

Hempstead County, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



HEMPSTEAD COUNTY, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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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

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

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Hempstead County, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated August 20, 2026. 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 2025:

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

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

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

County Judge

Proceeds of \$3,627 from the sale of County scrap metal during 2025 were not remitted to County Treasurer, as required by Ark. Code Ann. § 14-14-1313. Due to multiple individuals having access to these funds, we were unable to determine the custodian of the funds not deposited.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 20, 2026
LOCO02925

HEMPSTEAD COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,120,668	\$ 4,409,150	\$ 13,262,067
Accounts receivable	483,057	98,265	253,103
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 3,603,725</u></u>	<u><u>\$ 4,507,415</u></u>	<u><u>\$ 13,515,170</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 87,905	\$ 389,624	\$ 184,463
Settlements pending	64,720		2,194,877
Total Liabilities	<u>152,625</u>	<u>389,624</u>	<u>2,379,340</u>
Fund Balances:			
Restricted			4,607,988
Committed		4,117,791	3,671,257
Assigned	2,000		2,856,585
Unassigned	3,449,100		
Total Fund Balances	<u>3,451,100</u>	<u>4,117,791</u>	<u>11,135,830</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,603,725</u></u>	<u><u>\$ 4,507,415</u></u>	<u><u>\$ 13,515,170</u></u>

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

HEMPSTEAD COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 744,325	\$ 1,926,024	\$ 336,024
Federal aid	79,487		185,470
Property taxes	2,322,969	1,078,660	442,096
Sales taxes		797,788	5,109,425
Fines, forfeitures, and costs	522,407		186,685
Interest	140,617	185,752	371,383
Officers' fees	36,032		120,999
Insurance premiums collected	29,334	2,940	120
Jail fees			324,362
911 fees			319,852
Sanitation fees			376,379
Commissary profits			42,557
Insurance proceeds	71,250		195,600
Treasurer's commission	145,489		33,021
Collector's commission	203,141		79,114
Taxes apportioned - Assessor's salary and expense	358,374		
Other	304,311	249,919	131,972
TOTAL REVENUES	4,957,736	4,241,083	8,255,059
Less: Treasurer's commission	40,865	40,688	54,931
NET REVENUES	4,916,871	4,200,395	8,200,128
EXPENDITURES			
Current:			
General government	2,466,526		375,884
Law enforcement	2,355,781		2,423,581
Highways and streets		3,896,700	
Public safety	91,058		288,073
Sanitation			1,864,241
Health	49,836		
Recreation and culture			536,390
Social services	140,321		
TOTAL EXPENDITURES	5,103,522	3,896,700	5,488,169

HEMPSTEAD COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (186,651)</u>	<u>\$ 303,695</u>	<u>\$ 2,711,959</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,279		26,500
Transfers out	(26,500)		(3,279)
Sales tax remitted to University of Arkansas at Hope			<u>(1,964,033)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,221)</u>		<u>(1,940,812)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(209,872)	303,695	771,147
FUND BALANCES - JANUARY 1	<u>3,660,972</u>	<u>3,814,096</u>	<u>10,364,683</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,451,100</u></u>	<u><u>\$ 4,117,791</u></u>	<u><u>\$ 11,135,830</u></u>

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

HEMPSTEAD COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 546,877	\$ 744,325	\$ 197,448	\$ 1,787,000	\$ 1,926,024	\$ 139,024
Federal aid	65,167	79,487	14,320			
Property taxes	2,029,700	2,322,969	293,269	472,350	1,078,660	606,310
Sales taxes				817,560	797,788	(19,772)
Fines, forfeitures, and costs	466,480	522,407	55,927			
Interest	90,000	140,617	50,617	61,000	185,752	124,752
Officers' fees	32,750	36,032	3,282			
Insurance premiums collected		29,334	29,334		2,940	2,940
Insurance proceeds		71,250	71,250			
Treasurer's commission		145,489	145,489			
Collector's commission	192,297	203,141	10,844			
Taxes apportioned - Assessor's salary and expense	450,000	358,374	(91,626)			
Other	700,586	304,311	(396,275)	42,709	249,919	207,210
TOTAL REVENUES	4,573,857	4,957,736	383,879	3,180,619	4,241,083	1,060,464
Less: Treasurer's commission		40,865	(40,865)		40,688	(40,688)
NET REVENUES	4,573,857	4,916,871	343,014	3,180,619	4,200,395	1,019,776
EXPENDITURES						
Current:						
General government	3,821,046	2,466,526	1,354,520			
Law enforcement	2,455,197	2,355,781	99,416			
Highways and streets				4,831,283	3,896,700	934,583
Public safety	189,920	91,058	98,862			
Health	68,627	49,836	18,791			
Social services	145,088	140,321	4,767			
TOTAL EXPENDITURES	6,679,878	5,103,522	1,576,356	4,831,283	3,896,700	934,583

