

**Union County, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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Financial and Compliance Report

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# Arkansas

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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

Financial and Compliance Report

Union 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 Union County, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated April 30, 2025. These procedures were not performed for the Hudson Memorial Nursing Home. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

County Judge: Mike Loftin  
Treasurer: Jody Cunningham  
Sheriff: Ricky Roberts  
Tax Collector: Karen Scott  
County Clerk: Mandi Fudge  
Circuit Clerk: Cherry Govan  
Assessor: Vickie Deaton  
District Court Clerk: Lisa Bailey

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

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

### **Circuit Clerk**

In June 2023, three circuit court orders authorized the Circuit Clerk, who was appointed as Receiver by law, to issue payment to an individual for interest in oil and gas royalties. However, the Clerk's payment included the interest of all defendants in the case, rather than this individual only, resulting in an overpayment of approximately \$666,222.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
April 30, 2025  
LOCO07023

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

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,172,040	\$ 10,379,164	\$ 22,178,174
Accounts receivable	415,728	434,098	153,196
Interfund receivables	1,370		
<b>TOTAL ASSETS</b>	<b>\$ 16,589,138</b>	<b>\$ 10,813,262</b>	<b>\$ 22,331,370</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 394,711	\$ 76,752	\$ 194,163
Interfund payables		1,039	331
Settlements pending	1,112,263		4,515,834
<b>Total Liabilities</b>	<b>1,506,974</b>	<b>77,791</b>	<b>4,710,328</b>
<b>Fund Balances:</b>			
Restricted	6,517,445		17,079,257
Committed			9,205
Assigned	2,153,704	10,735,471	536,370
Unassigned	6,411,015		(3,790)
<b>Total Fund Balances</b>	<b>15,082,164</b>	<b>10,735,471</b>	<b>17,621,042</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,589,138</b>	<b>\$ 10,813,262</b>	<b>\$ 22,331,370</b>

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

UNION 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
<b>REVENUES</b>			
State aid	\$ 795,666	\$ 3,872,690	\$ 572,136
Federal aid	591,051	7,228	66,833
Property taxes	3,946,730	2,186,895	759,101
Sales taxes	2,636,829	1,757,886	3,628,780
Fines, forfeitures, and costs	374,434		237,832
Interest	486,056	264,553	392,604
Officers' fees	98,572		327,563
Sanitation fees	528,222		329,189
Phone commissions			385,322
Donations			4,265
Insurance premiums collected	63,638	1,131	783
911 fees			374,758
Jail fees	1,147,948		95,477
Stop loss health reimbursement	251,745		
Rental income	112,569		
Sale of equipment	110,000		
Treasurer's commission	189,248		70,167
Collector's commission	320,893		171,464
Taxes apportioned - Assessor's salary and expense	544,311		
Other	497,527	250,794	339,025
<b>TOTAL REVENUES</b>	<b>12,695,439</b>	<b>8,341,177</b>	<b>7,755,299</b>
Less: Treasurer's commission	78,340	57,944	42,189
<b>NET REVENUES</b>	<b>12,617,099</b>	<b>8,283,233</b>	<b>7,713,110</b>
<b>EXPENDITURES</b>			
Current:			
General government	2,745,423		2,926,165
Law enforcement	7,002,090		965,145
Highways and streets		7,763,089	601,244
Public safety	519,149		246,319
Sanitation	253,246		2,429,576
Health	39,028		
Recreation and culture	192,541		409,965
Social services	207,763		538
<b>TOTAL EXPENDITURES</b>	<b>10,959,240</b>	<b>7,763,089</b>	<b>7,578,952</b>

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,657,859	\$ 520,144	\$ 134,158
OTHER FINANCING SOURCES (USES)			
Transfers in	527,333	941	562,065
Transfers out	(563,006)		(527,333)
Property taxes remitted to South Arkansas Community College			(526,219)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(35,673)</u>	<u>941</u>	<u>(491,487)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,622,186	521,085	(357,329)
FUND BALANCES - JANUARY 1	<u>13,459,978</u>	<u>10,214,386</u>	<u>17,978,371</u>
FUND BALANCES - DECEMBER 31	<u>\$ 15,082,164</u>	<u>\$ 10,735,471</u>	<u>\$ 17,621,042</u>

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

UNION 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)
<b>REVENUES</b>						
State aid	\$ 610,000	\$ 795,666	\$ 185,666	\$ 3,038,000	\$ 3,872,690	\$ 834,690
Federal aid	518,000	591,051	73,051	6,800	7,228	428
Property taxes	3,514,300	3,946,730	432,430	2,008,600	2,186,895	178,295
Sales taxes	2,950,000	2,636,829	(313,171)	1,800,000	1,757,886	(42,114)
Fines, forfeitures, and costs	308,100	374,434	66,334			
Interest	175,000	486,056	311,056	100,000	264,553	164,553
Officers' fees	105,625	98,572	(7,053)			
Sanitation fees	620,000	528,222	(91,778)			
Insurance premiums collected	1,700,000	63,638	(1,636,362)		1,131	1,131
Jail fees	905,000	1,147,948	242,948			
Stop loss health reimbursement		251,745	251,745			
Rental income		112,569	112,569			
Sale of equipment		110,000	110,000			
Treasurer's commission	195,000	189,248	(5,752)			
Collector's commission	400,000	320,893	(79,107)			
Taxes apportioned - Assessor's salary and expense	510,000	544,311	34,311			
Other	885,800	497,527	(388,273)	230,000	250,794	20,794
<b>TOTAL REVENUES</b>	<b>13,396,825</b>	<b>12,695,439</b>	<b>(701,386)</b>	<b>7,183,400</b>	<b>8,341,177</b>	<b>1,157,777</b>
Less: Treasurer's commission		78,340	(78,340)		57,944	(57,944)
<b>NET REVENUES</b>	<b>13,396,825</b>	<b>12,617,099</b>	<b>(779,726)</b>	<b>7,183,400</b>	<b>8,283,233</b>	<b>1,099,833</b>
<b>EXPENDITURES</b>						
Current:						
General government	5,206,421	2,745,423	2,460,998			
Law enforcement	7,902,060	7,002,090	899,970			
Highways and streets				7,937,696	7,763,089	174,607
Public safety	684,234	519,149	165,085			
Sanitation	401,264	253,246	148,018			
Health	72,116	39,028	33,088			
Recreation and culture	220,629	192,541	28,088			
Social services	217,347	207,763	9,584			
<b>TOTAL EXPENDITURES</b>	<b>14,704,071</b>	<b>10,959,240</b>	<b>3,744,831</b>	<b>7,937,696</b>	<b>7,763,089</b>	<b>174,607</b>

