

Nevada County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



NEVADA 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

Nevada 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 Nevada 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; and the Statement of Revenues, Expenditures, and Changes 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 Nevada 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 Nevada 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 April 22, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 22, 2025
LOCO05023

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

Nevada 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 Nevada 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 April 22, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2023-1, that we consider to be a material weakness.

2023-1 Arkansas Code requires County management to maintain accurate financial records. The financial statements contained omissions/errors that are considered material as specified below:

General Fund financial records contained misstatements for assets, liabilities, fund balance, revenue, expenditures, and note disclosures of \$45,453, \$2,300, \$45,453, \$328,316, \$100,822, and \$142,153, respectively, primarily due to posting errors and misclassification of revenues and expenditures.

The effect of these errors constitutes a control deficiency in the process of preparing financial statements. County officials should implement procedures to ensure that transactions are accurately recorded.

County officials concurred with the above recommendation and approved the appropriate entries to the County's financial records.

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 result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2023-1.

We also reported to management of the County in a separate letter dated April 22, 2025.

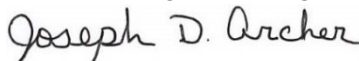
County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
April 22, 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

Nevada 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: Mike Otwell
Treasurer: Ricky Reyenga
Sheriff and Tax Collector: Danny Martin
County Clerk: Tammie Rose
Circuit Clerk: Rita Reyenga
Assessor: Pam Box
County Librarian: Theresa Tyree

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

Competitive bids were not solicited or waived for the purchase of a sanitation truck costing \$122,750, in noncompliance with Ark. Code Ann. §§ 14-22-101 - 14-22-115. A similar finding was issued in the previous three reports.

Fixed asset records were not properly maintained, as required by Ark. Code Ann. § 14-25-106. A similar finding was issued in the previous report

Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill. The following terms of the agreement were not properly executed:

- The agreement was not formally renewed on an annual basis.
- The Board did not hold meetings or provide the County with monthly financial statements.
- The Chairman of the Board did not properly supervise operations: invoices and timesheets were not approved prior to payment.
- The Board did not submit detailed written statements to the County for its respective share of tipping fees. Instead, the Board requested 50% of the total amounts owed for both the City and the County.
- A letter detailing the percentage allocation of expenditures for capital outlay and operational costs could not be provided.
- We were also unable to determine if fixed asset purchases and operational costs were proportionally shared between the City and the County.

Payroll expenditures totaling \$66,442 were disbursed to six employees without a contract or other documentation authorizing their hourly rates.

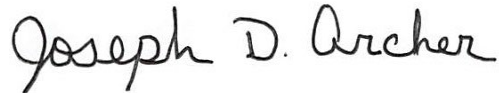
The County sold a 2021 Peterbilt truck for \$138,601, in noncompliance with Ark. Code Ann. § 14-16-105, which requires, in part, that the County Judge enter a court order setting forth the reason for the sale and directing the County Assessor to appraise the property.

County Judge and County Librarian

Board meetings were not held for the Nevada County Library and Education Center Board. The County jointly governs the Library with the City of Prescott in accordance with Ark. Code Ann. §§ 25-20-101, -104.

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 black ink that reads "Joseph D. Archer". The signature is written in a cursive, flowing style.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
April 22, 2025

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 516,219	\$ 310,496	\$ 2,506,800
Accounts receivable	138,885	16,017	71,890
Interfund receivables		2,300	
TOTAL ASSETS	<u>\$ 655,104</u>	<u>\$ 328,813</u>	<u>\$ 2,578,690</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 32,467	\$ 31,019	\$ 20,778
Interfund payables	2,300		
Settlements pending	114,479		691,617
Total Liabilities	<u>149,246</u>	<u>31,019</u>	<u>712,395</u>
Fund Balances:			
Restricted		281,794	1,797,740
Committed	400		
Assigned	163,128	16,000	68,754
Unassigned	342,330		(199)
Total Fund Balances	<u>505,858</u>	<u>297,794</u>	<u>1,866,295</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 655,104</u>	<u>\$ 328,813</u>	<u>\$ 2,578,690</u>

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

NEVADA 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	\$ 539,695	\$ 1,432,674	\$ 106,862
Federal aid	2,315		11,025
Property taxes	543,903	236,112	34,431
Sales taxes	533,124		1,085,848
Fines, forfeitures, and costs	224,660		83,464
Interest	31,042	7,745	86,209
Officers' fees	88,613		23,400
911 fees			215,788
Sanitation fees	103,414		149,328
Jail fees			722,733
City contribution for dispatching			123,000
City contribution for library			65,000
City contribution for solid waste management			145,305
Insurance proceeds			40,119
Treasurer's commission	96,788		13,335
Collector's commission	112,487		17,856
Taxes apportioned - Assessor's salary and expense	160,633		
Other	83,330	49,604	43,641
TOTAL REVENUES	2,520,004	1,726,135	2,967,344
Less: Treasurer's commission	37,501	27,223	26,713
NET REVENUES	2,482,503	1,698,912	2,940,631

NEVADA 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
EXPENDITURES			
Current:			
General government	\$ 1,002,331		\$ 125,675
Law enforcement	706,904		1,321,522
Highways and streets		\$ 1,522,514	983,422
Public safety	48,592		306,248
Sanitation	485,527		483,084
Health	48,595		
Recreation and culture	5,560		89,453
Social services	93,432		
Total Current	<u>2,390,941</u>	<u>1,522,514</u>	<u>3,309,404</u>
Debt Service:			
Bond principal			745,000
Bond interest and other charges			95,987
Financed purchase principal	81,999	79,430	
Financed purchase interest	14,701	21,072	
	<u>96,700</u>	<u>100,502</u>	
TOTAL EXPENDITURES	<u>2,487,641</u>	<u>1,623,016</u>	<u>4,150,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,138)</u>	<u>75,896</u>	<u>(1,209,760)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,300		208,915
Transfers out	(197,809)		(19,406)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(189,509)</u>		<u>189,509</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(194,647)</u>	<u>75,896</u>	<u>(1,020,251)</u>
FUND BALANCES - JANUARY 1	<u>700,505</u>	<u>221,898</u>	<u>2,886,546</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 505,858</u></u>	<u><u>\$ 297,794</u></u>	<u><u>\$ 1,866,295</u></u>

