

Newton County Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



NEWTON COUNTY, ARKANSAS
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Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 15, 2025
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Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Newton County, Arkansas (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated May 15, 2025. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

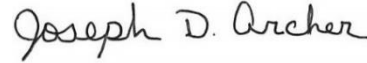
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

We also reported to management of the County in a separate letter dated May 15, 2025.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 15, 2025

Arkansas

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



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

County Judge: Warren Campbell
Treasurer: Vickie Bartholomew
Sheriff: Glenn Wheeler
Tax Collector: Nedra Daniels
County/Circuit Clerk: Donnie Davis
Assessor: Stephen Willis
County Librarian: Kenya Windel
District Court Clerk: Amanda Hodge (hired December 22, 2023)
Kortnie House (hired March 6, 2023; resigned December 22, 2023)
Lisa Villines (resigned March 6, 2023)

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

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink that reads "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 15, 2025

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,834,227	\$ 61,504	\$ 2,453,529
Accounts receivable	156,279	37,765	18,954
	<u>3,990,506</u>	<u>99,269</u>	<u>2,472,483</u>
TOTAL ASSETS	<u>\$ 3,990,506</u>	<u>\$ 99,269</u>	<u>\$ 2,472,483</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 78,189	\$ 153,117	\$ 63,052
Settlements pending	21,333		601,703
Total Liabilities	<u>99,522</u>	<u>153,117</u>	<u>664,755</u>
Fund Balances:			
Restricted			1,039,795
Committed			793,146
Assigned	361		
Unassigned	3,890,623	(53,848)	(25,213)
Total Fund Balances	<u>3,890,984</u>	<u>(53,848)</u>	<u>1,807,728</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,990,506</u>	<u>\$ 99,269</u>	<u>\$ 2,472,483</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 568,566	\$ 1,638,179	\$ 143,828
Federal aid	1,548,010	347,910	37,851
Property taxes	483,026	241,018	85,221
Sales taxes	235,030		436,485
Fines, forfeitures, and costs	87,441		52,995
Interest	103,160	8,573	27,589
Officers' fees	51,875		32,223
Sanitation fees	199,626		
911 fees			139,952
Jail fees			216,504
Commissary profits			35,366
Treasurer's commission	104,337		11,593
Collector's commission	149,581		19,101
Taxes apportioned - Assessor's salary and expense	195,209		
Other	31,506	60,706	45,900
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	3,757,367	2,296,386	1,284,608
Less: Treasurer's commission	42,076	39,020	20,635
	<hr/>	<hr/>	<hr/>
NET REVENUES	3,715,291	2,257,366	1,263,973
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	1,754,440		285,710
Law enforcement	181,166		1,350,877
Highways and streets		2,992,172	658,628
Public safety	37,242		18,421
Sanitation	521,019		112,374
Health	14,266		
Recreation and culture			131,868
Social services	50,853		
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TOTAL EXPENDITURES	2,558,986	2,992,172	2,557,878
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NEWTON COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,156,305	\$ (734,806)	\$ (1,293,905)
OTHER FINANCING SOURCES (USES)			
Transfers in	9,408	15,966	1,119,764
Transfers out	(800,000)		(345,138)
TOTAL OTHER FINANCING SOURCES (USES)	(790,592)	15,966	774,626
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	365,713	(718,840)	(519,279)
FUND BALANCES - JANUARY 1	3,525,271	664,992	2,327,007
FUND BALANCES - DECEMBER 31	\$ 3,890,984	\$ (53,848)	\$ 1,807,728