HEMPSTEAD COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,106,021)</u>	<u>\$ (186,651)</u>	<u>\$ 1,919,370</u>	<u>\$ (1,650,664)</u>	<u>\$ 303,695</u>	<u>\$ 1,954,359</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	173,236	3,279	(169,957)			
Transfers out	<u>(26,500)</u>	<u>(26,500)</u>	<u>(26,500)</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>173,236</u>	<u>(23,221)</u>	<u>(196,457)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,932,785)	(209,872)	1,722,913	(1,650,664)	303,695	1,954,359
FUND BALANCES - JANUARY 1	<u>2,807,458</u>	<u>3,660,972</u>	<u>853,514</u>	<u>2,011,178</u>	<u>3,814,096</u>	<u>1,802,918</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 874,673</u></u>	<u><u>\$ 3,451,100</u></u>	<u><u>\$ 2,576,427</u></u>	<u><u>\$ 360,514</u></u>	<u><u>\$ 4,117,791</u></u>	<u><u>\$ 3,757,277</u></u>

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

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2025
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library
ASSETS								
Cash and cash equivalents	\$ 216,624	\$ 676,449	\$ 53,756	\$ 48,909	\$ 100,777	\$ 13,226	\$ 153,697	\$ 1,286,775
Accounts receivable	33,021	79,114	1,131	840	106	254	9,250	17,752
TOTAL ASSETS	\$ 249,645	\$ 755,563	\$ 54,887	\$ 49,749	\$ 100,883	\$ 13,480	\$ 162,947	\$ 1,304,527
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 3,658			\$ 197			\$ 7,694	\$ 14,654
Settlements pending								
Total Liabilities	3,658			197			7,694	14,654
Fund Balances:								
Restricted	245,987	\$ 755,563	\$ 54,887	49,552	\$ 100,883	\$ 13,480	129,253	1,289,873
Committed								
Assigned							26,000	
Total Fund Balances	245,987	755,563	54,887	49,552	100,883	13,480	155,253	1,289,873
TOTAL LIABILITIES AND FUND BALANCES	\$ 249,645	\$ 755,563	\$ 54,887	\$ 49,749	\$ 100,883	\$ 13,480	\$ 162,947	\$ 1,304,527

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2025
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
							CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle
	Solid Waste	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement		
ASSETS								
Cash and cash equivalents	\$ 2,108,999	\$ 8,337	\$ 9,341	\$ 183,773	\$ 310,001	\$ 9,874	\$ 957,586	\$ 19,671
Accounts receivable	46,830	72		10,365	5,975	15	933	261
TOTAL ASSETS	<u>\$ 2,155,829</u>	<u>\$ 8,409</u>	<u>\$ 9,341</u>	<u>\$ 194,138</u>	<u>\$ 315,976</u>	<u>\$ 9,889</u>	<u>\$ 958,519</u>	<u>\$ 19,932</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 59,072						\$ 32,351	
Settlements pending								
Total Liabilities	<u>59,072</u>						<u>32,351</u>	
Fund Balances:								
Restricted		\$ 8,409	\$ 9,341	\$ 194,138	\$ 315,976	\$ 9,889	926,168	\$ 19,932
Committed	35,596							
Assigned	2,061,161							
Total Fund Balances	<u>2,096,757</u>	<u>8,409</u>	<u>9,341</u>	<u>194,138</u>	<u>315,976</u>	<u>9,889</u>	<u>926,168</u>	<u>19,932</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,155,829</u>	<u>\$ 8,409</u>	<u>\$ 9,341</u>	<u>\$ 194,138</u>	<u>\$ 315,976</u>	<u>\$ 9,889</u>	<u>\$ 958,519</u>	<u>\$ 19,932</u>

HEMPSTEAD COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	Victim/Witness	Indigent Defense	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost
ASSETS								
Cash and cash equivalents	\$ 3,154	\$ 6,817	\$ 25,135	\$ 18,456	\$ 1,966	\$ 5,399	\$ 733,739	\$ 87,407
Accounts receivable	2,050	79	15	30	2	13	44,097	572
TOTAL ASSETS	<u>\$ 5,204</u>	<u>\$ 6,896</u>	<u>\$ 25,150</u>	<u>\$ 18,486</u>	<u>\$ 1,968</u>	<u>\$ 5,412</u>	<u>\$ 777,836</u>	<u>\$ 87,979</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 967	\$ 154					\$ 61,043	
Settlements pending								
Total Liabilities	<u>967</u>	<u>154</u>					<u>61,043</u>	
Fund Balances:								
Restricted	4,237		\$ 25,150	\$ 18,486	\$ 1,968	\$ 5,412	12,183	\$ 87,979
Committed								
Assigned		6,742					704,610	
Total Fund Balances	<u>4,237</u>	<u>6,742</u>	<u>25,150</u>	<u>18,486</u>	<u>1,968</u>	<u>5,412</u>	<u>716,793</u>	<u>87,979</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,204</u>	<u>\$ 6,896</u>	<u>\$ 25,150</u>	<u>\$ 18,486</u>	<u>\$ 1,968</u>	<u>\$ 5,412</u>	<u>\$ 777,836</u>	<u>\$ 87,979</u>