UNION COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,307,246)	\$ 1,657,859	\$ 2,965,105	\$ (754,296)	\$ 520,144	\$ 1,274,440
OTHER FINANCING SOURCES (USES)						
Transfers in	140,500	527,333	386,833		941	941
Transfers out		(563,006)	(563,006)			
TOTAL OTHER FINANCING SOURCES (USES)	140,500	(35,673)	(176,173)		941	941
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,166,746)	1,622,186	2,788,932	(754,296)	521,085	1,275,381
FUND BALANCES - JANUARY 1	5,217,453	13,459,978	8,242,525	8,088,899	10,214,386	2,125,487
FUND BALANCES - DECEMBER 31	\$ 4,050,707	\$ 15,082,164	\$ 11,031,457	\$ 7,334,603	\$ 10,735,471	\$ 3,400,868

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

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Sheriff's Automation
ASSETS								
Cash and cash equivalents	\$ 116,045	\$ 325,045	\$ 69,219	\$ 9,471	\$ 76,259	\$ 19,675	\$ 489,172	\$ 23,844
Accounts receivable							4,108	
<b>TOTAL ASSETS</b>	<b>\$ 116,045</b>	<b>\$ 325,045</b>	<b>\$ 69,219</b>	<b>\$ 9,471</b>	<b>\$ 76,259</b>	<b>\$ 19,675</b>	<b>\$ 493,280</b>	<b>\$ 23,844</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 1,577	\$ 1,619	\$ 723			\$ 171	\$ 7,388	
Interfund payables								
Settlements pending								
<b>Total Liabilities</b>	<b>1,577</b>	<b>1,619</b>	<b>723</b>			<b>171</b>	<b>7,388</b>	
Fund Balances:								
Restricted	114,468	323,426	68,496	\$ 9,471	\$ 76,259	19,504	481,392	\$ 23,844
Committed								
Assigned							4,500	
Unassigned								
<b>Total Fund Balances</b>	<b>114,468</b>	<b>323,426</b>	<b>68,496</b>	<b>9,471</b>	<b>76,259</b>	<b>19,504</b>	<b>485,892</b>	<b>23,844</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 116,045</b>	<b>\$ 325,045</b>	<b>\$ 69,219</b>	<b>\$ 9,471</b>	<b>\$ 76,259</b>	<b>\$ 19,675</b>	<b>\$ 493,280</b>	<b>\$ 23,844</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	County Library	Solid Waste	County Clerk Operating	Child Support Cost	Communications Facility and Equipment	Drug Court	Jail Operation and Maintenance	Boating Safety
<b>ASSETS</b>								
Cash and cash equivalents		\$ 7,989,820	\$ 3,876	\$ 12,212	\$ 911,729	\$ 1,907	\$ 851,321	\$ 19,739
Accounts receivable	\$ 11,047	95,792			1,693		2,558	
<b>TOTAL ASSETS</b>	<u>\$ 11,047</u>	<u>\$ 8,085,612</u>	<u>\$ 3,876</u>	<u>\$ 12,212</u>	<u>\$ 913,422</u>	<u>\$ 1,907</u>	<u>\$ 853,879</u>	<u>\$ 19,739</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable		\$ 90,116		\$ 149	\$ 18,889		\$ 33,184	
Interfund payables	\$ 118							
Settlements pending								
<b>Total Liabilities</b>	<u>118</u>	<u>90,116</u>		<u>149</u>	<u>18,889</u>		<u>33,184</u>	
Fund Balances:								
Restricted	10,929	7,995,496	\$ 3,876	12,063	894,533	\$ 1,907	298,197	\$ 19,739
Committed								
Assigned							522,498	
Unassigned								
<b>Total Fund Balances</b>	<u>10,929</u>	<u>7,995,496</u>	<u>3,876</u>	<u>12,063</u>	<u>894,533</u>	<u>1,907</u>	<u>820,695</u>	<u>19,739</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 11,047</u>	<u>\$ 8,085,612</u>	<u>\$ 3,876</u>	<u>\$ 12,212</u>	<u>\$ 913,422</u>	<u>\$ 1,907</u>	<u>\$ 853,879</u>	<u>\$ 19,739</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Emergency 911	Emergency Vehicle	Victim/Witness	Indigent Defense	Adult Drug Court	Public Safety	Juvenile Probation Fee	Circuit Clerk's Commissioner's Fee
ASSETS								
Cash and cash equivalents	\$ 1,346,036	\$ 2,041	\$ 22,447	\$ 2,936	\$ 7,368	\$ 8,344	\$ 76,361	\$ 7,518
Accounts receivable	10,478		3,901					
<b>TOTAL ASSETS</b>	<b>\$ 1,356,514</b>	<b>\$ 2,041</b>	<b>\$ 26,348</b>	<b>\$ 2,936</b>	<b>\$ 7,368</b>	<b>\$ 8,344</b>	<b>\$ 76,361</b>	<b>\$ 7,518</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 13,270		\$ 1,701	\$ 751				
Interfund payables								
Settlements pending								
<b>Total Liabilities</b>	<b>13,270</b>		<b>1,701</b>	<b>751</b>				
Fund Balances:								
Restricted	1,343,244	\$ 2,041	24,647		\$ 7,368	\$ 8,344	\$ 69,174	\$ 7,518
Committed								
Assigned				2,185			7,187	
Unassigned								
<b>Total Fund Balances</b>	<b>1,343,244</b>	<b>2,041</b>	<b>24,647</b>	<b>2,185</b>	<b>7,368</b>	<b>8,344</b>	<b>76,361</b>	<b>7,518</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,356,514</b>	<b>\$ 2,041</b>	<b>\$ 26,348</b>	<b>\$ 2,936</b>	<b>\$ 7,368</b>	<b>\$ 8,344</b>	<b>\$ 76,361</b>	<b>\$ 7,518</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Assessor's Late Fee	American Rescue Plan Act	Equitable Sharing Grant	South Arkansas Community College	Animal Control	District Court Cost	DHS - Jail Re- Entry Grant	Law Library
ASSETS								
Cash and cash equivalents	\$ 7,786	\$ 4,247,007	\$ 6,652		\$ 9,430	\$ 914,259	\$ (7,104)	\$ 91,925
Accounts receivable				\$ 19,899			3,720	
<b>TOTAL ASSETS</b>	<b>\$ 7,786</b>	<b>\$ 4,247,007</b>	<b>\$ 6,652</b>	<b>\$ 19,899</b>	<b>\$ 9,430</b>	<b>\$ 914,259</b>	<b>\$ (3,384)</b>	<b>\$ 91,925</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 23,994			\$ 225		\$ 406	
Interfund payables				\$ 213				
Settlements pending								
<b>Total Liabilities</b>		<b>23,994</b>		<b>213</b>	<b>225</b>		<b>406</b>	
Fund Balances:								
Restricted	\$ 7,786	4,223,013	\$ 6,652	19,686		\$ 914,259		\$ 91,925
Committed					9,205			
Assigned								
Unassigned							(3,790)	
<b>Total Fund Balances</b>	<b>7,786</b>	<b>4,223,013</b>	<b>6,652</b>	<b>19,686</b>	<b>9,205</b>	<b>914,259</b>	<b>(3,790)</b>	<b>91,925</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,786</b>	<b>\$ 4,247,007</b>	<b>\$ 6,652</b>	<b>\$ 19,899</b>	<b>\$ 9,430</b>	<b>\$ 914,259</b>	<b>\$ (3,384)</b>	<b>\$ 91,925</b>

