

Searcy County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



SEARCY COUNTY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Independent Auditor's Report
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*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	4-3

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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.

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" paragraph, the 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 Searcy County, Arkansas, as of December 31, 2020, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the 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 Searcy County, Arkansas, as of December 31, 2020, the regulatory basis revenues, expenditures, and changes in net position, 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.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That 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



Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
February 22, 2022
LOCO06420

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
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

Searcy 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 accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2022. 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.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness:

2020-1 Arkansas Code requires County management to maintain accurate financial records. The financial records contained omissions/errors that are considered material as specified below:

- General Fund financial records contained misstatements for assets, liabilities, fund balance, revenue, and expenditures of \$21,586, \$34,757, \$36,399, \$633,365, and \$48,301, respectively, primarily due to posting errors and misclassifications of revenues and expenses.
- Road Fund financial records contained misstatements for assets, liabilities, fund balance, revenues, and expenditures of \$42,911, \$456, \$39,887, \$327,733, and \$40,674, respectively, primarily due to posting errors and misclassifications of revenues and expenses.
- Other Funds in the Aggregate financial records contained misstatements for assets, liabilities, fund balance, revenues, and expenditures of \$64,336, \$19,944, \$80,589, \$278,613, and \$54,207, respectively, primarily due to posting errors and misclassifications of revenues and expenses.

County officials should implement procedures to ensure that transactions are accurately recorded.

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

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 the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the Internal Control and Financial Reporting section as item 2020-1.

Entity's Response to Findings

The County's response to the findings identified in our audit is described above. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also reported to management of the County in a separate letter dated February 22, 2022.

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 result 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



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 22, 2022

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Searcy 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 2020:

County Judge: Jim Harness
Treasurer: Linda Watts
Sheriff/Tax Collector: Kenny Cassell
County/Circuit Clerk: Debbie Loggins
Assessor: Randy Crumley
County Librarian: Pat Halstead
District Court Clerk: Sandy Horton
Airport Commission Chairperson: Shirl Williams

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 to maintain 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, County/Circuit Clerk, and Treasurer

Expenditures for three funds totaling \$188,088 were not budgeted and were not paid through the county claims process, as required by Ark. Code Ann. §§ 14-14-1102, 14-20-103 - 14-20-104. A similar finding was noted in previous two reports dating back to 2018.

County Judge

1. A review of the County Judge's expense reimbursements for the period January 1, 2020 through November 16, 2021, revealed the following questionable reimbursements:
 - \$48,193 in purchases shipped to the County Judge's personal residence in 2021 (\$26,242) and 2020 (\$21,951). These purchases consisted primarily of automotive parts, tools, and shop supplies. Because of the lack of controls and the nature of the items purchased, we were unable to substantiate a valid business purpose or determine if the County received the items purchased. It should be noted that some of the parts purchased did not appear to be compatible with any vehicles on the County's asset listing.
 - \$4,011 in purchases that were reimbursed twice or for items returned and refunded after reimbursement to the County Judge in 2021 (\$2,725) and 2020 (\$1,286). The County Judge repaid the County \$4,011 on December 1, 2021, for these overpayments.
 - Review of monthly credit card statements indicated that the Judge received incentive points for purchases made and paid for by the County. The value of these incentives could not be determined.

Additionally, a comparative analysis of departments/funds under the County Judge revealed that total expenses for automotive parts and repairs increased approximately 56% from 2018 to 2021.

2. Competitive bids were not solicited for road construction projects in the amount of \$217,655, in noncompliance with Ark. Code Ann. §§ 22-9-201 - 22-9-203. Furthermore, a contract documenting the work to be performed by the contractor was not obtained and five payments totaling \$125,000 were not adequately documented.
3. Fixed Asset record were not properly maintained, as required by Ark. Code Ann. § 14-25-106, as follows:
 - Beginning balances did not agree to prior year ending balances.
 - Asset additions and deletions were not accurately recorded.
 - Numerous items were deleted from the listing without the required reporting to the Quorum Court.

County Judge and County/Circuit Clerk

1. County appropriation amendments for 2020 were not presented to and approved by the quorum court in a timely manner. Furthermore, appropriation amendment ordinances passed by the quorum court for 2020 were not posted to the appropriations journal accurately, or in a timely manner. The failure to process appropriation amendments accurately and in a timely manner does not allow for accurate monthly reporting to the quorum court.
2. The portion of the County Judge's salary and bonus paid from the County Road Fund exceeded fifty percent, in noncompliance with Ark. Code Ann. § 14-14-811.

Treasurer and County/Circuit Clerk

The County Clerk and the County Treasurer did not reconcile the claims docket, warrant register and the appropriations journal on a monthly basis, as required by Ark. Code Ann. § 14-21-101.

Treasurer

Bank reconciliations were not prepared in a timely manner and adjustments were made to the January 1, 2020 beginning balance after prior year ending balances had been brought forward, in noncompliance with Ark. Code Ann. § 14-25-114.

Sheriff/Tax Collector

The County Sheriff did not comply with Ark. Code Ann. §§ 16-10-205, - 207 as indicated below:

- Arrest reports were not properly completed.
- Citation books were not filed with the Court Clerk in a timely manner.
- Citations were not properly voided.
- Eleven citations tested could not be located or traced through court.

County/Circuit Clerk

We noted the following deficiencies during testing of payroll transactions:

- Payroll reported on Internal Revenue Service (IRS) quarterly 941 reports did not agree with wages reported on IRS W-2 Forms. We were also unable to reconcile payroll files to the appropriations journal and to wages reported to the IRS.
- A review of Aflac and Liberty Mutual payroll deductions from January 1, 2020 to July 31, 2021 revealed the following:
 - Insurance billings were not reconciled to payroll deductions withheld on a monthly basis.
 - Premiums were not paid in a timely manner which resulted in policies being cancelled.
 - Premiums were paid with no corresponding payroll deduction.
 - Payroll withholdings were noted for employees who had no active insurance policy.
 - County paid premiums for five individuals no longer employed by the County.
- One payroll disbursement tested could not be verified because the timesheet was not provided.

District Court Clerk

The District Court Clerk was in noncompliance with Ark. Code Ann. § 16-10-209 and other proper accounting procedures as indicated below.

- A reconciliation of the individual citations in the completed city and county citation book to the individual citations as reflected on the arrest report or court docket was not performed.
- A list of all unpaid installment payment accounts for which a payment has not been received within the past 30 days was not presented to the District Court Judge.
- The District Court was unable to provide adequate documentation to support credits (other than receipts) given to the five defendants selected to test.

Airport Commission Chairperson

The following issues were noted during review of Airport Commission records, in noncompliance with Ark. Code Ann. § 14-357-108:

- Cash receipts and disbursements journals were not properly maintained or provided to the County Clerk.
- Formal bank reconciliations were not prepared for bank accounts.