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

NEVADA 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	\$ 520,575	\$ 539,695	\$ 19,120	\$ 1,155,924	\$ 1,432,674	\$ 276,750
Federal aid		2,315	2,315			
Property taxes	482,329	543,903	61,574	186,050	236,112	50,062
Sales taxes	371,712	533,124	161,412			
Fines, forfeitures, and costs	205,228	224,660	19,432			
Interest		31,042	31,042		7,745	7,745
Officers' fees	68,300	88,613	20,313			
Sanitation fees	180,314	103,414	(76,900)			
Jail fees	170,000		(170,000)			
Treasurer's commission	84,000	96,788	12,788			
Collector's commission	149,600	112,487	(37,113)			
Taxes apportioned - Assessor's salary and expense	100,000	160,633	60,633			
Other	205,700	83,330	(122,370)	222,037	49,604	(172,433)
TOTAL REVENUES	2,537,758	2,520,004	(17,754)	1,564,011	1,726,135	162,124
Less: Treasurer's commission		37,501	(37,501)		27,223	(27,223)
NET REVENUES	2,537,758	2,482,503	(55,255)	1,564,011	1,698,912	134,901
EXPENDITURES						
Current:						
General government	1,039,673	1,002,331	37,342			
Law enforcement	725,285	706,904	18,381			
Highways and streets				1,627,193	1,522,514	104,679
Public safety	52,466	48,592	3,874			
Sanitation	589,427	485,527	103,900			
Health	62,470	48,595	13,875			
Recreation and culture	7,000	5,560	1,440			
Social services	101,884	93,432	8,452			
Total Current	2,578,205	2,390,941	187,264	1,627,193	1,522,514	104,679
Debt Service:						
Financed purchase principal		81,999	(81,999)		79,430	(79,430)
Financed purchase interest		14,701	(14,701)		21,072	(21,072)
TOTAL EXPENDITURES	2,578,205	2,487,641	90,564	1,627,193	1,623,016	4,177

NEVADA 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	\$ (40,447)	\$ (5,138)	\$ 35,309	\$ (63,182)	\$ 75,896	\$ 139,078
OTHER FINANCING SOURCES (USES)						
Transfers in		8,300	8,300	50,148		(50,148)
Transfers out		(197,809)	(197,809)			
TOTAL OTHER FINANCING SOURCES (USES)		(189,509)	(189,509)	50,148		(50,148)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(40,447)	(194,647)	(154,200)	(13,034)	75,896	88,930
FUND BALANCES - JANUARY 1	343,284	700,505	357,221	162,202	221,898	59,696
FUND BALANCES - DECEMBER 31	\$ 302,837	\$ 505,858	\$ 203,021	\$ 149,168	\$ 297,794	\$ 148,626

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

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

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

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

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for the Debt Service Fund 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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officers' fees, excess commissions, trust funds and other amounts 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.

NEVADA 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 except for the Oak Grove Project Grant and the Local Law Enforcement Block Grant 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)	\$ 1,523,789	\$ 1,542,953
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the County's name	1,809,496	1,888,650
Total Deposits	<u>\$ 3,333,285</u>	<u>\$ 3,431,603</u>

The above total deposits do not include cash on hand of \$230.

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.

NEVADA 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
Property taxes		\$ 2,864	\$ 333
Fines, forfeitures, and costs	\$ 9,264		1,845
Interest	1,622		
Officers' fees	4,912		1,356
911 fees			716
Sanitation fees	17,746		3,268
Jail fees			4,389
City contribution for dispatching			20,500
Treasurer's commission	96,755		13,335
Collector's commission			17,856
Other	32	6,943	2,949
Treasurer's commission charged	8,554	6,210	5,343
Totals	<u>\$ 138,885</u>	<u>\$ 16,017</u>	<u>\$ 71,890</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	\$ 32,467	\$ 31,019	\$ 19,079
Payroll taxes payable			1,699
Totals	<u>\$ 32,467</u>	<u>\$ 31,019</u>	<u>\$ 20,778</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund		\$ 2,300
Road Fund	\$ 2,300	
Totals	<u>\$ 2,300</u>	<u>\$ 2,300</u>

Interfund receivables and payables consist of errors in recording claims. These balances are expected to be repaid in 2024.

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

NOTE 7: Federal Funds Program Compliance

The 2023 federal grants of the County have not yet been 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. The County has signed an engagement letter dated September 30, 2024.

NOTE 8: 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			\$ 283,048
Law enforcement			188,966
Highways and streets		\$ 281,794	
Public safety			172,160
Sanitation			75,439
Recreation and culture			129,665
Debt service			948,462
Total Restricted		<u>281,794</u>	<u>1,797,740</u>
Committed for:			
Law enforcement	\$ 400		
Debt service			
Total Committed	<u>400</u>		
Assigned to:			
General government	51,905		111
Law enforcement	30,220		64,725
Highways and streets		16,000	
Public safety			3,918
Sanitation	<u>81,003</u>		
Total Assigned	<u>163,128</u>	<u>16,000</u>	<u>68,754</u>
Unassigned	<u>342,330</u>		<u>(199)</u>
Totals	<u>\$ 505,858</u>	<u>\$ 297,794</u>	<u>\$ 1,866,295</u>

NOTE 9: Deficit Fund Balances

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

	December 31, 2023
Other Funds in the Aggregate:	
Special Revenue Funds:	
Drug Court Program	<u>\$ (199)</u>

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

NOTE 10: 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 \$9,314,798. 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 \$2,961,273. The amount of short-term financing obligations was \$830,114 leaving a legal debt margin of \$2,131,159.