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

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 459,768	\$ 362,873	\$ 117,729	\$ 175,796	\$ 3,385,724	\$ 13,944	\$ 22,178,174
Accounts receivable							153,196
<b>TOTAL ASSETS</b>	<b>\$ 459,768</b>	<b>\$ 362,873</b>	<b>\$ 117,729</b>	<b>\$ 175,796</b>	<b>\$ 3,385,724</b>	<b>\$ 13,944</b>	<b>\$ 22,331,370</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 194,163
Interfund payables							331
Settlements pending	\$ 459,768	\$ 362,873	\$ 117,729	\$ 175,796	\$ 3,385,724	\$ 13,944	4,515,834
Total Liabilities	<u>459,768</u>	<u>362,873</u>	<u>117,729</u>	<u>175,796</u>	<u>3,385,724</u>	<u>13,944</u>	<u>4,710,328</u>
Fund Balances:							
Restricted							17,079,257
Committed							9,205
Assigned							536,370
Unassigned							(3,790)
Total Fund Balances							<u>17,621,042</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 459,768</b>	<b>\$ 362,873</b>	<b>\$ 117,729</b>	<b>\$ 175,796</b>	<b>\$ 3,385,724</b>	<b>\$ 13,944</b>	<b>\$ 22,331,370</b>

