

Searcy County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



SEARCY COUNTY, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
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Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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, 2022; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; and Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of December 31, 2022; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and road fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas, as of December 31, 2022, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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 August 6, 2024, 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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 6, 2024
LOCO06422

Arkansas

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



Rep. Jimmy Gazaway
House Chair
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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, 2022, 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 August 6, 2024. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2022-1, that we consider to be a material weakness.

2022-1: 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 \$248,185, \$55,186, \$296,277, \$1,282,091, \$23,228, and \$296,277 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

Road Fund financial records contained misstatements for assets, fund balance, revenue, expenditures, and note disclosures of \$279,689, \$225,116, \$325,149, \$46,039, and \$266,076 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

Report on Internal Control Over Financial Reporting (Continued)

Other Funds in the Aggregate financial records contained misstatements for assets, liabilities, fund balance, revenues, expenditures, and note disclosures of \$138,277, \$26,326, \$110,412, \$1,452,425, \$656,535, and \$213,414 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

Similar findings were issued in the previous three reports dating back to 2019.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2022-1.

We also reported to management of the County in a separate letter dated August 6, 2024.

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 6, 2024

Arkansas

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



Rep. Jimmy Gazaway
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The findings contained in this letter relate to the following officials who held office during 2022:

County Judge: Johnny Hinchey (Appointed September 2022)
Jim Harness (Resigned August 2022)
Treasurer: Kimberly Treat (Appointed March 1, 2022)
Linda Watts (Retired February 28, 2022)
Sheriff/Tax Collector: Kenny Cassell
County/Circuit Clerk: Debbie Loggins
Assessor: Randy Crumley
County Librarian: Tammy Bridwell
Airport Commission Chairperson: Joe Wilson
District Court Clerk: Sandy Horton
Probation Officer: Bill Sellers

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 and County/Circuit Clerk

- Our review of disbursements revealed the following payments issued without adequate documentation, in noncompliance with Ark. Code Ann. §§ 14-14-1102, 14-23-105:
 - \$73,558 to a local quarry without a detailed invoice (i.e., based on an account statement).
 - \$44,470 to an equipment dealer without a detailed invoice (i.e., based on a price quote).
 - \$2,423 to an individual for a purchase classified as equipment.
 - \$971 to a local hardware store.
- The portion of the County Judge's salary paid from the County Road Fund exceeded fifty percent, in non-compliance with Ark. Code Ann. § 14-14-811. A similar finding was noted in the previous two reports.

District Court Clerk and Probation Officer

The Probation Officer is responsible for collecting District Court time payments to be settled with the Sheriff and the City of Marshall, as well as probation fees to be settled with the County Treasurer. During our review of receipts collected by the Probation Officer, we were unable to reconcile receipts to settlements from January 1, 2022, through May 28, 2024, as shown below.

	2024	2023	2022	Total
Receipts	\$ 62,369	\$ 111,059	\$ 91,818	\$ 265,246
Settlements - County	30,320	119,141	82,414	231,875
Settlements - City	16,402	5,961		22,363
Difference	\$ 15,647	\$ (14,043)	\$ 9,404	\$ 11,008

District Court Clerk and Probation Officer (Continued)

In addition, we noted the following areas of noncompliance with Ark. Code Ann. §§ 16-10-209, -211:

- Receipt books were not prenumbered by a printer with a printer's certificate furnished to the Court Clerk; therefore, we were unable to determine if all receipts were provided.
- Receipts were not deposited timely.
- Receipts and receipt books were not maintained for review or kept intact.
- Settlement documentation did not identify receipts settled.

Treasurer

Calculation of Excess Treasurer's Commission was not prepared or distributed in a timely manner. A similar finding was noted in the previous report.

County/Circuit Clerk

Calculations of Excess Collector's Commission and Excess Assessor's Salary and Expense were not prepared and distributed in a timely manner. A similar finding was noted in the previous report.

Airport Commission Chairperson

1. The following issues were noted during review of Airport Commission records, in noncompliance with Ark. Code Ann. § 14-357-108:
 - Cash receipts were not issued for all items of income.
 - Cash receipts and disbursements journals were not properly maintained or provided to the County Clerk.
 - Invoices were not provided for review.

A similar finding was noted in the previous two reports.

2. Electronic funds transactions were used, but no written policies and procedures exist to provide for internal controls and documentation for audit and accounting purposes, based on information system best practices approved by the Legislative Joint Auditing Committee, in noncompliance with Ark. Code Ann. § 14-24-121.
3. Formal bank reconciliations were not prepared for bank accounts. A similar finding was noted in the previous two reports.

