

Searcy County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



SEARCY COUNTY, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Searcy County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of December 31, 2021; 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 30, 2023
LOCO06421

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated March 30, 2023. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain a deficiency in internal control, described below as item 2021-1, that we consider to be a material weakness.

2021-1 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, expenditures, and note disclosures of \$28,936, \$26,919, \$55,856, \$513,699, \$42,472, and \$55,856, respectively, primarily due to posting errors and misclassifications of revenues and expenditures.
- Other Funds in the Aggregate financial records contained misstatements for assets, liabilities, fund balance, revenues, expenditures, and note disclosures of \$40,821, \$42,803, \$77,779, \$822,637, \$508,085, and \$40,097, respectively, primarily due to posting errors and misclassifications of revenues and expenditures.

A similar finding was issued in the previous two reports.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the Report on Internal Control over Financial Reporting section as item 2021-1.

We also reported to management of the County in a separate letter dated March 30, 2023.

County's Response to Findings

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

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
March 30, 2023

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 2021:

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 in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

1. The County Judge was reimbursed twice for a \$2,468 purchase made on a personal credit card. As of report date, the Judge had not reimbursed the County. A similar finding was noted in the previous report.
2. Competitive bids were not solicited or waived for the purchase of a trash compactor costing \$154,900 and a Peterbilt truck costing \$204,500, in noncompliance with Ark. Code Ann. §§ 14-22-101 - 14-22-115. A similar finding was noted in the prior report.
3. The Quorum Court minutes did not document the review of the findings and recommendations of the prior audit report and any actions taken by the Quorum Court, as required by Ark. Code Ann. § 10-4-418.
4. Capital asset records were not maintained, as required by Ark. Code Ann. § 14-25-106. A similar finding was noted in the previous report.

County Judge and County/Circuit Clerk

1. We noted the following during our review of claims processing:
 - Three claims totaling \$163,399 were not located.
 - One claim totaling \$8,216 was not properly documented.
 - Payments made on a road construction project exceeded the bid amount by \$26,165 (12%) with no documentation of the additional costs.
2. The portion of the County Judge's salary paid from the County Road Fund exceeded fifty percent, in noncompliance with Ark. Code Ann. § 14-14-811. A similar finding was noted in the prior report.

Treasurer

1. Bank reconciliations were not prepared in a timely manner and adjustments were made to the January 1, 2021 beginning balance after prior year ending balances had been brought forward, in noncompliance with Ark. Code Ann. § 14-25-114. A similar finding was noted in the prior report.
2. Calculation of Excess Treasurer's Commission was not prepared and distributed in a timely manner. Additionally, transfers to the Treasurer's Automation Fund exceeded 10% of gross commissions by \$11,356, in noncompliance with Ark. Code Ann. § 21-6-302.

County/Circuit Clerk

1. Calculation of Excess Collector's Commission and Excess Assessor's Salary and Expense were not prepared and distributed in a timely manner.
2. 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.
 - IRS quarterly 941 reports, Arkansas state income tax reports, and Arkansas Public Employees Retirement System reports were not filed in a timely manner.

A similar finding was noted in the previous report.

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.
- Invoices were not provided for review.

A similar finding was noted in the previous report.

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



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
March 30, 2023

SEARCY COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 723,024	\$ 642,867	\$ 2,450,461
Investments			27,133
Accounts receivable	52,836	5,169	23,670
Interfund receivables	11,356	40,494	
	<u>787,216</u>	<u>688,530</u>	<u>2,501,264</u>
TOTAL ASSETS	<u>\$ 787,216</u>	<u>\$ 688,530</u>	<u>\$ 2,501,264</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 25,309	\$ 68,299	\$ 99,441
Interfund payables	20,475		31,375
Settlements pending	56,757		281,468
Total Liabilities	<u>102,541</u>	<u>68,299</u>	<u>412,284</u>
Fund Balances:			
Restricted		620,231	1,770,333
Committed			154,889
Assigned	15,111		166,121
Unassigned	669,564		(2,363)
Total Fund Balances	<u>684,675</u>	<u>620,231</u>	<u>2,088,980</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 787,216</u>	<u>\$ 688,530</u>	<u>\$ 2,501,264</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, 2021

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 439,108	\$ 1,291,268	\$ 212,290
Federal aid	172,171	96,768	920,857
Property taxes	315,907	203,869	299,920
Sales taxes			1,129,665
Fines, forfeitures, and costs	175,163		26,520
Interest	4,399	5,519	11,962
Officers' fees	86,246		26,720
Contributions from municipalities			270,107
Jail fees	64,771		20,927
Sanitation fees	7,816		1,807
911 fees			203,387
Increase in fair market value of investments			7,908
Treasurer's commission	96,775		11,683
Collector's commission	127,547		17,325
Taxes apportioned - Assessor's salary and expense	181,068		
Other	131,012	23,074	231,839
TOTAL REVENUES	1,801,983	1,620,498	3,392,917
Less: Treasurer's commission	29,638	28,600	41,530
NET REVENUES	1,772,345	1,591,898	3,351,387
EXPENDITURES			
Current:			
General government	704,398		299,090
Law enforcement	647,997		733,854
Highways and streets		1,481,233	351,720
Public safety	58,819		184,067
Sanitation	113,000		683,877
Health	13,664		
Recreation and culture	35,614		380,036
Social services	42,835		
Airport	5,551		33,703
Water			6,107
Total Current	1,621,878	1,481,233	2,672,454
Debt Service:			
Bond principal			65,000
Bond interest and other charges			80,181
Lease principal		23,007	49,360
Lease interest		2,243	3,258
Note principal			28,192
Note interest			2,048
TOTAL EXPENDITURES	1,621,878	1,506,483	2,900,493