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

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Sheriff's Automation	County Library
REVENUES									
State aid					\$ 14,229				\$ 134,238
Federal aid									680
Property taxes									256,893
Sales taxes									
Fines, forfeitures, and costs			\$ 3,393	\$ 4,313				\$ 560	
Interest	\$ 2,578	\$ 4,088	1,661	948	2,007	\$ 781	\$ 22,802	2,875	20
Officers' fees						7,469	300,238		
Sanitation fees									
Phone commissions									
Donations									
Insurance premiums collected									
911 fees									
Jail fees									
Treasurer's commission	70,167								
Collector's commission		171,464							
Other									29,167
<b>TOTAL REVENUES</b>	<b>72,745</b>	<b>175,552</b>	<b>5,054</b>	<b>5,261</b>	<b>16,236</b>	<b>8,250</b>	<b>323,040</b>	<b>3,435</b>	<b>420,998</b>
Less: Treasurer's commission	2	3	185	807	312	160	2,202	65	1,915
<b>NET REVENUES</b>	<b>72,743</b>	<b>175,549</b>	<b>4,869</b>	<b>4,454</b>	<b>15,924</b>	<b>8,090</b>	<b>320,838</b>	<b>3,370</b>	<b>419,083</b>
EXPENDITURES									
Current:									
General government	70,718	41,608			10,609	23,997	234,865		
Law enforcement			4,314	49,977				2,273	
Highways and streets									
Public safety									
Sanitation									
Recreation and culture									409,350
Social services									
<b>TOTAL EXPENDITURES</b>	<b>70,718</b>	<b>41,608</b>	<b>4,314</b>	<b>49,977</b>	<b>10,609</b>	<b>23,997</b>	<b>234,865</b>	<b>2,273</b>	<b>409,350</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,025</b>	<b>133,941</b>	<b>555</b>	<b>(45,523)</b>	<b>5,315</b>	<b>(15,907)</b>	<b>85,973</b>	<b>1,097</b>	<b>9,733</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									107
Transfers out							(527,333)		
Property taxes remitted to South Arkansas Community College									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							<b>(527,333)</b>		<b>107</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>2,025</b>	<b>133,941</b>	<b>555</b>	<b>(45,523)</b>	<b>5,315</b>	<b>(15,907)</b>	<b>(441,360)</b>	<b>1,097</b>	<b>9,840</b>
FUND BALANCES - JANUARY 1	112,443	189,485	67,941	54,994	70,944	35,411	927,252	22,747	1,089
FUND BALANCES - DECEMBER 31	<b>\$ 114,468</b>	<b>\$ 323,426</b>	<b>\$ 68,496</b>	<b>\$ 9,471</b>	<b>\$ 76,259</b>	<b>\$ 19,504</b>	<b>\$ 485,892</b>	<b>\$ 23,844</b>	<b>\$ 10,929</b>

UNION 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								
	Solid Waste	County Clerk Operating	Reappraisal Cost	Child Support Cost	Communications Facility and Equipment	Drug Court	Jail Operation and Maintenance	Boating Safety	Emergency 911
REVENUES									
State aid			\$ 281,939					\$ 4,344	
Federal aid									
Property taxes			40,273						
Sales taxes	\$ 3,628,780								
Fines, forfeitures, and costs							\$ 77,389		
Interest	175,624	\$ 86		\$ 190	\$ 20,876		34,902	492	\$ 30,781
Officers' fees		628		6,993	9,465				
Sanitation fees	329,189								
Phone commissions					385,322				
Donations									
Insurance premiums collected	783								
911 fees									374,758
Jail fees					2,155		93,322		
Treasurer's commission									
Collector's commission									
Other	239,735						3,924		31,584
<b>TOTAL REVENUES</b>	<b>4,374,111</b>	<b>714</b>	<b>322,212</b>	<b>7,183</b>	<b>417,818</b>		<b>209,537</b>	<b>4,836</b>	<b>437,123</b>
Less: Treasurer's commission	28,643	6		143	908			11	2,708
<b>NET REVENUES</b>	<b>4,345,468</b>	<b>708</b>	<b>322,212</b>	<b>7,040</b>	<b>416,910</b>		<b>209,537</b>	<b>4,825</b>	<b>434,415</b>
EXPENDITURES									
Current:									
General government			322,212	1,277					
Law enforcement					272,291		177,339	3,950	
Highways and streets	577,880								
Public safety									245,704
Sanitation	2,419,123								
Recreation and culture									
Social services									
<b>TOTAL EXPENDITURES</b>	<b>2,997,003</b>		<b>322,212</b>	<b>1,277</b>	<b>272,291</b>		<b>177,339</b>	<b>3,950</b>	<b>245,704</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,348,465</b>	<b>708</b>		<b>5,763</b>	<b>144,619</b>		<b>32,198</b>	<b>875</b>	<b>188,711</b>
OTHER FINANCING SOURCES (USES)									
Transfers in							443,948		10,800
Transfers out									
Property taxes remitted to South Arkansas Community College									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							<b>443,948</b>		<b>10,800</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,348,465</b>	<b>708</b>		<b>5,763</b>	<b>144,619</b>		<b>476,146</b>	<b>875</b>	<b>199,511</b>
FUND BALANCES - JANUARY 1	6,647,031	3,168		6,300	749,914	\$ 1,907	344,549	18,864	1,143,733
FUND BALANCES - DECEMBER 31	<b>\$ 7,995,496</b>	<b>\$ 3,876</b>	<b>\$ 0</b>	<b>\$ 12,063</b>	<b>\$ 894,533</b>	<b>\$ 1,907</b>	<b>\$ 820,695</b>	<b>\$ 19,739</b>	<b>\$ 1,343,244</b>

