u>\$ 209,778</u>	<u>\$ 320,719</u>	<u>\$ 16</u>	<u>\$ 30,500</u>	<u>\$ 2,656</u>	<u>\$ 42,542</u>	<u>\$ 3,917</u>	<u>\$ 108,646</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable			\$ 61,251							
Settlements pending										
Total Liabilities			<u>61,251</u>							
Fund Balances:										
Restricted	\$ 1,504,089	\$ 7,121	148,527	\$ 320,719	\$ 16	\$ 30,500	\$ 2,656	\$ 42,542	\$ 3,917	\$ 108,646
Assigned										
Unassigned										
Total Fund Balances	<u>1,504,089</u>	<u>7,121</u>	<u>148,527</u>	<u>320,719</u>	<u>16</u>	<u>30,500</u>	<u>2,656</u>	<u>42,542</u>	<u>3,917</u>	<u>108,646</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,504,089</u>	<u>\$ 7,121</u>	<u>\$ 209,778</u>	<u>\$ 320,719</u>	<u>\$ 16</u>	<u>\$ 30,500</u>	<u>\$ 2,656</u>	<u>\$ 42,542</u>	<u>\$ 3,917</u>	<u>\$ 108,646</u>

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

Schedule 1

	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Enviro-Tech Ed Project Grant	2018 Sales and Use Tax Bond	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS								
Cash and cash equivalents	\$ 100	\$ 1,121,833	\$ 2,805,336	\$ 234,231	\$ 64,788	\$ 1	\$ 111,596	\$ 7,579,731
Investments								90,330
Accounts receivable								131,032
TOTAL ASSETS	\$ 100	\$ 1,121,833	\$ 2,805,336	\$ 234,231	\$ 64,788	\$ 1	\$ 111,596	\$ 7,801,093
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 100,305
Settlements pending			\$ 2,805,336	\$ 234,231	\$ 64,788	\$ 1	\$ 111,596	3,215,952
Total Liabilities			2,805,336	234,231	64,788	1	111,596	3,316,257
Fund Balances:								
Restricted	\$ 100	\$ 1,121,833						4,647,914
Assigned								25,000
Unassigned								(188,078)
Total Fund Balances	100	1,121,833						4,484,836
TOTAL LIABILITIES AND FUND BALANCES	\$ 100	\$ 1,121,833	\$ 2,805,336	\$ 234,231	\$ 64,788	\$ 1	\$ 111,596	\$ 7,801,093

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	County Library	Phillips County Reappraisal Cost
REVENUES								
State aid				\$ 4,554			\$ 19,629	\$ 147,322
Federal aid								
Property taxes							342,261	
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 13	\$ 565		11	\$ 37		3,079	
Officers' fees					11,940	\$ 82,472		
Net increase (decrease) in fair value of investments							3,475	
Contributions from regional library							30,000	
Emergency 911 fees								
Jail fees								
Donations							12,549	
Phone commission								
Treasurer's commission	22,185							
Collector's commission		47,485						
Other				80	8,919		8,239	
TOTAL REVENUES	22,198	48,050		4,645	20,896	82,472	419,232	147,322
Less: Treasurer's commission		11		93	431	1,992	6,858	
NET REVENUES	22,198	48,039		4,552	20,465	80,480	412,374	147,322
EXPENDITURES								
Current:								
General government	29,008	40,485	\$ 51,554		22,437	189,726		147,322
Law enforcement								
Highways and streets								
Public safety								
Recreation and culture							238,202	
Total Current	29,008	40,485	51,554		22,437	189,726	238,202	147,322
Debt Service:								
Bond principal								
Bond interest and other charges								
Financed purchases principal								
Financed purchases interest								
TOTAL EXPENDITURES	29,008	40,485	51,554		22,437	189,726	238,202	147,322
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(6,810)	7,554	(51,554)	4,552	(1,972)	(109,246)	174,172	
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	(6,810)	7,554	(51,554)	4,552	(1,972)	(109,246)	174,172	
FUND BALANCES - JANUARY 1	25,261	234,279			17,789		548,839	
FUND BALANCES - DECEMBER 31	\$ 18,451	\$ 241,833	\$ (51,554)	\$ 4,552	\$ 15,817	\$ (109,246)	\$ 723,011	\$ 0