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 "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
February 22, 2022

SEARCY COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 811,980	\$ 524,849	\$ 1,842,326
Investments			19,226
Accounts receivable	20,470	5,485	296,395
Interfund receivables		39,887	31,892
	<u>832,450</u>	<u>570,221</u>	<u>2,189,839</u>
TOTAL ASSETS	<u>\$ 832,450</u>	<u>\$ 570,221</u>	<u>\$ 2,189,839</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 31,003	\$ 34,492	\$ 298,894
Interfund payables	49,308	913	21,558
Settlements pending	33,799		284,969
Total Liabilities	<u>114,110</u>	<u>35,405</u>	<u>605,421</u>
Fund Balances:			
Restricted		534,816	1,294,727
Committed			151,986
Assigned	7,756		138,149
Unassigned	710,584		(444)
Total Fund Balances	<u>718,340</u>	<u>534,816</u>	<u>1,584,418</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 832,450</u>	<u>\$ 570,221</u>	<u>\$ 2,189,839</u>

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

SEARCY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 393,100	\$ 1,249,491	\$ 362,941
Federal aid	452,667	386,755	414,395
Property taxes	307,637	188,415	285,773
Sales taxes	6		976,300
Fines, forfeitures, and costs	155,370		24,478
Interest	4,656	4,253	18,583
Officers' fees	81,472		25,683
Jail fees	18,150		14,135
911 fees			231,655
Contributions from Municipalities	8,619		241,747
Increase in fair market value of investments			271
Sanitation fees	5,764		
Treasurer's commission	89,209		10,507
Collector's commission	128,032		16,527
Taxes apportioned - Assessor's salary and expense	171,286		
Other	99,613	27,808	74,431
TOTAL REVENUES	1,915,581	1,856,722	2,697,426
Less: Treasurer's commission	25,979	27,793	34,532
NET REVENUES	1,889,602	1,828,929	2,662,894
EXPENDITURES			
Current:			
General government	739,647		227,755
Law enforcement	544,937		494,894
Highways and streets	12,200	1,694,204	
Public safety	39,070		173,647
Sanitation			683,613
Health	13,136		700
Recreation and culture	14,224		277,563
Social services	47,448		
Airport	6,016		271,658
Water			153,165
Total Current	1,416,678	1,694,204	2,282,995
Debt Service:			
Bond principal			65,000
Bond interest and other charges			80,006
Lease principal		10,283	48,971
Lease interest		1,481	2,520
Note principal			35,652
Note interest			2,761
TOTAL EXPENDITURES	1,416,678	1,705,968	2,517,905

SEARCY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>\$ 472,924</u>	<u>\$ 122,961</u>	<u>\$ 144,989</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			471,077
Transfers out	<u>(250,616)</u>		<u>(220,461)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,616)</u>		<u>250,616</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	222,308	122,961	395,605
FUND BALANCES - JANUARY 1	<u>496,032</u>	<u>411,855</u>	<u>1,188,813</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 718,340</u></u>	<u><u>\$ 534,816</u></u>	<u><u>\$ 1,584,418</u></u>

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

SEARCY 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, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 307,521	\$ 393,100	\$ 85,579	\$ 1,183,445	\$ 1,249,491	\$ 66,046
Federal aid	454,922	452,667	(2,255)	171,000	386,755	215,755
Property taxes	578,200	307,637	(270,563)	221,500	188,415	(33,085)
Sales taxes		6	6			
Fines, forfeitures, and costs	171,033	155,370	(15,663)			
Interest	5,000	4,656	(344)	4,100	4,253	153
Officers' fees	50,000	81,472	31,472			
Jail fees	25,000	18,150	(6,850)			
Contributions from Municipalities		8,619	8,619			
Sanitation fees		5,764	5,764			
Treasurer's commission	86,000	89,209	3,209			
Collector's commission		128,032	128,032			
Taxes apportioned - Assessor's salary and expense		171,286	171,286			
Other	171,320	99,613	(71,707)	20,064	27,808	7,744
TOTAL REVENUES	1,848,996	1,915,581	66,585	1,600,109	1,856,722	256,613
Less: Treasurer's commission		25,979	(25,979)		27,793	(27,793)
NET REVENUES	1,848,996	1,889,602	40,606	1,600,109	1,828,929	228,820
EXPENDITURES						
Current:						
General government	1,094,998	739,647	355,351			
Law enforcement	593,759	544,937	48,822			
Highways and streets		12,200	(12,200)	2,125,005	1,694,204	430,801
Public safety	46,745	39,070	7,675			
Sanitation	3,150		3,150			
Health	16,850	13,136	3,714			
Recreation and culture	36,180	14,224	21,956			
Social services	49,365	47,448	1,917			
Airport	6,775	6,016	759			
Total Current	1,847,822	1,416,678	431,144	2,125,005	1,694,204	430,801
Debt Service:						
Lease principal				4,644	10,283	
Lease interest				833	1,481	
TOTAL EXPENDITURES	1,847,822	1,416,678	431,144	2,130,482	1,705,968	430,801

SEARCY 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, 2020

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,174	\$ 472,924	\$ 471,750	\$ (530,373)	\$ 122,961	\$ 659,621
OTHER FINANCING SOURCES (USES)						
Transfers in	20,000		(20,000)	376,422		(376,422)
Transfers out	(256,025)	(250,616)	5,409			
TOTAL OTHER FINANCING SOURCES (USES)	(236,025)	(250,616)	(14,591)	376,422		(376,422)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(234,851)	222,308	457,159	(153,951)	122,961	283,199
FUND BALANCES - JANUARY 1,	437,200	496,032	58,832	200,000	411,855	211,855
FUND BALANCES - DECEMBER 31	\$ 202,349	\$ 718,340	\$ 515,991	\$ 46,049	\$ 534,816	\$ 495,054

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Enterprise Funds). See Schedules 1 and 2 for Capital Projects 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 Debt Service Funds as reported with other funds in the aggregate.

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, savings, and money market accounts, and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, delinquent taxes and funds held in 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.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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 East Searcy County Water Project and Gun Auction/ Sheriff's Vehicle and Equipment 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)	\$ 2,949,158	\$ 3,306,577
Uncollateralized	229,217	229,217
Total Deposits	<u>\$ 3,178,375</u>	<u>\$ 3,535,794</u>

The above total deposits do not include cash on hand of \$780.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2020, \$229,217 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid			\$ 241,225
Property taxes	\$ 7,999	\$ 3,024	3,437
Fines, forfeitures, and costs	5,868		1,026
Officers' fees	6,603		1,603
911 fees			11,358
Contributions from Municipalities			29,496
Other		2,461	8,250
Totals	<u>\$ 20,470</u>	<u>\$ 5,485</u>	<u>\$ 296,395</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2020, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 23,379	\$ 28,373	\$ 291,328
Payroll taxes payable	7,624	6,119	7,566
Totals	<u>\$ 31,003</u>	<u>\$ 34,492</u>	<u>\$ 298,894</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2020	
	Interfund Receivables	Interfund Payables
General Fund		\$ 49,308
Road Fund	\$ 39,887	913
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation	1,812	
Collector's Automation	27,553	
Sales Tax	913	19,944
County Jail Building and Maintenance	1,614	
County Jail Operations		1,614
Totals	<u>\$ 71,779</u>	<u>\$ 71,779</u>

Interfund receivables and payables consist of recording errors. These balances were repaid in 2021.

NOTE 7: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2020, the County Received \$280,422 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The County was awarded \$1,531,388 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$765,694 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2020, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 70,274
Law enforcement			84,927
Highways and streets		\$ 534,816	145,993
Public safety			130,605
Sanitation			194,561
Health			27,919
Recreation and culture			411,221
Capital outlay			87
Debt service			229,140
Total Restricted		<u>534,816</u>	<u>1,294,727</u>
Committed for:			
General government			150,842
Recreation and culture			1,144
Total Committed			<u>151,986</u>
Assigned to:			
General government	\$ 627		
Law enforcement			64
Sanitation	7,129		125,950
Airport			12,135
Total Assigned	<u>7,756</u>		<u>138,149</u>
Unassigned	<u>710,584</u>		<u>(444)</u>
Totals	<u>\$ 718,340</u>	<u>\$ 534,816</u>	<u>\$ 1,584,418</u>

NOTE 9: Deficit Fund Balances

The following fund has deficit fund balance as of December 31, 2020:

	December 31, 2020
Other Funds in the Aggregate:	
Special Revenue Funds:	
Series 2017 Bond Surplus	<u>\$ 444</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the legal debt limit for bonded debt was \$8,420,542. 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, 2020, the legal debt limit for short-term financing obligations was \$2,320,108. The amount of short-term financing obligations was \$165,686, leaving a legal debt margin of \$2,154,422.