UNION 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								
	Emergency Vehicle	Victim/Witness	Indigent Defense	Adult Drug Court	Public Safety	Juvenile Probation Fee	Circuit Clerk's Commissioner's Fee	Assessor's Late Fee	American Rescue Plan Act
REVENUES									
State aid			\$ 1,346						
Federal aid		\$ 20,805							
Property taxes								\$ 1,291	
Sales taxes									
Fines, forfeitures, and costs	\$ 170	60,001	10,865	\$ 750	\$ 527	\$ 70			
Interest	48	369	828	170	198	1,452	\$ 159	169	\$ 63,870
Officers' fees							2,770		
Sanitation fees									
Phone commissions									
Donations									
Insurance premiums collected									
911 fees									
Jail fees									
Treasurer's commission									
Collector's commission									
Other		203				34,412			
<b>TOTAL REVENUES</b>	<b>218</b>	<b>81,378</b>	<b>13,039</b>	<b>920</b>	<b>725</b>	<b>35,934</b>	<b>2,929</b>	<b>1,460</b>	<b>63,870</b>
Less: Treasurer's commission	4	5	19	14	5	21	58	4	
<b>NET REVENUES</b>	<b>214</b>	<b>81,373</b>	<b>13,020</b>	<b>906</b>	<b>720</b>	<b>35,913</b>	<b>2,871</b>	<b>1,456</b>	<b>63,870</b>
EXPENDITURES									
Current:									
General government									2,213,392
Law enforcement		56,452	78,117	223		34,883			54,779
Highways and streets									23,364
Public safety									615
Sanitation									10,453
Recreation and culture									615
Social services									538
<b>TOTAL EXPENDITURES</b>		<b>56,452</b>	<b>78,117</b>	<b>223</b>		<b>34,883</b>			<b>2,303,756</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>214</b>	<b>24,921</b>	<b>(65,097)</b>	<b>683</b>	<b>720</b>	<b>1,030</b>	<b>2,871</b>	<b>1,456</b>	<b>(2,239,886)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in			75,000						
Transfers out									
Property taxes remitted to South Arkansas Community College									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>75,000</b>						
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>214</b>	<b>24,921</b>	<b>9,903</b>	<b>683</b>	<b>720</b>	<b>1,030</b>	<b>2,871</b>	<b>1,456</b>	<b>(2,239,886)</b>
FUND BALANCES - JANUARY 1	1,827	(274)	(7,718)	6,685	7,624	75,331	4,647	6,330	6,462,899
FUND BALANCES - DECEMBER 31	<u>\$ 2,041</u>	<u>\$ 24,647</u>	<u>\$ 2,185</u>	<u>\$ 7,368</u>	<u>\$ 8,344</u>	<u>\$ 76,361</u>	<u>\$ 7,518</u>	<u>\$ 7,786</u>	<u>\$ 4,223,013</u>

UNION 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								
	Equitable Sharing Grant	South Arkansas Community College	Animal Control	District Court Cost	Public Safety Equipment Grant	DHS - Jail Re- Entry Grant	Law Library	Totals
REVENUES								
State aid		\$ 36,040			\$ 100,000			\$ 572,136
Federal aid		849				\$ 44,499		66,833
Property taxes		460,644						759,101
Sales taxes								3,628,780
Fines, forfeitures, and costs				\$ 41,735			\$ 38,059	237,832
Interest	\$ 426	35		21,946			2,223	392,604
Officers' fees								327,563
Sanitation fees								329,189
Phone commissions								385,322
Donations			\$ 4,265					4,265
Insurance premiums collected								783
911 fees								374,758
Jail fees								95,477
Treasurer's commission								70,167
Collector's commission								171,464
Other								339,025
<b>TOTAL REVENUES</b>	<b>426</b>	<b>497,568</b>	<b>4,265</b>	<b>63,681</b>	<b>100,000</b>	<b>44,499</b>	<b>40,282</b>	<b>7,755,299</b>
Less: Treasurer's commission		3,460		499			30	42,189
<b>NET REVENUES</b>	<b>426</b>	<b>494,108</b>	<b>4,265</b>	<b>63,182</b>	<b>100,000</b>	<b>44,499</b>	<b>40,252</b>	<b>7,713,110</b>
EXPENDITURES								
Current:								
General government			7,487					2,926,165
Law enforcement	16,608				132,018	48,289	33,632	965,145
Highways and streets								601,244
Public safety								246,319
Sanitation								2,429,576
Recreation and culture								409,965
Social services								538
<b>TOTAL EXPENDITURES</b>	<b>16,608</b>		<b>7,487</b>		<b>132,018</b>	<b>48,289</b>	<b>33,632</b>	<b>7,578,952</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,182)</b>	<b>494,108</b>	<b>(3,222)</b>	<b>63,182</b>	<b>(32,018)</b>	<b>(3,790)</b>	<b>6,620</b>	<b>134,158</b>
OTHER FINANCING SOURCES (USES)								
Transfers in		192			32,018			562,065
Transfers out								(527,333)
Property taxes remitted to South Arkansas Community College		(526,219)						(526,219)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(526,027)</b>			<b>32,018</b>			<b>(491,487)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(16,182)</b>	<b>(31,919)</b>	<b>(3,222)</b>	<b>63,182</b>		<b>(3,790)</b>	<b>6,620</b>	<b>(357,329)</b>
FUND BALANCES - JANUARY 1	22,834	51,605	12,427	851,077			85,305	17,978,371
FUND BALANCES - DECEMBER 31	\$ 6,652	\$ 19,686	\$ 9,205	\$ 914,259	\$ 0	\$ (3,790)	\$ 91,925	\$ 17,621,042

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated records 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 records systems and any legitimate county purpose.
Sheriff's Automation	Ark. Code Ann. § 27-53-210 established fund to partially reimburse county law enforcement agency for cost of making copies of accident reports and traffic violations. Funds collected shall be retained for support of the law enforcement agency.
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.
Solid Waste	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on a fee schedule contained in an ordinance. Union County Ordinance no. 422 (November 16, 1995) authorized solid waste collection and disposal fees on each household located in the County. Union County Ordinance no. 472 (September 16, 1977) established fund for the collection of the County's one percent sales and use tax for the purpose of the operation and/or maintenance of residential solid waste collections and disposal systems.

UNION 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>
County Clerk Operating	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
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.
Communications 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.
Drug Court	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Operation and Maintenance	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. Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.
Boating Safety	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.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.