SEARCY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$ 150,467	\$ 85,415	\$ 450,894
OTHER FINANCING SOURCES (USES)			
Transfers in	49		485,534
Transfers out	(184,181)		(301,402)
Refund to grantor			(8,250)
Proceeds from refunding bond issue			1,945,000
Payment to refunding bond escrow agent			(2,078,784)
TOTAL OTHER FINANCING SOURCES (USES)	(184,132)		42,098
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	(33,665)	85,415	492,992
FUND BALANCES - JANUARY 1	718,340	534,816	1,595,988
FUND BALANCES - DECEMBER 31	\$ 684,675	\$ 620,231	\$ 2,088,980

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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 297,183	\$ 439,108	\$ 141,925	\$ 1,115,571	\$ 1,291,268	\$ 175,697
Federal aid	170,399	172,171	1,772	163,751	96,768	(66,983)
Property taxes	590,200	315,907	(274,293)	178,962	203,869	24,907
Fines, forfeitures, and costs	197,545	175,163	(22,382)			
Interest	5,000	4,399	(601)	2,998	5,519	2,521
Officers' fees	51,000	86,246	35,246			
Jail fees	35,970	64,771	28,801			
Sanitation fees		7,816	7,816			
Treasurer's commission	85,000	96,775	11,775			
Collector's commission		127,547	127,547			
Taxes apportioned - Assessor's salary and expense		181,068	181,068			
Other	107,177	131,012	23,835	86,971	23,074	(63,897)
TOTAL REVENUES	1,539,474	1,801,983	262,509	1,548,253	1,620,498	72,245
Less: Treasurer's commission		29,638	(29,638)		28,600	(28,600)
NET REVENUES	1,539,474	1,772,345	232,871	1,548,253	1,591,898	43,645
EXPENDITURES						
Current:						
General government	979,689	704,398	275,291			
Law enforcement	671,187	647,997	23,190			
Highways and streets				1,555,950	1,481,233	74,717
Public safety	56,936	58,819	(1,883)			
Sanitation	2,290	113,000	(110,710)			
Health	17,191	13,664	3,527			
Recreation and culture	33,927	35,614	(1,687)			
Social services	49,434	42,835	6,599			
Airport	7,075	5,551	1,524			
Total Current	1,817,729	1,621,878	195,851	1,555,950	1,481,233	74,717
Debt Service:						
Lease principal					23,007	(23,007)
Lease interest					2,243	(2,243)
TOTAL EXPENDITURES	1,817,729	1,621,878	195,851	1,555,950	1,506,483	49,467

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, 2021

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (278,255)</u>	<u>\$ 150,467</u>	<u>\$ 428,722</u>	<u>\$ (7,697)</u>	<u>\$ 85,415</u>	<u>\$ 93,112</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	20,049	49	(20,000)			
Transfers out	<u>(289,596)</u>	<u>(184,181)</u>	<u>105,415</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>(269,547)</u>	<u>(184,132)</u>	<u>85,415</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(547,802)	(33,665)	514,137	(7,697)	85,415	93,112
FUND BALANCES - JANUARY 1	<u>463,000</u>	<u>718,340</u>	<u>255,340</u>	<u>220,000</u>	<u>534,816</u>	<u>314,816</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ (84,802)</u></u>	<u><u>\$ 684,675</u></u>	<u><u>\$ 769,477</u></u>	<u><u>\$ 212,303</u></u>	<u><u>\$ 620,231</u></u>	<u><u>\$ 407,928</u></u>

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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. 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 the Debt Service Fund 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, 2021

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 sanitation fees 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, 2021

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.

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,486,164	\$ 1,492,479
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	2,292,008	3,000,000
Uncollateralized	37,682	73,409
Total Deposits	<u>\$ 3,815,854</u>	<u>\$ 4,565,888</u>

The above total deposits do not include cash on hand of \$498.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2: Cash Deposits with Financial Institutions (Continued)

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, 2021, \$73,409 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk consisted of \$37,682 deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized and \$35,727 deposited in a local bank in excess of amounts covered by FDIC and collateral held in the County's name.

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, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Property taxes		\$ 3,001	
Fines, forfeitures, and costs	\$ 13,408		\$ 450
Officers' fees	5,065		3,206
Contributions from municipalities			17,090
Jail fees	4,800		
911 fees			2,714
Other	29,563		
Treasurer's commission charged		2,168	210
Totals	<u>\$ 52,836</u>	<u>\$ 5,169</u>	<u>\$ 23,670</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 10,453	\$ 58,007	\$ 87,066
Payroll taxes payable	14,856	10,292	12,375
Totals	<u>\$ 25,309</u>	<u>\$ 68,299</u>	<u>\$ 99,441</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 11,356	\$ 20,475
Road Fund	40,494	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		11,356
Sales Tax		20,019
Totals	<u>\$ 51,850</u>	<u>\$ 51,850</u>

Interfund receivables and payables consist of recording errors. These balances were repaid in 2022.

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 435,291
Law enforcement			141,619
Highways and streets		\$ 620,231	21,186
Public safety			167,941
Sanitation			542,140
Health			27,919
Recreation and culture			419,546
Capital outlay			9
Debt service			14,682
Total Restricted		<u>620,231</u>	<u>1,770,333</u>
Committed for:			
General government			153,745
Recreation and culture			1,144
Total Committed			<u>154,889</u>
Assigned to:			
General government	\$ 266		
Law enforcement			24,477
Sanitation	14,845		130,515
Airport			11,129
Total Assigned	<u>15,111</u>		<u>166,121</u>
Unassigned	<u>669,564</u>		<u>(2,363)</u>
Totals	<u>\$ 684,675</u>	<u>\$ 620,231</u>	<u>\$ 2,088,980</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8: Deficit Fund Balance

The following funds have deficit fund balances as of December 31, 2021:

	December 31, 2021
<hr/>	
Other Funds in the Aggregate:	
Special Revenue Funds:	
Reappraisal Cost	\$ (2,363)
	<hr/>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2021, the legal debt limit for bonded debt was \$8,602,635. 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, 2021, the legal debt limit for short-term financing obligations was \$2,370,894. The amount of short-term financing obligations was \$424,527 leaving a legal debt margin of \$1,946,367.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
<hr/>	
Long-term liabilities	\$ 2,419,381
Noncancellable leases	1,086,973
Reappraisal contract	89,148
	<hr/>
Total Commitments	\$ 3,595,502
	<hr/>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	<u>December 31, 2021</u>
<u>Bonds</u>	
Sales and Use Tax Refunding Bonds, Series 2021, in the amount of \$1,945,000, dated December 7, 2021, issued to refund Series 2017 Sales and Use Tax Bonds, annual installments of \$75,000 to \$120,000, interest at 0.6% to 2.5%, with a final maturity of March 1, 2042. Payments are to be made from the Debt Service Fund.	<u>\$ 1,945,000</u>
<u>Direct Borrowings</u>	
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.	22,972
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.	14,874
Lease purchase agreement with BancorpSouth Equipment Finance in the amount of \$154,900 for the purchase of a trash compactor. The agreement was dated June 4, 2021, with a maturity date of January 1, 2024, and an interest rate of 2.34%. Principal and interest on the agreement are to be paid in monthly installments of \$2,152 for 30 months, and a final payment of \$98,000. Payments are to be made from the Sales Tax Fund.	143,747
Lease purchase agreement with BancorpSouth Equipment Finance in the amount of \$204,500 for the purchase of a 2021 Peterbilt Truck. The agreement was dated October 13, 2021, with a maturity date of November 18, 2024, and an interest rate of 2.34%. Principal and interest on the agreement are to be paid in monthly installments of \$2,687 for 36 months, and a final payment of \$119,500. Payments are to be made from the Sales Tax Fund.	199,920
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	12,601
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.	30,413
Total Direct Borrowings	<u>424,527</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.	<u>49,854</u>
Total Long-term liabilities	<u>\$ 2,419,381</u>

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments (Continued)

The County's outstanding bonds payable of \$1,945,000 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 \$424,527 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
12/7/21	3/1/42	.6 - 2.5%	\$ 1,945,000	\$ 1,945,000	\$ 0
<u>Direct Borrowings</u>					
9/7/18	9/7/23	3.15%	68,766	22,972	45,794
4/10/19	4/10/24	3.57%	31,480	14,874	16,606
6/4/21	1/1/24	2.34%	154,900	143,747	11,153
10/13/21	11/18/24	2.34%	204,500	199,920	4,580
6/14/19	6/14/24	3.99%	24,784	12,601	12,183
8/20/20	8/14/23	3.79%	53,400	30,413	22,987
Total Direct Borrowings			537,830	424,527	113,303
Total Long-Term Debt			\$ 2,482,830	\$ 2,369,527	\$ 113,303

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 2,105,000	\$ 1,945,000	\$ 2,105,000 *	\$ 1,945,000
<u>Direct Borrowings</u>				
Notes payable	66,038		28,192	37,846
Capital leases	99,648	359,400	72,367	386,681
Total Direct Borrowings	165,686	359,400	100,559	424,527
Total Long-Term Debt	\$ 2,270,686	\$ 2,304,400	\$ 2,205,559	\$ 2,369,527

*includes \$2,040,000 early retirement of debt – See Note 11

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022				\$ 90,647	\$ 9,572	\$ 100,219
2023	\$ 75,000	\$ 48,869	\$ 123,869	87,092	7,086	94,178
2024	80,000	39,174	119,174	246,788	3,070	249,858
2025	85,000	38,414	123,414			
2026	85,000	37,606	122,606			
2027 - 2031	445,000	168,369	613,369			
2032 - 2036	495,000	120,862	615,862			
2037 - 2041	560,000	57,875	617,875			
2042	120,000	3,000	123,000			
Totals	<u>\$1,945,000</u>	<u>\$ 514,169</u>	<u>\$2,459,169</u>	<u>\$ 424,527</u>	<u>\$ 19,728</u>	<u>\$ 444,255</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 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, 2021
2022	\$ 125,621
2023	131,902
2024	138,496
2025	145,422
2026	152,694
2027-2029	<u>392,838</u>
Total	<u>\$ 1,086,973</u>

Rental expense for 2021 was \$119,482.

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment 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 2021 was \$89,148.

The County is obligated for the following amounts at December 31, 2021:

Year	December 31, 2021
2022	<u>\$ 89,148</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11: Debt Refunding

On December 7, 2021, the County issued \$1,945,000 in sales and use tax refunding bonds with interest rates of 0.6 to 2.5 percent to advance refund \$2,040,000 of outstanding bonds dated February 21, 2017, with interest rates from 2.5 to 4.125 percent and a final maturity date of March 1, 2042. Bond proceeds of \$1,865,483, along with debt service reserves of \$146,706 and \$66,595 of funds held in the prior debt service account were remitted to an escrow agent to advance refund the 2017 bonds. Net bond issuance costs associated with the refunding, including bond discount of \$38,900, issuance costs of \$30,482, plus original issue bond discount of \$10,135, were \$79,517.

NOTE 12: Interfund Transfers

The General Fund transferred \$184,181 to Other Funds in the Aggregate (County Jail Operations \$170,000 and Sheriff's Vehicle and Equipment Project \$14,181) for supplemental funding. Within Other funds in the Aggregate, the Series 2017 Bond Surplus Fund transferred \$30,184 and \$271,092 to the County Jail Building and Maintenance Fund and the County Jail Operations Fund, respectively, for supplemental funding. Additionally, the Recycling Grant Fund transferred \$49 to the General Fund and the Jail Bond Construction Fund transferred \$77 to the Jail Bond Debt Service to close the funds.

