

Polk County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



POLK COUNTY, ARKANSAS
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Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

Polk County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Polk County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2023; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended; and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Polk County, Arkansas, as of December 31, 2023; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and road fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, road fund, and other funds in the aggregate of Polk County, Arkansas, as of December 31, 2023, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

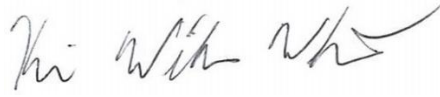
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
January 28, 2025
LOCO05723

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Polk County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Polk County, Arkansas (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated January 28, 2025. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

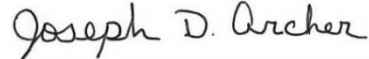
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the County in a separate letter dated January 28, 2025.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
January 28, 2025

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Polk County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

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

County Judge: Brandon Ellison
Treasurer: Tanya Fretz
Sheriff and Tax Collector: Scott Sawyer
County Clerk: Lisa Standridge
Circuit Clerk: Michelle Schnell
Assessor: Jovan Thomas
County Library Board Treasurer: Rose Tedder

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County 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 cursive script that reads "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
January 28, 2025

POLK COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 8,682,703	\$ 2,080,792	\$ 3,749,470
Accounts receivable	161,349	184,561	119,557
TOTAL ASSETS	\$ 8,844,052	\$ 2,265,353	\$ 3,869,027
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 43,631	\$ 8,944	\$ 312,525
Settlements pending	253,235		183,543
Total Liabilities	296,866	8,944	496,068
Fund Balances:			
Restricted	1,018,892	2,256,409	3,361,813
Assigned	411,397		11,146
Unassigned	7,116,897		
Total Fund Balances	8,547,186	2,256,409	3,372,959
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,844,052	\$ 2,265,353	\$ 3,869,027

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 370,174	\$ 2,334,502	\$ 271,382
Federal aid	1,334,746	130,022	446,611
Property taxes	890,781	960	99,155
Sales taxes	2,152,232		2,152,232
Fines, forfeitures, and costs	229,583		63,166
Interest	212,287	68,861	153,764
Officers' fees	23,515		176,767
Jail fees	465,663		
911 fees			350,946
Insurance premiums collected	406,945		
School resource officer reimbursement	454,186		
Treasurer's commission	147,916		21,725
Collector's commission	255,606		46,913
Taxes apportioned - Assessor's salary and expense	301,430		
Other	291,055	11,917	102,718
TOTAL REVENUES	7,536,119	2,546,262	3,885,379
Less: Treasurer's commission	56,249	44,943	55,651
NET REVENUES	7,479,870	2,501,319	3,829,728
EXPENDITURES			
Current:			
General government	1,109,600		921,979
Law enforcement	2,132,910		1,864,120
Highways and streets	343,861	2,071,136	2,549,075
Public safety	160,841		390,728
Health	19,363		
Recreation and culture			154,523
Social services	180,811		90,655
TOTAL EXPENDITURES	3,947,386	2,071,136	5,971,080

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,532,484	\$ 430,183	\$ (2,141,352)
OTHER FINANCING SOURCES (USES)			
Transfers in			53,456
Transfers out	(53,456)		
TOTAL OTHER FINANCING SOURCES (USES)	(53,456)		53,456
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,479,028	430,183	(2,087,896)
FUND BALANCES - JANUARY 1	5,068,158	1,826,226	5,460,855
FUND BALANCES - DECEMBER 31	\$ 8,547,186	\$ 2,256,409	\$ 3,372,959

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

POLK COUNTY, ARKANSAS

Exhibit C

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

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 550,337	\$ 370,174	\$ (180,163)	\$ 1,874,892	\$ 2,334,502	\$ 459,610
Federal aid	505,619	1,334,746	829,127	185,000	130,022	(54,978)
Property taxes	699,400	890,781	191,381	21,700	960	(20,740)
Sales taxes	2,000,714	2,152,232	151,518	2,156		(2,156)
Fines, forfeitures, and costs	194,000	229,583	35,583			
Interest	4,512	212,287	207,775	4,000	68,861	64,861
Officers' fees	22,800	23,515	715			
Jail fees	260,707	465,663	204,956			
Insurance premiums collected		406,945	406,945			
School resource officer reimbursement		454,186	454,186			
Treasurer's commission	198,000	147,916	(50,084)			
Collector's commission	325,000	255,606	(69,394)			
Taxes apportioned - Assessor's salary and expense	290,000	301,430	11,430			
Other	725,814	291,055	(434,759)	75,728	11,917	(63,811)
TOTAL REVENUES	5,776,903	7,536,119	1,759,216	2,163,476	2,546,262	382,786
Less: Treasurer's commission		56,249	(56,249)		44,943	(44,943)
NET REVENUES	5,776,903	7,479,870	1,702,967	2,163,476	2,501,319	337,843
EXPENDITURES						
Current:						
General government	1,311,474	1,109,600	201,874			
Law enforcement	2,376,564	2,132,910	243,654			
Highways and streets	367,000	343,861	23,139	3,258,850	2,071,136	1,187,714
Public safety	194,174	160,841	33,333			
Health	28,425	19,363	9,062			
Social services	192,166	180,811	11,355			
TOTAL EXPENDITURES	4,469,803	3,947,386	522,417	3,258,850	2,071,136	1,187,714