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

Schedule 2

	SPECIAL REVENUE FUNDS						
	Support Collections Cost	Communication Facility and Equipment	Drug Control	Jail Operations and Maintenance	Boating Safety and Enforcement	Emergency 911	Circuit Clerk Juvenile Division Probation Fee
REVENUES							
State aid					\$ 946		
Federal aid							
Property taxes							
Sales taxes							
Fines, forfeitures, and costs				\$ 100,713			
Interest	\$ 2	\$ 45	\$ 8	20	57	\$ 717	\$ 17
Officers' fees	36	2,658					2,543
Net increase (decrease) in fair value of investments							
Contributions from regional library							
Emergency 911 fees						296,884	
Jail fees							
Donations							
Phone commission		101,499					
Treasurer's commission							
Collector's commission							
Other				5		40,601	
TOTAL REVENUES	38	104,202	8	100,738	1,003	338,202	2,560
Less: Treasurer's commission	2	64		2,086	21	5,898	50
NET REVENUES	36	104,138	8	98,652	982	332,304	2,510
EXPENDITURES							
Current:							
General government							
Law enforcement		1,302	236	114,586			32,312
Highways and streets							
Public safety						471,803	
Recreation and culture							
Total Current		1,302	236	114,586		471,803	32,312
Debt Service:							
Bond principal							
Bond interest and other charges							
Financed purchases principal						4,298	
Financed purchases interest						1,548	
TOTAL EXPENDITURES		1,302	236	114,586		477,649	32,312
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	36	102,836	(228)	(15,934)	982	(145,345)	2,510
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	36	102,836	(228)	(15,934)	982	(145,345)	2,510
FUND BALANCES - JANUARY 1	569	17,175	3,686	14,824	22,514	367,853	5,949
FUND BALANCES - DECEMBER 31	\$ 605	\$ 120,011	\$ 3,458	\$ (1,110)	\$ 23,496	\$ 222,508	\$ 8,459

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

Schedule 2

	SPECIAL REVENUE FUNDS						
	COPS Grant	Circuit Clerk's Commissioner's Fee	American Rescue Plan Act	Phillips County Courthouse Park	Phillips County Justice Complex	County Hospital	Circuit Clerk Automated Systems Grant
REVENUES							
State aid							\$ 30,500
Federal aid			\$ 1,726,972				
Property taxes						\$ 11	
Sales taxes							
Fines, forfeitures, and costs							
Interest		\$ 2	25,398	\$ 18	\$ 1,368	804	
Officers' fees							
Net increase (decrease) in fair value of investments							
Contributions from regional library							
Emergency 911 fees							
Jail fees					740,939		
Donations							
Phone commission							
Treasurer's commission							
Collector's commission							
Other					12,220		
TOTAL REVENUES		2	1,752,370	18	754,527	815	30,500
Less: Treasurer's commission					32,993	16	
NET REVENUES		2	1,752,370	18	721,534	799	30,500
EXPENDITURES							
Current:							
General government			739,874				
Law enforcement			144,345		1,547,521		
Highways and streets			415,750				
Public safety			25,500				
Recreation and culture							
Total Current			1,325,469		1,547,521		
Debt Service:							
Bond principal							
Bond interest and other charges							
Financed purchases principal							
Financed purchases interest							
TOTAL EXPENDITURES			1,325,469		1,547,521		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		2	426,901	18	(825,987)	799	30,500
OTHER FINANCING SOURCES (USES)							
Transfers in					931,298		
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)					931,298		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		2	426,901	18	105,311	799	30,500
FUND BALANCES - JANUARY 1	\$ 45		1,077,188	7,103	43,216	319,920	\$ 16
FUND BALANCES - DECEMBER 31	\$ 45	\$ 2	\$ 1,504,089	\$ 7,121	\$ 148,527	\$ 320,719	\$ 30,500