HEMPSTEAD COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS							
	Voluntary Tax / Deputies Salaries	South Arkansas Water System Grant	Automated Records System Grant	Selective Traffic Enforcement Grant	Law Library	Hempstead / Nevada County Drug Court Grant	American Rescue Plan Act	Adult Drug Court
ASSETS								
Cash and cash equivalents	\$ 5,272	\$ 1	\$ 1	\$ 2,603	\$ 114,287	\$ 4,046	\$ 1,014	\$ 14,726
Accounts receivable	188				138			
TOTAL ASSETS	<u>\$ 5,460</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2,603</u>	<u>\$ 114,425</u>	<u>\$ 4,046</u>	<u>\$ 1,014</u>	<u>\$ 14,726</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable					\$ 1,348			
Settlements pending								
Total Liabilities					<u>1,348</u>			
Fund Balances:								
Restricted	\$ 5,460	\$ 1	\$ 1	\$ 2,603	113,077	\$ 4,046	\$ 1,014	\$ 14,726
Committed								
Assigned								
Total Fund Balances	<u>5,460</u>	<u>1</u>	<u>1</u>	<u>2,603</u>	<u>113,077</u>	<u>4,046</u>	<u>1,014</u>	<u>14,726</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,460</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2,603</u>	<u>\$ 114,425</u>	<u>\$ 4,046</u>	<u>\$ 1,014</u>	<u>\$ 14,726</u>

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2025
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		
	Juvenile Drug Court Grant	Economic Development Grant - Tyson	Juvenile Court Funds (AOC)	Federal Emergency Management Agency - Tornado Disaster	Capital Improvement / Courthouse	Courthouse Grant	Courthouse Security Station
ASSETS							
Cash and cash equivalents	\$ 1,358	\$ 1	\$ 5,000	\$ 161,790	\$ 3,693,733	\$ 23,299	\$ 191
Accounts receivable							
TOTAL ASSETS	<u>\$ 1,358</u>	<u>\$ 1</u>	<u>\$ 5,000</u>	<u>\$ 161,790</u>	<u>\$ 3,693,733</u>	<u>\$ 23,299</u>	<u>\$ 191</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,358		\$ 1,967				
Settlements pending							
Total Liabilities	<u>1,358</u>		<u>1,967</u>				
Fund Balances:							
Restricted		\$ 1	3,033	\$ 161,790		\$ 23,299	\$ 191
Committed					\$ 3,635,661		
Assigned					58,072		
Total Fund Balances		<u>1</u>	<u>3,033</u>	<u>161,790</u>	<u>3,693,733</u>	<u>23,299</u>	<u>191</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,358</u>	<u>\$ 1</u>	<u>\$ 5,000</u>	<u>\$ 161,790</u>	<u>\$ 3,693,733</u>	<u>\$ 23,299</u>	<u>\$ 191</u>

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2025
 (UNAUDITED)

Schedule 1

	CUSTODIAL FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 1,255,928	\$ 202,898	\$ 121,372	\$ 341,625	\$ 235,600	\$ 37,454	\$ 13,262,067
Accounts receivable							253,103
TOTAL ASSETS	\$ 1,255,928	\$ 202,898	\$ 121,372	\$ 341,625	\$ 235,600	\$ 37,454	\$ 13,515,170
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 184,463
Settlements pending	\$ 1,255,928	\$ 202,898	\$ 121,372	\$ 341,625	\$ 235,600	\$ 37,454	2,194,877
Total Liabilities	1,255,928	202,898	121,372	341,625	235,600	37,454	2,379,340
Fund Balances:							
Restricted							4,607,988
Committed							3,671,257
Assigned							2,856,585
Total Fund Balances							11,135,830
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,255,928	\$ 202,898	\$ 121,372	\$ 341,625	\$ 235,600	\$ 37,454	\$ 13,515,170

HEMPSTEAD COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste
REVENUES									
State aid					\$ 6,181			\$ 86,395	
Federal aid									
Property taxes								426,967	
Sales taxes									\$ 1,181,359
Fines, forfeitures, and costs			\$ 18,007	\$ 17,388					
Interest	\$ 9,754	\$ 30,636	898	2,502	4,640		\$ 6,445	54,029	95,218
Officers' fees						\$ 3,463	105,381		
Insurance premiums collected								120	
Jail fees									
911 fees									
Sanitation fees									376,379
Commissary profits									
Insurance proceeds									195,600
Treasurer's commission	33,021								
Collector's commission		79,114							
Other							34	11,787	14,607
TOTAL REVENUES	42,775	109,750	18,905	19,890	10,821	3,463	111,860	579,298	1,863,163
Less: Treasurer's commission			9	57	110		1,137	4,967	16,891
NET REVENUES	42,775	109,750	18,896	19,833	10,711	3,463	110,723	574,331	1,846,272
EXPENDITURES									
Current:									
General government	18,837	24,580			880	3,391	80,170		
Law enforcement			2,783	25,867					
Public safety									
Sanitation									1,864,241
Recreation and culture								536,390	
TOTAL EXPENDITURES	18,837	24,580	2,783	25,867	880	3,391	80,170	536,390	1,864,241
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,938	85,170	16,113	(6,034)	9,831	72	30,553	37,941	(17,969)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	23,938	85,170	16,113	(6,034)	9,831	72	30,553	37,941	(17,969)
FUND BALANCES - JANUARY 1	222,049	670,393	38,774	55,586	91,052	13,408	124,700	1,251,932	2,114,726
FUND BALANCES - DECEMBER 31	\$ 245,987	\$ 755,563	\$ 54,887	\$ 49,552	\$ 100,883	\$ 13,480	\$ 155,253	\$ 1,289,873	\$ 2,096,757