NOTE 11: Commitments

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

	December 31, 2023
Long-term liabilities	\$ 2,793,739
Reappraisal contract	<u>90,848</u>
Total Commitments	<u><u>\$ 2,884,587</u></u>

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

NOTE 11: Commitments (Continued)

Long-term Liabilities

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

	<u>December 31, 2023</u>
<u>Bonds</u>	
2014 Sales and Use Tax Bonds dated January 21, 2014, in the amount of \$6,900,000; annual installments of \$255,000 - \$520,000 due April 1, 2015 through October 1, 2028, with interest at 2% - 4.375%, due October 1, 2014, and semiannually thereafter on April 1 and October 1 of each year. Payments are to be made from the Debt Service Fund.	<u>\$ 1,910,000</u>
<u>Direct Borrowings</u>	
Financed purchase dated February 21, 2017, with the Bank of Delight in the amount of \$188,487 for the purchase of an HVAC System with interest at 3.75% for four annual installments of \$22,953 beginning February 21, 2018, and one payment of \$125,847. Extended terms on February 21, 2022, for four annual payments of \$22,492 and a final payment of \$22,701. Payments are to be made from the General Fund.	82,305
Financed purchase dated October 24, 2019, with Farmers Bank & Trust in the amount of \$60,000 for the purchase of a building for the Nevada County Extension Office with interest at 4% for 21 quarterly installments of \$3,326 beginning January 24, 2020. Payments are to be made from the General Fund.	11,937
Financed purchase dated August 19, 2020, with Farmers Bank & Trust in the amount of \$155,954 for the purchase of a 2020 Peterbilt truck with interest at 4% for 60 monthly installments of \$2,876 beginning September 19, 2020. Payments are to be made from the Solid Waste Fund, which is within the General Fund.	55,349
Financed purchase dated March 29, 2021, with Caterpillar Financial in the amount of \$361,350 for the purchase of two Caterpillar Motor Graders with interest of 2.99% for 60 monthly installments of \$3,704 beginning April 23, 2021. Payments are to be made from the Road Fund.	261,706
Financed purchase dated July 24, 2023, with the Bank of Delight in the amount of \$217,424 for the purchase of a 2022 Caterpillar Motor Grader with interest of 5% for 51 monthly installments of \$4,671 beginning August 24, 2023, and a final payment of \$4,032. Payments are to be made from the Road Fund.	198,440
Financed purchase dated August 3, 2023, with the Bank of Delight in the amount of \$229,048 for the purchase of a 2023 Peterbilt truck with interest of 5% for 23 monthly installments of \$3,109 beginning September 3, 2023, and one payment of \$177,932. Payments are to be made from the Solid Waste Fund, which is within the General Fund.	<u>220,377</u>
Total Direct Borrowings	<u>830,114</u>
Landfill closure and postclosure care costs	<u>53,625</u>
Total Long-term liabilities	<u><u>\$ 2,793,739</u></u>

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

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

NOTE 11: Commitments (Continued)

Long-term Liabilities (Continued)

The County's outstanding bonds payable of \$1,910,000 as of December 31, 2023, contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The County's outstanding financed purchases from direct borrowings of \$830,114 as of December 31, 2023, contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

Landfill Closure and Postclosure Care Costs

Nevada County is the owner of permit no. 236-S4-R1 to operate a Class IV solid waste landfill, State and Federal regulations require a final cover to be placed on the landfill site when the County stops accepting waste and perform certain maintenance and monitoring functions at the site for two years after closure. Although closure and post closure care cost will be paid near or after the date the landfill stops accepting waste, a portion of these closure and post closure care cost are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and post closure care cost had a balance of \$53,625 as of December 31, 2023, and represents the cumulative amount reported to date based on 30% of usage of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$126,192 at December 31, 2023, as the remaining capacity is filled. At the present utilization rate, the landfill site is estimated to exhaust in 44.2 years from the balance sheet date of December 31, 2023.

Estimated costs are based on the amount that would be paid if all equipment, facilities and services to close, monitor, and maintain the landfill were acquired as of December 31, 2023. However, the actual cost of closure and post closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Ark. Code Ann. § 8-6-1603, the county has provided financial assurance for the closure and post closure care costs of \$179,817 at December 31, 2023, in the form of a contract of obligation dated January 12, 2021. The contract of obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to Nevada County, the sum of \$146,847, upon receiving notice from the Director of the Arkansas Department of Environmental quality of Nevada County's failure to properly close the disposal operation.

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

NOTE 11: Commitments (Continued)

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2023</u>	<u>Maturities to December 31, 2023</u>
<u>Bonds</u>					
1/21/14	10/1/28	2 - 4.375%	\$ 6,900,000	\$ 1,910,000	\$ 4,990,000
<u>Direct Borrow ings</u>					
2/21/17	2/21/27	3.75%	188,487	82,305	106,182
10/24/19	1/24/25	4.00%	60,000	11,937	48,063
8/19/20	8/19/25	4.00%	155,954	55,349	100,605
3/29/21	4/23/26	2.99%	361,350	261,706	99,644
7/24/23	11/24/27	5.00%	217,424	198,440	18,984
8/3/23	8/3/25	5.00%	229,048	220,377	8,671
Total Direct Borrow ings			1,212,263	830,114	382,149
Total Long-Term Debt			\$ 8,112,263	\$ 2,740,114	\$ 5,372,149

Changes in Long-Term Debt

	<u>Balance January 01, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2023</u>
Bonds payable	\$ 2,655,000	\$ 0	\$ 745,000	\$ 1,910,000
<u>Direct Borrow ings</u>				
Financed purchases	895,062	446,472	511,420 *	830,114
Total Long-Term Debt	\$ 3,550,062	\$ 446,472	\$ 1,256,420	\$ 2,740,114

* Included \$349,991 in early retirement of debt.

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Bonds</u>			<u>Direct Borrow ings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 375,000	\$ 67,808	\$ 442,808	\$ 175,264	\$ 31,764	\$ 207,028
2025	390,000	53,932	443,932	323,798	22,418	346,216
2026	405,000	38,520	443,520	259,715	7,248	266,963
2027	420,000	21,810	441,810	71,337	2,051	73,388
2028	320,000	6,600	326,600			
Totals	\$1,910,000	\$ 188,670	\$2,098,670	\$ 830,114	\$ 63,481	\$ 893,595

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

NOTE 11: Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Arkansas CAMA Technology on December 6, 2019, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$6,988 for a total of \$419,300 beginning February 1, 2020. Contract expense for 2023, was \$83,860.