UNION 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>
Indigent Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail. Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.
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.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Juvenile 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. Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
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.
Assessor's Late Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Equitable Sharing Grant	Established to receive federal forfeiture funds from the Department of Justice Asset Forfeiture Program for the purpose of providing additional law enforcement resources.
South Arkansas Community College	Established by special election (March 31, 1992) and Union County Court Order no. 92-13A (April 2, 1992) to receive property tax revenue to be used for support of the community college.

UNION 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>
Animal Control	Established by Union County Ordinance no. 1541 (November 21, 2019) to levy a voluntary contribution in the amount of \$10 per every tax statement in Union County for the purpose of establishing animal population control in the unincorporated areas of the County.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Public Safety Equipment Grant	Established to administer grant received for body cameras.
DHS - Jail Re-Entry Grant	Established to administer federal grant received for peer recovery support services through the Peers Achieving Collaborative Treatment project.
Law Library	Ark. Code Ann. § 16-23-101 established fund to receive court costs to be used for any purpose related to the establishment, maintenance, and operation of a county law library.

Treasurer's accounts consist primarily of 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.

County Clerk's accounts consist primarily of trust money.

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

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

UNION 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 and property taxes that are restricted or committed for maintaining and constructing roads.

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

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

**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.

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

1. (Continued)

**B. Basis of Accounting - Regulatory**

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

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

**C. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

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

Settlements Pending

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

Fund Balance Classifications

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

UNION COUNTY, ARKANSAS  
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1. (Continued)

**D. Property Taxes**

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

**E. Budget Law**

1. Legal Requirements

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

2. Accounting

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

**F. Fund Balance Classification Policies and Procedures**

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

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

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**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	\$ 2,224,373		\$ 5,288,991
Law enforcement			2,430,212
Public safety			1,353,629
Sanitation			7,995,496
Health	4,278,768		
Recreation and culture	14,304		10,929
Total Restricted	<u>6,517,445</u>		<u>17,079,257</u>
Committed for:			
General government			<u>9,205</u>
Assigned to:			
General government			4,500
Law enforcement			531,870
Highways and streets		\$ 10,735,471	
Sanitation	2,111,763		
Recreation and culture	41,941		
Total Assigned	<u>2,153,704</u>	<u>10,735,471</u>	<u>536,370</u>
Unassigned	<u>6,411,015</u>		<u>(3,790)</u>
Totals	<u>\$ 15,082,164</u>	<u>\$ 10,735,471</u>	<u>\$ 17,621,042</u>

**3. Commitments**

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

	December 31, 2023
Long-term liabilities	\$ 101,546
Leases	46,810
Reappraisal contract	1,321,200
Body camera and taser contract	95,012
EDP Solutions service contract	135,000
Grant administration contract	56,250
Construction contract	<u>4,789,595</u>
Total Commitments	<u>\$ 6,545,413</u>

UNION COUNTY, ARKANSAS  
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**3. 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	\$ 101,546

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

Compensated Absences

Compensated absences do vest or accumulate.

Post Employment Benefits Other Than Pensions

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

Leases

The County entered into two leases dated December 22, 2017, and June 11, 2018, with Negawatt Partners, LLC for the upgrading or replacing of light fixtures and associated lamps with LED lighting. Terms of the leases require \$212,000 and \$34,178 to be paid in monthly payments of \$2,524 and \$407, respectively for 84 months.

Year	December 31, 2023
2024	\$ 35,576
2025	11,234
Total	\$ 46,810

Lease expense for 2023, was \$34,762.

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions on December 6, 2023, for a county-wide reappraisal. The County is obligated for 48 monthly payments of \$27,525 for a total of \$1,321,200 beginning January 15, 2024.

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

Year	December 31, 2023
2024	\$ 330,300
2025	330,300
2026	330,300
2027	330,300
Total	\$ 1,321,200

UNION COUNTY, ARKANSAS  
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**3. Commitments (Continued)**

Body Camera and Taser Contract

The County entered into a contract dated November 19, 2020, for tasers and body cameras, along with annual license and monitoring services. Terms of the contract require annual payments for five years. Contract expense for 2023, was \$48,007.

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

Year	December 31, 2023
2024	\$ 95,012

EDP Solutions Service Contract

The County entered into a contract dated January 12, 2023, for IT support at the Sheriff's Office. Terms of the contract require monthly payments of \$3,750 for 48 months for a total of \$180,000. Contract expense for 2023, was \$45,000.

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

Year	December 31, 2023
2024	\$ 45,000
2025	45,000
2026	45,000
Total	\$ 135,000

American Rescue Plan Act (ARPA) Grant Administration

The county entered into a contract with the Southwest Arkansas Planning and Development District, Inc. on December 14, 2021, in the amount of \$225,000 for the administration of the County's American Rescue Plan Act grant. \$112,500 (50%) was paid upon signing the agreement. The remaining amounts shall be paid as follows: \$56,250 (25%) upon receipt of the 2nd tranche of funds and \$56,250 (25%) due upon substantial project completion. Contract expense for 2023 was \$0.

Construction Contract

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

Project Name	Completion Date	Contract Balance December 31, 2023
Union County Emergency Management Center	February 2025	\$ 4,789,595

**4. Interfund Transfers**

The General Fund transferred \$941 to the Road Fund and \$562,065 to the Other Funds in the Aggregate (County Library \$107, Jail Operation and Maintenance \$443,948, emergency 911 \$10,800, Indigent Defense \$75,000, South Arkansas Community College \$192, and Public Safety Equipment Grant \$32,018) for operating expenses. Other Funds in the aggregate (County Recorder's Cost Fund) transferred \$527,333 to the General Fund to remit excess funds in accordance with Ark. Code Ann. § 21-6-306.

