

Phillips County, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



PHILLIPS COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas



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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, 2023, and have issued our report thereon dated November 12, 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: Clark Hall
Treasurer: Santresa Mayfield
Sheriff: Neal Byrd
Tax Collector: Neal Byrd
County Clerk: Shakira Winfield
Circuit Clerk: Tamekia Franklin
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 offices of **County Judge** and **Sheriff**.

County Judge

1. Fixed asset records were not properly maintained, as required by Ark. Code Ann. § 14-25-106; beginning balances did not agree with the prior year ending balances, and additions and deletions were not accurately recorded. Additionally, 8 of 15 items selected were not made available for sighting.
2. The following issues were noted with financed purchase agreements:
 - Lack of proper record keeping resulted in numerous duplicate payments.
 - Expenditures for financed purchases were not classified as principal and interest.
 - Payments were not always made in a timely manner resulting in late charges.

A similar finding was issued in the previous report.

3. The following issues were noted with restricted funds:
 - The County did not document the proration of insurance across funds. The proration of insurance did not appear reasonable, possibly resulting in restricted funds being used for unallowable purposes.
 - Restricted Road Fund monies were used to purchase a vehicle for the Office of Emergency Management and janitor clothing totaling \$59,850 and \$1,345, respectively, in noncompliance with Ark. Code Ann. §§ 26-79-105, 27-70-207.
4. The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

Sheriff

Upon review of the Sheriff's Communication Facility and Equipment account the following exceptions were noted:

- The Sheriff failed to remit \$430,795 to the County Treasurer, consisting of a loan for \$262,000, a rural development grant of \$86,000 and a public safety equipment grant of \$82,795, in noncompliance with Ark. Code Ann. § 14-14-1313.
- Receipts were not issued, in noncompliance with Ark. Code Ann. § 14-25-108.

Other Issues

Five checks totaling \$145,280 were altered and cashed from October 25, 2023 through November 29, 2023. The bank and county personnel discovered the transactions, and the funds were recovered from the bank.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 12, 2024
LOCO05423

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,425,333	\$ 1,845,359	\$ 3,958,778
Investments			84,920
Accounts receivable	231,659	23,905	66,635
TOTAL ASSETS	\$ 1,656,992	\$ 1,869,264	\$ 4,110,333
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 121,383	\$ 61,839	\$ 139,211
Settlements pending	26,390		867,023
Total Liabilities	147,773	61,839	1,006,234
Fund Balances:			
Restricted		1,452,456	3,086,555
Assigned	75,950	354,969	26,479
Unassigned	1,433,269		(8,935)
Total Fund Balances	1,509,219	1,807,425	3,104,099
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,656,992	\$ 1,869,264	\$ 4,110,333

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, 2023
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 651,713	\$ 1,666,745	\$ 252,708
Federal aid	112,531	2,822	86,000
Property taxes	651,474	577,713	235,468
Sales taxes	825,068		1,658,645
Fines, forfeitures, and costs	50,472		63,685
Interest	3,941	1,940	111,272
Officers' fees	11,857		117,935
Net increase (decrease) in fair value of investments			(5,410)
Emergency 911 fees			286,270
Jail fees			658,730
Donations			30,540
Phone commisisions			44,649
Auction proceeds		245,093	
Commissary profits			34,333
Treasurer's commission	199,752		22,224
Collector's commission	248,720		47,235
Taxes apportioned - Assessor's salary and expense	332,260		
Other	238,336	143,282	210,894
TOTAL REVENUES	3,326,124	2,637,595	3,855,178
Less: Treasurer's commission	70,941	54,140	50,473
NET REVENUES	3,255,183	2,583,455	3,804,705
EXPENDITURES			
Current:			
General government	1,607,545		1,341,213
Law enforcement	1,395,836		2,331,030
Highways and streets		2,277,984	199,000
Public safety	9,196		479,721
Health	67,394		
Recreation and culture	2,022		293,294
Social services	77,226		
Total Current	3,159,219	2,277,984	4,644,258
Debt Service:			
Bond principal			920,000
Bond interest and other charges			375,324
Financed purchases principal	29,237	285,213	
Financed purchases interest	1,499	100,173	
TOTAL EXPENDITURES	3,189,955	2,663,370	5,939,582