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

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 83,860
2025	<u>6,988</u>
Total	<u>\$ 90,848</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$197,809 to Other Funds in the Aggregate (\$124,809 to Nevada County/Prescott Solid Waste Management Authority for tipping fees and landfill operations and \$73,000 to Jail Operation and Maintenance for operating purposes). The Other Funds in the Aggregate (Solid Waste Management) transferred \$8,300 to the General Fund for operating purposes. Additionally, within the Other Funds in the Aggregate, \$11,106 was transferred from the Solid Waste Management Fund to the Nevada County/Prescott Solid Waste Management Authority Fund for tipping fees and landfill operations.

NOTE 13: Pledged Revenues

The County pledged future 1% sales and use taxes to repay \$6,900,000 in bonds that were issued in 2014 to provide funding for jail construction.

Total principal and interest remaining on the bonds were \$1,910,000 and \$188,670, respectively, payable through October 1, 2028. For 2023, principal and interest paid were \$745,000 and \$92,704, respectively.

The Debt Service Fund received \$814,386 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for other law enforcement purposes.

NOTE 14: Joint Ventures

Southwest Arkansas Regional Library

Nevada and Pike Counties entered into an agreement on March 11, 2014, in accordance with Ark. Code Ann. § 13-2-401 to establish the Southwest Arkansas Regional Library. The agreement states that each county shall provide its own quarters and pay clerks' salaries. Each county shall contribute \$.25 per capital from their one mill property tax for regional operations. The County Library paid \$4,372 for regional library expenditures in 2023 Financial statements of Southwest Arkansas Regional Library are available at 18 Village Circle, Murfreesboro, Arkansas 71958.

Nevada County/Prescott Solid Waste Management Authority

Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill. The County and the City agree the joint operation of the Class IV landfill and compaction station shall be operated and governed by an independent board, which will administer and supervise the operation of the landfill under the terms of the agreement. The Board consists of the County Judge and three members each from the Quorum Court and the City Council for a total of seven members. The Chairman of the Board, the Nevada County Judge, is responsible for supervising the operations of the landfill. In 2023, the County paid the Nevada County/Prescott Solid Waste Management Authority \$135,915. The Nevada County/Prescott Solid Waste Management Authority is presented in this report under the Other Funds in the Aggregate as a special revenue fund.

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

NOTE 14: Joint Ventures (Continued)

Interlocal Cooperative Industrial Development Board

Nevada County entered into an interlocal cooperative agreement on April 18, 1994, with the City of Prescott, Arkansas, in accordance with Ark. Code Ann. §§ 25-20-101, -104, 14-165-202, for the purpose of providing funding for the employment of a full-time Industrial Recruiter to promote industrial development, recruit industrial prospects, and foster better relations with existing industry for the citizens of Nevada County, Arkansas. The County and City agree the employment and supervision of the independent Industrial Recruiter shall be operated under, supervised by, and hired by an independent board. The Board is comprised of seven members consisting of five members of the Board of Directors of the Prescott-Nevada County Industrial Development Corporation, one member from the Quorum Court, and one member from the Prescott City Council. The County paid \$25,000 to the Interlocal Cooperative Industrial Development Board in 2023. The financial statements of the Nevada County/City of Prescott, Arkansas "Interlocal Cooperative Agreement for Industrial Development" are available at 116 East Second Street, Prescott, Arkansas 71857.

Interlocal Cooperative Prescott/Nevada County Library and Educational Center Board

Nevada County entered into an interlocal cooperative agreement on May 24, 1999, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. §§ 25-20-101, -104, for the purpose of obtaining funding through Act 831 of 1999 to construct and equip a library and educational center. Funds were obtained and the Prescott/Nevada County Library and Educational Center was constructed. It is owned, operated, and governed by a permanent independent board. In accordance with the agreement, the Prescott/Nevada County Library and Educational Center Board is comprised of the Nevada County Judge, the Mayor of the City of Prescott, one member of the Nevada County Quorum Court, one member of the Prescott City Council, three individuals selected by the Mayor of Prescott, and two individuals selected by the Nevada County Judge.

The County agreed to appropriate and expend only those amounts of monies, tax funds, and other revenues of the County generated by the library millage and other County funds ordinarily appropriated for the library to maintain and operate the facility. The City agreed to appropriate sufficient monies on an annual basis to supplement maintenance and operational funding provided by the County. In 2023, the City of Prescott paid Nevada County \$65,000 in supplemental funding for these purposes. The County expended \$81,428 on behalf of the Prescott/Nevada County Library and Educational Center in 2023.

The financial activity of the Prescott/Nevada County Library and Educational Center Board is included in this report in the County Public Library Fund, which is included in other funds in the aggregate, because Nevada County Ordinance no. 78-4 (August 28, 1978), establishing the Nevada County Library, has not been formally repealed.

NOTE 15: Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The Upper Southwest Arkansas Regional Solid Waste Management District (USWARSWMD) is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and the participating cities within the aforementioned counties. There were no payments made to or on behalf of USWARSWMD by the County in 2023. Representatives are the respective county judges and mayors unless some other representatives are appointed by the respective 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 on March 15, 2018. Funding is provided through federal and state grants in addition to contributions from participating entities. There were no payments to or on behalf of the Eighth North Drug Task Force by the County in 2023. Representatives are the County Sheriffs and City Police Chiefs. Separate financial statements for the Eighth North Drug Task Force are not available.

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

NOTE 16: 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.

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 17: 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.

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

NOTE 17: Arkansas Public Employees Retirement System (Continued)

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 \$322,400.

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 \$2,766,950.