HEMPSTEAD COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	County Clerk Operating	Child Support Cost	Communication Facility and Equipment	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense
REVENUES									
State aid					\$ 1,515				\$ 1,322
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 70,420			\$ 4,562	\$ 44,259	7,817
Interest			\$ 7,354			\$ 41,263	803	162	263
Officers' fees	\$ 1,198		10,763						
Insurance premiums collected									
Jail fees				3,375					
911 fees						319,852			
Sanitation fees									
Commissary profits			42,557						
Insurance proceeds									
Treasurer's commission									
Collector's commission									
Other			12,600			84		3,557	7,169
TOTAL REVENUES	1,198		73,274	73,795	1,515	361,199	5,365	47,978	16,571
Less: Treasurer's commission			431	766	15	651	8	303	82
NET REVENUES	1,198		72,843	73,029	1,500	360,548	5,357	47,675	16,489
EXPENDITURES									
Current:									
General government									
Law enforcement			40,876					63,379	32,461
Public safety						282,925			
Sanitation									
Recreation and culture									
TOTAL EXPENDITURES			40,876			282,925		63,379	32,461
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,198		31,967	73,029	1,500	77,623	5,357	(15,704)	(15,972)
OTHER FINANCING SOURCES (USES)									
Transfers in			8,000					7,000	11,500
Transfers out									
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)			8,000					7,000	11,500
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,198		39,967	73,029	1,500	77,623	5,357	(8,704)	(4,472)
FUND BALANCES - JANUARY 1	7,211	\$ 9,341	154,171	242,947	8,389	848,545	14,575	12,941	11,214
FUND BALANCES - DECEMBER 31	\$ 8,409	\$ 9,341	\$ 194,138	\$ 315,976	\$ 9,889	\$ 926,168	\$ 19,932	\$ 4,237	\$ 6,742

HEMPSTEAD COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS								
	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail	District Court Cost	Voluntary Tax / Deputies Salaries	South Arkansas Water System Grant	Automated Records System Grant
REVENUES									
State aid									
Federal aid									
Property taxes				\$ 1,055			\$ 14,074		
Sales taxes					\$ 1,964,033				
Fines, forfeitures, and costs	\$ 1,500	\$ 853				\$ 7,773			
Interest				250	24,893				
Officers' fees			\$ 194						
Insurance premiums collected									
Jail fees					320,987				
911 fees									
Sanitation fees									
Commissary profits									
Insurance proceeds									
Treasurer's commission									
Collector's commission									
Other	294				80,771	1,059	10		
TOTAL REVENUES	1,794	853	194	1,305	2,390,684	8,832	14,084		
Less: Treasurer's commission	15		2	13	29,103	84	143		
NET REVENUES	1,779	853	192	1,292	2,361,581	8,748	13,941		
EXPENDITURES									
Current:									
General government				5,802					
Law enforcement	1,429				2,191,999	2,266	12,741		
Public safety									
Sanitation									
Recreation and culture									
TOTAL EXPENDITURES	1,429			5,802	2,191,999	2,266	12,741		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	350	853	192	(4,510)	169,582	6,482	1,200		
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Sales tax remitted to University of Arkansas at Hope									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	350	853	192	(4,510)	169,582	6,482	1,200		
FUND BALANCES - JANUARY 1	24,800	17,633	1,776	9,922	547,211	81,497	4,260	\$ 1	\$ 1
FUND BALANCES - DECEMBER 31	\$ 25,150	\$ 18,486	\$ 1,968	\$ 5,412	\$ 716,793	\$ 87,979	\$ 5,460	\$ 1	\$ 1

HEMPSTEAD COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						
	Selective Traffic Enforcement Grant	Law Library	University of Arkansas Community College at Hope	Hempstead / Nevada County Drug Court Grant	American Rescue Plan Act	Adult Drug Court	Juvenile Drug Court Grant
REVENUES							
State aid							\$ 6,000
Federal aid	\$ 23,680						
Property taxes							
Sales taxes			\$ 1,964,033				
Fines, forfeitures, and costs		\$ 14,106					
Interest		5,456			\$ 534		
Officers' fees							
Insurance premiums collected							
Jail fees							
911 fees							
Sanitation fees							
Commissary profits							
Insurance proceeds							
Treasurer's commission							
Collector's commission							
Other							
TOTAL REVENUES	23,680	19,562	1,964,033		534		6,000
Less: Treasurer's commission		144					
NET REVENUES	23,680	19,418	1,964,033		534		6,000
EXPENDITURES							
Current:							
General government							
Law enforcement	21,077	20,236				\$ 500	6,000
Public safety					5,148		
Sanitation							
Recreation and culture							
TOTAL EXPENDITURES	21,077	20,236			5,148	500	6,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,603	(818)	1,964,033		(4,614)	(500)	
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out					(3,279)		
Sales tax remitted to University of Arkansas at Hope			(1,964,033)				
TOTAL OTHER FINANCING SOURCES (USES)			(1,964,033)		(3,279)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,603	(818)			(7,893)	(500)	
FUND BALANCES - JANUARY 1		113,895		\$ 4,046	8,907	15,226	\$ 1
FUND BALANCES - DECEMBER 31	\$ 2,603	\$ 113,077	\$ 0	\$ 4,046	\$ 1,014	\$ 14,726	\$ 1