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 65,228</u>	<u>\$ (79,915)</u>	<u>\$ (2,134,877)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	38,131		1,367,271
Transfers out	<u>(792,271)</u>		<u>(613,131)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(754,140)</u>		<u>754,140</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(688,912)	(79,915)	(1,380,737)
FUND BALANCES - JANUARY 1	<u>2,198,131</u>	<u>1,887,340</u>	<u>4,484,836</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,509,219</u>	<u>\$ 1,807,425</u>	<u>\$ 3,104,099</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, 2023
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid		\$ 651,713	\$ 651,713		\$ 1,666,745	\$ 1,666,745
Federal aid		112,531	112,531		2,822	2,822
Property taxes		651,474	651,474		577,713	577,713
Sales taxes		825,068	825,068			
Fines, forfeitures, and costs		50,472	50,472			
Interest		3,941	3,941		1,940	1,940
Officers' fees		11,857	11,857			
Unclassified	\$ 5,513,400		(5,513,400)	\$ 3,403,055		(3,403,055)
Auction proceeds					245,093	245,093
Treasurer's commission		199,752	199,752			
Collector's commission		248,720	248,720			
Taxes apportioned - Assessor's salary and expense		332,260	332,260			
Other		238,336	238,336		143,282	143,282
TOTAL REVENUES	5,513,400	3,326,124	(2,187,276)	3,403,055	2,637,595	(765,460)
Less: Treasurer's commission		70,941	(70,941)		54,140	(54,140)
NET REVENUES	5,513,400	3,255,183	(2,258,217)	3,403,055	2,583,455	(819,600)
EXPENDITURES						
Current:						
General government	2,713,910	1,607,545	1,106,365			
Law enforcement	1,716,279	1,395,836	320,443			
Highways and streets				2,910,307	2,277,984	632,323
Public safety	12,000	9,196	2,804			
Health	78,000	67,394	10,606			
Recreation and culture	15,000	2,022	12,978			
Social services	100,067	77,226	22,841			
Total Current	4,635,256	3,159,219	1,476,037	2,910,307	2,277,984	632,323
Debt Service:						
Financed purchases principal		29,237	(29,237)		285,213	(285,213)
Financed purchases interest		1,499	(1,499)		100,173	(100,173)
TOTAL EXPENDITURES	4,635,256	3,189,955	1,445,301	2,910,307	2,663,370	246,937

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, 2023
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 878,144	\$ 65,228	\$ (812,916)	\$ 492,748	\$ (79,915)	\$ (572,663)
OTHER FINANCING SOURCES (USES)						
Transfers in		38,131	38,131			
Transfers out		(792,271)	(792,271)			
TOTAL OTHER FINANCING SOURCES (USES)		(754,140)	(754,140)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	878,144	(688,912)	(1,567,056)	492,748	(79,915)	(572,663)
FUND BALANCES - JANUARY 1		2,198,131	2,198,131		1,887,340	1,887,340
FUND BALANCES - DECEMBER 31	<u>\$ 878,144</u>	<u>\$ 1,509,219</u>	<u>\$ 631,075</u>	<u>\$ 492,748</u>	<u>\$ 1,807,425</u>	<u>\$ 1,314,677</u>

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, 2023
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's 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	\$ 7,524	\$ 243,612	\$ 9,001	\$ 13,963	\$ 7,008	\$ 641,833	\$ 12,277	\$ 606
Investments						84,920		
Accounts receivable	22,224			1,674	4,025			
TOTAL ASSETS	\$ 29,748	\$ 243,612	\$ 9,001	\$ 15,637	\$ 11,033	\$ 726,753	\$ 12,277	\$ 606
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 879	\$ 10,003		\$ 13			\$ 12,277	
Settlements pending								
Total Liabilities	879	10,003		13			12,277	
Fund Balances:								
Restricted	28,869	233,609	\$ 9,001	15,624	\$ 11,033	\$ 726,753		\$ 606
Assigned								
Unassigned								
Total Fund Balances	28,869	233,609	9,001	15,624	11,033	726,753		606
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,748	\$ 243,612	\$ 9,001	\$ 15,637	\$ 11,033	\$ 726,753	\$ 12,277	\$ 606

PHILLIPS COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023
 (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
ASSETS								
Cash and cash equivalents	\$ 238,020	\$ 3,463	\$ 13,154	\$ 24,619	\$ 41,690	\$ 1,479	\$ 37,782	\$ 45
Investments								
Accounts receivable	110		2,751		591		40	
TOTAL ASSETS	\$ 238,130	\$ 3,463	\$ 15,905	\$ 24,619	\$ 42,281	\$ 1,479	\$ 37,822	\$ 45
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 24,840		\$ 16,159			
Settlements pending								
Total Liabilities			24,840		16,159			
Fund Balances:								
Restricted	\$ 238,130	\$ 3,463		\$ 24,619	1,122		\$ 37,822	\$ 45
Assigned					25,000	\$ 1,479		
Unassigned			(8,935)					
Total Fund Balances	238,130	3,463	(8,935)	24,619	26,122	1,479	37,822	45
TOTAL LIABILITIES AND FUND BALANCES	\$ 238,130	\$ 3,463	\$ 15,905	\$ 24,619	\$ 42,281	\$ 1,479	\$ 37,822	\$ 45