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 458,878	\$ 568,566	\$ 109,688	\$ 998,000	\$ 1,638,179	\$ 640,179
Federal aid	1,516,000	1,548,010	32,010	1,093,532	347,910	(745,622)
Property taxes	450,000	483,026	33,026	195,100	241,018	45,918
Sales taxes	225,000	235,030	10,030			
Fines, forfeitures, and costs	75,000	87,441	12,441			
Interest	50,000	103,160	53,160	1,000	8,573	7,573
Officers' fees	49,700	51,875	2,175			
Sanitation fees	175,000	199,626	24,626			
Treasurer's commission	100,000	104,337	4,337			
Collector's commission	120,000	149,581	29,581			
Taxes apportioned - Assessor's salary and expense	135,000	195,209	60,209	100		(100)
Other	2,500	31,506	29,006	54,000	60,706	6,706
TOTAL REVENUES	3,357,078	3,757,367	400,289	2,341,732	2,296,386	(45,346)
Less: Treasurer's commission		42,076	(42,076)		39,020	(39,020)
NET REVENUES	3,357,078	3,715,291	358,213	2,341,732	2,257,366	(84,366)
EXPENDITURES						
Current:						
General government	2,181,498	1,754,440	427,058			
Law enforcement	212,783	181,166	31,617			
Highways and streets				3,125,000	2,992,172	132,828
Public safety	47,000	37,242	9,758			
Sanitation	550,000	521,019	28,981			
Health	19,600	14,266	5,334			
Social services	55,986	50,853	5,133			
TOTAL EXPENDITURES	3,066,867	2,558,986	507,881	3,125,000	2,992,172	132,828

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 290,211	\$ 1,156,305	\$ 866,094	\$ (783,268)	\$ (734,806)	\$ 48,462
OTHER FINANCING SOURCES (USES)						
Transfers in	19,890	9,408	(10,482)		15,966	15,966
Transfers out	(815,175)	(800,000)	15,175			
TOTAL OTHER FINANCING SOURCES (USES)	(795,285)	(790,592)	4,693		15,966	15,966
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(505,074)	365,713	870,787	(783,268)	(718,840)	64,428
FUND BALANCES - JANUARY 1	3,525,271	3,525,271	0	664,992	664,992	0
FUND BALANCES - DECEMBER 31	\$ 3,020,197	\$ 3,890,984	\$ 870,787	\$ (118,276)	\$ (53,848)	\$ 64,428

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, officer's fees, solid waste fees, excess commissions, property taxes and trust 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.

E. Property Taxes

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,209,317	\$ 1,209,293
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the County's name	5,139,191	5,359,764
Total Deposits	<u>\$ 6,348,508</u>	<u>\$ 6,569,057</u>

The above total deposits do not include cash on hand of \$752.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid		\$ 37,765	
Property taxes	\$ 2,921		
Fines, forfeitures, and costs	4,246		\$ 2,203
Interest	6,361		163
Officers' fees	3,994		2,542
Sanitation fees	21,005		
Jail fees			9,507
Treasurer's commission	104,337		4,539
Taxes apportioned - Assessor's salary and expense	13,415		
Totals	<u>\$ 156,279</u>	<u>\$ 37,765</u>	<u>\$ 18,954</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 19,451	\$ 19,850	\$ 35,769
Salaries payable	20,437	13,993	12,733
Payroll taxes payable	38,301	119,274	14,550
Totals	<u>\$ 78,189</u>	<u>\$ 153,117</u>	<u>\$ 63,052</u>

NOTE 6: Federal Funds Program Compliance

Newton County's federal grants were in the process of being audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

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

NOTE 7: 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			\$ 458,461
Law enforcement			74,826
Public safety			368,756
Recreation and culture			137,752
Total Restricted			<u>1,039,795</u>
Committed for:			
Highways and streets			<u>793,146</u>
Assigned to:			
General government	<u>\$ 361</u>		
Unassigned	<u>3,890,623</u>	<u>\$ (53,848)</u>	<u>(25,213)</u>
Totals	<u><u>\$ 3,890,984</u></u>	<u><u>\$ (53,848)</u></u>	<u><u>\$ 1,807,728</u></u>

NOTE 8: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2023:

	December 31, 2023
Road Fund	\$ (53,848)
Other Funds in the Aggregate:	
Special Revenue Fund:	
County Jail and Sheriff's Operation	<u>(25,213)</u>
Total	<u><u>\$ (79,061)</u></u>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for bonded debt was \$9,993,835. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2023, the legal debt limit for short-term financing obligations was \$2,854,027. There were no short-term financing obligations.