POLK 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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,307,100	\$ 3,532,484	\$ 2,225,384	\$ (1,095,374)	\$ 430,183	\$ 1,525,557
OTHER FINANCING SOURCES (USES)						
Transfers in	54,677		(54,677)			
Transfers out	(105,077)	(53,456)	51,621			
TOTAL OTHER FINANCING SOURCES (USES)	(50,400)	(53,456)	(3,056)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,256,700	3,479,028	2,222,328	(1,095,374)	430,183	1,525,557
FUND BALANCES - JANUARY 1		5,068,158	5,068,158	1,700,000	1,826,226	126,226
FUND BALANCES - DECEMBER 31	\$ 1,256,700	\$ 8,547,186	\$ 7,290,486	\$ 604,626	\$ 2,256,409	\$ 1,651,783

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

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

B. 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. See Schedules 1 and 2 for Special Revenue Funds as 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). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. 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 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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, officer's fees, excess Treasurer's Commission and excess Collector's Commission that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

E. 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.

POLK COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. 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.

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. 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.

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 524,184	\$ 664,756
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the County's name	13,986,721	14,951,033
Total Deposits	\$ 14,510,905	\$ 15,615,789

The above total deposits do not include cash on hand of \$2,060.

NOTE 3:

Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2023, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 944	\$ 176,493	\$ 1,947
Federal aid			13,806
Property taxes	17,498	25	1,239
Fines, forfeitures, and costs	13,110		3,183
Interest	23,434	7,405	11,617
Officers' fees	2,123		12,097
Jail fees	37,550		
911 fees			6,508
Insurance premiums collected	50,400		
Treasurer's commission			21,725
Collector's commission			46,913
Other		638	522
Treasurer's commission charged	16,290		
Totals	<u>\$ 161,349</u>	<u>\$ 184,561</u>	<u>\$ 119,557</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2023, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 43,631</u>	<u>\$ 8,944</u>	<u>\$ 312,525</u>

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6: 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	\$ 1,018,892		\$ 760,324
Law enforcement			569,328
Highways and streets		\$ 2,256,409	1,281,034
Public safety			317,566
Recreation and culture			433,561
Total Restricted	<u>1,018,892</u>	<u>2,256,409</u>	<u>3,361,813</u>
Assigned to:			
General government			3,235
Law enforcement	411,397		4,302
Public safety			3,609
Total Assigned	<u>411,397</u>		<u>11,146</u>
Unassigned	<u>7,116,897</u>		
Totals	<u>\$ 8,547,186</u>	<u>\$ 2,256,409</u>	<u>\$ 3,372,959</u>

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for bonded debt was \$25,287,415. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2023, the legal debt limit for short-term financing obligations was \$7,517,988. There were no short-term financing obligations.

NOTE 8: Commitments

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

	December 31, 2023
Long-term liabilities	\$ 250,916
Reappraisal contract	600,000
Total Commitments	<u>\$ 850,916</u>

POLK COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 8: Commitments (Continued)

Long-term Liabilities

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

	December 31, 2023
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	\$ 250,916

Post Employment Benefits Other Than Pensions

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

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology, Inc. on October 6, 2023, for a county-wide reappraisal. The County is obligated for 48 monthly payments of \$12,500 for a total of \$600,000 beginning February 1, 2024, with the final invoice to be dated December 31, 2027. There were no payments for this contract during 2023.

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

Year	December 31, 2023
2024	\$ 137,500
2025	150,000
2026	150,000
2027	162,500
Total	\$ 600,000

NOTE 9: Interfund Transfers

The General Fund transferred \$53,456 to Other Funds in the Aggregate. This amount represented supplemental funding to the Bulletproof Vest Grant; Stop Violence Against Women Act Grant; and Drug Task Force in the amounts of \$2,461, \$28,495, and \$22,500, respectively.

NOTE 10: Joint Ventures

Ouachita Mountains Regional Library

Polk and Montgomery Counties entered into an agreement on March 23, 2010, in accordance with Ark. Code Ann. § 13-2-401 to establish the Ouachita Mountains Regional Library (OMRL). The agreement states the OMRL is to be governed by a six-member board consisting of three members from the Polk County Library Board and three members from the Montgomery County Library Board. The agreement states that on a per capita revenue received by the OMRL from the Arkansas State Library is prorated to the member county Library Boards on a per capita basis. Each member board contributes 10% of these revenues to the OMRL. The County Library did not pay any regional library expenditures in 2023. Separate financial statements of the Ouachita Mountains Regional Library are available at 145A Whittington Street, Mt. Ida, Arkansas 71957.