NOTE 13: Pledged Revenues

The County pledged future .5% sales and use taxes to repay \$1,945,000 in bonds that were issued in 2021 to refund 2017 sales and use tax bonds. Total principal and interest remaining on the bonds are \$1,945,000 and \$514,169, respectively, payable through March 1, 2042. No principal and interest payments were made in 2021 on the 2021 bond issue, but \$65,000 and \$80,181 in principal and interest, respectively, were made on the 2017 bond issue prior to being refunded.

The Debt Service Fund received \$144,882 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

NOTE 14: 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 2021. The County collected \$7,261 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 plus service fees totaling \$83,442 collected in prior years 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 July 1, 2021 to June 30, 2022. 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.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15: Risk Management

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

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

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

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

Vehicle Program

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

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

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16: 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, 2021 (date of APERS Employer Allocation Report) were \$308,501.

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, 2021 (actuarial valuation date and measurement date) was \$775,313.

NOTE 17: 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). The County was awarded \$1,530,792 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$1,530,792 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
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Ozark Mountain Solid Waste District E- Waste
ASSETS								
Cash and cash equivalents	\$ 21,210	\$ 32,841	\$ 32,495	\$ 1,729	\$ 12,704	\$ 8,413	\$ 156,950	\$ 16,307
Investments								
Accounts receivable			140			1,559	17,300	
TOTAL ASSETS	\$ 21,210	\$ 32,841	\$ 32,635	\$ 1,729	\$ 12,704	\$ 9,972	\$ 156,950	\$ 16,307
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 107			\$ 6,535	\$ 21,905
Interfund payables	\$ 11,356							20,019
Settlements pending		\$ 5,845						
Total Liabilities	11,356	5,845		107			6,535	41,924
Fund Balances:								
Restricted	9,854	26,996	\$ 32,635	1,622	\$ 12,704	\$ 9,972	150,415	\$ 16,307
Committed								
Assigned								130,515
Unassigned								
Total Fund Balances	9,854	26,996	32,635	1,622	12,704	9,972	150,415	16,307
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,210	\$ 32,841	\$ 32,635	\$ 1,729	\$ 12,704	\$ 9,972	\$ 156,950	\$ 16,307

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

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	\$ (2,363)	\$ 3,259	\$ 34,106		\$ 1,633	\$ 169,316	\$ 4,904	\$ 1,783	\$ 1,285
Investments									
Accounts receivable			1,647	\$ 310		2,714			
TOTAL ASSETS	<u>\$ (2,363)</u>	<u>\$ 3,259</u>	<u>\$ 35,753</u>	<u>\$ 310</u>	<u>\$ 1,633</u>	<u>\$ 172,030</u>	<u>\$ 4,904</u>	<u>\$ 1,783</u>	<u>\$ 1,285</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 2,509			\$ 5,872			
Interfund payables									
Settlements pending									
Total Liabilities			<u>2,509</u>			<u>5,872</u>			
Fund Balances:									
Restricted		\$ 3,259	33,244	\$ 310	\$ 1,633	166,158	\$ 4,904	\$ 1,783	\$ 1,285
Committed									
Assigned									
Unassigned	<u>\$ (2,363)</u>								
Total Fund Balances	<u>(2,363)</u>	<u>3,259</u>	<u>33,244</u>	<u>310</u>	<u>1,633</u>	<u>166,158</u>	<u>4,904</u>	<u>1,783</u>	<u>1,285</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ (2,363)</u>	<u>\$ 3,259</u>	<u>\$ 35,753</u>	<u>\$ 310</u>	<u>\$ 1,633</u>	<u>\$ 172,030</u>	<u>\$ 4,904</u>	<u>\$ 1,783</u>	<u>\$ 1,285</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	Building Maintenance	County Jail Building and Maintenance	County Jail Operations	Unpaved Roads Richland Area	Clerks Automated Records System	Sheriff's K-9 Dog	Growing a Healthy Searcy County	Civic Center Park Improvement
ASSETS									
Cash and cash equivalents	\$ 5,933	\$ 159,496	\$ 52,120	\$ 40,506	\$ 21,186	\$ 1,503	\$ 3,042	\$ 27,919	\$ 1,144
Investments									
Accounts receivable									
TOTAL ASSETS	<u>\$ 5,933</u>	<u>\$ 159,496</u>	<u>\$ 52,120</u>	<u>\$ 40,506</u>	<u>\$ 21,186</u>	<u>\$ 1,503</u>	<u>\$ 3,042</u>	<u>\$ 27,919</u>	<u>\$ 1,144</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 5,751	\$ 85	\$ 19,175					
Interfund payables									
Settlements pending									
Total Liabilities		<u>5,751</u>	<u>85</u>	<u>19,175</u>					
Fund Balances:									
Restricted	\$ 5,933		52,035		\$ 21,186	\$ 1,503	\$ 3,042	\$ 27,919	
Committed		153,745							\$ 1,144
Assigned				21,331					
Unassigned									
Total Fund Balances	<u>5,933</u>	<u>153,745</u>	<u>52,035</u>	<u>21,331</u>	<u>21,186</u>	<u>1,503</u>	<u>3,042</u>	<u>27,919</u>	<u>1,144</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,933</u>	<u>\$ 159,496</u>	<u>\$ 52,120</u>	<u>\$ 40,506</u>	<u>\$ 21,186</u>	<u>\$ 1,503</u>	<u>\$ 3,042</u>	<u>\$ 27,919</u>	<u>\$ 1,144</u>