UNION COUNTY, ARKANSAS  
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**5. Joint Venture: Barton Public Library**

Union County and the City of El Dorado entered into an agreement in May 1956 in accordance with Ark. Code Ann. § 13-2-401 to establish the Barton Public Library. The agreement states that the County and City Library Boards shall by agreement employ a librarian. Two members from the County Library Board, two members from the City Library Board, and a fifth member from either of the boards are appointed to serve as the executive Library Committee. The Committee, working with the Librarian, prepares the budget, allocates the expenses to be paid by each of the library boards, and addresses other details as to the operations of the library. These recommendations presented to a joint meeting of the County Library and City Library Boards for approval or disapproval. The title to the land and buildings are in the name of the City of El Dorado Library. The books and equipment belonging to each Library are marked and inventoried to indicate ownership by the respective library board. The County Library paid \$409,350 for regional library expenditures in 2023. Separate financial statements of the Barton Public Library are not available.

**6. Jointly Governed Organization: Thirteenth Judicial District Drug Task Force**

The Prosecuting Attorney's Office of the Thirteenth Judicial District, the Sheriff's Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and Union Counties, and the Police Departments of the Camden, El Dorado, Fordyce, Hampton, Magnolia, Rison, and Smackover entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period of July 1, 2023 – June 30, 2024 and may be extended upon mutual agreement. Funding provided through a Drug Law Enforcement grant, applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contributions or payments for expenditures were made to the Thirteenth Judicial District Drug Task Force by the County. The 2023 financial statements of the Thirteenth Judicial District Drug Task Force have not been audited.

**7. Arkansas Public Employees Retirement System**

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](http://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 \$1,198,846.

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 \$10,288,940.

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**8. Capital Assets**

	December 31, 2023
Land	\$ 148,000
Buildings	13,272,811
Equipment	<u>13,409,337</u>
Total	<u>\$ 26,830,148</u>

**9. 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 \$194,021 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, \$194,021 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

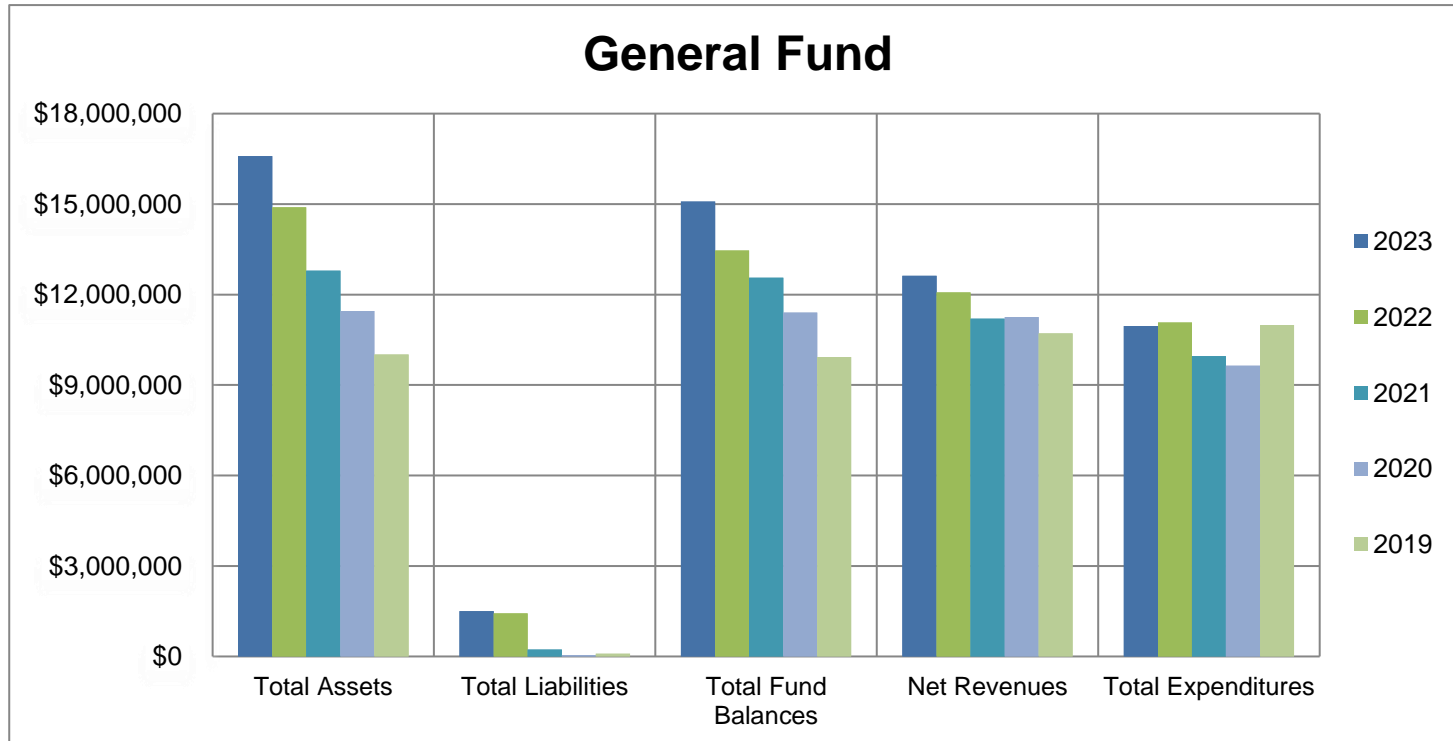
**10. Employee Self-Insurance Benefit Plan**

The County participates in an Employee Self-Insurance 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. Health insurance claims administered by Trustmark are paid from this account. As of December 31, 2023, the balance of this account was \$4,278,768 and is reflected in the financial statements as a portion of the General Fund's Restricted Fund Balance.