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Circuit Clerk's Commissioner's Fee	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
ASSETS									
Cash and cash equivalents	\$ 51	\$ 155,197	\$ 7,130	\$ 75,305	\$ 321,157	\$ 16	\$ 2,000	\$ 2,656	\$ 4,511
Investments									
Accounts receivable				35,220					
TOTAL ASSETS	\$ 51	\$ 155,197	\$ 7,130	\$ 110,525	\$ 321,157	\$ 16	\$ 2,000	\$ 2,656	\$ 4,511
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 73,064			\$ 1,976		
Settlements pending									
Total Liabilities				73,064			1,976		
Fund Balances:									
Restricted	\$ 51	\$ 155,197	\$ 7,130	37,461	\$ 321,157	\$ 16	24	\$ 2,656	\$ 4,511
Assigned									
Unassigned									
Total Fund Balances	51	155,197	7,130	37,461	321,157	16	24	2,656	4,511
TOTAL LIABILITIES AND FUND BALANCES	\$ 51	\$ 155,197	\$ 7,130	\$ 110,525	\$ 321,157	\$ 16	\$ 2,000	\$ 2,656	\$ 4,511

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

Schedule 1

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CUSTODIAL FUNDS				Totals
	Assessor's Late Assessment Fee	County Law Library	2018 Sales and Use Tax Bond	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	Circuit Clerk's Accounts	
ASSETS								
Cash and cash equivalents	\$ 2,950	\$ 102,486	\$ 1,122,220	\$ 430,175	\$ 206,054	\$ 122,489	\$ 108,304	\$ 3,958,778
Investments								84,920
Accounts receivable								66,635
TOTAL ASSETS	\$ 2,950	\$ 102,486	\$ 1,122,220	\$ 430,175	\$ 206,054	\$ 122,489	\$ 108,304	\$ 4,110,333
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 139,211
Settlements pending				\$ 430,175	\$ 206,054	\$ 122,489	\$ 108,304	867,023
Total Liabilities				430,175	206,054	122,489	108,304	1,006,234
Fund Balances:								
Restricted	\$ 2,950	\$ 102,486	\$ 1,122,220					3,086,555
Assigned								26,479
Unassigned								(8,935)
Total Fund Balances	2,950	102,486	1,122,220					3,104,099
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,950	\$ 102,486	\$ 1,122,220	\$ 430,175	\$ 206,054	\$ 122,489	\$ 108,304	\$ 4,110,333

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, 2023
 (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				\$ 4,522			\$ 16,800	\$ 147,322
Federal aid								
Property taxes							234,882	
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 8	\$ 290		12	\$ 16	\$ 1	8,582	
Officers' fees					9,144	102,628		
Net increase (decrease) in fair value of investments							(5,410)	
Emergency 911 fees								
Jail fees								
Donations							30,540	
Phone commisions								
Commissary profits								
Treasurer's commission	22,224							
Collector's commission		47,235						
Other				6	9,744	124	16,626	
TOTAL REVENUES	22,232	47,525		4,540	18,904	102,753	302,020	147,322
Less: Treasurer's commission		1,811		91	317	1,972	4,984	
NET REVENUES	22,232	45,714		4,449	18,587	100,781	297,036	147,322
EXPENDITURES								
Current:								
General government	11,814	53,938			18,780	39,282		147,322
Law enforcement								
Highways and streets								
Public safety								
Recreation and culture							293,294	
Total Current	11,814	53,938			18,780	39,282	293,294	147,322
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES	11,814	53,938			18,780	39,282	293,294	147,322
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,418	(8,224)		4,449	(193)	61,499	3,742	
OTHER FINANCING SOURCES (USES)								
Transfers in			\$ 51,554			58,780		
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)			51,554			58,780		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,418	(8,224)	51,554	4,449	(193)	120,279	3,742	
FUND BALANCES - JANUARY 1	18,451	241,833	(51,554)	4,552	15,817	(109,246)	723,011	
FUND BALANCES - DECEMBER 31	\$ 28,869	\$ 233,609	\$ 0	\$ 9,001	\$ 15,624	\$ 11,033	\$ 726,753	\$ 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, 2023
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							Circuit Clerk Juvenile Division Probation Fee
	Support Collections Cost	Communication Facility and Equipment	Drug Control	Jail Operations and Maintenance	Boating Safety and Enforcement	Emergency 911	Public Defender	
REVENUES								
State aid		\$ 82,795			\$ 1,112	\$ 157		
Federal aid		86,000					\$ 40	
Property taxes								
Sales taxes								
Fines, forfeitures, and costs				\$ 56,478			4,105	
Interest	\$ 1	492	\$ 5	9	32	118	6	\$ 41
Officers' fees		2,824						3,289
Net increase (decrease) in fair value of investments								
Emergency 911 fees						286,270		
Jail fees								
Donations								
Phone commissions		44,649						
Commissary profits		34,333						
Treasurer's commission								
Collector's commission								
Other		57		139	2	364	5	3
TOTAL REVENUES	1	251,150	5	56,626	1,146	286,909	4,156	3,333
Less: Treasurer's commission		55		1,083	23	3,574	87	67
NET REVENUES	1	251,095	5	55,543	1,123	283,335	4,069	3,266
EXPENDITURES								
Current:								
General government								
Law enforcement		207,253		93,368			31,020	
Highways and streets								
Public safety						479,721		
Recreation and culture								
Total Current		207,253		93,368		479,721	31,020	
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES		207,253		93,368		479,721	31,020	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1	43,842	5	(37,825)	1,123	(196,386)	(26,951)	3,266
OTHER FINANCING SOURCES (USES)								
Transfers in		74,277		30,000			54,598	26,097
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)		74,277		30,000			54,598	26,097
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1	118,119	5	(7,825)	1,123	(196,386)	27,647	29,363
FUND BALANCES - JANUARY 1	605	120,011	3,458	(1,110)	23,496	222,508	(26,168)	8,459
FUND BALANCES - DECEMBER 31	\$ 606	\$ 238,130	\$ 3,463	\$ (8,935)	\$ 24,619	\$ 26,122	\$ 1,479	\$ 37,822