NEVADA 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 Clerk's Cost	County Recorder's Cost	County Public Library
ASSETS								
Cash and cash equivalents	\$ 21,212	\$ 63,184	\$ 23,098	\$ 7,403	\$ 12,750	\$ 1,094	\$ 23,683	\$ 128,754
Accounts receivable	13,335	17,856		178	10	256	1,028	695
TOTAL ASSETS	<u>\$ 34,547</u>	<u>\$ 81,040</u>	<u>\$ 23,098</u>	<u>\$ 7,581</u>	<u>\$ 12,760</u>	<u>\$ 1,350</u>	<u>\$ 24,711</u>	<u>\$ 129,449</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 636
Settlements pending								
Total Liabilities								<u>636</u>
Fund Balances:								
Restricted	\$ 34,547	\$ 81,040	\$ 23,098	\$ 7,581	\$ 12,760	\$ 1,350	\$ 24,711	128,813
Assigned								
Unassigned								
Total Fund Balances	<u>34,547</u>	<u>81,040</u>	<u>23,098</u>	<u>7,581</u>	<u>12,760</u>	<u>1,350</u>	<u>24,711</u>	<u>128,813</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,547</u>	<u>\$ 81,040</u>	<u>\$ 23,098</u>	<u>\$ 7,581</u>	<u>\$ 12,760</u>	<u>\$ 1,350</u>	<u>\$ 24,711</u>	<u>\$ 129,449</u>

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Solid Waste Management	Support Collections Costs	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Indigent Defense
ASSETS									
Cash and cash equivalents	\$ 63,201	\$ 2,765	\$ 9,877	\$ 68,940	\$ 20,824	\$ 2,302	\$ 155,578	\$ 29,107	\$ 1,620
Accounts receivable	3,268			12,154	84	2	22,410	49	2
TOTAL ASSETS	<u>\$ 66,469</u>	<u>\$ 2,765</u>	<u>\$ 9,877</u>	<u>\$ 81,094</u>	<u>\$ 20,908</u>	<u>\$ 2,304</u>	<u>\$ 177,988</u>	<u>\$ 29,156</u>	<u>\$ 1,622</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 83			\$ 16,369			\$ 1,910		
Settlements pending									
Total Liabilities	<u>83</u>			<u>16,369</u>			<u>1,910</u>		
Fund Balances:									
Restricted	66,386	\$ 2,654	\$ 9,877		\$ 20,908	\$ 2,304	172,160	\$ 29,156	\$ 1,622
Assigned		111		64,725			3,918		
Unassigned									
Total Fund Balances	<u>66,386</u>	<u>2,765</u>	<u>9,877</u>	<u>64,725</u>	<u>20,908</u>	<u>2,304</u>	<u>176,078</u>	<u>29,156</u>	<u>1,622</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,469</u>	<u>\$ 2,765</u>	<u>\$ 9,877</u>	<u>\$ 81,094</u>	<u>\$ 20,908</u>	<u>\$ 2,304</u>	<u>\$ 177,988</u>	<u>\$ 29,156</u>	<u>\$ 1,622</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Drug Court Program	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Law Library	Voluntary Tax General Salary	Veteran's Memorial Grant
ASSETS									
Cash and cash equivalents	\$ (199)	\$ 508	\$ 5,211	\$ 1,911	\$ 2,194	\$ 100,344	\$ 4,898	\$ 21,437	\$ 852
Accounts receivable			3	80	1			19	
TOTAL ASSETS	<u>\$ (199)</u>	<u>\$ 508</u>	<u>\$ 5,214</u>	<u>\$ 1,991</u>	<u>\$ 2,195</u>	<u>\$ 100,344</u>	<u>\$ 4,898</u>	<u>\$ 21,456</u>	<u>\$ 852</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 81		
Settlements pending									
Total Liabilities							<u>81</u>		
Fund Balances:									
Restricted		\$ 508	\$ 5,214	\$ 1,991	\$ 2,195	\$ 100,344	4,817	\$ 21,456	\$ 852
Assigned									
Unassigned	\$ (199)								
Total Fund Balances	<u>(199)</u>	<u>508</u>	<u>5,214</u>	<u>1,991</u>	<u>2,195</u>	<u>100,344</u>	<u>4,817</u>	<u>21,456</u>	<u>852</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (199)</u>	<u>\$ 508</u>	<u>\$ 5,214</u>	<u>\$ 1,991</u>	<u>\$ 2,195</u>	<u>\$ 100,344</u>	<u>\$ 4,898</u>	<u>\$ 21,456</u>	<u>\$ 852</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Communication Facility and Equipment	Nevada County/Prescott Solid Waste Management Authority	Jail Debt Service	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS									
Cash and cash equivalents	\$ 83,881	\$ 10,292	\$ 948,462	\$ 142,592	\$ 135,536	\$ 100,869	\$ 116,950	\$ 195,670	\$ 2,506,800
Accounts receivable		460							71,890
TOTAL ASSETS	\$ 83,881	\$ 10,752	\$ 948,462	\$ 142,592	\$ 135,536	\$ 100,869	\$ 116,950	\$ 195,670	\$ 2,578,690
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 1,699							\$ 20,778
Settlements pending				\$ 142,592	\$ 135,536	\$ 100,869	\$ 116,950	\$ 195,670	691,617
Total Liabilities		1,699		142,592	135,536	100,869	116,950	195,670	712,395
Fund Balances:									
Restricted	\$ 83,881	9,053	\$ 948,462						1,797,740
Assigned									68,754
Unassigned									(199)
Total Fund Balances	83,881	9,053	948,462						1,866,295
TOTAL LIABILITIES AND FUND BALANCES	\$ 83,881	\$ 10,752	\$ 948,462	\$ 142,592	\$ 135,536	\$ 100,869	\$ 116,950	\$ 195,670	\$ 2,578,690