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

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
	Dragon Woodland Grant	Emergency Equipment	Assessor's Late Assessment Fee	County Law Library	Enviro-Tech Ed Project Grant	2018 Sales and Use Tax Bond	Totals
REVENUES							
State aid		\$ 38,031					\$ 240,982
Federal aid							1,726,972
Property taxes			\$ 1,787				344,059
Sales taxes						\$ 1,625,307	1,625,307
Fines, forfeitures, and costs				\$ 3,217			108,322
Interest			8	269		8,994	41,432
Officers' fees							99,649
Net increase (decrease) in fair value of investments							3,475
Contributions from regional library							30,000
Emergency 911 fees							296,884
Jail fees							740,939
Donations							12,549
Phone commission							101,499
Treasurer's commission							22,185
Collector's commission							47,485
Other							70,064
TOTAL REVENUES		38,031	1,795	3,486		1,634,301	5,511,803
Less: Treasurer's commission			36	69			50,705
NET REVENUES		38,031	1,759	3,417		1,634,301	5,461,098
EXPENDITURES							
Current:							
General government							1,220,406
Law enforcement				796		77,639	1,918,737
Highways and streets							415,750
Public safety							497,303
Recreation and culture							238,202
Total Current				796		77,639	4,290,398
Debt Service:							
Bond principal						335,000	335,000
Bond interest and other charges						385,274	385,274
Financed purchases principal							4,298
Financed purchases interest							1,548
TOTAL EXPENDITURES				796		797,913	5,016,518
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		38,031	1,759	2,621		836,388	444,580
OTHER FINANCING SOURCES (USES)							
Transfers in							931,298
Transfers out						(931,298)	(931,298)
TOTAL OTHER FINANCING SOURCES (USES)						(931,298)	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		38,031	1,759	2,621		(94,910)	444,580
FUND BALANCES - JANUARY 1	\$ 2,656	4,511	2,158	106,025	\$ 100	1,216,743	4,040,256
FUND BALANCES - DECEMBER 31	\$ 2,656	\$ 42,542	\$ 3,917	\$ 108,646	\$ 100	\$ 1,121,833	\$ 4,484,836

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Automation	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 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.
Phillips County Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Support Collections Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operations and Maintenance	Ark. Code Ann. § 16-17-129 and Phillips County Ordinance no. 85-5 (October 9, 1985) 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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund to be used for defense of indigents.
Circuit Clerk Juvenile Division Probation Fee	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
COPS Grant	Phillips County Ordinance no. 2000-19 (August 8, 2000), interlocal agreement between Phillips County and Barton Lexa Public Schools to provide for employment of a deputy sheriff with conditions of grant award under the Cops in Schools Grant Program.
Circuit Clerk's 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.
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.
Phillips County Courthouse Park	Phillips County Ordinance no. 97-07 (March 11, 1997) and Phillips County Resolution no. 94-10 (August 9, 1994) established fund to receive a grant to fund and maintain courthouse park area.
Phillips County Justice Complex	Established to receive sales tax and fees for housing prisoners to maintain and operate the justice complex and detention center.
County Hospital	Ark. Const. amend. 32 established fund to collect and disburse property tax to be used for maintenance, operation and support of the public hospital.
Jail Booking Area Construction	Established to receive and disburse local grant funds for renovations of the Phillips County Booking and Holding Center.
Circuit Clerk Automated Systems Grant	Established to account for grant received for the purpose of updating an automated circuit clerk recording system.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Dragon Woodland Grant	Established to receive and disburse Community Development Block Grant benefiting low-to-moderate income individuals.
Emergency Equipment	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.
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 Law Library	Ark. Code Ann. § 16-10-307 established fund to receive costs to be used for any purpose related to establishment, maintenance, and operations of a county law library.
Enviro-Tech Ed Project Grant	Established to receive and disburse Arkansas Economic Development Commission grant funds from the U.S. Department of Housing and Urban Development for rail, water, and sewer upgrades.
2018 Sales and Use Tax Bond	Phillips County Ordinance no. 2018-7 (May 8, 2018) authorized the issuance of sales and use tax bonds and to receive 1% sales and use tax being levied for the purpose of financing all or a portion of the costs of jail and law enforcement facilities improvements, to equip, operate and maintain new or existing jail and law enforcement facilities, including road and parking improvements related thereto and to pay and secure the repayment of bonds.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and inmate commissary 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, and inmate trust money.