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2020:

	December 31, 2020
Long-term liabilities	\$ 2,322,593
Noncancellable lease	1,206,612
Reappraisal contract	178,296
Construction contracts	87,457
	<hr/>
Total Commitments	\$ 3,794,958
	<hr/>

Long-term Liabilities

Long-term liabilities at December 31, 2020, are comprised of the following:

	December 31, 2020
<u>Bonds</u>	
Sales and Use Tax Bonds, Series 2017, in the amount of \$2,250,000, dated February 21, 2017, for the purpose of financing the cost of a new jail and law enforcement facility, annual installments of \$20,000 to \$140,000, interest at 2.5% to 4.125%, with a final maturity date of March 1, 2042. Payments are to be made from the Debt Service Fund.	<hr/> \$ 2,105,000
<u>Direct Borrowings</u>	
Note payable with First Service Bank in the amount of \$31,480 to purchase a 2017 Ford F350 truck. The note was dated April 10, 2019, with a maturity date of April 10, 2024, and an interest rate of 3.57%. Principal and interest on the note are to be paid in monthly installments of \$574 for 60 months. Payments are to be made from the Sales Tax Fund.	21,615
Note payable with Bank of the Ozarks in the amount of \$77,970 to purchase two 2016 Ford F350 trucks. The note was dated April 21, 2016, with a maturity date of April 21, 2021, and an interest rate of 2.5%. Principal and interest on the note are to be paid in monthly installments of \$1,385 for 60 months. Payments are to be made from the Sales Tax Fund.	5,250

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11: Commitments (Continued)

Long-term Liabilities (Continued)

	December 31, 2020
<u>Direct Borrowings</u> (Continued)	
Note payable with Bank of the Ozarks in the amount of \$68,766 to purchase two 2019 Ford F350 trucks. The note was dated September 7, 2018, with a maturity date of September 7, 2023, and an interest rate of 3.15%. Principal and interest on the note are to be paid in monthly installments of \$1,242 for 60 months. Payments are to be made from the Sales Tax Fund.	\$ 39,173
Lease purchase agreement with Caterpillar Financial Services Corp in the amount of \$187,172 for the purchase of a 2017 Caterpillar on-highway dump truck. The agreement was dated July 7, 2016, with a maturity date of July 7, 2021, and an interest rate of 3.2%. Principal and interest on the agreement are to be paid in monthly installments of \$3,380 for 60 months with a final balloon payment of \$1. Payments are to be made from the Sales Tax Fund.	20,483
Lease purchase agreement with TCF Equipment Finance in the amount of \$30,000 for the purchase of a rear loader. The agreement was dated March 9, 2019, with a maturity date of March 9, 2022, and an interest rate of 5.88%. Principal and interest on the agreement are to be paid in monthly installments of \$911 for 36 months. Payments are to be made from the Sales Tax Fund.	13,144
Lease purchase agreement with Welch State Bank in the amount of \$24,784 for the purchase of a 2019 Interstate trailer. The agreement was dated June 14, 2019, with a maturity date of June 14, 2024, and an interest rate of 3.99%. Principal and interest on the agreement are to be paid in monthly installments of \$456 for 60 months. Payments are to be made from the Road Fund.	18,260
Lease purchase agreement with JCB Finance in the amount of \$53,400 for the purchase of a 2013 excavator. The agreement was dated August 20, 2020, with a maturity date of August 14, 2023, and an interest rate of 3.79%. Principal and interest on the agreement are to be paid in monthly installments of \$1,572 for 36 months. Payments are to be made from the Road Fund.	47,761
Total Direct Borrowings	<u>165,686</u>
Arkansas District Judge's Retirement unfunded pension liability to be repaid over 30 years beginning January 1, 2005. Payments are to be made from the General Fund.	51,907
Total Long-term liabilities	<u>\$ 2,322,593</u>

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

The County's outstanding bonds payable of \$2,105,000 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 notes and lease-purchases from direct borrowings of \$165,686 contain provisions 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.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11: Commitments (Continued)

Compensated Absences

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

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2020	Maturities to December 31, 2020
<u>Bonds</u>					
2/21/17	3/1/42	2.5 - 4.125%	\$ 2,250,000	\$ 2,105,000	\$ 145,000
<u>Direct Borrowings</u>					
4/21/16	4/21/21	2.5%	77,970	5,250	72,720
7/7/16	7/7/21	3.2%	187,172	20,483	166,689
9/7/18	9/7/23	3.15%	68,766	39,173	29,593
3/9/19	3/19/22	5.88%	30,000	13,144	16,856
4/10/19	4/10/24	3.57%	31,480	21,615	9,865
6/14/19	6/14/24	3.99%	24,784	18,260	6,524
8/20/20	8/14/23	3.79%	53,400	47,761	5,639
Total Direct Borrowings			473,572	165,686	307,886
Total Long-Term Debt			<u>\$ 2,723,572</u>	<u>\$ 2,270,686</u>	<u>\$ 452,886</u>

Changes in Long-Term Debt

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	\$ 2,170,000		\$ 65,000	\$ 2,105,000
<u>Direct Borrowings</u>				
Notes payable	101,690		35,652	66,038
Capital leases	105,502	\$ 53,400	59,254	99,648
Total Direct Borrowings	207,192	53,400	94,906	165,686
Total Long-Term Debt	<u>\$ 2,377,192</u>	<u>\$ 53,400</u>	<u>\$ 159,906</u>	<u>\$ 2,270,686</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2020:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 65,000	\$ 78,381	\$ 143,381	\$ 78,418	\$ 4,766	\$ 83,184
2022	65,000	76,756	141,756	46,497	2,365	48,862
2023		75,944	75,944	35,338	780	36,118
2024		75,944	75,944	5,433	60	5,493
2025		75,944	75,944			
2026 - 2030	370,000	337,631	707,631			
2031 - 2035	435,000	262,500	697,500			
2036 - 2040	525,000	164,531	689,531			
2041 - 2042	645,000	39,910	684,910			
Totals	<u>\$2,105,000</u>	<u>\$1,187,541</u>	<u>\$3,292,541</u>	<u>\$ 165,686</u>	<u>\$ 7,971</u>	<u>\$ 173,657</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for eight Sany motor graders on February 12, 2019. Terms of the lease are base monthly rental payments of \$1,150 per grader for one hundred twenty (120) months, with a five percent (5%) payment escalation on the anniversary of the lease commencement date. At the end of the lease term, the County will return the graders to the Lessor per the terms of the lease.

The County is obligated for the following amounts:

Year	December 31, 2020
2021	\$ 119,639
2022	125,621
2023	131,902
2024	138,496
2025	145,422
2026-2029	<u>545,532</u>
Total	<u>\$ 1,206,612</u>

Rental expense for 2020 was \$114,138.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11: Commitments (Continued)

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessments Solutions on November 29, 2017, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$7,429 for a total of \$445,740 beginning January 15, 2018, with subsequent payments due on the 15th of each month thereafter. Contract expense for 2020 was \$89,148.