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

NOTE 10: Commitments

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

Long-term Liabilities

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

	December 31, 2023
Reappraisal contract	\$ 375,141

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Post Employment Benefits Other Than Pensions

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

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corp on November 8, 2022, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$8,583 for a total of \$308,988 beginning January 15, 2023. On August 1, 2023, the contract was amended to \$474,300 for 60 months with the remaining 53 monthly payments being \$7,816. Contract expense for 2023, was \$99,158.

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

Year	December 31, 2023
2024	\$ 93,785
2025	93,785
2026	93,785
2027	93,786
Total	\$ 375,141

NOTE 11: Interfund Transfers

The General Fund transferred \$800,000 to the Other Funds in the Aggregate for jail operations. The Other Funds in the Aggregate transferred \$9,408 to the General Fund and \$15,966 to the Road Fund for prior year expenditures. Within Other Funds in the Aggregate, \$1,091 was transferred for prior year expenditures and \$318,673 for operations.

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

NOTE 12: Jointly Governed Organizations

Ozark Mountain Solid Waste District

The County is a member of the Ozark Mountain Solid Waste District. The District is a jointly governed organization comprised of representatives from Baxter, Boone, Marion, Newton, and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Payments of \$300 were made by the County in 2023 to Ozark Mountain Solid Waste District.

Fourteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Fourteenth Judicial District, the Sheriffs' Departments of Baxter, Boone, Marion, and Newton Counties, and the Police Departments of Harrison and Mountain Home entered into an agreement to establish the Fourteenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fourteenth Judicial District. Financial statements of the Fourteenth Judicial District Drug Task Force are not available.

NOTE 13: Risk Management

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

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

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

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

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

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

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

NOTE 13: Risk Management (Continued)

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

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2023. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2023, (date of APERS Employer Allocation Report) were \$372,661.

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 \$3,198,318.