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

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

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

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Debt Service 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.

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

1. (Continued)

B. Basis of Accounting - Regulatory

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

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts, certificates of deposit, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair market value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, and fees that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.

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

1. (Continued)

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

Fund Balance Classifications (Continued)

3. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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 except for the Sales Tax Revenue, General Reserve, Group Insurance, Local Assistance Tribal Consistency, and Election Expense accounts, Road Fund, and the other operating funds except for the Phillips County Courthouse Park, County Hospital, Circuit Clerk Automated Systems Grant, and Assessor's Late Assessment Fee.

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

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

2. Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,819,766
Law enforcement			455,200
Highways and streets		\$ 1,532,371	
Public safety			197,508
Health			320,719
Recreation and culture			730,132
Social services			2,656
Capital outlay			100
Debt service			1,121,833
Total Restricted		<u>1,532,371</u>	<u>4,647,914</u>
Assigned to:			
General government	\$ 219,490		
Highways and streets		354,969	
Public safety			25,000
Total Assigned	<u>219,490</u>	<u>354,969</u>	<u>25,000</u>
Unassigned	<u>1,702,014</u>		<u>(188,078)</u>
Totals	<u>\$ 1,921,504</u>	<u>\$ 1,887,340</u>	<u>\$ 4,484,836</u>

3. Commitments

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

	December 31, 2022
Long-term liabilities	\$ 11,297,395
Leases	133,104
Reappraisal contract	294,644
Construction contract	<u>221,604</u>
Total Commitments	<u>\$ 11,946,747</u>

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

3. Commitments (Continued)

Long-term Liabilities

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

	December 31, 2022
<u>Bonds</u>	
2018 Sales and Use Tax Bonds, Series 2018, dated May 15, 2018, in the amount of \$10,995,000, due in annual installments of \$325,000 to \$3,210,000 plus interest through September 1, 2043, interest rates from 2.85% to 4.0%. Interest and principal payments begin in 2018 and 2021, respectively. Payments are to be made from the 2018 Sales and Use Tax Bond Fund.	\$ 10,335,000
<u>Direct Borrowings</u>	
Financed purchase agreement dated December 28, 2022, with Cadence Bank, in the amount of \$105,000, with an interest rate of 5.4%, for the purchase of one 2020 Mack Stampede Dump Bodies. Monthly payments of \$2,437 for 48 months. Payments are to be made from the Road Fund.	105,000
Financed purchase agreement dated February 3, 2020, with Southern Bancorp Bank, in the amount of \$60,000, with an interest rate of 3.85%, for the purchase of election equipment. Monthly payments of \$1,000 for 34 months and 1 payment of \$31,989. Payments are to be made from the General Fund.	29,237
Financed purchase agreement dated July 6, 2021, with Caterpillar Financial Services Corporation, in the amount of \$199,733, with an interest rate of 2.99%, for the purchase of a 2021 Caterpillar 140-15 Motor Grader. Monthly payments of \$2,390 for 35 months and 1 payment of \$130,950. Payments are to be made from Road Fund.	164,652
Financed purchase agreement dated September 21, 2022, with Cadence Bank, in the amount of \$534,634, with an interest rate of 3.990%, for the purchase of two John Deere 670GP Motor Graders. Monthly payments of \$6,617 for 60 months and 1 payment of \$213,865. Payments are to be made from the Road Fund.	520,067
Financed purchase agreement dated December 29, 2022, with Cadence Bank, in the amount of \$123,886, with an interest rate of 4.890%, for the purchase of two John Deere 5090E Tractors and one John Deere 520M Loader. Monthly payments of \$2,332 for 60 months. Payments are to be made from the Road Fund.	123,886
Total Direct Borrowings	942,842
Arkansas District Judge's Retirement unfunded pension liability - The actuarial assumed rate of interest is 8%. The City of Helena-West Helena and Phillips County have agreed to share the cost on a 50/50 basis. The amount of liability reflected represents only the County's portion.	19,553
Total Long-term liabilities	\$ 11,297,395