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, 2023
 (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	Jail Booking Area Construction	Circuit Clerk Automated Systems Grant
REVENUES								
State aid								
Federal aid								
Property taxes						\$ 3		
Sales taxes					\$ 961,325			
Fines, forfeitures, and costs								
Interest			\$ 49,096	\$ 9	524	432		\$ 30
Officers' fees		\$ 50						
Net increase (decrease) in fair value of investments								
Emergency 911 fees								
Jail fees					658,730			
Donations								
Phone commissisons								
Commissary profits								
Treasurer's commission								
Collector's commission								
Other					183,807	12		
TOTAL REVENUES		50	49,096	9	1,804,386	447		30
Less: Treasurer's commission		1			36,325	9		
NET REVENUES		49	49,096	9	1,768,061	438		30
EXPENDITURES								
Current:								
General government			1,038,071					30,506
Law enforcement			160,917		1,801,092			
Highways and streets			199,000					
Public safety								
Recreation and culture								
Total Current			1,397,988		1,801,092			30,506
Debt Service:								
Bond principal								
Bond interest and other charges								
TOTAL EXPENDITURES			1,397,988		1,801,092			30,506
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		49	(1,348,892)	9	(33,031)	438		(30,476)
OTHER FINANCING SOURCES (USES)								
Transfers in					496,965			
Transfers out					(575,000)			
TOTAL OTHER FINANCING SOURCES (USES)					(78,035)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		49	(1,348,892)	9	(111,066)	438		(30,476)
FUND BALANCES - JANUARY 1	\$ 45	2	1,504,089	7,121	148,527	320,719	\$ 16	30,500
FUND BALANCES - DECEMBER 31	\$ 45	\$ 51	\$ 155,197	\$ 7,130	\$ 37,461	\$ 321,157	\$ 16	\$ 24

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, 2023
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Totals
	Dragon Woodland Grant	Emergency Equipment	Assessor's Late Assessment Fee	County Law Library	Enviro-Tech Ed Project Grant	2018 Sales and Use Tax Bond	
REVENUES							
State aid							\$ 252,708
Federal aid							86,000
Property taxes			\$ 543				235,468
Sales taxes						\$ 697,320	1,658,645
Fines, forfeitures, and costs				\$ 3,102			63,685
Interest			5	108		51,455	111,272
Officers' fees							117,935
Net increase (decrease) in fair value of investments							(5,410)
Emergency 911 fees							286,270
Jail fees							658,730
Donations							30,540
Phone commisisions							44,649
Commissary profits							34,333
Treasurer's commission							22,224
Collector's commission							47,235
Other				5			210,894
TOTAL REVENUES			548	3,215		748,775	3,855,178
Less: Treasurer's commission			15	59			50,473
NET REVENUES			533	3,156		748,775	3,804,705
EXPENDITURES							
Current:							
General government			1,500				1,341,213
Law enforcement				9,316		28,064	2,331,030
Highways and streets							199,000
Public safety							479,721
Recreation and culture							293,294
Total Current			1,500	9,316		28,064	4,644,258
Debt Service:							
Bond principal						920,000	920,000
Bond interest and other charges						375,324	375,324
TOTAL EXPENDITURES			1,500	9,316		1,323,388	5,939,582
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(967)	(6,160)		(574,613)	(2,134,877)
OTHER FINANCING SOURCES (USES)							
Transfers in						575,000	1,367,271
Transfers out		\$ (38,031)			\$ (100)		(613,131)
TOTAL OTHER FINANCING SOURCES (USES)		(38,031)			(100)	575,000	754,140
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(38,031)	(967)	(6,160)	(100)	387	(1,380,737)
FUND BALANCES - JANUARY 1	\$ 2,656	42,542	3,917	108,646	100	1,121,833	4,484,836
FUND BALANCES - DECEMBER 31	\$ 2,656	\$ 4,511	\$ 2,950	\$ 102,486	\$ 0	\$ 1,122,220	\$ 3,104,099