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



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 6, 2024

SEARCY COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,068,068	\$ 996,984	\$ 3,067,639
Investments			27,333
Accounts receivable	74,284	2,701	78,528
Interfund receivables		40,961	12,684
	<u>\$ 1,142,352</u>	<u>\$ 1,040,646</u>	<u>\$ 3,186,184</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 106,620	\$ 56,495	\$ 115,658
Interfund payables	33,165		20,480
Settlements pending	32,560		230,286
Total Liabilities	<u>172,345</u>	<u>56,495</u>	<u>366,424</u>
Fund Balances:			
Restricted		984,151	2,642,476
Committed			154,172
Assigned	34,448		130,515
Unassigned	935,559		(107,403)
Total Fund Balances	<u>970,007</u>	<u>984,151</u>	<u>2,819,760</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,142,352</u>	<u>\$ 1,040,646</u>	<u>\$ 3,186,184</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, 2022

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 519,917	\$ 1,783,298	\$ 204,054
Federal aid	367,054	232,766	806,503
Property taxes	318,070	199,583	304,501
Sales taxes			1,212,600
Fines, forfeitures, and costs	117,008		48,333
Interest	2,887	2,318	7,218
Officers' fees	74,425		19,047
Contributions from municipalities			311,611
Jail fees	98,875		10,061
Sanitation fees	19,980		160
911 fees			214,152
Increase in fair market value of investments			199
Donations			15,864
Treasurer's commission	97,853		11,878
Collector's commission	160,698		17,855
Taxes apportioned - Assessor's salary and expense	196,012		
Other	147,158	81,139	134,030
	<u>2,119,937</u>	<u>2,299,104</u>	<u>3,318,066</u>
TOTAL REVENUES			
Less: Treasurer's commission	24,393	34,692	42,045
	<u>2,095,544</u>	<u>2,264,412</u>	<u>3,276,021</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	925,861		293,186
Law enforcement	663,622		682,523
Highways and streets		1,877,068	1,510
Public safety	104,458		192,930
Sanitation			888,678
Health	14,156		
Recreation and culture	51,596		291,456
Social services	49,749		
Airport	5,608		81,604
Total Current	<u>1,815,050</u>	<u>1,877,068</u>	<u>2,431,887</u>
Debt Service:			
Bond interest and other charges			31,721
Financed purchases principal		22,227	68,420
Financed purchases interest		1,197	8,375
	<u>1,815,050</u>	<u>1,900,492</u>	<u>2,540,403</u>
TOTAL EXPENDITURES			

SEARCY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 280,494	\$ 363,920	\$ 735,618
OTHER FINANCING SOURCES (USES)			
Transfers in	113,000		462,630
Transfers out	(108,162)		(467,468)
TOTAL OTHER FINANCING SOURCES (USES)	4,838		(4,838)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	285,332	363,920	730,780
FUND BALANCES - JANUARY 1	684,675	620,231	2,088,980
FUND BALANCES - DECEMBER 31	\$ 970,007	\$ 984,151	\$ 2,819,760

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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 458,883	\$ 519,917	\$ 61,034	\$ 1,355,866	\$ 1,783,298	\$ 427,432
Federal aid	441,645	367,054	(74,591)	37,734	232,766	195,032
Property taxes	367,459	318,070	(49,389)	193,256	199,583	6,327
Fines, forfeitures, and costs	232,305	117,008	(115,297)			
Interest	5,524	2,887	(2,637)	6,088	2,318	(3,770)
Officers' fees	162,799	74,425	(88,374)			
Jail fees	10,140	98,875	88,735			
Sanitation fees		19,980	19,980			
Treasurer's commission	98,000	97,853	(147)			
Collector's commission	4,000	160,698	156,698			
Taxes apportioned - Assessor's salary and expense		196,012	196,012			
Other	174,984	147,158	(27,826)	44,821	81,139	36,318
TOTAL REVENUES	1,955,739	2,119,937	164,198	1,637,765	2,299,104	661,339
Less: Treasurer's commission		24,393	(24,393)		34,692	(34,692)
NET REVENUES	1,955,739	2,095,544	139,805	1,637,765	2,264,412	626,647
EXPENDITURES						
Current:						
General government	1,024,520	925,861	98,659			
Law enforcement	733,082	663,622	69,460			
Highways and streets				2,194,768	1,877,068	317,700
Public safety	58,840	104,458	(45,618)			
Sanitation	12,100		12,100			
Health	17,850	14,156	3,694			
Recreation and culture	286,331	51,596	234,735			
Social services	53,868	49,749	4,119			
Airport	7,075	5,608	1,467			
Total Current	2,193,666	1,815,050	378,616	2,194,768	1,877,068	317,700
Debt Service:						
Financed purchases principal					22,227	(22,227)
Financed purchases interest					1,197	(1,197)
TOTAL EXPENDITURES	2,193,666	1,815,050	378,616	2,194,768	1,900,492	294,276