NOTE 15: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2022, the County was awarded \$1,894,335 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, \$1,894,335 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Library Board
ASSETS								
Cash and cash equivalents	\$ 38,454	\$ 120,610	\$ 18,496	\$ 32,601	\$ 22,339	\$ 13,691	\$ 90,207	\$ 51,464
Accounts receivable	4,539		130	163		1,081		
TOTAL ASSETS	<u>\$ 42,993</u>	<u>\$ 120,610</u>	<u>\$ 18,626</u>	<u>\$ 32,764</u>	<u>\$ 22,339</u>	<u>\$ 14,772</u>	<u>\$ 90,207</u>	<u>\$ 51,464</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 3,455	\$ 1,151				\$ 727	\$ 3,919	
Settlements pending								
Total Liabilities	<u>3,455</u>	<u>1,151</u>				<u>727</u>	<u>3,919</u>	
Fund Balances:								
Restricted	39,538	119,459	\$ 18,626	\$ 32,764	\$ 22,339	14,045	86,288	\$ 51,464
Committed								
Unassigned								
Total Fund Balances	<u>39,538</u>	<u>119,459</u>	<u>18,626</u>	<u>32,764</u>	<u>22,339</u>	<u>14,045</u>	<u>86,288</u>	<u>51,464</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 42,993</u>	<u>\$ 120,610</u>	<u>\$ 18,626</u>	<u>\$ 32,764</u>	<u>\$ 22,339</u>	<u>\$ 14,772</u>	<u>\$ 90,207</u>	<u>\$ 51,464</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Public Defender	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail and Sheriff's Operation	County Road Sales Tax Matching	County Road Sales Tax Machinery
ASSETS								
Cash and cash equivalents	\$ 3,471	\$ 353,306	\$ 6,037	\$ 1,348	\$ 3,188	\$ 11,290	\$ 668,091	\$ 125,055
Accounts receivable						13,041		
TOTAL ASSETS	<u>\$ 3,471</u>	<u>\$ 353,306</u>	<u>\$ 6,037</u>	<u>\$ 1,348</u>	<u>\$ 3,188</u>	<u>\$ 24,331</u>	<u>\$ 668,091</u>	<u>\$ 125,055</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 1,295				\$ 49,544		
Settlements pending								
Total Liabilities		<u>1,295</u>				<u>49,544</u>		
Fund Balances:								
Restricted	\$ 3,471	352,011	\$ 6,037	\$ 1,348	\$ 3,188		\$ 668,091	\$ 125,055
Committed								
Unassigned						(25,213)		
Total Fund Balances	<u>3,471</u>	<u>352,011</u>	<u>6,037</u>	<u>1,348</u>	<u>3,188</u>	<u>(25,213)</u>	<u>668,091</u>	<u>125,055</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,471</u>	<u>\$ 353,306</u>	<u>\$ 6,037</u>	<u>\$ 1,348</u>	<u>\$ 3,188</u>	<u>\$ 24,331</u>	<u>\$ 668,091</u>	<u>\$ 125,055</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS				
	Title III Forest Reserve	Communication Facility and Equipment	Emergency Medical Services	American Rescue Plan Revenue Replacement Fund	Parthenon Voluntary Fire Rural Community Grant
ASSETS					
Cash and cash equivalents	\$ 28,054	\$ 5,044	\$ 1,745	\$ 242,335	\$ 15,000
Accounts receivable					
TOTAL ASSETS	<u>\$ 28,054</u>	<u>\$ 5,044</u>	<u>\$ 1,745</u>	<u>\$ 242,335</u>	<u>\$ 15,000</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 544			\$ 2,417	
Settlements pending					
Total Liabilities	<u>544</u>			<u>2,417</u>	
Fund Balances:					
Restricted	27,510	\$ 5,044	\$ 1,745	239,918	\$ 15,000
Committed					
Unassigned					
Total Fund Balances	<u>27,510</u>	<u>5,044</u>	<u>1,745</u>	<u>239,918</u>	<u>15,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,054</u>	<u>\$ 5,044</u>	<u>\$ 1,745</u>	<u>\$ 242,335</u>	<u>\$ 15,000</u>

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

Schedule 1

	CUSTODIAL FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	District Court Accounts	County Judge Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 156,852	\$ 73,659	\$ 78,222	\$ 252,352	\$ 19,613	\$ 21,005	\$ 2,453,529
Accounts receivable							18,954
TOTAL ASSETS	<u>\$ 156,852</u>	<u>\$ 73,659</u>	<u>\$ 78,222</u>	<u>\$ 252,352</u>	<u>\$ 19,613</u>	<u>\$ 21,005</u>	<u>\$ 2,472,483</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 63,052
Settlements pending	\$ 156,852	\$ 73,659	\$ 78,222	\$ 252,352	\$ 19,613	\$ 21,005	601,703
Total Liabilities	<u>156,852</u>	<u>73,659</u>	<u>78,222</u>	<u>252,352</u>	<u>19,613</u>	<u>21,005</u>	<u>664,755</u>
Fund Balances:							
Restricted							1,039,795
Committed							793,146
Unassigned							(25,213)
Total Fund Balances							<u>1,807,728</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 156,852</u>	<u>\$ 73,659</u>	<u>\$ 78,222</u>	<u>\$ 252,352</u>	<u>\$ 19,613</u>	<u>\$ 21,005</u>	<u>\$ 2,472,483</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	County Library Board
REVENUES								
State aid					\$ 3,584		\$ 47,806	
Federal aid								
Property taxes							84,993	
Sales taxes								
Fines, forfeitures, and costs								
Interest	\$ 970	\$ 2,909	\$ 2,531	\$ 4,218	604	\$ 928	2,000	\$ 1,272
Officers' fees				816		13,597		
911 fees								
Jail fees								
Commissary profits								
Treasurer's commission	11,593							
Collector's commission		19,101						
Other							662	9,506
TOTAL REVENUES	12,563	22,010	2,531	5,034	4,188	14,525	135,461	10,778
Less: Treasurer's commission		58	57	102	12	295	2,363	
NET REVENUES	12,563	21,952	2,474	4,932	4,176	14,230	133,098	10,778
EXPENDITURES								
Current:								
General government	8,973	15,824	374			36,969		
Law enforcement								
Highways and streets								
Public safety								
Sanitation								
Recreation and culture							120,781	11,087
TOTAL EXPENDITURES	8,973	15,824	374			36,969	120,781	11,087
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,590	6,128	2,100	4,932	4,176	(22,739)	12,317	(309)
OTHER FINANCING SOURCES (USES)								
Transfers in							1,091	
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)							1,091	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,590	6,128	2,100	4,932	4,176	(22,739)	13,408	(309)
FUND BALANCES - JANUARY 1	35,948	113,331	16,526	27,832	18,163	36,784	72,880	51,773
FUND BALANCES - DECEMBER 31	\$ 39,538	\$ 119,459	\$ 18,626	\$ 32,764	\$ 22,339	\$ 14,045	\$ 86,288	\$ 51,464