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS								
	Tire Accountability Grant	Cane Branch Project	County Library Board	Airport Commission	American Rescue Plan Act	County Library American Rescue Plan Act	Sheriff's Vehicle and Equipment Project (2021)	Law Library	Searcy County Jail/Museum Grant
ASSETS									
Cash and cash equivalents	\$ 22,824	\$ 4,807	\$ 238,230	\$ 11,129	\$ 372,924	\$ 3,844	\$ 3,146	\$ 12,664	\$ 10
Investments			27,133						
Accounts receivable									
TOTAL ASSETS	\$ 22,824	\$ 4,807	\$ 265,363	\$ 11,129	\$ 372,924	\$ 3,844	\$ 3,146	\$ 12,664	\$ 10
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 4,807			\$ 9,139	\$ 86		\$ 470	
Interfund payables									
Settlements pending									
Total Liabilities		4,807			9,139	86		470	
Fund Balances:									
Restricted	\$ 22,824		\$ 265,363		363,785	3,758		12,194	\$ 10
Committed									
Assigned				\$ 11,129			\$ 3,146		
Unassigned									
Total Fund Balances	22,824		265,363	11,129	363,785	3,758	3,146	12,194	10
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,824	\$ 4,807	\$ 265,363	\$ 11,129	\$ 372,924	\$ 3,844	\$ 3,146	\$ 12,664	\$ 10

SEARCY COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Snowball Water Project	East Searcy County Water Project	Jail Bond Debt Service	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS									
Cash and cash equivalents	\$ 5	\$ 4	\$ 37,682	\$ 94,979	\$ 37,954	\$ 37,348	\$ 77,256	\$ 28,086	\$ 2,450,461
Investments									27,133
Accounts receivable									23,670
TOTAL ASSETS	\$ 5	\$ 4	\$ 37,682	\$ 94,979	\$ 37,954	\$ 37,348	\$ 77,256	\$ 28,086	\$ 2,501,264
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 23,000						\$ 99,441
Interfund payables									31,375
Settlements pending				\$ 94,979	\$ 37,954	\$ 37,348	\$ 77,256	\$ 28,086	281,468
Total Liabilities			23,000	94,979	37,954	37,348	77,256	28,086	412,284
Fund Balances:									
Restricted	\$ 5	\$ 4	14,682						1,770,333
Committed									154,889
Assigned									166,121
Unassigned									(2,363)
Total Fund Balances	5	4	14,682						2,088,980
TOTAL LIABILITIES AND FUND BALANCES	\$ 5	\$ 4	\$ 37,682	\$ 94,979	\$ 37,954	\$ 37,348	\$ 77,256	\$ 28,086	\$ 2,501,264

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Sales Tax	Ozark Mountain Solid Waste District E-Waste
REVENUES									
State aid					\$ 2,981		\$ 41,854		
Federal aid									
Property taxes							226,721		
Sales taxes								\$ 677,169	
Fines, forfeitures, and costs			\$ 3,078	\$ 2,653					
Interest	\$ 98	\$ 3	337	32	139	\$ 120	1,586	3,563	
Officers' fees						19,430			
Contributions from municipalities								233,670	
Jail fees									
Sanitation fees									\$ 1,807
911 fees									
Increase in fair market value of investments									
Treasurer's commission	11,683								
Collector's commission		17,325							
Other	2		4	3	4	2,968	2,469	177,353	
TOTAL REVENUES	11,783	17,328	3,419	2,688	3,124	22,518	272,630	1,091,755	1,807
Less: Treasurer's commission			69	54	63	448	5,479	21,736	
NET REVENUES	11,783	17,328	3,350	2,634	3,061	22,070	267,151	1,070,019	1,807
EXPENDITURES									
Current:									
General government	9,041	15,456			54	25,071			
Law enforcement				3,765					
Highways and streets									
Public safety									
Sanitation								636,782	
Recreation and culture							256,152		
Airport									
Water									
Total Current	9,041	15,456		3,765	54	25,071	256,152	636,782	
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal								49,360	
Lease interest								3,258	
Note principal								28,192	
Note interest								2,048	
TOTAL EXPENDITURES	9,041	15,456		3,765	54	25,071	256,152	719,640	
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	2,742	1,872	3,350	(1,131)	3,007	(3,001)	10,999	350,379	1,807
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Refund to grantor									
Proceeds from refunding bond issue									
Payment to refunding bond escrow agent									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	2,742	1,872	3,350	(1,131)	3,007	(3,001)	10,999	350,379	1,807
FUND BALANCES - JANUARY 1	7,112	25,124	29,285	2,753	9,697	12,973	139,416	283,145	14,500
FUND BALANCES - DECEMBER 31	\$ 9,854	\$ 26,996	\$ 32,635	\$ 1,622	\$ 12,704	\$ 9,972	\$ 150,415	\$ 633,524	\$ 16,307

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, 2021

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				\$ 633				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 18,826				\$ 156	
Interest		\$ 36	\$ 261	9		\$ 1,552	\$ 39		
Officers' fees		36	7,204						\$ 50
Contributions from municipalities									
Jail fees			20,887				40		
Sanitation fees									
911 fees						203,387			
Increase in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other			515	21	1	819	1,589	1	1
TOTAL REVENUES	83,195	72	28,867	18,856	634	205,758	1,668	157	51
Less: Treasurer's commission		1	237	387	13	4,282	33	3	1
NET REVENUES	83,195	71	28,630	18,469	621	201,476	1,635	154	50
EXPENDITURES									
Current:									
General government	89,148								228
Law enforcement			12,608	18,989	327				
Highways and streets									
Public safety						164,294			
Sanitation									
Recreation and culture									
Airport									
Water									
Total Current	89,148		12,608	18,989	327	164,294			228
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES	89,148		12,608	18,989	327	164,294			228
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(5,953)	71	16,022	(520)	294	37,182	1,635	154	(178)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Refund to grantor									
Proceeds from refunding bond issue									
Payment to refunding bond escrow agent									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(5,953)	71	16,022	(520)	294	37,182	1,635	154	(178)
FUND BALANCES - JANUARY 1	3,590	3,188	17,222	830	1,339	128,976	3,269	1,629	1,463
FUND BALANCES - DECEMBER 31	\$ (2,363)	\$ 3,259	\$ 33,244	\$ 310	\$ 1,633	\$ 166,158	\$ 4,904	\$ 1,783	\$ 1,285