HEMPSTEAD COUNTY, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS			
	Juvenile Court Funds (AOC)	Federal Emergency Management Agency - Tornado Disaster	Capital Improvement / Courthouse	Courthouse Grant	Courthouse Security Station	Totals
REVENUES						
State aid				\$ 218,611	\$ 16,000	\$ 336,024
Federal aid		\$ 161,790				185,470
Property taxes						442,096
Sales taxes						5,109,425
Fines, forfeitures, and costs						186,685
Interest			\$ 86,283			371,383
Officers' fees						120,999
Insurance premiums collected						120
Jail fees						324,362
911 fees						319,852
Sanitation fees						376,379
Commissary profits						42,557
Insurance proceeds						195,600
Treasurer's commission						33,021
Collector's commission						79,114
Other						131,972
TOTAL REVENUES		161,790	86,283	218,611	16,000	8,255,059
Less: Treasurer's commission						54,931
NET REVENUES		161,790	86,283	218,611	16,000	8,200,128
EXPENDITURES						
Current:						
General government			6,103	220,312	15,809	375,884
Law enforcement	\$ 1,967					2,423,581
Public safety						288,073
Sanitation						1,864,241
Recreation and culture						536,390
TOTAL EXPENDITURES	1,967		6,103	220,312	15,809	5,488,169
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,967)	161,790	80,180	(1,701)	191	2,711,959
OTHER FINANCING SOURCES (USES)						
Transfers in						26,500
Transfers out						(3,279)
Sales tax remitted to University of Arkansas at Hope						(1,964,033)
TOTAL OTHER FINANCING SOURCES (USES)						(1,940,812)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,967)	161,790	80,180	(1,701)	191	771,147
FUND BALANCES - JANUARY 1	5,000		3,613,553	25,000		10,364,683
FUND BALANCES - DECEMBER 31	\$ 3,033	\$ 161,790	\$ 3,693,733	\$ 23,299	\$ 191	\$ 11,135,830

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(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 record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Solid Waste	Ark. Code Ann. § 8-6-212 established fund to collect fees and other funds to defray the county's share of the cost of operating the solid waste management facility.
County Clerk Operating	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for county clerk's cost.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communications equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Indigent Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail. Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
County Jail	Hempstead County Ordinance nos. 1991-31 and 1991-32 (December 19, 1991) established fund to receive sales tax revenues to be used for the payment of bonds for the construction of a jail and for maintenance and operation of the Hempstead County Jail. All bonds were retired in 2003. Revenues are currently used for the operation and maintenance of the jail facility. Hempstead County Ordinance no. 2012-06 (February 23, 2012) (pursuant to Ark. Code Ann. § 12-41-505) requiring every person who may be committed to the common jail of the County for any criminal offense or misdemeanor, if he or she shall pay the expenses of carrying him or her to jail and also for his or her support from the day of his or her initial incarceration for the whole time he or she remains there.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Voluntary Tax / Deputies Salaries	Hempstead County Ordinance no. 2015-16 (October 22, 2015), pursuant to Ark. Code Ann. §§ 26-25-106, 26-73-103, established fund to receive annual voluntary tax in the amount of \$10 levied on every tax statement for real property in Hempstead County. The funds are to be used to increase the salaries of certified Hempstead County Sheriff deputies.
South Arkansas Water System Grant	Established to account for federal grant proceeds for construction of water lines to service residents within Hempstead County who are currently without a dependable source of drinking water.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Automated Records System Grant	Established to account for an Association of Arkansas Counties Automated Records Fund Grant, authorized by Ark. Code Ann. § 14-20-107, to purchase technology to improve the automation of the Circuit Clerk's office and/or the services that office may provide.
Selective Traffic Enforcement Grant	Established to account for federal grant proceeds to be used by law enforcement for equipment, technology, and overtime expenses during high visibility traffic safety campaigns and/or mobilizations.
Law Library	Ark. Code Ann. §§ 16-23-101 - 105 established fund to receive costs levied on criminal and civil cases to be used for any purpose related to the establishment, maintenance, and operations of a county law library.
University of Arkansas Community College at Hope	Established to receive and remit two one-quarter cent sales taxes to UACCH to be used for acquiring, constructing, equipping, operating, and maintaining capital improvements. The sales taxes were approved by voters on March 5, 1996, and March 11, 2008.
Hempstead / Nevada County Drug Court Grant	Established to account for an Arkansas Community Correction grant and a private donation to be used for drug court purposes.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Adult Drug Court	Established to account for an Arkansas Community Correction grant to be used for adult drug court purposes.
Juvenile Drug Court Grant	Established to account for an Arkansas Specialty Court Program grant to be used for juvenile drug court program.
Economic Development Grant - Tyson	Established to account for federal grant proceeds for highway infrastructure improvements in association with industrial development.
Juvenile Court Funds (AOC)	Established to account for an Administrative Office of Courts grant to be used for juvenile officer services.