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Public Defender	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	County Jail and Sheriff's Operation	County Road Sales Tax Matching	County Road Sales Tax Machinery
REVENUES								
State aid	\$ 749		\$ 1,431			\$ 12,884		
Federal aid						6,600		
Property taxes					\$ 228			
Sales taxes							\$ 235,030	\$ 201,455
Fines, forfeitures, and costs						46,246		
Interest						531	15,168	2,381
Officers' fees				\$ 91		15,832		
911 fees		\$ 139,952						
Jail fees						216,504		
Commissary profits								
Treasurer's commission								
Collector's commission								
Other						32,017		3,715
TOTAL REVENUES	749	139,952	1,431	91	228	330,614	250,198	207,551
Less: Treasurer's commission	15	2,293	21	2	5	5,718	5,003	4,076
NET REVENUES	734	137,659	1,410	89	223	324,896	245,195	203,475
EXPENDITURES								
Current:								
General government								
Law enforcement			4,871			1,230,913		
Highways and streets							519,678	138,950
Public safety		18,421						
Sanitation								
Recreation and culture								
TOTAL EXPENDITURES		18,421	4,871			1,230,913	519,678	138,950
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	734	119,238	(3,461)	89	223	(906,017)	(274,483)	64,525
OTHER FINANCING SOURCES (USES)								
Transfers in						904,200		
Transfers out		(104,200)						
TOTAL OTHER FINANCING SOURCES (USES)		(104,200)				904,200		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	734	15,038	(3,461)	89	223	(1,817)	(274,483)	64,525
FUND BALANCES - JANUARY 1	2,737	336,973	9,498	1,259	2,965	(23,396)	942,574	60,530
FUND BALANCES - DECEMBER 31	\$ 3,471	\$ 352,011	\$ 6,037	\$ 1,348	\$ 3,188	\$ (25,213)	\$ 668,091	\$ 125,055