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

3. Commitments (Continued)

Long-term Liabilities (Continued)

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

The County's outstanding bonds payable of \$10,335,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding financed purchases from direct borrowings of \$942,842 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.

Compensated Absences

Compensated absences do vest or accumulate, however, there were no compensated absences liability. The County encouraged employees to use all their leave before year end.

Post Employment Benefits Other Than Pensions

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Bonds</u>					
5/15/18	9/1/43	2.85-4%	\$ 10,995,000	\$ 10,335,000	\$ 660,000
<u>Direct Borrowings</u>					
2/3/20	12/16/22	3.85%	60,000	29,237	30,763
7/6/21	8/6/24	2.99%	199,733	164,652	35,081
9/21/22	9/21/27	3.99%	534,634	520,067	14,567
12/28/22	12/28/26	5.40%	105,000	105,000	
12/29/22	12/29/27	4.89%	123,886	123,886	
Total Direct Borrowings			1,593,367	942,842	650,525
Total Long-Term Debt			\$ 12,588,367	\$ 11,277,842	\$ 1,310,525

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

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 10,670,000	\$ 0	\$ 335,000	\$ 10,335,000
<u>Direct Borrowings</u>				
Financed purchases	598,157	658,520	313,835	942,842
Total Long-Term Debt	<u>\$ 11,268,157</u>	<u>\$ 658,520</u>	<u>\$ 648,835</u>	<u>\$ 11,277,842</u>

Debt Service Requirements to Maturity

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

Years Ending December 31,	Principal	Bonds Interest	Total	Principal	Direct Borrowings Interest	Total
2023	\$ 345,000	\$ 372,274	\$ 717,274	\$ 159,596	\$ 30,688	\$ 190,284
2024	355,000	361,924	716,924	251,834	27,696	279,530
2025		351,806	351,806	116,329	20,301	136,630
2026	750,000	351,806	1,101,806	121,684	14,946	136,630
2027	390,000	329,306	719,306	293,399	8,000	301,399
2028 through 2032	2,140,000	1,471,499	3,611,499			
2033 through 2037		1,211,625	1,211,625			
2038 through 2042	3,145,000	739,875	3,884,875			
2043	3,210,000	124,388	3,334,388			
Totals	<u>\$ 10,335,000</u>	<u>\$ 5,314,503</u>	<u>\$ 15,649,503</u>	<u>\$ 942,842</u>	<u>\$ 101,631</u>	<u>\$ 1,044,473</u>

Leases

The County entered into lease agreements for four (4) Caterpillar graders in April 2019, a Caterpillar backhoe loader in October 2019, a Caterpillar hydraulic excavator in February 2020 and a Caterpillar grader in June 2020. Terms of the leases are monthly rental payments of \$7,080 for 36 months, \$1,703 for 24 months and extended for 7 months with payments of \$1,703 monthly, \$1,770 for 24 months, and \$879 for 60 months. At the end of each lease term, the County will return the leased equipment. The County is obligated for the following amounts for the next three years:

Year	December 31, 2022
2023	\$ 10,553
2024	10,553
2025	<u>111,998</u>
Total	<u>\$ 133,104</u>

Lease expense for 2022, was \$137,193.