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
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, 2023
 (UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Dragon Woodland Grant	Established to receive and disburse Community Development Block Grant benefiting low-to-moderate income individuals.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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 and treasurer's commission not distributed to the appropriate agencies.

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

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

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

PHILLIPS 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 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 Schedule 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, 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, 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, 2023
(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 Group Insurance account, Road Fund, and the other operating funds except for the Assessor's Late Assessment Fee, Law Library, and Jail Maintenance.

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, 2023
(UNAUDITED)

2. Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 456,964
Law enforcement			448,553
Highways and streets		\$ 1,452,456	
Public safety			1,122
Health			321,157
Recreation and culture			733,883
Social services			2,656
Debt service			1,122,220
Total Restricted		<u>1,452,456</u>	<u>3,086,555</u>
Assigned to:			
General government	\$ 75,950		
Law enforcement			1,479
Highways and streets		354,969	
Public safety			25,000
Total Assigned	<u>75,950</u>	<u>354,969</u>	<u>26,479</u>
Unassigned	<u>1,433,269</u>		<u>(8,935)</u>
Totals	<u>\$ 1,509,219</u>	<u>\$ 1,807,425</u>	<u>\$ 3,104,099</u>

3. Commitments

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

	December 31, 2023
Long-term liabilities	\$ 11,618,751
Lease	122,551
Reappraisal contract	147,322
Construction contracts	<u>560,500</u>
Total Commitments	<u>\$ 12,449,124</u>

PHILLIPS 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>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.	\$ 9,415,000
 <u>Direct Borrowings</u>	
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.	138,585
Financed purchase agreement dated December 16, 2021, with Caterpillar Financial Services Corporation, in the amount of \$62,389, with an interest rate of 3.389%, for the purchase of a Caterpillar 289D3 Skid Steer. Monthly payments of \$880 for 60 months. Payments are to be made from Road Fund.	27,646
Financed purchase agreement dated June 15, 2022, with Caterpillar Financial Services Corporation, in the amount of \$134,291, with an interest rate of 5.44%, for the purchase of a 2022 Caterpillar Excavator. Monthly payments of \$2,837 for 36 months and 1 payment of \$47,360. Payments are to be made from Road Fund.	90,176
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.	450,138
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.	80,832

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

3. Commitments (Continued)

Long-term Liabilities (Continued)

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.	\$ 101,466
Financed purchase agreement dated March 29, 2023, with Caterpillar Financial Services Corporation, in the amount of \$259,687, with an interest rate of 5.99%, for the purchase of a 2023 Caterpillar 140-15 Motor Grader. Monthly payments of \$3,490 for 60 months and 1 payment of \$106,640. Payments are to be made from Road Fund.	230,293
Financed purchase agreement dated March 29, 2023, with Caterpillar Financial Services Corporation, in the amount of \$259,687, with an interest rate of 5.99%, for the purchase of a 2023 Caterpillar 140-15 Motor Grader. Monthly payments of \$3,490 for 60 months and 1 payment of \$106,640. Payments are to be made from Road Fund.	222,222
Financed purchase agreement dated April 28, 2023, with Cadence Bank, in the amount of \$621,000, with an interest rate of 5.220%, for the purchase of three Western Star 47X Dump Body trucks. Monthly payments of \$7,572 for 36 months and 1 payment of \$433,500. Payments are to be made from the Road Fund.	581,435
Financed purchase agreement dated July 12, 2023, with Southern Bancorp Bank, in the amount of \$262,000, with an interest rate of 8.50%, for the purchase of Sheriff vehicles. Yearly payments of \$77,278 for 4 years and 1 payment of \$14,406. Payments are to be made from the General and Communication Facility & Equipment Funds.	262,000
Total Direct Borrowings	2,184,793
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.	18,958
Total Long-term liabilities	\$ 11,618,751

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 \$9,415,000 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.