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Recycling Grant	Title III Forest Reserve	Communication Facility and Equipment	Emergency Medical Services	American Rescue Plan Act	American Rescue Plan Revenue Replacement Fund	Public Safety Equipment Grant	Parthenon Voluntary Fire Rural Community Grant	Totals
REVENUES									
State aid							\$ 62,374	\$ 15,000	\$ 143,828
Federal aid		\$ 30,755	\$ 496						37,851
Property taxes									85,221
Sales taxes									436,485
Fines, forfeitures, and costs									52,995
Interest			10						27,589
Officers' fees			2,703						32,223
911 fees									139,952
Jail fees									216,504
Commissary profits			35,366						35,366
Treasurer's commission									11,593
Collector's commission									19,101
Other									45,900
TOTAL REVENUES		30,755	38,575				62,374	15,000	1,284,608
Less: Treasurer's commission		615							20,635
NET REVENUES		30,140	38,575				62,374	15,000	1,263,973
EXPENDITURES									
Current:									
General government					\$ 215,403	\$ 8,167			285,710
Law enforcement		33,449	75,015		6,629				1,350,877
Highways and streets									658,628
Public safety									18,421
Sanitation	\$ 50,000						62,374		112,374
Recreation and culture									131,868
TOTAL EXPENDITURES	50,000	33,449	75,015		222,032	8,167	62,374		2,557,878
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(3,309)	(36,440)		(222,032)	(8,167)		15,000	(1,293,905)
OTHER FINANCING SOURCES (USES)									
Transfers in						214,473			1,119,764
Transfers out					(240,938)				(345,138)
TOTAL OTHER FINANCING SOURCES (USES)					(240,938)	214,473			774,626
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(50,000)	(3,309)	(36,440)		(462,970)	206,306		15,000	(519,279)
FUND BALANCES - JANUARY 1	50,000	30,819	41,484	\$ 1,745	462,970	33,612			2,327,007
FUND BALANCES - DECEMBER 31	\$ 0	\$ 27,510	\$ 5,044	\$ 1,745	\$ 0	\$ 239,918	\$ 0	\$ 15,000	\$ 1,807,728

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
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 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.
County Library Board	Established by Newton County Library Board to account for fees, fines, and donations received by the Library.
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.
Public Defender	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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
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 and Sheriff's Operation	Newton County Ordinance no. 2016-15 (December 6, 2016)(pursuant to Ark. Code Ann. § 16-17-129) levies 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. Established to account for 75% of Sheriff's fees collected in accordance with Ark. Code Ann. § 21-6-307. Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on person 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.
County Road Sales Tax Matching	Newton County Ordinance no. 92-45 (December 1, 1992) established fund to account for sales tax funds received for matching purposes.
County Road Sales Tax Machinery	Newton County Ordinance no. 92-45 (December 1, 1992) established fund to account for sales tax funds received for the purchase of machinery.
Recycling Grant	Established to account for recycling grant proceeds.
Title III Forest Reserve	Established to account for Federal Title III Forest Reserve Funds.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Emergency Medical Services	Maintained by the Emergency Medical Service Board for future building and maintenance projects.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
American Rescue Plan Revenue Replacement Fund	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Public Safety Equipment Grant	Established to account for Safety Grant funds.
Parthenon Voluntary Fire Rural Community Grant	Established to account for Rural Community Grant funds to be used for adding on to the Parthenon Fire Station.

Treasurer's accounts consist primarily of treasurer's commission and settlements not yet distributed to the appropriate agencies.

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

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

County/Circuit Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court and fee money to be settled with the treasurer.

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

County Judge's accounts consist primarily of solid waste fees awaiting settlement to the County Treasurer.