NEVADA 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 Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste Management
REVENUES									
State aid					\$ 2,600			\$ 3,861	
Federal aid									
Property taxes								28,678	
Sales taxes									
Fines, forfeitures, and costs				\$ 5,588			\$ 1,200		
Interest							14,293		
Officers' fees			\$ 2,430			\$ 2,393			
911 fees									
Sanitation fees									\$ 149,328
Jail fees									
City contribution for dispatching									
City contribution for library								65,000	
City contribution for solid waste management									
Insurance proceeds									40,119
Treasurer's commission	\$ 13,335								
Collector's commission		\$ 17,856							
Other	13				12	33		7,665	235
TOTAL REVENUES	13,348	17,856	2,430	5,588	2,612	2,426	15,493	105,204	189,682
Less: Treasurer's commission			2	99	42	33	64	1,586	3,232
NET REVENUES	13,348	17,856	2,428	5,489	2,570	2,393	15,429	103,618	186,450
EXPENDITURES									
Current:									
General government	8,927	6				3,500	10,024		
Law enforcement				1					
Highways and streets									
Public safety									
Sanitation									163,516
Recreation and culture								81,428	
Total Current	8,927	6		1		3,500	10,024	81,428	163,516
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	8,927	6		1		3,500	10,024	81,428	163,516
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	4,421	17,850	2,428	5,488	2,570	(1,107)	5,405	22,190	22,934
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									(19,406)
TOTAL OTHER FINANCING SOURCES (USES)									(19,406)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	4,421	17,850	2,428	5,488	2,570	(1,107)	5,405	22,190	3,528
FUND BALANCES - JANUARY 1	30,126	63,190	20,670	2,093	10,190	2,457	19,306	106,623	62,858
FUND BALANCES - DECEMBER 31	\$ 34,547	\$ 81,040	\$ 23,098	\$ 7,581	\$ 12,760	\$ 1,350	\$ 24,711	\$ 128,813	\$ 66,386

NEVADA 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								
	Support Collections Costs	Breathalyzer	Jail Operation and Maintenance	County Detention Facility	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Indigent Defense	Victim/Witness
REVENUES									
State aid					\$ 663			\$ 1,450	
Federal aid									
Property taxes									
Sales taxes			\$ 271,462						
Fines, forfeitures, and costs		\$ 621	54,838	\$ 3,159			\$ 4,715	5,157	\$ 3,519
Interest	\$ 173	600	2,106		124	\$ 9,389	1,717	471	
Officers' fees	108								
911 fees						215,788			
Sanitation fees									
Jail fees			631,406						
City contribution for dispatching						123,000			
City contribution for library									
City contribution for solid waste management									
Insurance proceeds									
Treasurer's commission									
Collector's commission									
Other			31,558			190			
TOTAL REVENUES	281	1,221	991,370	3,159	787	348,367	6,432	7,078	3,519
Less: Treasurer's commission			16,167	52	7	5,231	84	12	
NET REVENUES	281	1,221	975,203	3,107	780	343,136	6,348	7,066	3,519
EXPENDITURES									
Current:									
General government									
Law enforcement			1,025,298					13,311	3,519
Highways and streets									
Public safety						306,248			
Sanitation									
Recreation and culture									
Total Current			1,025,298			306,248		13,311	3,519
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES			1,025,298			306,248		13,311	3,519
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	281	1,221	(50,095)	3,107	780	36,888	6,348	(6,245)	
OTHER FINANCING SOURCES (USES)									
Transfers in			73,000						
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)			73,000						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	281	1,221	22,905	3,107	780	36,888	6,348	(6,245)	
FUND BALANCES - JANUARY 1	2,484	8,656	41,820	17,801	1,524	139,190	22,808	7,867	
FUND BALANCES - DECEMBER 31	\$ 2,765	\$ 9,877	\$ 64,725	\$ 20,908	\$ 2,304	\$ 176,078	\$ 29,156	\$ 1,622	\$ 0

NEVADA 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								
	Drug Court Program	Circuit Court Juvenile Division	Juvenile Court Representation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Law Library	Voluntary Tax General Salary	Veteran's Memorial Grant
REVENUES									
State aid									
Federal aid									
Property taxes					\$ 333			\$ 5,420	
Sales taxes									
Fines, forfeitures, and costs			\$ 710				\$ 5,157		
Interest		\$ 32				\$ 32,737			
Officers' fees				\$ 130					
911 fees									
Sanitation fees									
Jail fees									
City contribution for dispatching									
City contribution for library									
City contribution for solid waste management									
Insurance proceeds									
Treasurer's commission									
Collector's commission									
Other				185					
TOTAL REVENUES		32	710	315	333	32,737	5,157	5,420	
Less: Treasurer's commission			12		5			85	
NET REVENUES		32	698	315	328	32,737	5,157	5,335	
EXPENDITURES									
Current:									
General government						103,218			
Law enforcement	\$ 329					49,159	1,070		
Highways and streets						983,422			
Public safety									
Sanitation						7,884			
Recreation and culture									
Total Current	329					1,143,683	1,070		
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	329					1,143,683	1,070		
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(329)	32	698	315	328	(1,110,946)	4,087	5,335	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(329)	32	698	315	328	(1,110,946)	4,087	5,335	
FUND BALANCES - JANUARY 1	130	476	4,516	1,676	1,867	1,211,290	730	16,121	\$ 852
FUND BALANCES - DECEMBER 31	\$ (199)	\$ 508	\$ 5,214	\$ 1,991	\$ 2,195	\$ 100,344	\$ 4,817	\$ 21,456	\$ 852

NEVADA 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					DEBT SERVICE FUND	
	Communication Facility and Equipment	Nevada County/Prescott Solid Waste Management Authority	Public Safety Equipment Grant	Local Law Enforcement Block Grant	Oak Grove Project Grant	Jail Debt Service	Totals
REVENUES							
State aid			\$ 98,288				\$ 106,862
Federal aid				\$ 3,000	\$ 8,025		11,025
Property taxes							34,431
Sales taxes						\$ 814,386	1,085,848
Fines, forfeitures, and costs							83,464
Interest	\$ 17	\$ 22				37,621	86,209
Officers' fees	4,046						23,400
911 fees							215,788
Sanitation fees							149,328
Jail fees	91,327						722,733
City contribution for dispatching							123,000
City contribution for library							65,000
City contribution for solid waste management		145,305					145,305
Insurance proceeds							40,119
Treasurer's commission							13,335
Collector's commission							17,856
Other	3,750						43,641
TOTAL REVENUES	99,140	145,327	98,288	3,000	8,025	852,007	2,967,344
Less: Treasurer's commission							26,713
NET REVENUES	99,140	145,327	98,288	3,000	8,025	852,007	2,940,631
EXPENDITURES							
Current:							
General government							125,675
Law enforcement	127,547		98,288	3,000			1,321,522
Highways and streets							983,422
Public safety							306,248
Sanitation		311,684					483,084
Recreation and culture					8,025		89,453
Total Current	127,547	311,684	98,288	3,000	8,025		3,309,404
Debt Service:							
Bond principal						745,000	745,000
Bond interest and other charges						95,987	95,987
TOTAL EXPENDITURES	127,547	311,684	98,288	3,000	8,025	840,987	4,150,391
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,407)	(166,357)				11,020	(1,209,760)
OTHER FINANCING SOURCES (USES)							
Transfers in		135,915					208,915
Transfers out							(19,406)
TOTAL OTHER FINANCING SOURCES (USES)		135,915					189,509
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(28,407)	(30,442)				11,020	(1,020,251)
FUND BALANCES - JANUARY 1	112,288	39,495				937,442	2,886,546
FUND BALANCES - DECEMBER 31	\$ 83,881	\$ 9,053	\$ 0	\$ 0	\$ 0	\$ 948,462	\$ 1,866,295