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

3. Commitments (Continued)

Long-term Liabilities (Continued)

The County's outstanding financed purchases from direct borrowings of \$2,184,793 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 not vest or accumulate. The amount of compensated absences was not determined.

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>Bonds</u>					
5/15/18	9/1/43	2.85-4%	\$ 10,995,000	\$ 9,415,000	\$ 1,580,000
<u>Direct Borrowings</u>					
7/6/21	7/22/24	2.99%	199,733	138,585	61,148
12/16/21	12/22/26	3.389%	62,389	27,646	34,743
6/15/22	6/15/25	5.44%	134,291	90,176	44,115
9/21/22	9/21/27	3.99%	534,634	450,138	84,496
12/28/22	12/28/26	5.40%	105,000	80,832	24,168
12/29/22	12/29/27	4.89%	123,886	101,466	22,420
3/29/23	3/29/28	5.99%	259,687	230,293	29,394
3/29/23	3/29/28	5.99%	259,687	222,222	37,465
4/28/23	6/10/26	5.22%	621,000	581,435	39,565
7/12/23	1/25/27	8.50%	262,000	262,000	
Total Direct Borrowings			<u>2,562,307</u>	<u>2,184,793</u>	<u>377,514</u>
Total Long-Term Debt			<u>\$ 13,557,307</u>	<u>\$ 11,599,793</u>	<u>\$ 1,957,514</u>

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

3. Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
Bonds payable	\$ 10,335,000	\$ 0	\$ 920,000	\$ 9,415,000
<u>Direct Borrowings</u>				
Financed purchases	1,096,869	1,402,374	314,450	2,184,793
Total Long-Term Debt	<u>\$ 11,431,869</u>	<u>* \$ 1,402,374</u>	<u>\$ 1,234,450</u>	<u>\$ 11,599,793</u>

*Includes \$154,027 adjustment for debt issued in previous years not included in prior year ending balance.

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 355,000	\$ 339,643	\$ 694,643	\$ 464,584	\$ 109,081	\$ 573,665
2025		329,525	329,525	373,487	87,167	460,654
2026	750,000	329,525	1,079,525	714,038	55,352	769,390
2027	390,000	307,025	697,025	619,421	25,619	645,040
2028	400,000	295,325	695,325	13,263	1,143	14,406
2029 through 2033	1,740,000	1,284,813	3,024,813			
2034 through 2038	3,145,000	1,100,219	4,245,219			
2039 through 2043	2,635,000	510,531	3,145,531			
Totals	<u>\$9,415,000</u>	<u>\$4,496,606</u>	<u>\$ 13,911,606</u>	<u>\$2,184,793</u>	<u>\$ 278,362</u>	<u>\$2,463,155</u>

Lease

The County entered into a lease agreement for a Caterpillar grader in June 2020. Terms of the lease are monthly rental payments of \$879 for 60 months. At the end of the lease term, the County will return the leased equipment. The County is obligated for the following amounts for the next two years:

Year	December 31, 2023
2024	\$ 10,553
2025	111,998
Total	<u>\$ 122,551</u>

Lease expense for 2023, was \$10,553.

PHILLIPS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
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(UNAUDITED)

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 2023, was \$147,322.

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

Year	December 31, 2023
2024	\$ <u>147,322</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2023:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2023
Detention Center Kitchen	October 1, 2024	\$ 193,500
Helena Splash Pad	July 12, 2024	150,000
Marvell Splash Pad	May 1, 2025	108,500
Elaine Splash Pad	May 1, 2025	<u>108,500</u>
Total Construction Contracts		<u>\$ 560,500</u>

4. Interfund Transfers

General Fund transferred \$792,271 to Other Funds in the Aggregate for operations and prior year expenses. Other Funds in the Aggregate transferred \$38,131 to General Fund for prior year expenses. Within Other Funds in the Aggregate, the Phillips County Justice Complex transferred \$575,000 to the 2018 Sales and Use Tax Bond for early debt retirement.

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 \$9,415,000 and \$4,496,606, respectively, payable through September 1, 2043. For 2023, principal and interest paid were \$920,000 and \$372,274 respectively.

The Debt Service Fund received \$697,320 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used 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 there to.

PHILLIPS COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
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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 2023. Separate financial statements of the Phillips, Lee, and Monroe Regional Library are available at 702 Porter Street, Helena, AR 72342.

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 2023. 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 5.5% 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 \$515,974.

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 \$4,428,282.