Eighteenth-West Judicial District Drug Crime Task Force

The Eighteenth-West Judicial District Drug Crime Task Force was established under the provisions of the Anti-drug Act of 1988 and Memorandum of Understanding agreements approved each grant year. The Drug Task Force governing body consists of the Eighteenth-West Judicial District Prosecuting Attorney, Polk County Sheriff, Montgomery County Sheriff, and the Mena Police Department. The term of the agreement is for the period July 1, 2023 to June 30, 2024. The agreement states that each member will contribute \$15,000 annually. In 2023, Polk County contributed the required \$15,000 for the Polk County Sheriff and \$7,500 of the Prosecuting Attorney's required contribution.

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11: Jointly Governed Organization

Upper Southwest Arkansas Regional Solid Waste Management District

The Upper Southwest Arkansas Regional Solid Waste Management District (USWARSWMD) is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and the participating cities within the aforementioned counties. The District is governed by a Board of Directors consisting of the respective county judges and mayors of the county seats for the area served unless some other representatives are appointed by the respective entity. The County did not make any payment to or on behalf of USWARSWMD in 2023. Separate audited financial statements of the Upper Southwest Arkansas Regional Solid Waste Management District are available at www.arklegaudit.gov.

NOTE 12: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by County officials, employees, and volunteer fire fighters while performing work for the County. Rates for counties participating in this program are revised annually based on the cost experience of the particular county or group as determined by the Workers' Compensation Commission.

Property Program – This program is a blanket policy with coverage up to \$1,100,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

Vehicle Program

A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.

B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of The County agrees to pay into the program each year a rate established by the Risk Management Fund Board.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

POLK COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13: 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 \$621,065.

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 \$5,330,215.

NOTE 14: 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 \$1,646,078 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, all of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 15: Employee Self-Insured Benefit Plan

The County participates in an Employee Self-Insured Benefit Plan. The county is required to maintain a Benefit plan account which will be sufficient at all times to fund plan benefits and plan-related expenses. Insurance premiums collected represent payroll deductions for spouse and dependent coverage premiums collected, and cobra payments received. Health insurance claims administered by Assured Benefits Administrators were paid from this account. As of December 31, 2023, the balance in this account was \$1,018,892 and is reflected in the financial statements as the General Fund's restricted fund balance.

NOTE 16: Federal Funds Program Compliance

The County has not yet received the report for the audit of federal grants in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted. Disbursements that are not in accordance with federal program requirements are subject to reimbursement by the County.

POLK COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Reappraisal Cost	Child Support Cost
ASSETS									
Cash and cash equivalents	\$ 100,641	\$ 122,376	\$ 16,245	\$ 55,627	\$ 8,663	\$ 376,704	\$ 432,875	\$ 9,749	\$ 3,351
Accounts receivable	22,131	47,404	202	223	987	12,658	2,193	42	14
TOTAL ASSETS	\$ 122,772	\$ 169,780	\$ 16,447	\$ 55,850	\$ 9,650	\$ 389,362	\$ 435,068	\$ 9,791	\$ 3,365
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 4,281				\$ 1,036	\$ 1,507		
Settlements pending									
Total Liabilities		4,281				1,036	1,507		
Fund Balances:									
Restricted	\$ 122,772	165,499	\$ 16,447	\$ 55,850	\$ 9,650	388,326	433,561	\$ 6,556	\$ 3,365
Assigned								3,235	
Total Fund Balances	122,772	165,499	16,447	55,850	9,650	388,326	433,561	9,791	3,365
TOTAL LIABILITIES AND FUND BALANCES	\$ 122,772	\$ 169,780	\$ 16,447	\$ 55,850	\$ 9,650	\$ 389,362	\$ 435,068	\$ 9,791	\$ 3,365

POLK COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Drug Control	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Boating Safety	Emergency 911	Victim/Witness	Indigent Criminal Defense	Adult Drug Court
ASSETS									
Cash and cash equivalents	\$ 4,163	\$ 11,315	\$ 11,316	\$ 66,443	\$ 17,634	\$ 298,267	\$ 15,591	\$ (67)	\$ 11,545
Accounts receivable	14	110	45	891	71	7,589	7,042	578	77
TOTAL ASSETS	\$ 4,177	\$ 11,425	\$ 11,361	\$ 67,334	\$ 17,705	\$ 305,856	\$ 22,633	\$ 511	\$ 11,622
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				\$ 4,576		\$ 4,239	\$ 2,100		\$ 534
Settlements pending									
Total Liabilities				4,576		4,239	2,100		534
Fund Balances:									
Restricted	\$ 4,177	\$ 11,425	\$ 11,361	62,758	\$ 17,705	298,008	20,533	\$ 511	11,088
Assigned						3,609			
Total Fund Balances	4,177	11,425	11,361	62,758	17,705	301,617	20,533	511	11,088
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,177	\$ 11,425	\$ 11,361	\$ 67,334	\$ 17,705	\$ 305,856	\$ 22,633	\$ 511	\$ 11,622