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

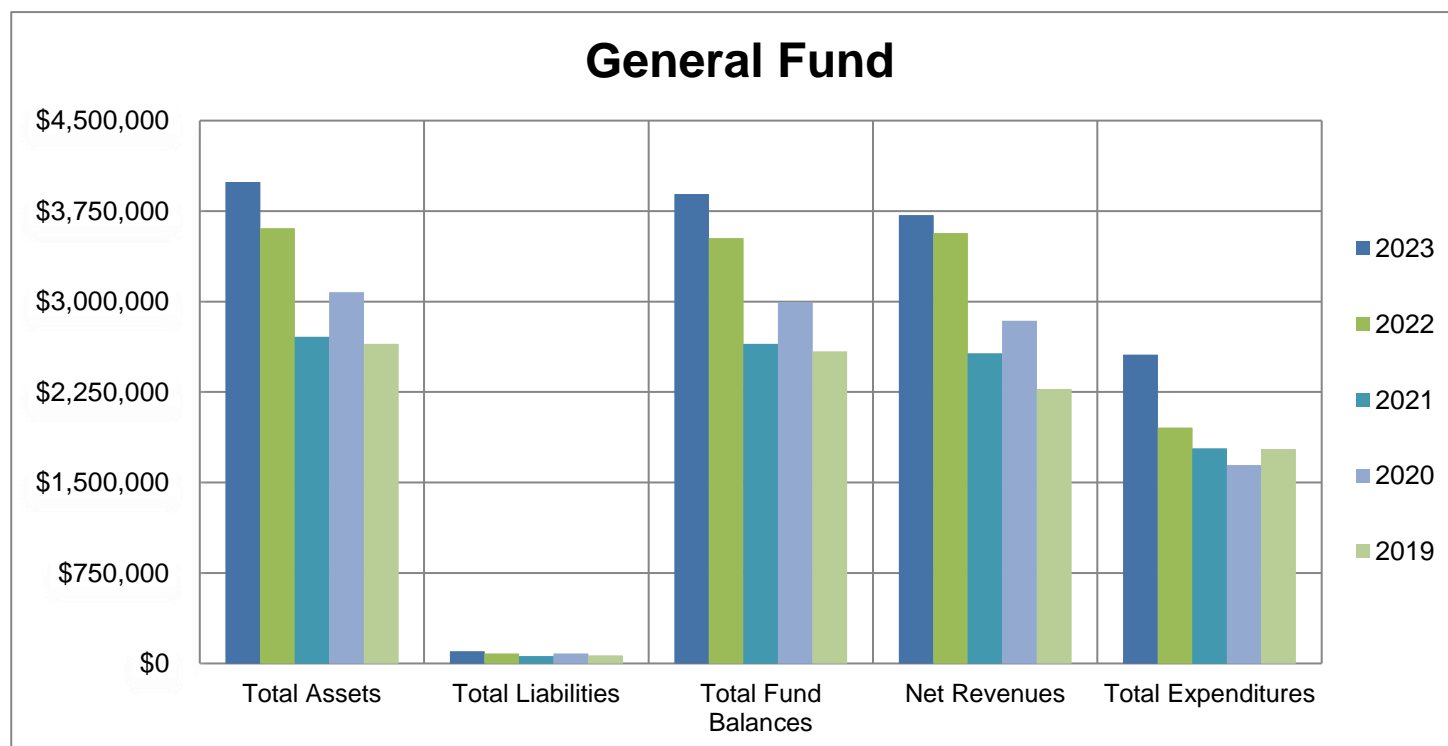
Schedule 3

	December 31, 2023
Land	\$ 2,000
Buildings	2,107,067
Equipment	<u>4,782,548</u>
Total	<u><u>\$ 6,891,615</u></u>