The County is obligated for the following amounts at December 31, 2020:

Year	December 31, 2020
2021	\$ 89,148
2022	89,148
Total	<u>\$ 178,296</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2020:

Project Name	Completion Date	Contract Balance December 31, 2020
Searcy County Airport	July 30, 2021	\$ 24,192
Buffalo River Museum Project	October 30, 2021	63,265
Total Construction Contracts		<u>\$ 87,457</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$250,616 to Other Funds in the Aggregate (Reappraisal Cost \$7,748 and County Jail Operations \$242,868) for supplemental funding. Within Other Funds in the Aggregate, the Series 2017 Bond Surplus Fund transferred \$219,931 to the County Jail Operations Fund for supplemental funding. Additionally, the Jail Bond Debt Service Reserve Fund transferred funds in excess of the required reserve balance (\$530) to the Jail Bond Debt Service Fund for future debt payments.

NOTE 13: Subsequent Events

On June 4, 2021 and October 13, 2021, the County entered into lease purchase agreements with Bancorp South Equipment Finance for two Solid Waste trucks in the amount of \$154,900 and \$204,500, respectively.

On December 7, 2021, the County issued \$1,945,000 of Sales and Use Tax Refunding Bonds with interest rates ranging from .6 to 2.5 percent. The bond proceeds will be used to refund the 2017 Series Sales and Use Tax Bonds.

NOTE 14: Pledged Revenues

The County pledged future .5% sales and use taxes to repay \$2,250,000 in bonds that were issued in 2017 to provide funding for the construction of a new county jail and law enforcement facility. Total principal and interest remaining on the bonds are \$2,105,000 and \$1,187,541, respectively, payable through March 1, 2042. For 2020, principal and interest paid were \$65,000 and \$80,006, respectively.

The Debt Service Funds received \$142,365 in sales taxes in 2020. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15: Jointly Governed Organizations

Ozark Mountain Solid Waste District

The County is a member of the Ozark Mountain Solid Waste District. The Ozark Mountain Solid Waste District is a jointly governed organization of representatives from Baxter, Boone, Carroll, Marion, Newton, and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. No payments were made to the Ozark Mountain Solid Waste District by the County during 2020. The County collected \$83,442 in service fees billed on property tax statements as ordered by the Circuit Court of Pulaski County in Case No.: 60CV-14-4479. These funds are currently held by the County Treasurer in an agency fund. The County was directed to place these funds in a trust account to be held by the Circuit Clerk by the Circuit Court of Searcy County in Case No. 65CV-18-43. These funds will remain in trust until further instruction from the court.

Twentieth Judicial District Drug Task Force

The Prosecuting Attorney of the Twentieth Judicial District, the Sheriffs' Departments of Faulkner, Van Buren, and Searcy Counties, and the Conway and Fairfield Bay Police Departments entered into an agreement to establish the Twentieth Judicial District Drug Crime Task Force. The agreement covers the period January 1, 2019 to December 31, 2020. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Twentieth Judicial District. The County did not provide any funding to the Twentieth Judicial District Drug Crime Task Force. Financial statements of the Twentieth Judicial District Task Force were not available.

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.

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.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16: Risk Management (Continued)

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

NOTE 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.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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, 2020, (date of APERS Employer Allocation Report) were \$281,822.

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, 2020, (actuarial valuation date and measurement date) was \$2,699,791.

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS								Ozark Mountain Solid Waste District E- Waste
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Sales Tax	
ASSETS									
Cash and cash equivalents	\$ 5,300	\$ 3,439	\$ 29,116	\$ 2,726	\$ 9,697	\$ 11,600	\$ 140,820	\$ 291,915	\$ 14,500
Investments									
Accounts receivable			169	27		1,442	3,437	29,496	
Interfund receivables	1,812	27,553						913	
TOTAL ASSETS	<u>\$ 7,112</u>	<u>\$ 30,992</u>	<u>\$ 29,285</u>	<u>\$ 2,753</u>	<u>\$ 9,697</u>	<u>\$ 13,042</u>	<u>\$ 144,257</u>	<u>\$ 322,324</u>	<u>\$ 14,500</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 5,868				\$ 69	\$ 4,841	\$ 19,235	
Interfund payables								19,944	
Settlements pending									
Total Liabilities		<u>5,868</u>				<u>69</u>	<u>4,841</u>	<u>39,179</u>	
Fund Balances:									
Restricted	\$ 7,112	25,124	\$ 29,285	\$ 2,753	\$ 9,697	12,973	139,416	157,195	\$ 14,500
Committed									
Assigned								125,950	
Unassigned									
Total Fund Balances	<u>7,112</u>	<u>25,124</u>	<u>29,285</u>	<u>2,753</u>	<u>9,697</u>	<u>12,973</u>	<u>139,416</u>	<u>283,145</u>	<u>14,500</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,112</u>	<u>\$ 30,992</u>	<u>\$ 29,285</u>	<u>\$ 2,753</u>	<u>\$ 9,697</u>	<u>\$ 13,042</u>	<u>\$ 144,257</u>	<u>\$ 322,324</u>	<u>\$ 14,500</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS								
	Reappraisal Cost	Child Support Cost	Communication Facility and Equipment	Detention Facility and Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Drug Control	Public Safety	Circuit Clerk Commissioner's Fee
ASSETS									
Cash and cash equivalents	\$ 3,590	\$ 3,188	\$ 17,093		\$ 1,339	\$ 120,388	\$ 3,269	\$ 1,629	\$ 1,463
Investments									
Accounts receivable			161	\$ 830		11,358			
Interfund receivables									
TOTAL ASSETS	<u>\$ 3,590</u>	<u>\$ 3,188</u>	<u>\$ 17,254</u>	<u>\$ 830</u>	<u>\$ 1,339</u>	<u>\$ 131,746</u>	<u>\$ 3,269</u>	<u>\$ 1,629</u>	<u>\$ 1,463</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 32			\$ 2,770			
Interfund payables									
Settlements pending									
Total Liabilities			<u>32</u>			<u>2,770</u>			
Fund Balances:									
Restricted	\$ 3,590	\$ 3,188	17,222	\$ 830	\$ 1,339	128,976	\$ 3,269	\$ 1,629	\$ 1,463
Committed									
Assigned									
Unassigned									
Total Fund Balances	<u>3,590</u>	<u>3,188</u>	<u>17,222</u>	<u>830</u>	<u>1,339</u>	<u>128,976</u>	<u>3,269</u>	<u>1,629</u>	<u>1,463</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,590</u>	<u>\$ 3,188</u>	<u>\$ 17,254</u>	<u>\$ 830</u>	<u>\$ 1,339</u>	<u>\$ 131,746</u>	<u>\$ 3,269</u>	<u>\$ 1,629</u>	<u>\$ 1,463</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	Building Maintenance	Series 2017 Bond Surplus	County Jail Building and Maintenance	County Jail Operations	Recycling Grant	Civic Center Sidewalk Grant	Rock Creek Community Pavilion Grant	Unpaved Roads Richland Area
ASSETS									
Cash and cash equivalents	\$ 5,624	\$ 154,248	\$ (444)	\$ 28,220	\$ 12,313	\$ 49	\$ 14,862		\$ 21,186
Investments									
Accounts receivable								\$ 8,250	
Interfund receivables				1,614					
TOTAL ASSETS	<u>\$ 5,624</u>	<u>\$ 154,248</u>	<u>\$ (444)</u>	<u>\$ 29,834</u>	<u>\$ 12,313</u>	<u>\$ 49</u>	<u>\$ 14,862</u>	<u>\$ 8,250</u>	<u>\$ 21,186</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 3,406		\$ 2,567	\$ 10,635				
Interfund payables					1,614				
Settlements pending									
Total Liabilities		<u>3,406</u>		<u>2,567</u>	<u>12,249</u>				
Fund Balances:									
Restricted	\$ 5,624			27,267		\$ 49	\$ 14,862	\$ 8,250	\$ 21,186
Committed		150,842							
Assigned					64				
Unassigned			\$ (444)						
Total Fund Balances	<u>5,624</u>	<u>150,842</u>	<u>(444)</u>	<u>27,267</u>	<u>64</u>	<u>49</u>	<u>14,862</u>	<u>8,250</u>	<u>21,186</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,624</u>	<u>\$ 154,248</u>	<u>\$ (444)</u>	<u>\$ 29,834</u>	<u>\$ 12,313</u>	<u>\$ 49</u>	<u>\$ 14,862</u>	<u>\$ 8,250</u>	<u>\$ 21,186</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS							
	Clerks Automated Records System	Sheriff's K-9 Dog	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Cane Branch Project	County Library Board	Airport Commission
ASSETS								
Cash and cash equivalents	\$ 9,749	\$ 2,962	\$ 27,919	\$ 1,144	\$ 22,817	\$ 124,807	\$ 229,467	\$ 12,135
Investments							19,226	
Accounts receivable								241,225
Interfund receivables								
TOTAL ASSETS	\$ 9,749	\$ 2,962	\$ 27,919	\$ 1,144	\$ 22,817	\$ 124,807	\$ 248,693	\$ 253,360
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 8,246							\$ 241,225
Interfund payables								
Settlements pending								
Total Liabilities	8,246							241,225
Fund Balances:								
Restricted	1,503	\$ 2,962	\$ 27,919		\$ 22,817	\$ 124,807	\$ 248,693	
Committed				\$ 1,144				
Assigned								12,135
Unassigned								
Total Fund Balances	1,503	2,962	27,919	1,144	22,817	124,807	248,693	12,135
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,749	\$ 2,962	\$ 27,919	\$ 1,144	\$ 22,817	\$ 124,807	\$ 248,693	\$ 253,360