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, 2021

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		\$ 13,951							
Federal aid									
Property taxes	\$ 311	72,888							
Sales taxes			\$ 307,577						
Fines, forfeitures, and costs									
Interest		1,711		\$ 346	\$ 416				
Officers' fees									
Contributions from municipalities					36,437				
Jail fees									
Sanitation fees									
911 fees									
Increase in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other	4	754	295		1,428				
TOTAL REVENUES	315	89,304	307,872	346	38,281				
Less: Treasurer's commission	6	1,772	6,152		761				
NET REVENUES	309	87,532	301,720	346	37,520				
EXPENDITURES									
Current:									
General government		84,629							
Law enforcement				5,762	457,345				
Highways and streets									
Public safety									
Sanitation									
Recreation and culture							\$ 14,862		
Airport									
Water									
Total Current		84,629		5,762	457,345		14,862		
Debt Service:									
Bond principal									
Bond interest and other charges									
Lease principal									
Lease interest									
Note principal									
Note interest									
TOTAL EXPENDITURES		84,629		5,762	457,345		14,862		
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	309	2,903	301,720	(5,416)	(419,825)		(14,862)		
OTHER FINANCING SOURCES (USES)									
Transfers in				30,184	441,092				
Transfers out			(301,276)			\$ (49)			
Refund to grantor								\$ (8,250)	
Proceeds from refunding bond issue									
Payment to refunding bond escrow agent									
TOTAL OTHER FINANCING SOURCES (USES)			(301,276)	30,184	441,092	(49)		(8,250)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	309	2,903	444	24,768	21,267	(49)	(14,862)	(8,250)	
FUND BALANCES - JANUARY 1	5,624	150,842	(444)	27,267	64	49	14,862	8,250	\$ 21,186
FUND BALANCES - DECEMBER 31	\$ 5,933	\$ 153,745	\$ 0	\$ 52,035	\$ 21,331	\$ 0	\$ 0	\$ 0	\$ 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, 2021

Schedule 2

	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	American Rescue Plan Act
REVENUES								
State aid						\$ 69,676		
Federal aid						55,132	\$ 4,000	\$ 5,948
Property taxes								
Sales taxes								37
Fines, forfeitures, and costs								
Interest							1,381	4
Officers' fees								180
Contributions from municipalities								
Jail fees								
Sanitation fees								
911 fees								
Increase in fair market value of investments							7,908	
Treasurer's commission								
Collector's commission								
Other		\$ 100			\$ 7		16,262	26,708
TOTAL REVENUES		100			7	124,808	29,551	32,697
Less: Treasurer's commission		20						
NET REVENUES		80			7	124,808	29,551	32,697
EXPENDITURES								
Current:								
General government								75,463
Law enforcement								136,251
Highways and streets						249,615		102,105
Public safety								19,773
Sanitation								47,095
Recreation and culture							12,881	21,104
Airport								33,703
Water								
Total Current						249,615	12,881	33,703
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								
Lease interest								
Note principal								
Note interest								
TOTAL EXPENDITURES						249,615	12,881	33,703
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES		80			7	(124,807)	16,670	(1,006)
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Refund to grantor								
Proceeds from refunding bond issue								
Payment to refunding bond escrow agent								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES		80			7	(124,807)	16,670	(1,006)
FUND BALANCES - JANUARY 1	\$ 1,503	2,962	\$ 27,919	\$ 1,144	22,817	124,807	248,693	12,135
FUND BALANCES - DECEMBER 31	\$ 1,503	\$ 3,042	\$ 27,919	\$ 1,144	\$ 22,824	\$ 0	\$ 265,363	\$ 11,129

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, 2021

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	
	County Library American Rescue Plan Act	Sheriff's Vehicle and Equipment Project (2021)	Law Library	Searcy County Jail/Museum Grant	Jail Bond Construction	Snowball Water Project	East Searcy County Water Project	Jail Bond Debt Service	Totals
REVENUES									
State aid									\$ 212,290
Federal aid	\$ 10,000	\$ 6,000		\$ 68,275			\$ 6,106		920,857
Property taxes									299,920
Sales taxes								\$ 144,882	1,129,665
Fines, forfeitures, and costs			\$ 1,807						26,520
Interest			134					15	11,962
Officers' fees									26,720
Contributions from municipalities									270,107
Jail fees									20,927
Sanitation fees									1,807
911 fees									203,387
Increase in fair market value of investments									7,908
Treasurer's commission									11,683
Collector's commission									17,325
Other			1	530					231,839
TOTAL REVENUES	10,000	6,000	1,942	68,805			6,106	144,897	3,392,917
Less: Treasurer's commission			13						41,530
NET REVENUES	10,000	6,000	1,929	68,805			6,106	144,897	3,351,387
EXPENDITURES									
Current:									
General government									299,090
Law enforcement		17,035	1,305					80,467	733,854
Highways and streets									351,720
Public safety									184,067
Sanitation									683,877
Recreation and culture	6,242			68,795					380,036
Airport									33,703
Water							6,107		6,107
Total Current	6,242	17,035	1,305	68,795			6,107	80,467	2,672,454
Debt Service:									
Bond principal								65,000	65,000
Bond interest and other charges								80,181	80,181
Lease principal									49,360
Lease interest									3,258
Note principal									28,192
Note interest									2,048
TOTAL EXPENDITURES	6,242	17,035	1,305	68,795			6,107	225,648	2,900,493
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	3,758	(11,035)	624	10			(1)	(80,751)	450,894
OTHER FINANCING SOURCES (USES)									
Transfers in		14,181						77	485,534
Transfers out					\$ (77)				(301,402)
Refund to grantor									(8,250)
Proceeds from refunding bond issue								1,945,000	1,945,000
Payment to refunding bond escrow agent								(2,078,784)	(2,078,784)
TOTAL OTHER FINANCING SOURCES (USES)		14,181			(77)			(133,707)	42,098
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	3,758	3,146	624	10	(77)		(1)	(214,458)	492,992
FUND BALANCES - JANUARY 1			11,570		77	\$ 5	5	229,140	1,595,988
FUND BALANCES - DECEMBER 31	\$ 3,758	\$ 3,146	\$ 12,194	\$ 10	\$ 0	\$ 5	\$ 4	\$ 14,682	\$ 2,088,980