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

Schedule 4-1

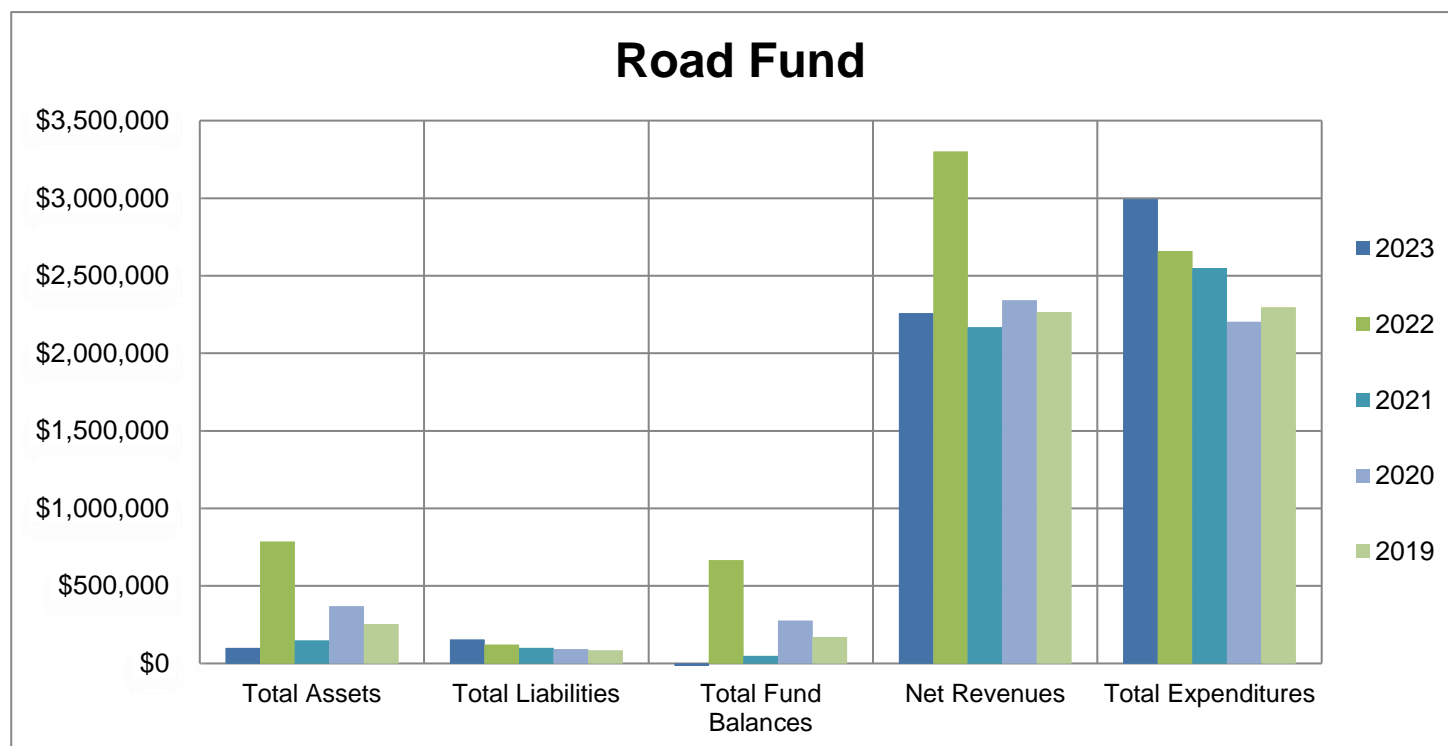
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 3,990,506	\$ 3,605,857	\$ 2,708,120	\$ 3,076,155	\$ 2,650,164
Total Liabilities	99,522	80,586	59,361	81,041	65,121
Total Fund Balances	3,890,984	3,525,271	2,648,759	2,995,114	2,585,043
Net Revenues	3,715,291	3,565,574	2,570,202	2,840,243	2,274,740
Total Expenditures	2,558,986	1,953,506	1,782,402	1,644,616	1,777,185
Total Other Financing Sources/Uses	(790,592)	(735,556)	(1,134,155)	(785,556)	(682,000)



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

Schedule 4-2

<u>Road</u>	2023	2022	2021	2020	2019
Total Assets	\$ 99,269	\$ 785,147	\$ 148,302	\$ 368,570	\$ 253,869
Total Liabilities	153,117	120,155	100,060	92,743	84,132
Total Fund Balances	(53,848)	664,992	48,242	275,827	169,737
Net Revenues	2,257,366	3,300,970	2,168,171	2,341,354	2,265,050
Total Expenditures	2,992,172	2,659,220	2,550,180	2,203,264	2,295,235
Total Other Financing Sources/Uses	15,966	(25,000)	154,424	(32,000)	(8,000)



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 2,472,483	\$ 3,206,957	\$ 4,789,324	\$ 1,985,385	\$ 1,883,516
Total Liabilities	664,755	879,950	3,023,827	723,787	791,909
Total Fund Balances	1,807,728	2,327,007	1,765,497	1,261,598	1,091,607
Net Revenues	1,263,973	2,052,735	1,885,510	1,142,814	962,656
Total Expenditures	2,557,878	2,251,781	2,361,342	1,790,379	1,692,408
Total Other Financing Sources/Uses	774,626	760,556	979,731	817,556	690,000