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		
	Jail Bond Construction	Snowball Water Project	East Searcy County Water Project	Jail Bond Debt Service	Jail Bond Debt Service Reserve	Jail Bond Debt Service Expense
ASSETS						
Cash and cash equivalents	\$ 77	\$ 5	\$ 5	\$ 81,137	\$ 146,706	\$ 1,297
Investments						
Accounts receivable						
Interfund receivables						
TOTAL ASSETS	<u>\$ 77</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 81,137</u>	<u>\$ 146,706</u>	<u>\$ 1,297</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Interfund payables						
Settlements pending						
Total Liabilities						
Fund Balances:						
Restricted	\$ 77	\$ 5	\$ 5	\$ 81,137	\$ 146,706	\$ 1,297
Committed						
Assigned						
Unassigned						
Total Fund Balances	<u>77</u>	<u>5</u>	<u>5</u>	<u>81,137</u>	<u>146,706</u>	<u>1,297</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 77</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 81,137</u>	<u>\$ 146,706</u>	<u>\$ 1,297</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

CUSTODIAL FUNDS

	<u>Treasurer's Accounts</u>	<u>Collector's Accounts</u>	<u>Sheriff's Accounts</u>	<u>County Clerk's Accounts</u>	<u>District Court Accounts</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 97,312	\$ 63,793	\$ 38,256	\$ 71,243	\$ 14,365	\$ 1,842,326
Investments						19,226
Accounts receivable						296,395
Interfund receivables						31,892
TOTAL ASSETS	<u>\$ 97,312</u>	<u>\$ 63,793</u>	<u>\$ 38,256</u>	<u>\$ 71,243</u>	<u>\$ 14,365</u>	<u>\$ 2,189,839</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 298,894
Interfund payables						21,558
Settlements pending	\$ 97,312	\$ 63,793	\$ 38,256	\$ 71,243	\$ 14,365	284,969
Total Liabilities	<u>97,312</u>	<u>63,793</u>	<u>38,256</u>	<u>71,243</u>	<u>14,365</u>	<u>605,421</u>
Fund Balances:						
Restricted						1,294,727
Committed						151,986
Assigned						138,149
Unassigned						(444)
Total Fund Balances						<u>1,584,418</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 97,312</u>	<u>\$ 63,793</u>	<u>\$ 38,256</u>	<u>\$ 71,243</u>	<u>\$ 14,365</u>	<u>\$ 2,189,839</u>

SEARCY 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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS								Ozark Mountain Solid Waste District E-Waste
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Sales Tax	
REVENUES									
State aid		\$ 58			\$ 2,998		\$ 43,643		
Federal aid									
Property taxes							213,307		
Sales taxes								\$ 585,000	
Fines, forfeitures, and costs			\$ 2,869	\$ 2,750					
Interest	\$ 28	99	546	64	189	\$ 129	1,999	5,652	
Officers' fees						21,596			
Jail fees									
911 fees									
Contributions from Municipalities								198,085	
Increase in fair market value of investments									
Treasurer's commission	10,507								
Collector's commission		16,527							
Other	505	12	4	2	4	3,099	1,110	6,766	\$ 14,500
TOTAL REVENUES	11,040	16,696	3,419	2,816	3,191	24,824	260,059	795,503	14,500
Less: Treasurer's commission	34		64	56	63	467	5,094	15,798	
NET REVENUES	11,006	16,696	3,355	2,760	3,128	24,357	254,965	779,705	14,500
EXPENDITURES									
Current:									
General government	9,870	22,586				20,016			
Law enforcement			169	3,345					
Public safety									
Sanitation								683,574	
Health									
Recreation and culture							221,439		
Airport									
Water									
Total Current	9,870	22,586	169	3,345		20,016	221,439	683,574	
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal								48,971	
Lease interest								2,520	
Note principal								35,652	
Note interest								2,761	
TOTAL EXPENDITURES	9,870	22,586	169	3,345		20,016	221,439	773,478	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,136	(5,890)	3,186	(585)	3,128	4,341	33,526	6,227	14,500
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	1,136	(5,890)	3,186	(585)	3,128	4,341	33,526	6,227	14,500
FUND BALANCES - JANUARY 1	5,976	31,014	26,099	3,338	6,569	8,632	105,890	276,918	
FUND BALANCES - DECEMBER 31	\$ 7,112	\$ 25,124	\$ 29,285	\$ 2,753	\$ 9,697	\$ 12,973	\$ 139,416	\$ 283,145	\$ 14,500