PHILLIPS COUNTY, ARKANSAS
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3. Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Delta Mass Appraisal on November 20, 2019, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$12,277 for a total of \$736,610 beginning January 1, 2020. Contract expense for 2022, was \$147,322.

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

<u>Year</u>	<u>December 31, 2022</u>
2023	\$ 147,322
2024	<u>147,322</u>
Total	<u>\$ 294,644</u>

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2022:

<u>Project Name</u>	<u>Completed</u>	<u>Contract Balance December 31, 2022</u>
Central Plant Repair Phase II	June 19, 2023	<u>\$ 221,604</u>

4. Interfund Transfers

Within Other Funds in the Aggregate, 2018 Sales and Use Tax Bond transferred \$931,298 to the Phillips County Justice Complex for operations.

5. Pledged Revenues

The County pledged future 1% sales and use taxes to repay \$10,995,000 in bonds that were issued in 2018 to provide funding for financing jail and law enforcement facilities improvements, including particularly, without limitation, a new jail and the acquisition and renovation of a building to contain the sheriff's office, arraignment room/courtroom, communications center, and administrative offices related to law enforcement and any necessary land acquisition, furnishings, equipment, signage and utility, road and parking improvements. Total principal and interest remaining on the bonds are \$10,335,000 and \$5,314,503, respectively, payable through September 1, 2043. For 2022, principal and interest paid were \$335,000 and \$382,324, respectively.

The Debt Service Fund received \$1,625,307 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for to acquire, construct, improve, expand, equip, furnish, operate, and maintain new or existing jail and law enforcement facilities, including any necessary utility, road, and parking improvement related thereto.

6. Joint Venture: Regional Library

Phillips, Lee, and Monroe Counties entered into an agreement in May 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the Phillips, Lee, and Monroe Regional Library. The agreement states that the library boards of these counties are to continue the same duties and functions that they have in the past until said duties and functions are altered by the Quorum Court as provided by law. The Phillips County Library did not pay any regional library expenditures in 2022. Separate financial statements of the Phillips, Lee, and Monroe Regional Library are available at 702 Porter Street, Helena, AR 72342.

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

7. Jointly Governed Organization

The First Judicial District Drug Task Force is a jointly governed organization comprised of representatives from Monroe, Lee, Phillips, St. Francis, Cross and Woodruff Counties and participating cities within the aforementioned counties. The Sheriff from each county acts as a representative. The County did not pay any drug task force expenditures in 2022. Contact the First Judicial District Drug Task Force at 113 S. Main Street, Clarendon, Arkansas 72029 to inquire on the availability of financial statements.

8. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2022, (date of APERS Employer Allocation Report) were \$509,794.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$4,292,519.

9. Capital Assets

The County's capital assets records are summarized below:

	December 31, 2022
Land	\$ 376,168
Buildings	18,511,439
Equipment	<u>6,900,823</u>
Total	<u>\$ 25,788,430</u>