NEVADA 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 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 Management	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on fee schedule contained in an ordinance. Nevada County Ordinance no. 2020-1 (January 16, 2020) authorized solid waste management fees.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.

NEVADA 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>
Jail Operation and Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail. Nevada County Ordinance no. O-13-6 (June 11, 2013) established fund to receive .25% sales and use tax as approved by referendum on September 10, 2013, to be used for jail and law enforcement purposes.
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.
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.
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.

NEVADA 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>
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.
Circuit Court Juvenile Division	Ark. Code Ann. § 16-13-326 established fund to collect juvenile fees and provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile cases.
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.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Law Library	Ark. Code Ann. §§ 16-23-101 - 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.
Voluntary Tax General Salary	Nevada County Ordinance no. 2016-2 (February 2, 2016), pursuant to Ark. Code Ann. §§ 26-25-106, 26-73-103, established fund to receive voluntary tax in the amount of \$10 levied on every tax statement for real property in Nevada County. The funds are to be used solely toward the payment of salaries designated to be paid under County General Fund.
Veteran's Memorial Grant	Established to account for a 2010 State grant established by Act 934 of 2009 to be used for renovation, repairs, and equipment purchases for Veterans' Memorials and Parks.

NEVADA 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>
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.
Nevada County/Prescott Solid Waste Management Authority	Nevada County entered into an interlocal cooperative agreement on November 15, 1993, with the City of Prescott, Arkansas in accordance with Ark. Code Ann. § 25-20-104 for the operation of a compaction station and the County's Class IV landfill.
Public Safety Equipment Grant	Established to account for a federal grant to be used for public safety equipment.
Local Law Enforcement Block Grant	Established to account for a state grant to be used for law enforcement equipment.
Oak Grove Project Grant	Established to account for a federal grant to be used for community center expenditures in the Oak Grove community.
Jail Debt Service	Nevada County Ordinance nos. O-13-7 and O-13-13 (June 11, 2013 and December 10, 2013) established fund to receive .75% sales and use tax as approved by referendum on September 10, 2013, to be used for payment of principal and interest on bonds as they become due at maturity or redemption prior to maturity and the Trustee's and Insurer's fees and expenses.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate agencies.

Collector's accounts consist primarily of sanitation fees and 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 Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court.