PHILLIPS COUNTY, ARKANSAS
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9. Capital Assets

The County's capital assets records are summarized below

	December 31, 2023
Land	\$ 376,168
Buildings	18,511,439
Equipment	<u>8,730,047</u>
Total	<u>\$ 27,617,654</u>

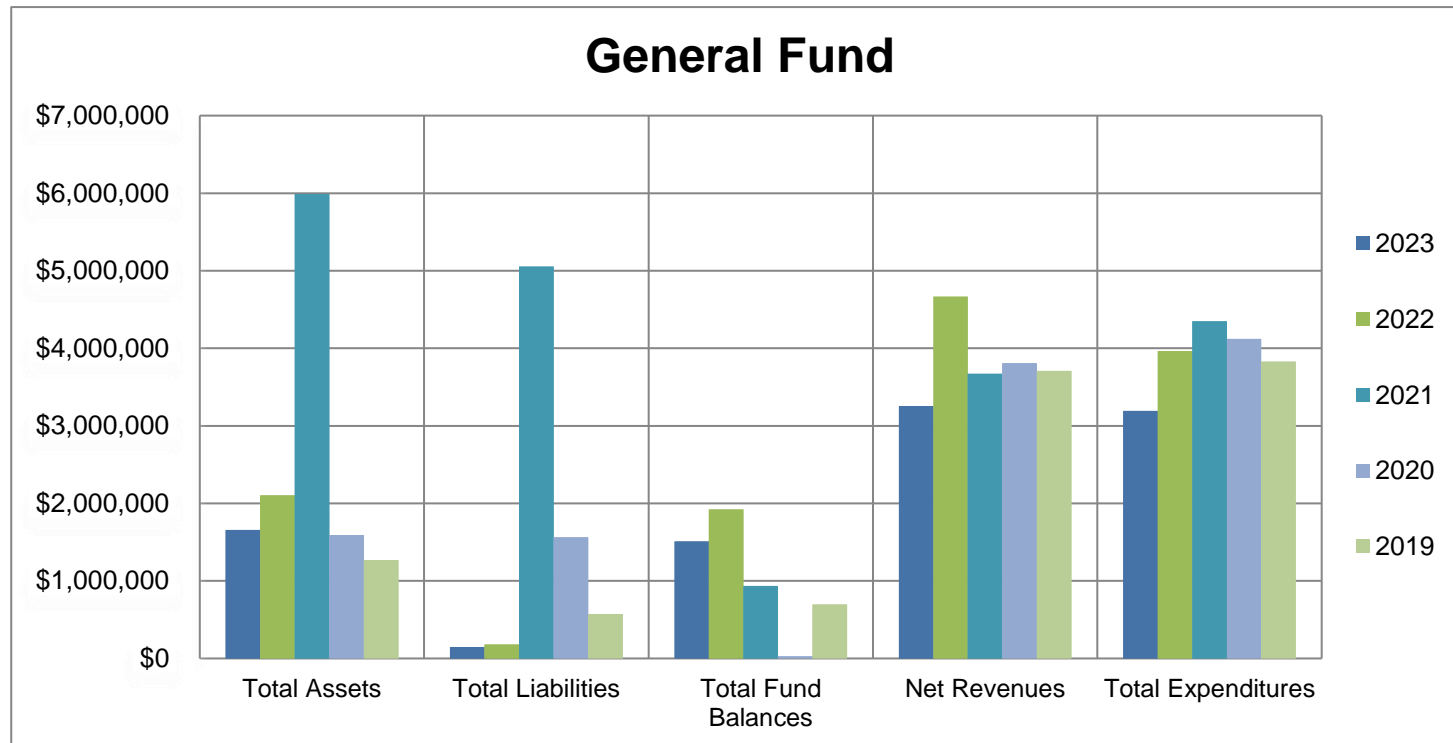
10. Corona Virus (COVID-19)

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 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, and as of the report date, \$168,176 of this amount has been received. 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, 2023
 (UNAUDITED)