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

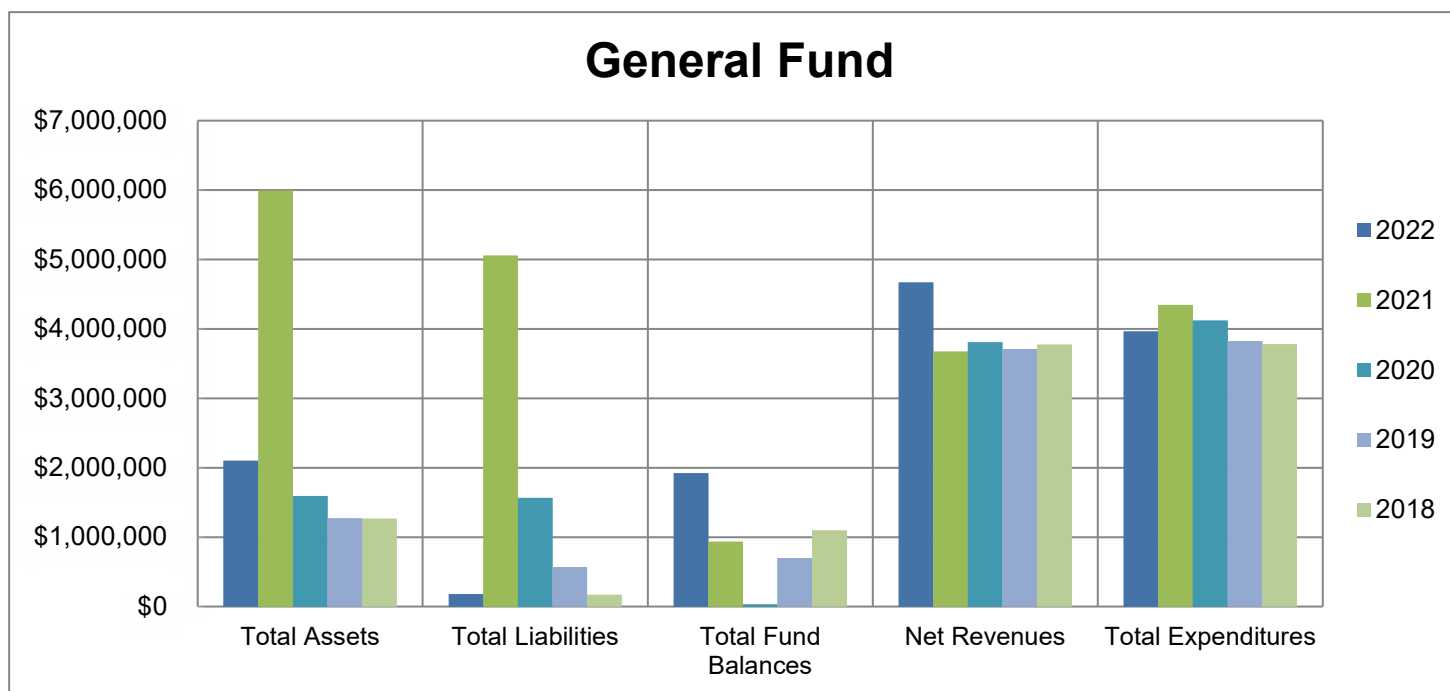
10. Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$3,453,945 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$3,453,945 of this amount has been received. In 2022, the County was awarded \$168,176 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$84,088 and \$84,088, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 3-1