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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 from 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.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
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 receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
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.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Series 2017 Bond Surplus	Sales and Use Tax Bonds, Series 2017 indenture, and Searcy County Ordinance no. 2017-16 (July 10, 2017) established the fund to receive surplus tax proceeds to be used for any lawful purpose for which tax collections can 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 through state grants to purchase supplies and or equipment for sanitation.
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 a picnic area within the Rock Creek Community of Searcy County.
Unpaved Roads Richland Area	Established to receive and monitor disbursements of a grant with Arkansas Department of Agriculture and the United States Environmental Protection Agency (EPA) to assist with creating a 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 the purpose of office automation.
Sheriff's K-9 Dog	Established to receive and monitor private donations for a K-9 for the sheriff's office.
Growing a Healthy Searcy County	Established to receive and monitor disbursements of funding through 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.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Tire Accountability Grant	Established to receive and monitor disbursements of 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.
Cane Branch Project	Searcy County Ordinance no. 2021-32 (October 11, 2021) established fund to receive and monitor disbursements of a grant with Arkansas Department of Agriculture and the United States Environmental Protection Agency (EPA) to assist with creating a 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.
American Rescue Plan Act	Searcy County Ordinance no. 2021-23 (September 13, 2021) established fund to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
County Library American Rescue Plan Act	Searcy County Ordinance no. 2021-33 (October 11, 2021) established fund to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Sheriff's Vehicle and Equipment Project (2021)	Established to receive and disburse federal grant funds for the purchase of a sheriff's vehicle.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.
Searcy County Jail/Museum Grant	Searcy County Ordinance no. 2021-25 (September 13, 2021) established fund to receive and disburse grant funds received from the United States Department of Agriculture (USDA).
Jail Bond Construction	Sales and Use Tax Bonds, Series 2017 indenture, and Searcy County Ordinance no. 2017-04 (January 9, 2017) established the fund to account for bond proceeds to be used for the cost of constructing a new jail and law enforcement facilities.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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 Refunding Bonds, Series 2021 indenture and Searcy County Ordinance no. 2021-33 (October 26, 2021) established the fund to account for proceeds from the bond sale and sales taxes received for debt service payments.

Treasurer's accounts consist primarily of solid waste service fees and interest 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, 2021
(Unaudited)

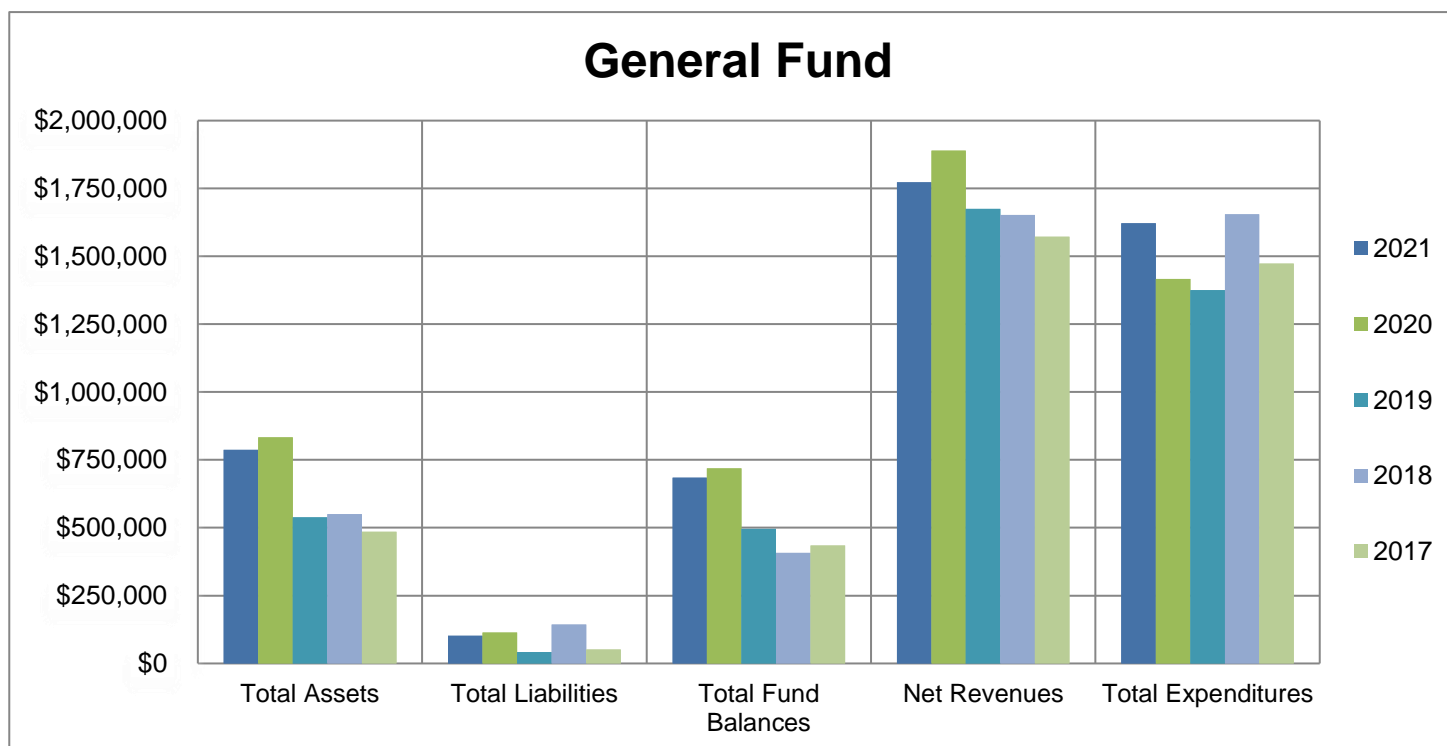
Schedule 3

	December 31, 2021
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, 2021
(Unaudited)