SEARCY 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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS								
	Reappraisal Cost	Child Support Cost	Communication Facility and Equipment	Detention Facility and Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Drug Control	Public Safety	Circuit Clerk Commissioner's Fee
REVENUES									
State aid	\$ 83,195				\$ 719				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 18,357			\$ 238	\$ 264	
Interest		\$ 63	\$ 409	17		\$ 1,749	118		
Officers' fees		36	3,738						\$ 313
Jail fees			14,135						
911 fees						231,655			
Contributions from Municipalities									
Increase in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other			8	21		1,465	2		
TOTAL REVENUES	83,195	99	18,290	18,395	719	234,869	358	264	313
Less: Treasurer's commission		2	251	351	14	4,727	7	5	6
NET REVENUES	83,195	97	18,039	18,044	705	230,142	351	259	307
EXPENDITURES									
Current:									
General government	89,148								174
Law enforcement			14,316	17,215	795		40		
Public safety						173,647			
Sanitation									
Health									
Recreation and culture									
Airport									
Water									
Total Current	89,148		14,316	17,215	795	173,647	40		174
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES	89,148		14,316	17,215	795	173,647	40		174
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(5,953)	97	3,723	829	(90)	56,495	311	259	133
OTHER FINANCING SOURCES (USES)									
Transfers in	7,748								
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)	7,748								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	1,795	97	3,723	829	(90)	56,495	311	259	133
FUND BALANCES - JANUARY 1	1,795	3,091	13,499	1	1,429	72,481	2,958	1,370	1,330
FUND BALANCES - DECEMBER 31	\$ 3,590	\$ 3,188	\$ 17,222	\$ 830	\$ 1,339	\$ 128,976	\$ 3,269	\$ 1,629	\$ 1,463

SEARCY 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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	Building Maintenance	Series 2017 Bond Surplus	County Jail Building and Maintenance	County Jail Operations	Recycling Grant	Civic Center Sidewalk Grant	Rock Creek Community Pavilion Grant	Unpaved Roads Richland Area
REVENUES									
State aid		\$ 14,548					\$ 14,862	\$ 8,250	\$ 21,186
Federal aid									
Property taxes	\$ 3,385	69,081							
Sales taxes			\$ 224,465	\$ 24,437					
Fines, forfeitures, and costs									
Interest		2,635		15	\$ 233				
Officers' fees									
Jail fees									
911 fees									
Contributions from Municipalities					43,662				
Increase in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other		102			1,162	\$ 45			
TOTAL REVENUES	3,385	86,366	224,465	24,452	45,057	45	14,862	8,250	21,186
Less: Treasurer's commission	67	1,711	4,978		718	1			
NET REVENUES	3,318	84,655	219,487	24,452	44,339	44	14,862	8,250	21,186
EXPENDITURES									
Current:									
General government		77,155							
Law enforcement				9,184	416,480				
Public safety									
Sanitation									
Health									
Recreation and culture									
Airport									
Water									
Total Current		77,155		9,184	416,480				
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES		77,155		9,184	416,480				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,318	7,500	219,487	15,268	(372,141)	44	14,862	8,250	21,186
OTHER FINANCING SOURCES (USES)									
Transfers in					462,799				
Transfers out			(219,931)						
TOTAL OTHER FINANCING SOURCES (USES)			(219,931)		462,799				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,318	7,500	(444)	15,268	90,658	44	14,862	8,250	21,186
FUND BALANCES - JANUARY 1	2,306	143,342		11,999	(90,594)	5			
FUND BALANCES - DECEMBER 31	\$ 5,624	\$ 150,842	\$ (444)	\$ 27,267	\$ 64	\$ 49	\$ 14,862	\$ 8,250	\$ 21,186

SEARCY 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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS							
	Clerks Automated Records System	Buffalo River (Jail) Museum Grant	Sheriff's K-9 Dog	Ozark Mountain BBQ Grant	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Courts Security Grant
REVENUES								
State aid		\$ 48,675						
Federal aid		3,536		\$ 560				
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest								
Officers' fees								
Jail fees								
911 fees								
Contributions from Municipalities								
Increase in fair market value of investments								
Treasurer's commission								
Collector's commission								
Other	\$ 9,749		\$ 5,535				\$ 5,903	
TOTAL REVENUES	9,749	52,211	5,535	560			5,903	
Less: Treasurer's commission							118	
NET REVENUES	9,749	52,211	5,535	560			5,785	
EXPENDITURES								
Current:								
General government	8,246			560				
Law enforcement			5,318					\$ 413
Public safety								
Sanitation							39	
Health					\$ 700			
Recreation and culture		52,211				\$ 600		
Airport								
Water								
Total Current	8,246	52,211	5,318	560	700	600	39	413
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								
Lease interest								
Note principal								
Note interest								
TOTAL EXPENDITURES	8,246	52,211	5,318	560	700	600	39	413
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	1,503		217		(700)	(600)	5,746	(413)
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	1,503		217		(700)	(600)	5,746	(413)
FUND BALANCES - JANUARY 1			2,745		28,619	1,744	17,071	413
FUND BALANCES - DECEMBER 31	\$ 1,503	\$ 0	\$ 2,962	\$ 0	\$ 27,919	\$ 1,144	\$ 22,817	\$ 0

SEARCY 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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		
	Gun Auction/ Sheriff's Vehicle and Equipment Grant	Cane Branch Project	County Library Board	Airport Commission	Jail Bond Construction	Snowball Water Project	East Searcy County Water Project
REVENUES							
State aid		\$ 124,807					
Federal aid				\$ 257,134			\$ 153,165
Property taxes				33			
Sales taxes							
Fines, forfeitures, and costs							
Interest	\$ 8		\$ 3,794	19			
Officers' fees							
Jail fees							
911 fees							
Contributions from Municipalities							
Increase in fair market value of investments			271				
Treasurer's commission							
Collector's commission							
Other			10,937	13,500			
TOTAL REVENUES	8	124,807	15,002	270,686			153,165
Less: Treasurer's commission							
NET REVENUES	8	124,807	15,002	270,686			153,165
EXPENDITURES							
Current:							
General government							
Law enforcement	24,869						
Public safety							
Sanitation							
Health							
Recreation and culture			3,313				
Airport				271,658			
Water							153,165
Total Current	24,869		3,313	271,658			153,165
Debt Service:							
Bond principal							
Bond interest and other charges							
Lease principal							
Lease interest							
Note principal							
Note interest							
TOTAL EXPENDITURES	24,869		3,313	271,658			153,165
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	(24,861)	124,807	11,689	(972)			
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	(24,861)	124,807	11,689	(972)			
FUND BALANCES - JANUARY 1	24,861		237,004	13,107	\$ 77	\$ 5	5
FUND BALANCES - DECEMBER 31	\$ 0	\$ 124,807	\$ 248,693	\$ 12,135	\$ 77	\$ 5	\$ 5

SEARCY 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, 2020

Schedule 2

	DEBT SERVICE FUNDS			
	Jail Bond Debt Service	Jail Bond Debt Service Reserve	Jail Bond Debt Service Expense	Totals
REVENUES				
State aid				\$ 362,941
Federal aid				414,395
Property taxes				285,773
Sales taxes	\$ 141,095		\$ 1,270	976,300
Fines, forfeitures, and costs				24,478
Interest	277	\$ 530	10	18,583
Officers' fees				25,683
Jail fees				14,135
911 fees				231,655
Contributions from Municipalities				241,747
Increase in fair market value of investments				271
Treasurer's commission				10,507
Collector's commission				16,527
Other				74,431
TOTAL REVENUES	141,372	530	1,280	2,697,426
Less: Treasurer's commission				34,532
NET REVENUES	141,372	530	1,280	2,662,894
EXPENDITURES				
Current:				
General government				227,755
Law enforcement			2,750	494,894
Public safety				173,647
Sanitation				683,613
Health				700
Recreation and culture				277,563
Airport				271,658
Water				153,165
Total Current			2,750	2,282,995
Debt Service:				
Bond principal	65,000			65,000
Bond interest and other charges	80,006			80,006
Lease principal				48,971
Lease interest				2,520
Note principal				35,652
Note interest				2,761
TOTAL EXPENDITURES	145,006		2,750	2,517,905
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,634)	530	(1,470)	144,989
OTHER FINANCING SOURCES (USES)				
Transfers in	530			471,077
Transfers out		(530)		(220,461)
TOTAL OTHER FINANCING SOURCES (USES)	530	(530)		250,616
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,104)		(1,470)	395,605
FUND BALANCES - JANUARY 1	84,241	146,706	2,767	1,188,813
FUND BALANCES - DECEMBER 31	\$ 81,137	\$ 146,706	\$ 1,297	\$ 1,584,418