POLK COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Juvenile Probation Fee	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Federal Forfeiture	Road Improvement Sales Tax	Office of Emergency Management Safety Day Program	Law Enforcement Block Grant	Bulletproof Vest Grant
ASSETS								
Cash and cash equivalents	\$ 20,389	\$ 2,415	\$ 5,764	\$ 717	\$ 1,559,486	\$ 1,077	\$ 8,963	\$ 979
Accounts receivable	306	9	36	3	6,107	4		
TOTAL ASSETS	\$ 20,695	\$ 2,424	\$ 5,800	\$ 720	\$ 1,565,593	\$ 1,081	\$ 8,963	\$ 979
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable					\$ 285,279			
Settlements pending								
Total Liabilities					<u>285,279</u>			
Fund Balances:								
Restricted	\$ 20,695	\$ 2,424	\$ 5,800	\$ 720	1,280,314	\$ 1,081	\$ 8,963	\$ 979
Assigned								
Total Fund Balances	<u>20,695</u>	<u>2,424</u>	<u>5,800</u>	<u>720</u>	<u>1,280,314</u>	<u>1,081</u>	<u>8,963</u>	<u>979</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,695	\$ 2,424	\$ 5,800	\$ 720	\$ 1,565,593	\$ 1,081	\$ 8,963	\$ 979

POLK COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Homeland Security Grant	Stop Violence Against Women Act Grant	Courthouse Improvement Grant	Communication Facility and Equipment	Juvenile Court Representation	Law Library	Public Safety Equipment Grant	Drug Task Force
ASSETS								
Cash and cash equivalents	\$ 772	\$ (4,562)	\$ 82	\$ 24,940	\$ 319	\$ 65,853	\$ 66	\$ 316,229
Accounts receivable		8,864			10		1,947	
TOTAL ASSETS	\$ 772	\$ 4,302	\$ 82	\$ 24,940	\$ 329	\$ 65,853	\$ 2,013	\$ 316,229
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable						\$ 340		\$ 8,633
Settlements pending								
Total Liabilities						<u>340</u>		<u>8,633</u>
Fund Balances:								
Restricted	\$ 772		\$ 82	\$ 24,940	\$ 329	65,513	\$ 2,013	307,596
Assigned		\$ 4,302						
Total Fund Balances	<u>772</u>	<u>4,302</u>	<u>82</u>	<u>24,940</u>	<u>329</u>	<u>65,513</u>	<u>2,013</u>	<u>307,596</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 772	\$ 4,302	\$ 82	\$ 24,940	\$ 329	\$ 65,853	\$ 2,013	\$ 316,229

POLK COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS						
Cash and cash equivalents	\$ 60,651	\$ 1	\$ 29,457	\$ 58,615	\$ 34,819	\$ 3,749,470
Accounts receivable						119,557
TOTAL ASSETS	\$ 60,651	\$ 1	\$ 29,457	\$ 58,615	\$ 34,819	\$ 3,869,027
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 312,525
Settlements pending	\$ 60,651	\$ 1	\$ 29,457	\$ 58,615	\$ 34,819	183,543
Total Liabilities	60,651	1	29,457	58,615	34,819	496,068
Fund Balances:						
Restricted						3,361,813
Assigned						11,146
Total Fund Balances						3,372,959
TOTAL LIABILITIES AND FUND BALANCES	\$ 60,651	\$ 1	\$ 29,457	\$ 58,615	\$ 34,819	\$ 3,869,027

POLK 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

Schedule 2

SPECIAL REVENUE FUNDS										
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Library	Reappraisal Cost	Child Support Cost	Drug Control
REVENUES										
State aid				\$ 7,569			\$ 16,787	\$ 123,173		
Federal aid										
Property taxes							98,325			
Sales taxes										
Fines, forfeitures, and costs			\$ 4,979							\$ 1,345
Interest	\$ 4,050	\$ 4,757	557	2,153	\$ 205	\$ 13,959	11,310	322	\$ 157	\$ 276
Officers' fees					10,274	137,152			1,479	
911 fees										
Treasurer's commission	21,725									
Collector's commission		46,913								
Other	1,288					4	39,608			1,108
TOTAL REVENUES	27,063	51,670	5,536	9,722	10,479	151,115	166,030	123,495	1,636	2,729
Less: Treasurer's commission			113	151	203	2,873	2,268		23	9
NET REVENUES	27,063	51,670	5,423	9,571	10,276	148,242	163,762	123,495	1,613	2,720
EXPENDITURES										
Current:										
General government	9,021	37,284			9,736	122,081		122,753	2,448	
Law enforcement			3,430							9,088
Highways and streets										
Public safety										
Recreation and culture							154,523			
Social services										
TOTAL EXPENDITURES	9,021	37,284	3,430		9,736	122,081	154,523	122,753	2,448	9,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,042	14,386	1,993	9,571	540	26,161	9,239	742	(835)	(6,368)
OTHER FINANCING SOURCES (USES)										
Transfers in										
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,042	14,386	1,993	9,571	540	26,161	9,239	742	(835)	(6,368)
FUND BALANCES - JANUARY 1	104,730	151,113	14,454	46,279	9,110	362,165	424,322	9,049	4,200	10,545
FUND BALANCES - DECEMBER 31	<u>\$ 122,772</u>	<u>\$ 165,499</u>	<u>\$ 16,447</u>	<u>\$ 55,850</u>	<u>\$ 9,650</u>	<u>\$ 388,326</u>	<u>\$ 433,561</u>	<u>\$ 9,791</u>	<u>\$ 3,365</u>	<u>\$ 4,177</u>