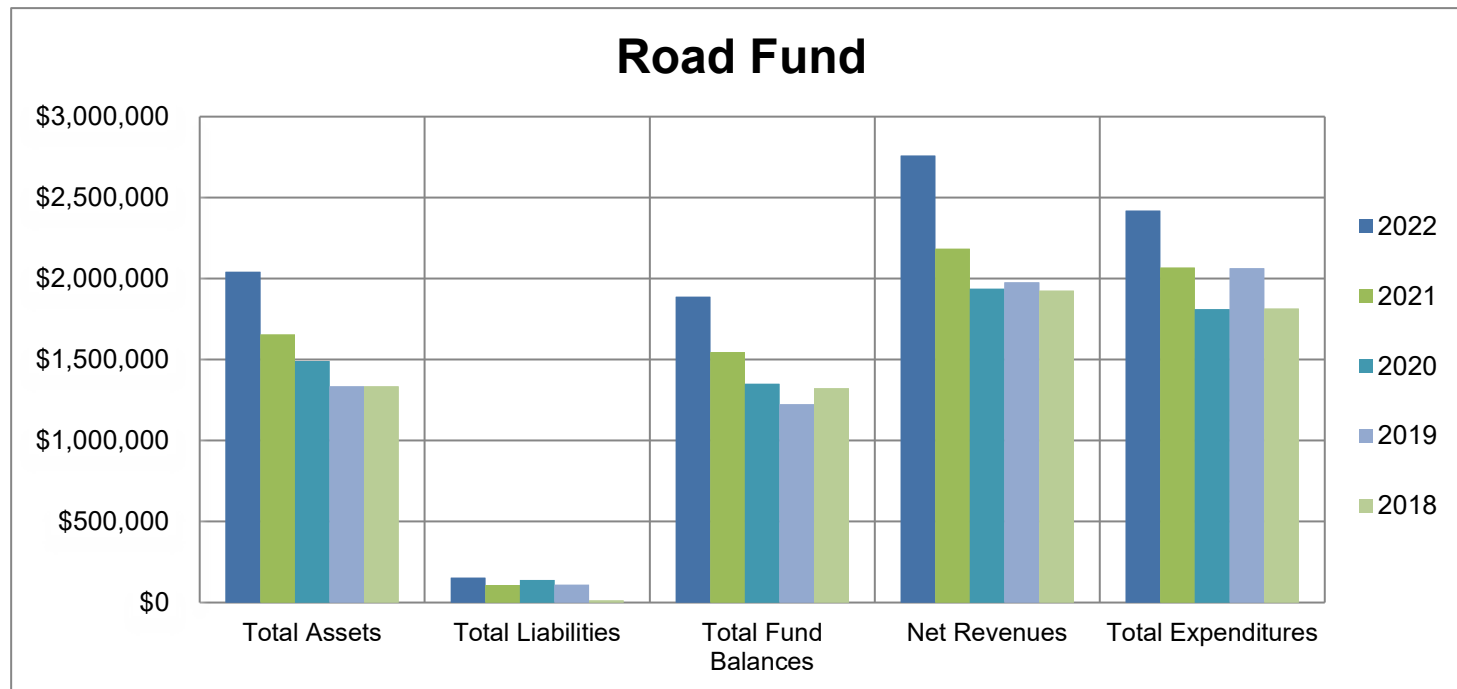
General	2022	2021	2020	2019	2018
Total Assets	\$ 2,101,321	\$ 5,989,467	\$ 1,592,981	\$ 1,268,636	\$ 1,264,797
Total Liabilities	179,817	5,053,810	1,564,068	571,573	167,388
Total Fund Balances	1,921,504	935,657	28,913	697,063	1,097,409
Net Revenues	4,667,102	3,671,892	3,805,750	3,709,447	3,774,217
Total Expenditures	3,962,287	4,347,060	4,119,363	3,826,199	3,778,645
Total Other Financing Sources/Uses		(425,636)	(22,850)		(52,827)



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

Schedule 3-2

Road	2022	2021	2020	2019	2018
Total Assets	\$ 2,041,489	\$ 1,653,800	\$ 1,490,673	\$ 1,333,931	\$ 1,335,130
Total Liabilities	154,149	107,726	140,372	109,797	12,991
Total Fund Balances	1,887,340	1,546,074	1,350,301	1,224,134	1,322,139
Net Revenues	2,759,703	2,183,503	1,937,543	1,976,698	1,925,215
Total Expenditures	2,418,437	2,068,521	1,811,476	2,063,143	1,813,881
Total Other Financing Sources/Uses		7,100			



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

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 7,801,093	\$ 11,560,627	\$ 9,897,942	\$ 7,666,789	\$ 13,713,082
Total Liabilities	3,316,257	7,520,371	6,547,080	2,855,081	2,656,531
Total Fund Balances	4,484,836	4,040,256	3,350,862	4,811,708	11,056,551
Net Revenues	5,461,098	4,809,353	2,330,387	1,874,941	1,390,630
Total Expenditures	5,016,518	3,941,488	4,145,705	7,947,470	2,612,586
Total Other Financing Sources/Uses		418,536	22,850	(281,072)	10,532,263