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Sales Tax	Established to account for a one percent sales and use tax pledged for solid waste management, road equipment, and road materials approved by Searcy County voters on July 23, 1985. Additionally, this fund also accounts for solid waste fees charged to local municipalities.
Ozark Mountain Solid Waste District E-Waste	Established to receive and monitor disbursements of grant received Ozark Mountain Solid Waste District for E-waste.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the state.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Detention Facility and Jail 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. Ark. Code Ann. § 12-41-505 established fund to received 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.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Building Maintenance	Searcy County Ordinance no. 2010-06 (December 4, 2010) levied a one mill property tax to be used for the repair and maintenance of the County courthouse.
Series 2017 Bond Surplus	Sales and Use Tax Bonds, Series 2017 indenture, and Searcy County Ordinance no. 2017-16 (July 10, 2017) established fund to receive surplus tax proceeds to be used for any lawful purpose for which tax collections may be used.
County Jail Building and Maintenance	Searcy County Ordinance no. 2018-51 (December 17, 2018) established fund to account for 10 percent of surplus funds received monthly.
County Jail Operations	Searcy County Ordinance no. 2018-36 (December 17, 2018) established fund to account for operations of the County Jail.
Recycling Grant	Established to receive and monitor disbursements of funding received through state grants to purchase supplies and or equipment for sanitation.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Civic Center Sidewalk Grant	Established to receive and monitor disbursements of funding received from the Arkansas Economic Development Commission Rural Community Grant Program for parking lot and sidewalk improvements to the Searcy County Civic Center.
Rock Creek Community Pavilion Grant	Established to receive and monitor disbursements of funding received from the Arkansas Economic Development Commission Rural Community Grant Program for picnic area within the Rock Creek Community of Searcy County.
Unpaved Roads Richland Area	Established fund to receive and monitor disbursements of grant with Arkansas Department of Agriculture and the United States Environmental Agency (EPA) to assist with creating better unpaved county road system.
Clerks Automated Records System	Ark. Code Ann. § 14-20-107 provided for grant funds to be awarded by the Association of Arkansas Counties to county recorders in Class 1 - Class 5 counties solely for purpose of office automation.
Buffalo River (Jail) Museum Grant	Established to receive and monitor disbursements for a grant from the Rural Development Community Facility Grant Program and the Arkansas Historical Preservation Program for the remodeling of the old jail into the Buffalo River Museum.
Sheriff's K-9 Dog	Established to receive and monitor private donations for a K-9 for the sheriff's office.
Ozark Mountain BBQ Grant	Fund established to receive and monitor disbursements of a federal grant received through Northwest Arkansas Economic Development District to fund the creation of a new business, Ozark Mountain BBQ, in Searcy County.
Growing a Healthy Searcy County	Established to receive and monitor disbursements for state grants to aid in fighting hunger and spreading knowledge of healthy choices within the community.
Civic Center Park Improvement	Searcy County Ordinance no. 2017-21 (October 9, 2017) established fund to monitor donations received for improvements to the Civic Center Park.
Tire Accountability Grant	Established to account for funding received from Ozark Mountain Solid Waste Management District for managing, monitoring, and overseeing a Used Tire Program (UTP) administered by the Arkansas Department of Environmental Quality.
Courts Security Grant	Searcy County Ordinance no. 2019-34 (June 10, 2019) established fund to receive and monitor disbursements for a grant received to make improvements to the courtroom annex.
Gun Auction/ Sheriff's Vehicle and Equipment Grant	Searcy County Ordinance no. 2019-49 (September 9, 2019) established fund to account for proceeds received from a gun and equipment auction, as well as a USDA grant.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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

<u>Fund Name</u>	<u>Fund Description</u>
Cane Branch Project	Established fund to receive and monitor disbursements of grant with Arkansas Department of Agriculture and the United States Environmental Agency (EPA) to assist with creating better unpaved county road system.
County Library Board	Established by the County Library Board, as allowed by Ark. Code. Ann. § 13-2-204, to receive and monitor donations and grants to the County Library.
Airport Commission	Searcy County Court Order, dated June 1, 1969 established commission to account for funds to assist in further development, maintenance and operation of an airport facility.
Jail Bond Construction	Sales and Use Tax Bonds, Series 2017 indenture and Searcy County Ordinance no. 2017-04 (January 9, 2017) established this fund to account for bond proceeds to be used for the cost of constructing and new jail and law enforcement facilities.
Snowball Water Project	Established to receive and monitor disbursements for federal grant to construct water system.
East Searcy County Water Project	Established to receive and monitor disbursements for federal grant to construct water system.
Jail Bond Debt Service	Sales and Use Tax Bonds, Series 2017 indenture and Searcy County Ordinance no. 2017-04 (January 9, 2017) established this fund to account for proceeds from the bond sale and sales taxes received for debt service payments.
Jail Bond Debt Service Reserve	Reserved fund established by the Sales and Use Tax Bonds, Series 2017 indenture, to hold funds in reserve for debt service needs.
Jail Bond Debt Service Expense	Sales and Use Tax Bonds, Series 2017 indenture and Searcy County Ordinance no. 2017-04 (January 9, 2017) established this fund to account for sales taxes received for payment of trustee's fees and other administrative expenses.