POLK 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

Schedule 2

SPECIAL REVENUE FUNDS										
	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Boating Safety	Emergency 911	Victim/Witness	Indigent Criminal Defense	Adult Drug Court	Juvenile Probation Fee	Circuit Clerk Commissioner's Fee
REVENUES										
State aid				\$ 1,596			\$ 1,573			
Federal aid						\$ 68,470				
Property taxes										
Sales taxes										
Fines, forfeitures, and costs	\$ 776		\$ 7,536	3,586		18,273	6,936	\$ 7,152	\$ 2,100	
Interest	426	\$ 519	3,282	603	\$ 11,659	1,041		469	762	\$ 95
Officers' fees										985
911 fees					350,946					
Treasurer's commission										
Collector's commission										
Other		50			566	7,566				
TOTAL REVENUES	1,202	569	10,818	5,785	363,171	95,350	8,509	7,621	2,862	1,080
Less: Treasurer's commission		1	103	33	6,465		31	158	37	20
NET REVENUES	1,202	568	10,715	5,752	356,706	95,350	8,478	7,463	2,825	1,060
EXPENDITURES										
Current:										
General government										2,000
Law enforcement		5,475	29,209				121,909	7,673	8,230	
Highways and streets										
Public safety				2,366	388,362					
Recreation and culture										
Social services										
TOTAL EXPENDITURES		5,475	29,209	2,366	388,362	121,909	7,673	8,230		2,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,202	(4,907)	(18,494)	3,386	(31,656)	(26,559)	805	(767)	2,825	(940)
OTHER FINANCING SOURCES (USES)										
Transfers in										
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,202	(4,907)	(18,494)	3,386	(31,656)	(26,559)	805	(767)	2,825	(940)
FUND BALANCES - JANUARY 1	10,223	16,268	81,252	14,319	333,273	47,092	(294)	11,855	17,870	3,364
FUND BALANCES - DECEMBER 31	\$ 11,425	\$ 11,361	\$ 62,758	\$ 17,705	\$ 301,617	\$ 20,533	\$ 511	\$ 11,088	\$ 20,695	\$ 2,424

POLK 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

Schedule 2

SPECIAL REVENUE FUNDS									
	Assessor's Late Assessment Fee	Forest Reserve	Federal Forfeiture	Road Improvement Sales Tax	Office of Emergency Management Safety Day Program	Law Enforcement Block Grant	Bulletproof Vest Grant	Cossatot Senior Center	Homeland Security Grant
REVENUES									
State aid									
Federal aid		\$ 199,375					\$ 487	\$ 90,655	
Property taxes	\$ 830								
Sales taxes				\$ 2,152,232					
Fines, forfeitures, and costs									
Interest	187			70,275	\$ 41				
Officers' fees			\$ 29						
911 fees									
Treasurer's commission									
Collector's commission									
Other				11,262					
TOTAL REVENUES	1,017	199,375	29	2,233,769	41		487	90,655	
Less: Treasurer's commission				43,159					
NET REVENUES	1,017	199,375	29	2,190,610	41		487	90,655	
EXPENDITURES									
Current:									
General government									
Law enforcement							21		
Highways and streets		199,375		2,349,700					
Public safety									
Recreation and culture									
Social services								90,655	
TOTAL EXPENDITURES		199,375		2,349,700			21	90,655	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,017		29	(159,090)	41		466		
OTHER FINANCING SOURCES (USES)									
Transfers in							2,461		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,017		29	(159,090)	41		2,927		
FUND BALANCES - JANUARY 1	4,783		691	1,439,404	1,040	\$ 8,963	(1,948)		\$ 772
FUND BALANCES - DECEMBER 31	\$ 5,800	\$ 0	\$ 720	\$ 1,280,314	\$ 1,081	\$ 8,963	\$ 979	\$ 0	\$ 772