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

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

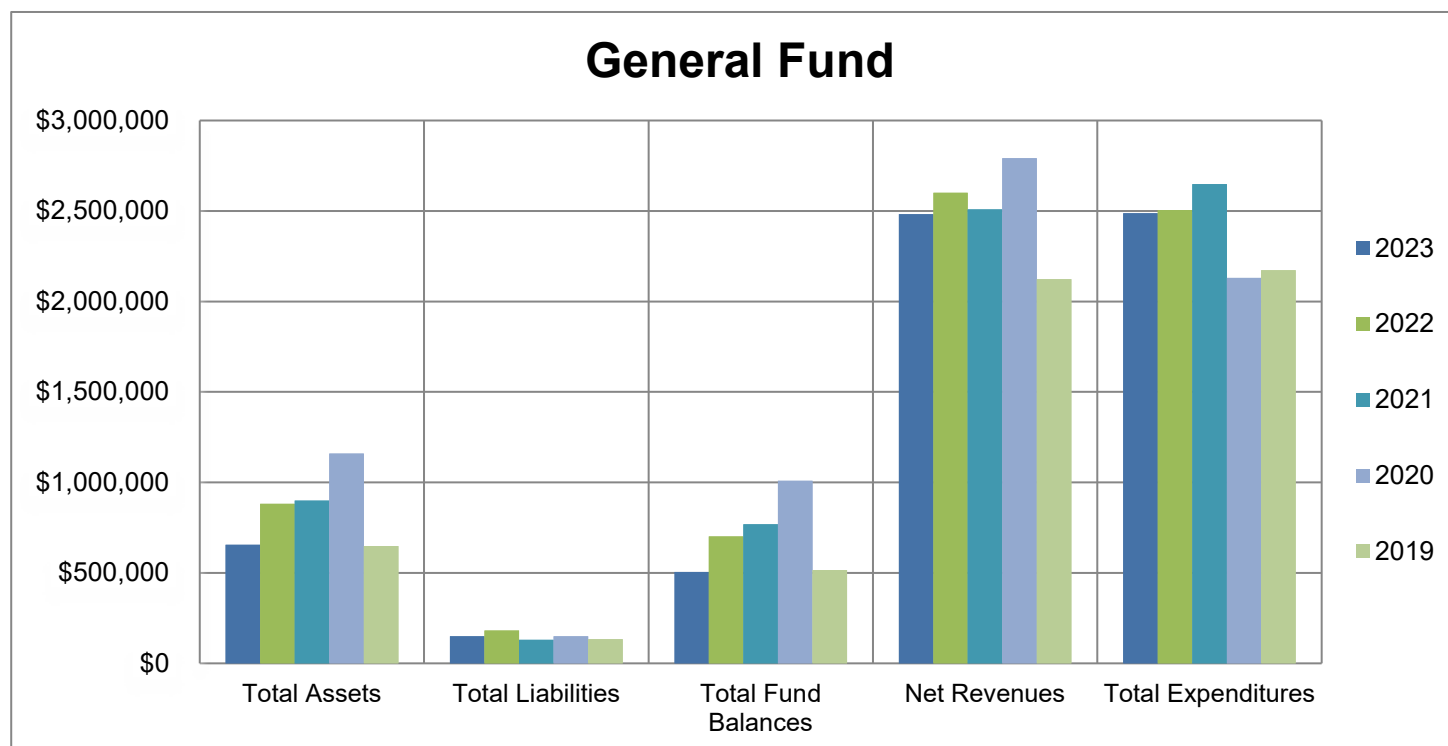
Schedule 3

	December 31, 2023
	<hr/>
Land and buildings	\$ 7,121,992
Improvements	29,383
Equipment	<hr/> 6,268,723
	<hr/>
Total	<u><u>\$ 13,420,098</u></u>

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

Schedule 4-1

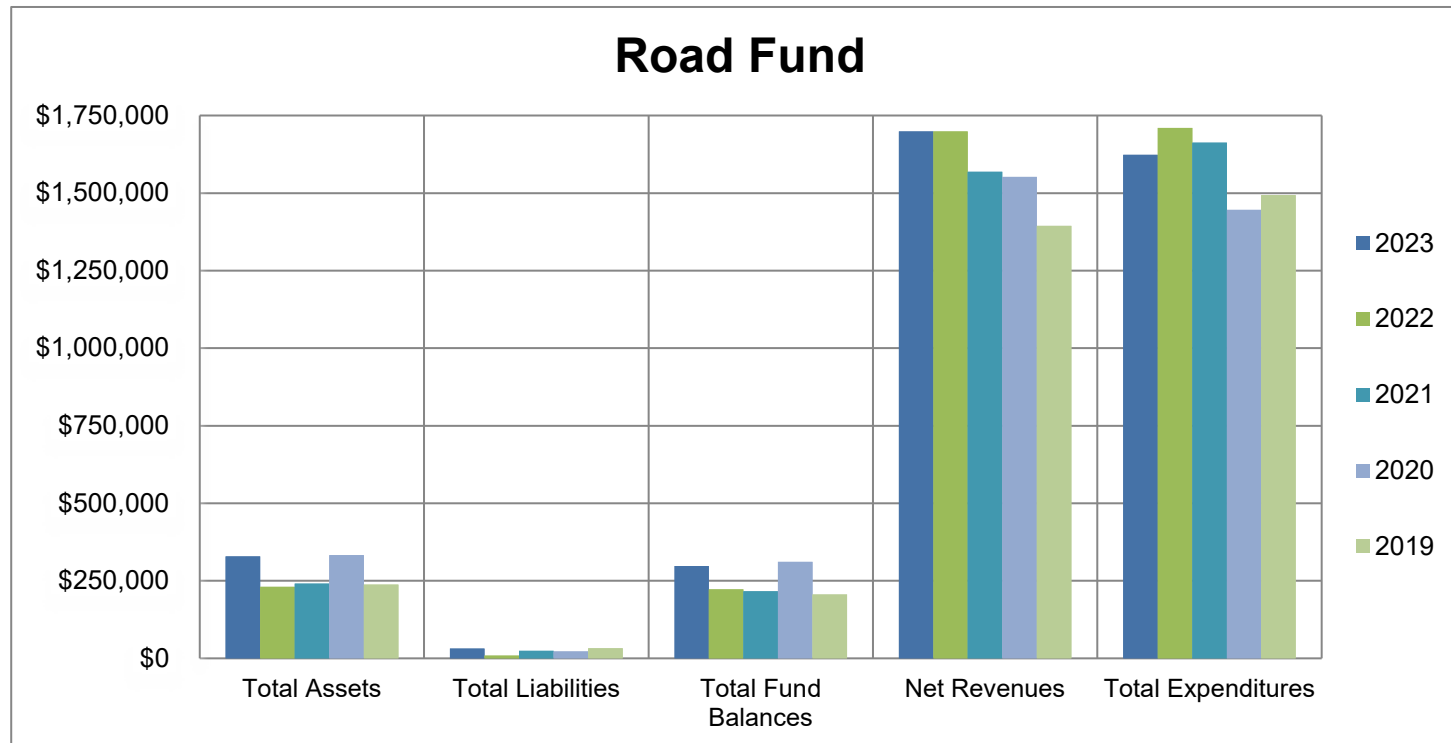
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 655,104	\$ 881,297	\$ 898,788	\$ 1,159,225	\$ 648,858
Total Liabilities	149,246	180,792	130,250	149,856	132,775
Total Fund Balances	505,858	700,505	768,538	1,009,369	516,083
Net Revenues	2,482,503	2,600,752	2,509,378	2,791,863	2,123,743
Total Expenditures	2,487,641	2,504,510	2,648,989	2,130,318	2,172,222
Total Other Financing Sources/Uses	(189,509)	(164,275)	(101,220)	(168,259)	(43,400)



NEVADA 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	\$ 328,813	\$ 230,989	\$ 240,695	\$ 333,054	\$ 237,914
Total Liabilities	31,019	9,091	24,254	21,936	32,253
Total Fund Balances	297,794	221,898	216,441	311,118	205,661
Net Revenues	1,698,912	1,698,904	1,568,172	1,551,603	1,393,912
Total Expenditures	1,623,016	1,709,447	1,662,849	1,446,146	1,493,630
Total Other Financing Sources/Uses		16,000			43,400



NEVADA 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	\$ 2,578,690	\$ 3,640,655	\$ 3,130,732	\$ 2,381,042	\$ 1,998,001
Total Liabilities	712,395	754,109	1,025,135	898,004	550,708
Total Fund Balances	1,866,295	2,886,546	2,105,597	1,483,038	1,447,293
Net Revenues	2,940,631	3,380,985	3,316,637	2,408,172	2,195,710
Total Expenditures	4,150,391	2,748,311	2,795,298	2,551,608	2,267,411
Total Other Financing Sources/Uses	189,509	148,275	101,220	168,259	