HEMPSTEAD COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025
(UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Federal Emergency Management Agency - Tornado Disaster	Established to account for federal monies that reimbursed the County for tornado damages.
Capital Improvement / Courthouse	Hempstead County Ordinance no. 2017-26 (December 12, 2017) established fund to receive monies set aside by the Quorum Court to fund renovation of new courthouse property. Hempstead County Ordinance no. 2019-21 (December 2, 2019), as approved by referendum on March 3, 2020, providing for the levy of a temporary 1% sales and use tax, which expired on June 30, 2022. The tax is to be used for acquiring, constructing, improving, remodeling, equipping, furnishing, repairing, operating, and maintaining a new County courthouse, and any necessary land acquisition, relocation costs and parking, drainage, flood control, lighting, street, road, curb, and utility improvements therefore and preserving, repairing and demolishing all or a portion of the existing County courthouse and remediating any environmental hazards therein or associated therewith.
Courthouse Grant	Established to account for grant received from the Arkansas Historic Preservation Program, an agency of the Department of Arkansas Heritage, for repairs to restore the courthouse.
Courthouse Security Station	Established to account for an Administrative Office of Courts grant to be used for tasers and accessories.
Treasurer's accounts consist primarily of property taxes, treasurer's commission, collector's commission, officer's fees, and interest not distributed to the appropriate agencies.	
Collector's accounts consist primarily of current and delinquent taxes not yet distributed to the various taxing units.	
Sheriff's accounts consist primarily of fees settlement, trust money, and inmate trust money.	
County Clerk's accounts consist primarily of trust money.	
Circuit Clerk's accounts consist of trust money and settlements due to the treasurer.	
District Court accounts consist primarily of fines and costs not yet distributed to the county and/or state.	

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

1. A. Basis of Presentation - Regulatory

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects 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.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(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, and treasurer's commission, collector's commission, excess assessor's salary and expense, and other funds that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

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.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

1. (Continued)

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

2. Details of Fund Balance Classifications

Fund balance classifications at December 31, 2025, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,271,313
Law enforcement			916,868
Highways and streets			161,790
Public safety			944,654
Recreation and culture			1,289,873
Capital outlay			23,490
Total Restricted			<u>4,607,988</u>
Committed for:			
Highways and streets		\$ 4,117,791	
Sanitation			35,596
Capital outlay			3,635,661
Total Committed		<u>4,117,791</u>	<u>3,671,257</u>
Assigned to:			
General government			26,000
Law enforcement	\$ 2,000		711,352
Sanitation			2,061,161
Capital outlay			58,072
Total Assigned	<u>2,000</u>		<u>2,856,585</u>
Unassigned	<u>3,449,100</u>		
Totals	<u>\$ 3,451,100</u>	<u>\$ 4,117,791</u>	<u>\$ 11,135,830</u>

3. Commitments

Total commitments consist of the following at December 31, 2025:

	December 31, 2025
Long-term liabilities	\$ 220,370
Reappraisal contract	<u>148,300</u>
Total Commitments	<u>\$ 368,670</u>

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

3. Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2025, are comprised of the following:

	<u>December 31, 2025</u>
Arkansas District Judge Retirement unfunded liability due to the Arkansas Public Retirement System (APERS) determined by actuarial valuation as of December 31, 2004, and amortized over a 30-year period. Payment amounts are adjusted annually by APERS. Payments are to be made from the General Fund.	\$ 70,514
Compensated absences consisting of accrued vacation adjusted to current salary cost	<u>149,856</u>
Total Long-term liabilities	<u>\$ 220,370</u>

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

Change in Compensated Absences

	<u>December 31, 2025</u>
Beginning balance compensated absences	\$ 150,927
Ending balance compensated absences	<u>149,856</u>
Net increase (decrease)	<u>\$ (1,071)</u>

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 on November 29, 2021, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$12,358 for a total of \$741,500 beginning February 1, 2022. Contract expense for 2025, was \$148,300.

The County is obligated for the following amount at December 31, 2025:

<u>Year</u>	<u>December 31, 2025</u>
2026	<u>\$ 148,300</u>

4. Interfund Transfers

The General Fund transferred \$26,500 to Other Funds in the Aggregate (Communication Facility and Equipment - \$8,000, Victim/Witness - \$7,000, and Indigent Defense - \$11,500) for operating purposes. The Other Funds in the Aggregate (American Rescue Plan Act) transferred \$3,279 of interest earned to the General Fund.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

5. Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid Upper Southwest Arkansas Regional Solid Waste Management District \$168,034 during 2025. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada and Polk Counties and participating cities within the counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate audited financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District are available at www.arklegaudit.gov.

Eighth North Drug Task Force

The Prosecuting Attorney of the Eighth-North Judicial District, the Sheriffs' Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott entered into an agreement to establish the Eighth North Drug Task Force. The agreement became effective on April 1, 2018, and shall be in effect until such time a party provides notice of their intent not to continue in this task force. The task force is governed by a board of directors consisting of the Prosecuting Attorney, Hempstead County Sheriff, Nevada County Sheriff, Prescott Police Chief, and Hope Police Chief. Funding for the task force will come from monies seized by officers during drug arrests and forfeited by court order to the Eighth North Judicial District Drug Control Fund administered by the Prosecutor's office. There were no payments made to or on behalf of the Eighth North Drug Task Force by the County in 2025. Separate financial statements for the Eighth North Drug Task Force are not available.

6. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 6.00% as of July 1, 2025. 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, 2025, (date of APERS Employer Allocation Report) were \$764,623.

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, 2025, (actuarial valuation date and measurement date) was \$4,375,744.

HEMPSTEAD COUNTY, ARKANSAS
OTHER GENERAL INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

7. Capital Assets

The County's capital assets records are summarized below:

	December 31, 2025
Land	\$ 587,437
Buildings	16,011,852
Equipment	<u>10,099,022</u>
Total	<u>\$ 26,698,311</u>

8. Acquisition, Operation, and Lease of Hospital Facilities

On September 11, 2024, the City of Hope and Hempstead County were transferred ownership of the Wadley Regional Medical Center at Hope.

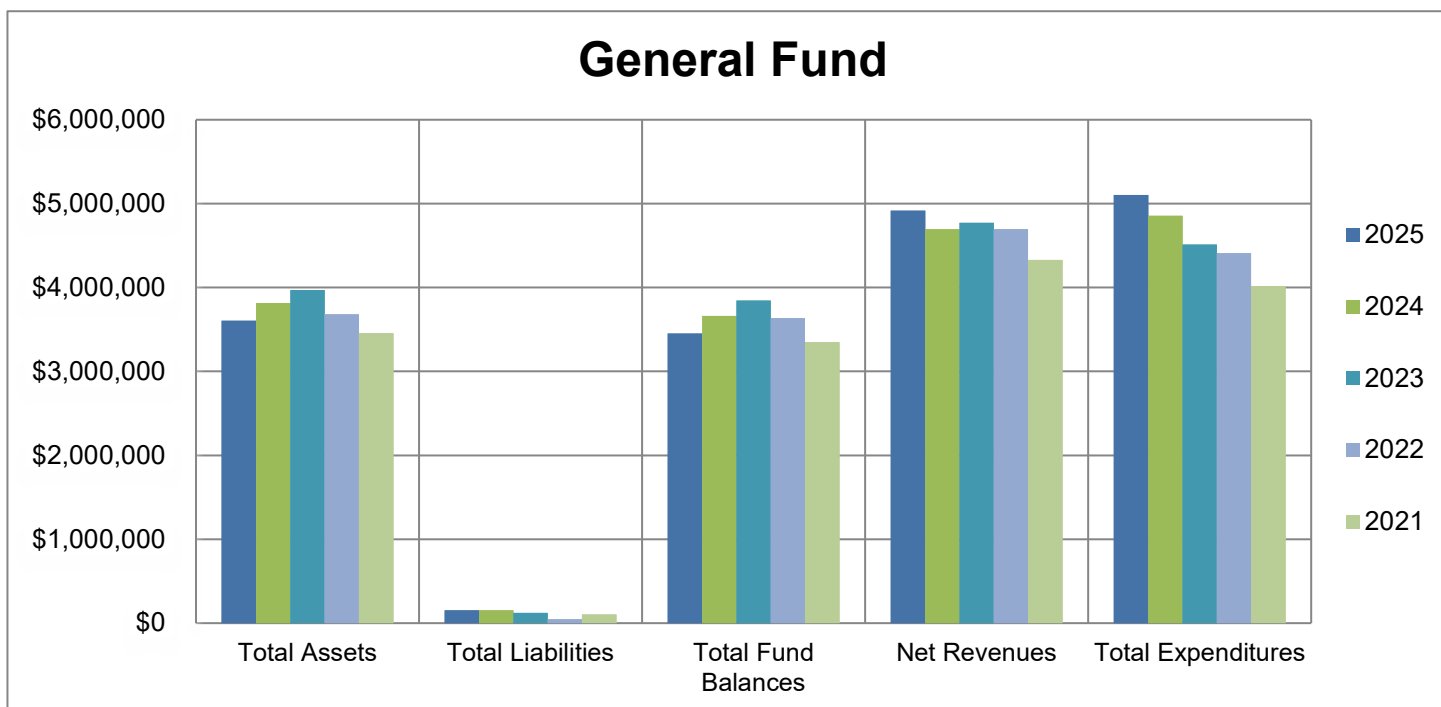
On September 20, 2024, Southwest Arkansas Regional Medical Center, LLC entered into a lease agreement with the City of Hope and Hempstead County to lease the facilities until December 31, 2029, for \$1 annually.

On November 20, 2024, the City of Hope and Hempstead County declared the threat of the Hospital closing to be a public emergency and each appropriated \$1,000,000 toward hospital operations taken over by Southwest Arkansas Regional Medical Center, LLC. The initial payment of \$400,000 was made immediately and the remaining payments were to be made in six monthly payments of \$100,000 due on the 15th day of each month. Payments during 2025 totaled \$500,000.

HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 3-1

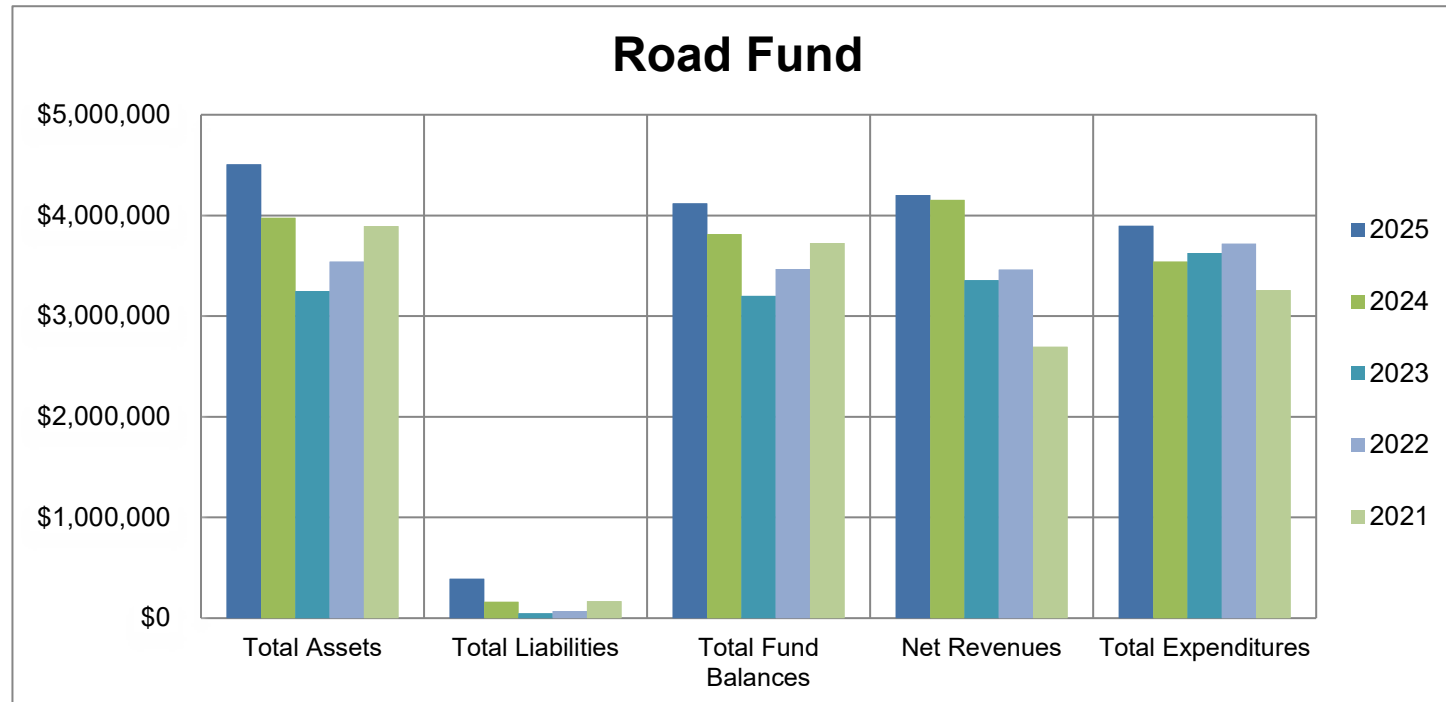
<u>General</u>	2025	2024	2023	2022	2021
Total Assets	\$ 3,603,725	\$ 3,812,789	\$ 3,970,015	\$ 3,679,969	\$ 3,454,492
Total Liabilities	152,625	151,817	124,158	46,571	104,818
Total Fund Balances	3,451,100	3,660,972	3,845,857	3,633,398	3,349,674
Net Revenues	4,916,871	4,696,983	4,770,890	4,695,215	4,327,352
Total Expenditures	5,103,522	4,854,868	4,510,867	4,407,441	4,017,602
Total Other Financing Sources/Uses	(23,221)	(27,000)	(47,564)	(4,050)	



HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 3-2

<u>Road</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Assets	\$ 4,507,415	\$ 3,976,292	\$ 3,247,898	\$ 3,539,355	\$ 3,893,635
Total Liabilities	389,624	162,196	48,524	70,506	168,586
Total Fund Balances	4,117,791	3,814,096	3,199,374	3,468,849	3,725,049
Net Revenues	4,200,395	4,155,757	3,356,146	3,461,895	2,695,172
Total Expenditures	3,896,700	3,541,035	3,625,621	3,718,095	3,256,993
Total Other Financing Sources/Uses					



HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2025
(UNAUDITED)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Assets	\$ 13,515,170	\$ 12,697,966	\$ 12,895,456	\$ 14,103,435	\$ 9,831,738
Total Liabilities	2,379,340	2,333,283	2,177,058	2,294,527	2,077,940
Total Fund Balances	11,135,830	10,364,683	10,718,398	11,808,908	7,753,798
Net Revenues	8,200,128	7,309,838	7,572,365	11,732,376	13,313,699
Total Expenditures	5,488,169	5,736,326	6,797,810	5,784,273	8,028,034
Total Other Financing Sources/Uses	(1,940,812)	(1,927,227)	(1,865,065)	(1,892,993)	(1,732,391)