Schedule 4-1

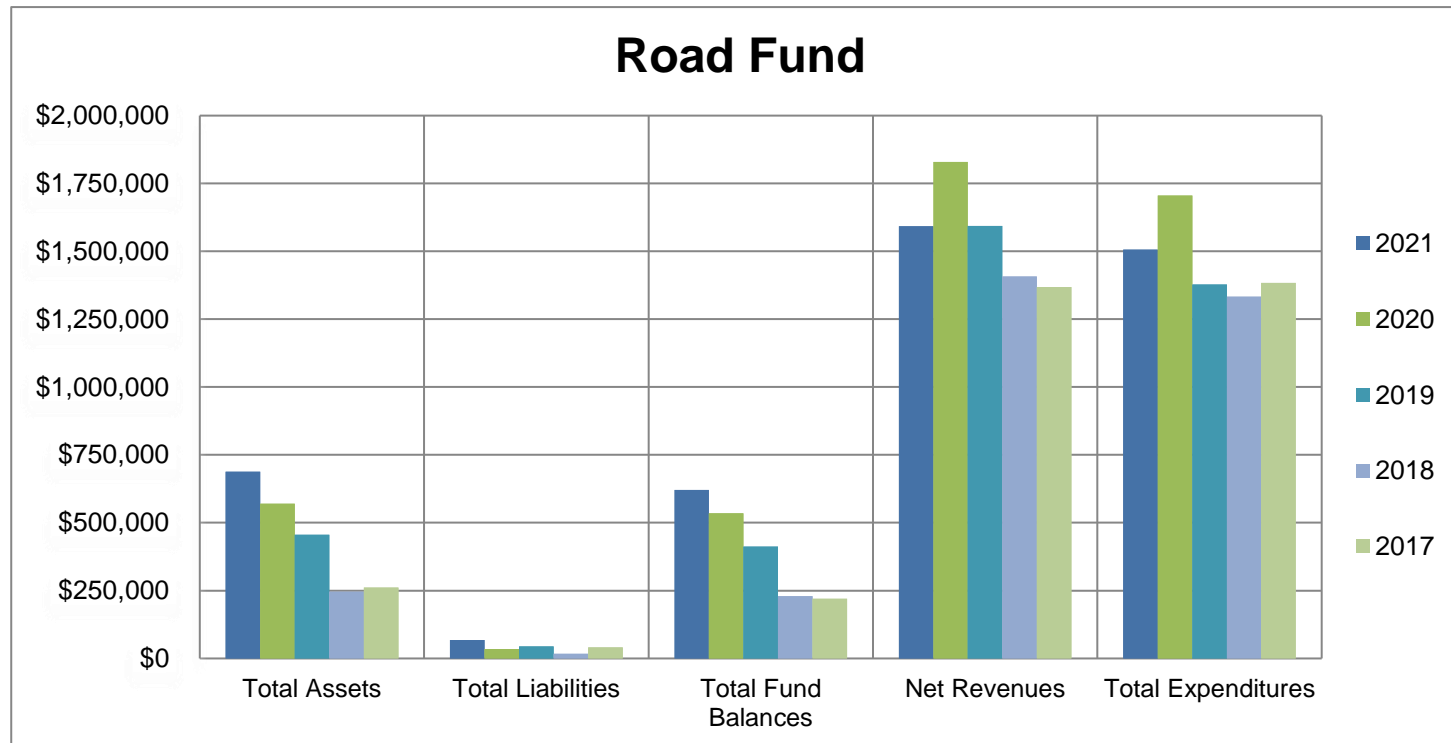
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 787,216	\$ 832,450	\$ 537,748	\$ 550,306	\$ 485,716
Total Liabilities	102,541	114,110	41,716	143,065	51,412
Total Fund Balances	684,675	718,340	496,032	407,241	434,304
Net Revenues	1,772,345	1,889,602	1,675,169	1,652,213	1,571,698
Total Expenditures	1,621,878	1,416,678	1,375,718	1,655,276	1,473,377
Total Other Financing Sources/Uses	(184,132)	(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, 2021
(Unaudited)

Schedule 4-2

Road	2021	2020	2019	2018	2017
Total Assets	\$ 688,530	\$ 570,221	\$ 455,982	\$ 245,665	\$ 260,784
Total Liabilities	68,299	35,405	44,127	16,874	40,659
Total Fund Balances	620,231	534,816	411,855	228,791	220,125
Net Revenues	1,591,898	1,828,929	1,593,911	1,406,893	1,368,704
Total Expenditures	1,506,483	1,705,968	1,377,897	1,333,227	1,383,581
Total Other Financing Sources/Uses			(32,950)	(65,000)	



SEARCY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 2,501,264	\$ 2,189,839	\$ 1,776,017	\$ 1,983,405	\$ 3,280,737
Total Liabilities	412,284	605,421	587,204	852,024	204,981
Total Fund Balances	2,088,980	1,584,418	1,188,813	1,131,381	3,075,756
Net Revenues	3,351,387	2,662,894	3,387,976	4,289,429	2,047,456
Total Expenditures	2,900,493	2,517,905	3,574,154	6,391,570	2,469,341
Total Other Financing Sources/Uses	42,098	250,616	243,610	157,766	2,255,000