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

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

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

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

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

SEARCY COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

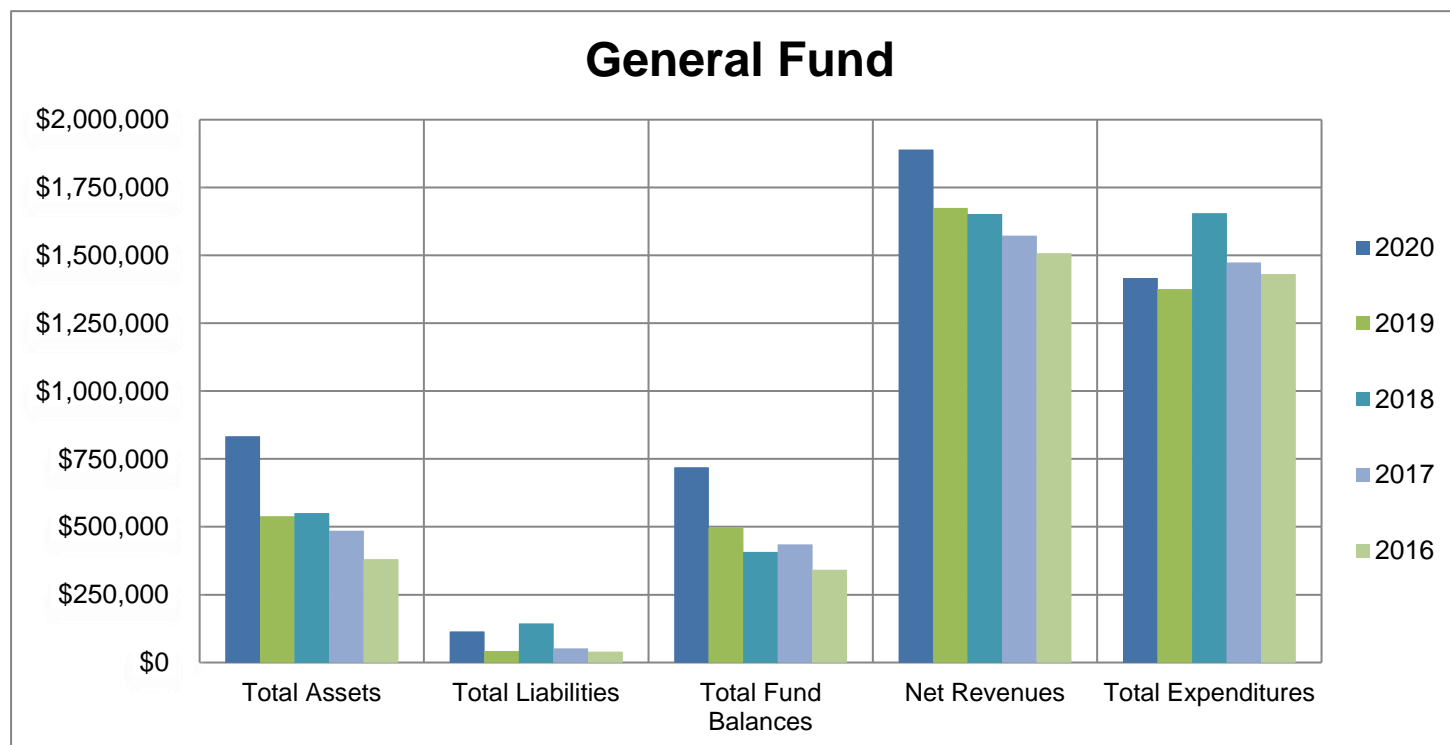
Schedule 3

	December 31, 2020
Land	\$ 599,857
Buildings	4,089,002
Improvements other than building	2,451,010
Equipment	<u>3,127,316</u>
Total	<u><u>\$ 10,267,185</u></u>

SEARCY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2020
(Unaudited)

Schedule 4-1

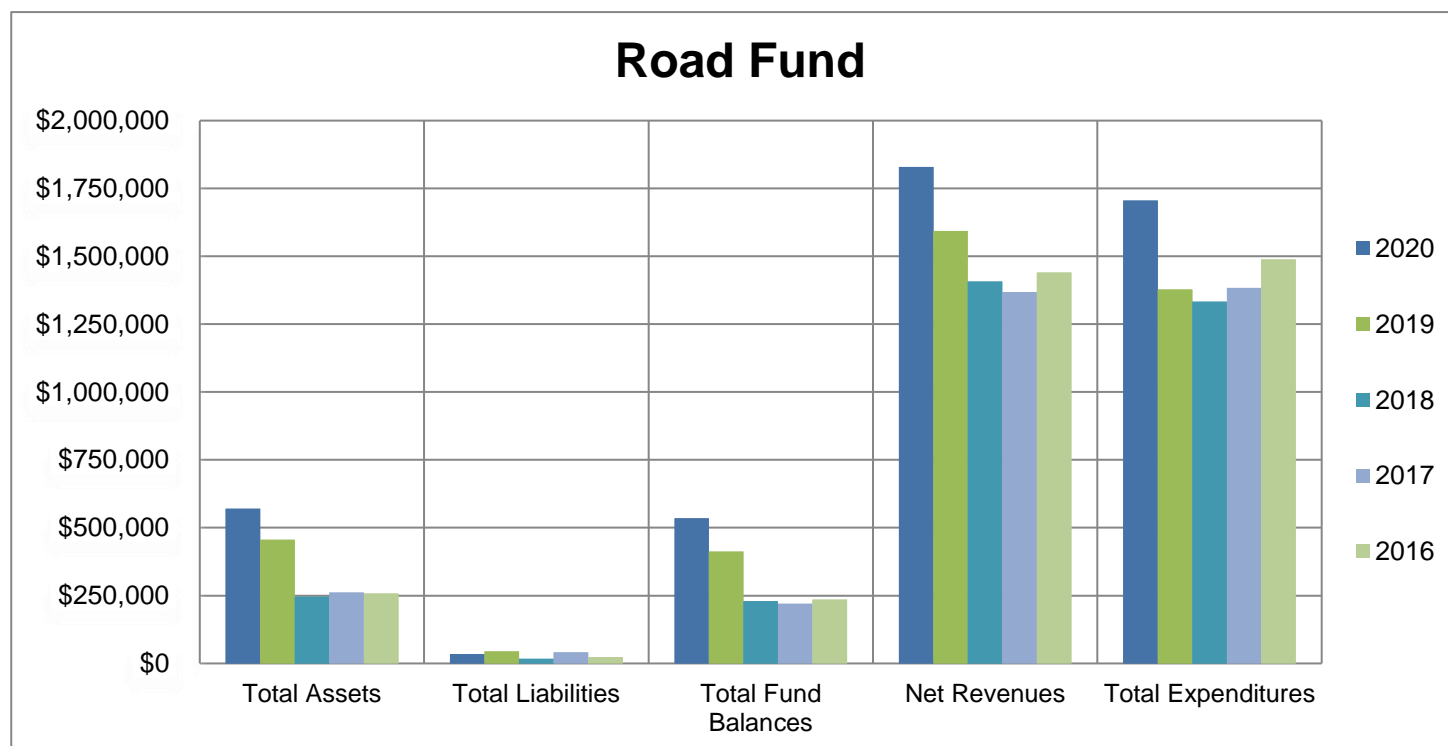
<u>General</u>	2020	2019	2018	2017	2016
Total Assets	\$ 832,450	\$ 537,748	\$ 550,306	\$ 485,716	\$ 380,804
Total Liabilities	114,110	41,716	143,065	51,412	39,821
Total Fund Balances	718,340	496,032	407,241	434,304	340,983
Net Revenues	1,889,602	1,675,169	1,652,213	1,571,698	1,506,817
Total Expenditures	1,416,678	1,375,718	1,655,276	1,473,377	1,430,776
Total Other Financing Sources/Uses	(250,616)	(210,660)	(24,000)	(5,000)	



SEARCY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2020
(Unaudited)

Schedule 4-2

<u>Road</u>	2020	2019	2018	2017	2016
Total Assets	\$ 570,221	\$ 455,982	\$ 245,665	\$ 260,784	\$ 257,583
Total Liabilities	35,405	44,127	16,874	40,659	22,581
Total Fund Balances	534,816	411,855	228,791	220,125	235,002
Net Revenues	1,828,929	1,593,911	1,406,893	1,368,704	1,440,129
Total Expenditures	1,705,968	1,377,897	1,333,227	1,383,581	1,488,926
Total Other Financing Sources/Uses		(32,950)	(65,000)		51,816



SEARCY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2020
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2020	2019	2018	2017	2016
Total Assets	\$ 2,189,839	\$ 1,776,017	\$ 1,983,405	\$ 3,280,737	\$ 1,435,084
Total Liabilities	605,421	587,204	852,024	204,981	192,443
Total Fund Balances	1,584,418	1,188,813	1,131,381	3,075,756	1,242,641
Net Revenues	2,662,894	3,387,976	4,289,429	2,047,456	1,977,829
Total Expenditures	2,517,905	3,574,154	6,391,570	2,469,341	1,754,115
Total Other Financing Sources/Uses	250,616	243,610	157,766	2,255,000	77,970