POLK 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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Stop Violence Against Women Act Grant	Courthouse Improvement Grant	Communication Facility and Equipment	Juvenile Court Representation	American Rescue Plan Act	Law Library	Public Safety Equipment Grant	Drug Task Force	Totals
REVENUES									
State aid							\$ 1,947	\$ 118,737	\$ 271,382
Federal aid	\$ 39,147							48,477	446,611
Property taxes									99,155
Sales taxes									2,152,232
Fines, forfeitures, and costs				\$ 125		\$ 10,358			63,166
Interest					\$ 24,437	2,156	66		153,764
Officers' fees			\$ 26,848						176,767
911 fees									350,946
Treasurer's commission									21,725
Collector's commission									46,913
Other	97		5,505					35,664	102,718
TOTAL REVENUES	39,244		32,353	125	24,437	12,514	2,013	202,878	3,885,379
Less: Treasurer's commission				4					55,651
NET REVENUES	39,244		32,353	121	24,437	12,514	2,013	202,878	3,829,728
EXPENDITURES									
Current:									
General government					616,656				921,979
Law enforcement	66,114		25,761		1,432,033	640	5,157	149,380	1,864,120
Highways and streets									2,549,075
Public safety									390,728
Recreation and culture									154,523
Social services									90,655
TOTAL EXPENDITURES	66,114		25,761		2,048,689	640	5,157	149,380	5,971,080
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,870)		6,592	121	(2,024,252)	11,874	(3,144)	53,498	(2,141,352)
OTHER FINANCING SOURCES (USES)									
Transfers in	28,495							22,500	53,456
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,625		6,592	121	(2,024,252)	11,874	(3,144)	75,998	(2,087,896)
FUND BALANCES - JANUARY 1	2,677	\$ 82	18,348	208	2,024,252	53,639	5,157	231,598	5,460,855
FUND BALANCES - DECEMBER 31	\$ 4,302	\$ 82	\$ 24,940	\$ 329	\$ 0	\$ 65,513	\$ 2,013	\$ 307,596	\$ 3,372,959

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by County Clerks to be used for automated record systems and any legitimate county purpose. Also, Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee collected by the County Clerk to be used for the operation of the office of the county clerk.
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.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. Polk County Ordinance no. 2011-2 (February 23, 2011) established a drug enforcement fund (pursuant to Ark. Code Ann. § 14-21-201) to be administered by the Sheriff.
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.
Jail Operation and Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety	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.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program. Federal grants received from the United States Department of Justice to be used for Victims of Crime and Victims of Crime - Stop Violence Against Women Act programs operated by the Prosecuting Attorney.
Indigent Criminal Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense and representation of indigent persons. Ark. Code Ann. § 17-19-301 authorized a bail bond fee of twenty dollars (\$20) to be collected, which shall all be remitted to the Arkansas Public Defender Commission. Three dollars (\$3) of each fee is remitted back to the County quarterly to be used to defray the operating expenses of the public defender office.
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Juvenile Probation Fee	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Forest Reserve	Federal funds received from the United States Department of Agriculture Forest Service to be used for certain types of public projects identified in Public Law 106-393, the Secure Rural School and Community Self-Determination Act of 2000 (supervision of community service workers, search, rescue and emergency services and road projects on federal lands).

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Federal Forfeiture	Funds received from United States Adoptive Seizure Program for County's share of proceeds from sale of seized property from federal drug cases to be used for law enforcement purposes.
Road Improvement Sales Tax	Polk County Ordinance no. 2007- 4 (March 13, 2007) established fund to receive revenue from a county-wide sales tax for financing the maintenance and improvement of roads and bridges within the County, including related drainage improvements and the acquisition of road equipment.
Office of Emergency Management Safety Day Program	Established in 2008 with donations from local merchants. Funds to be used on the Office of Emergency Management Safety Day Project.
Law Enforcement Block Grant	Federal funds received from a Local Law Enforcement Block Grant from the Department of Justice passed through the Arkansas Department of Finance and Administration Office of Intergovernmental Services.
Bulletproof Vest Grant	Federal grant received from United States Department of Justice, Bulletproof Vest Partnership Grant Program for the purpose of purchasing bulletproof vests for law enforcement officers.
Cossatot Senior Center	Established to account for federal grant received from Arkansas Economic Development Commission on behalf of the United States Department of Housing and Urban Development for the purpose of renovating the Cossatot Senior Center.
Homeland Security Grant	Established to account for federal grants received through the Arkansas Department of Emergency Management for Homeland Security and Law Enforcement Terrorism Prevention Program for the purpose of purchasing equipment.
Stop Violence Against Women Act Grant	Federal grants received from the US Department of Justice through the Arkansas Department of Finance and Administration for law enforcement expenses relating to crimes against women.
Courthouse Improvement Grant	Established to account for grant received from the Arkansas Historic Preservation Program, an agency of the Department of Finance and Administration for a comprehensive condition assessment and historic structure report. Additionally, a state grant received from the General Improvement Fund Department of Rural Services for the power washing and water sealing of the courthouse exterior.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Public Safety Equipment Grant	Ark. Code Ann. § 12-1-103 established fund to account for a grant received from the Arkansas Public Safety Equipment Grant Program for the purchase of law enforcement equipment aiding in improving trust and relationships between law enforcement and their communities.
Drug Task Force	Ark. Code Ann. §§ 12-17-101 - 107 created the State Drug Crime Enforcement and Prosecution Grant Fund for the purpose of funding state grant awards for multi-jurisdictional drug crime task forces to investigate and prosecute drug crimes.