Schedule 3-1

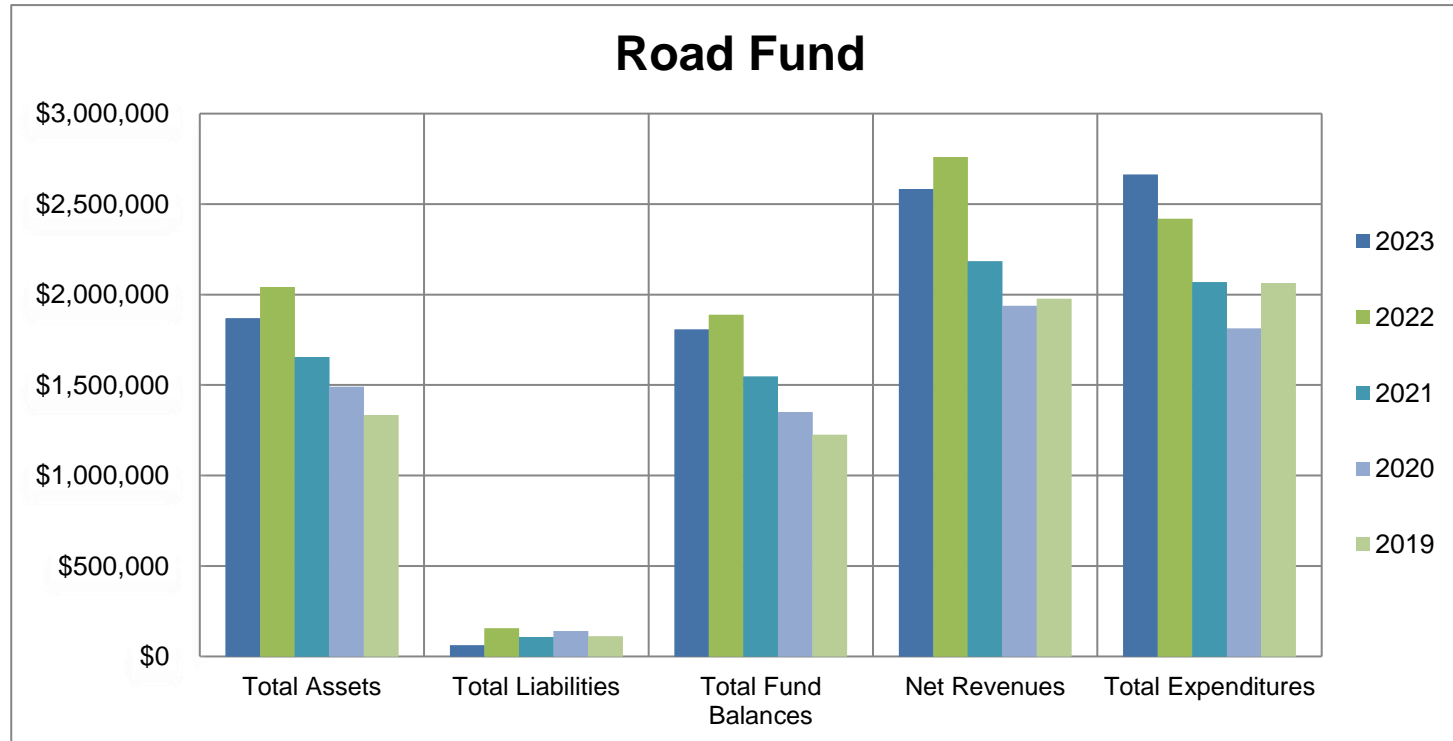
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,656,992	\$ 2,101,321	\$ 5,989,467	\$ 1,592,981	\$ 1,268,636
Total Liabilities	147,773	179,817	5,053,810	1,564,068	571,573
Total Fund Balances	1,509,219	1,921,504	935,657	28,913	697,063
Net Revenues	3,255,183	4,667,102	3,671,892	3,805,750	3,709,447
Total Expenditures	3,189,955	3,962,287	4,347,060	4,119,363	3,826,199
Total Other Financing Sources/Uses	(754,140)		(425,636)	(22,850)	



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

Schedule 3-2

<u>Road</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,869,264	\$ 2,041,489	\$ 1,653,800	\$ 1,490,673	\$ 1,333,931
Total Liabilities	61,839	154,149	107,726	140,372	109,797
Total Fund Balances	1,807,425	1,887,340	1,546,074	1,350,301	1,224,134
Net Revenues	2,583,455	2,759,703	2,183,503	1,937,543	1,976,698
Total Expenditures	2,663,370	2,418,437	2,068,521	1,811,476	2,063,143
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
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Schedule 3-3

<u>Other Funds in the Aggregate</u>	2023	2022	2021	2020	2019
Total Assets	\$ 4,110,333	\$ 7,801,093	\$ 11,560,627	\$ 9,897,942	\$ 7,666,789
Total Liabilities	1,006,234	3,316,257	7,520,371	6,547,080	2,855,081
Total Fund Balances	3,104,099	4,484,836	4,040,256	3,350,862	4,811,708
Net Revenues	3,804,705	5,461,098	4,809,353	2,330,387	1,874,941
Total Expenditures	5,939,582	5,016,518	3,941,488	4,145,705	7,947,470
Total Other Financing Sources/Uses	754,140		418,536	22,850	(281,072)