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

Schedule 3-1

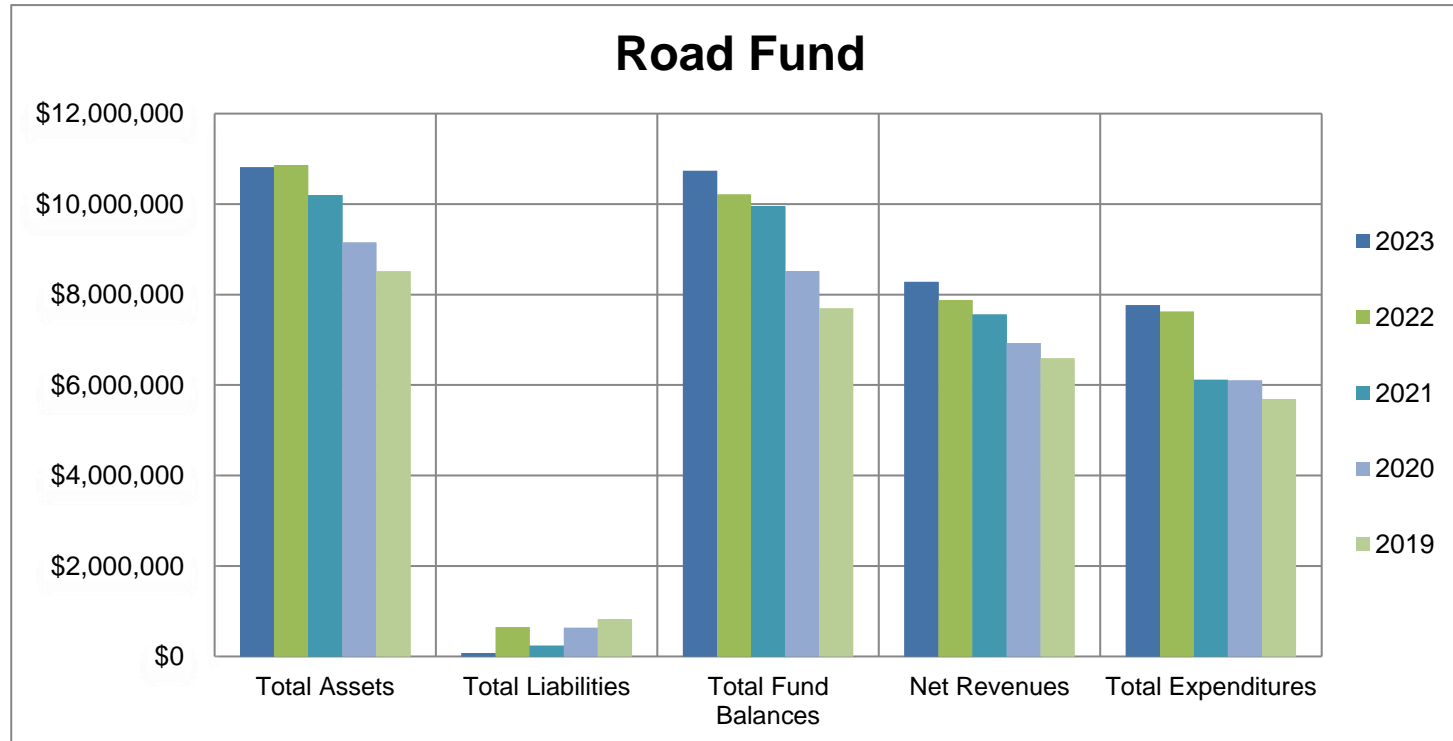
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 16,589,138	\$ 14,892,721	\$ 12,792,295	\$ 11,456,419	\$ 10,011,185
Total Liabilities	1,506,974	1,432,743	232,865	51,595	86,283
Total Fund Balances	15,082,164	13,459,978	12,559,430	11,404,824	9,924,902
Net Revenues	12,617,099	12,067,795	11,201,993	11,249,570	10,716,478
Total Expenditures	10,959,240	11,076,974	9,957,114	9,642,157	10,984,024
Total Other Financing Sources/Uses	(35,673)	(90,273)	(90,273)	(115,273)	1,134,100



UNION 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	\$ 10,813,262	\$ 10,864,047	\$ 10,198,753	\$ 9,149,833	\$ 8,513,609
Total Liabilities	77,791	649,661	240,222	630,689	823,080
Total Fund Balances	10,735,471	10,214,386	9,958,531	8,519,144	7,690,529
Net Revenues	8,283,233	7,877,895	7,556,745	6,932,002	6,589,724
Total Expenditures	7,763,089	7,622,040	6,117,358	6,103,387	5,692,692
Total Other Financing Sources/Uses	941				



UNION COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2023  
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Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 22,331,370	\$ 27,949,598	\$ 19,847,082	\$ 14,993,711	\$ 13,312,907
Total Liabilities	4,710,328	9,971,227	4,137,417	3,960,204	3,018,795
Total Fund Balances	17,621,042	17,978,371	15,709,665	11,033,507	10,294,112
Net Revenues	7,713,110	11,035,059	10,672,959	6,237,521	6,020,327
Total Expenditures	7,578,952	7,720,977	5,710,852	5,159,314	4,058,033
Total Other Financing Sources/Uses	(491,487)	(1,045,376)	(369,039)	(338,812)	(985,087)