Treasurer's accounts consist primarily of property taxes, employee insurance, and interest 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.

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

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

POLK COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2023
(Unaudited)

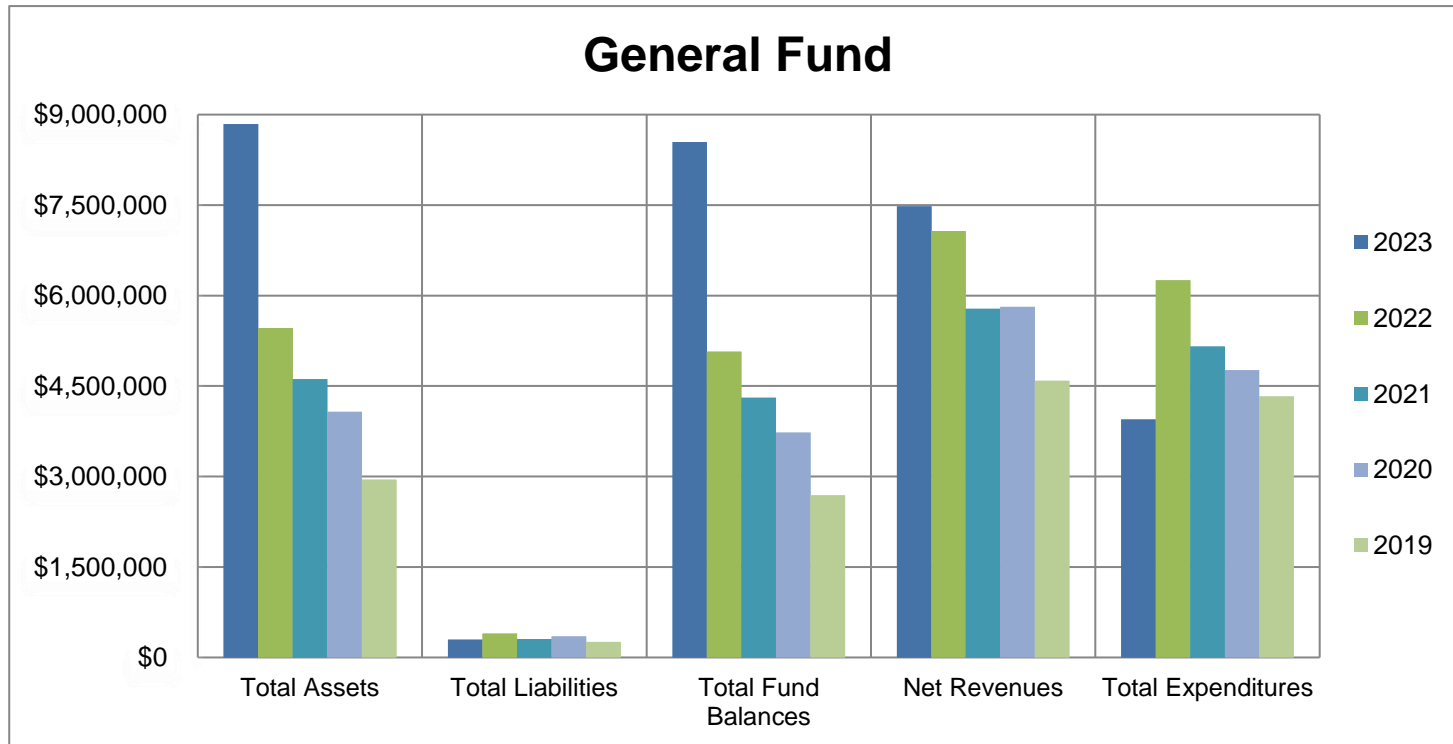
Schedule 3

	<u>December 31, 2023</u>
Land	\$ 3,128,407
Buildings	3,179,762
Equipment	<u>10,211,737</u>
Total	<u><u>\$ 16,519,906</u></u>

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

Schedule 4-1

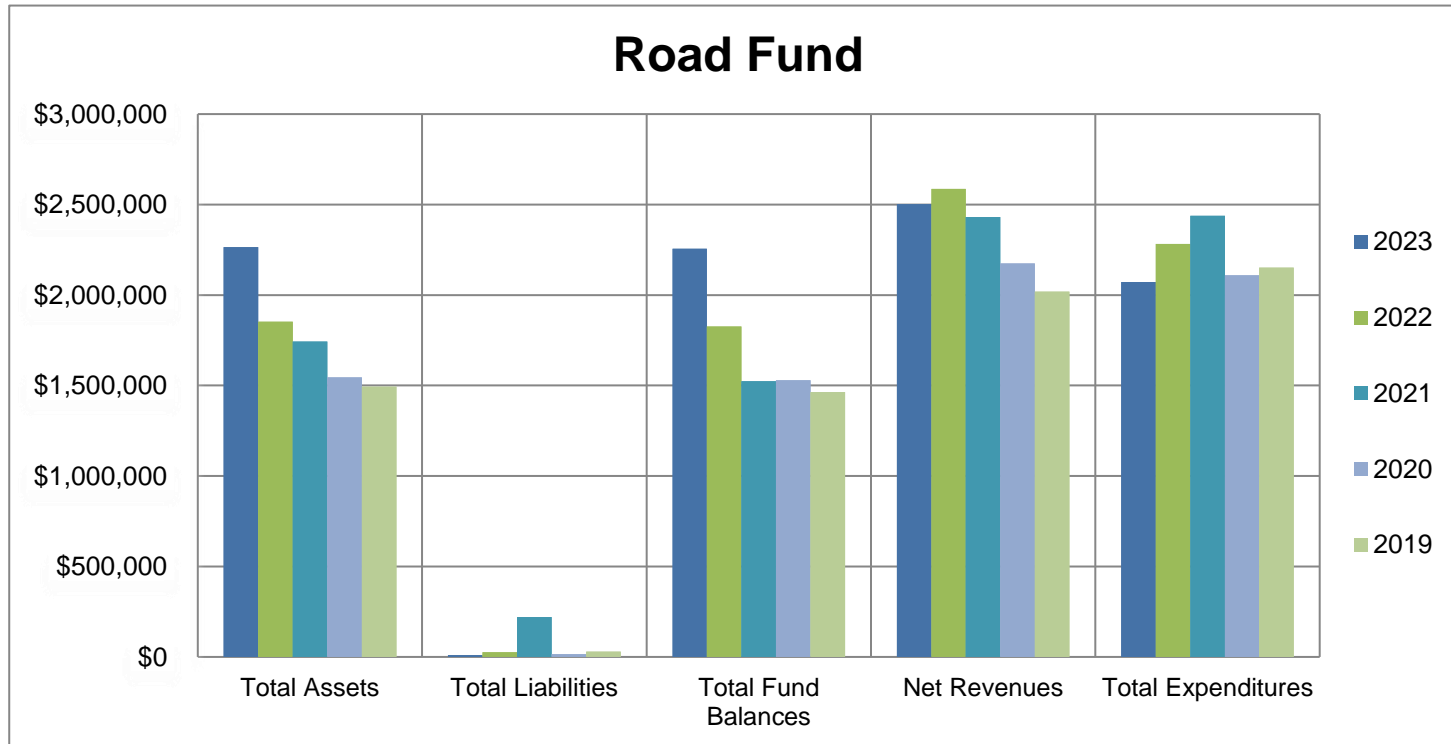
General	2023	2022	2021	2020	2019
Total Assets	\$ 8,844,052	\$ 5,461,741	\$ 4,611,291	\$ 4,073,275	\$ 2,947,349
Total Liabilities	296,866	393,583	305,888	345,952	258,952
Total Fund Balances	8,547,186	5,068,158	4,305,403	3,727,323	2,688,397
Net Revenues	7,479,870	7,071,256	5,781,496	5,811,457	4,587,624
Total Expenditures	3,947,386	6,250,043	5,156,239	4,763,875	4,327,840
Total Other Financing Sources/Uses	(53,456)	(58,458)	(47,177)	(8,656)	(29,668)



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

Schedule 4-2

<u>Road</u>	2023	2022	2021	2020	2019
Total Assets	\$ 2,265,353	\$ 1,852,258	\$ 1,743,047	\$ 1,544,385	\$ 1,494,370
Total Liabilities	8,944	26,032	220,068	14,904	30,016
Total Fund Balances	2,256,409	1,826,226	1,522,979	1,529,481	1,464,354
Net Revenues	2,501,319	2,585,937	2,431,195	2,174,156	2,017,992
Total Expenditures	2,071,136	2,282,690	2,437,697	2,109,029	2,151,964



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2023	2022	2021	2020	2019
Total Assets	\$ 3,869,027	\$ 5,630,282	\$ 4,639,066	\$ 4,086,207	\$ 3,262,130
Total Liabilities	496,068	169,427	392,429	397,773	290,154
Total Fund Balances	3,372,959	5,460,855	4,246,637	3,688,434	2,971,976
Net Revenues	3,829,728	5,257,741	5,127,004	3,511,367	2,276,718
Total Expenditures	5,971,080	4,401,752	4,653,268	2,803,565	2,308,026
Total Other Financing Sources/Uses	53,456	58,458	47,177	8,656	29,668