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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (237,927)	\$ 280,494	\$ 518,421	\$ (557,003)	\$ 363,920	\$ 920,923
OTHER FINANCING SOURCES (USES)						
Transfers in	25,000	113,000	88,000			
Transfers out		(108,162)	(108,162)			
TOTAL OTHER FINANCING SOURCES (USES)	25,000	4,838	(20,162)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(212,927)	285,332	498,259	(557,003)	363,920	920,923
FUND BALANCES - JANUARY 1	495,650	684,675	189,025	350,000	620,231	270,231
FUND BALANCES - DECEMBER 31	\$ 282,723	\$ 970,007	\$ 687,284	\$ (207,003)	\$ 984,151	\$ 1,191,154

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

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.

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.

In 2022, the County implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

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 fees that have not been transferred to the appropriate entities.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances (Continued)

Fund Balance Classifications

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

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds except for the American Rescue Plan Act and County Library American Rescue Plan Act 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.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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)	\$ 1,122,351	\$ 1,122,943
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	3,928,048	4,750,245
Uncollateralized	81,794	81,794
Total Deposits	\$ 5,132,193	\$ 5,954,982

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

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, 2022, \$81,794 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

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, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fines, forfeitures, and costs	\$ 5,543		\$ 20
Officers' fees	8,541		2,846
Contributions from municipalities			45,243
Jail fees	24,952		706
Sanitation fees			160
911 fees			13,944
Collector's commission			14,927
Other	35,248		544
Treasurer's commission charged		\$ 2,701	138
Totals	\$ 74,284	\$ 2,701	\$ 78,528

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 98,948	\$ 54,037	\$ 109,164
Salaries payable	<u>7,672</u>	<u>2,458</u>	<u>6,494</u>
Totals	<u>\$ 106,620</u>	<u>\$ 56,495</u>	<u>\$ 115,658</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund		\$ 33,165
Road Fund	\$ 40,961	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation	12,684	
Sales Tax		<u>20,480</u>
Totals	<u>\$ 53,645</u>	<u>\$ 53,645</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid in 2023.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,087,288
Law enforcement			194,997
Highways and streets		\$ 984,151	47,408
Public safety			215,394
Sanitation			520,834
Health			27,919
Recreation and culture			445,634
Airport			21,208
Debt service			81,794
Total Restricted		<u>984,151</u>	<u>2,642,476</u>
Committed for:			
General government			<u>154,172</u>
Assigned to:			
Sanitation	<u>\$ 34,448</u>		<u>130,515</u>
Unassigned	<u>935,559</u>		<u>(107,403)</u>
Totals	<u>\$ 970,007</u>	<u>\$ 984,151</u>	<u>\$ 2,819,760</u>

NOTE 8: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2022:

	December 31, 2022
Other Funds in the Aggregate:	
Special Revenue Funds:	
Reappraisal Cost	\$ (8,316)
Circuit Clerk Commissioner's Fee	(118)
County Jail Operations	<u>(98,969)</u>
Total	<u>\$ (107,403)</u>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2022, the legal debt limit for bonded debt was \$8,916,440. There were no property tax secured bond issues.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9: Legal Debt Limit (Continued)

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, 2022, the legal debt limit for short-term financing obligations was \$2,464,933. The amount of short-term financing obligations was \$333,880 leaving a legal debt margin of \$2,131,053.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liabilities	\$ 2,330,466
Lease	954,200
Reappraisal contract	<u>314,640</u>
Total Commitments	<u>\$ 3,599,306</u>

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
<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.	\$ 1,945,000
<u>Direct Borrowings</u>	
Financed purchase 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.	11,025
Financed purchase 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.	8,959
Financed 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.	8,391
Financed 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.	12,396
Financed 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.	121,047
Financed 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.	172,062
Total Direct Borrowings	333,880
Arkansas District Judge's Retirement unfunded pension liability to be repaid over 30 years beginning January 1, 2005. Payments are to be made from the General Fund.	51,586
Total Long-term liabilities	\$ 2,330,466

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, 2022

NOTE 10: Commitments (Continued)

Long-term Liabilities (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 direct borrowings of \$333,880 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, 2022	Maturities to December 31, 2022
<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	11,025	57,741
4/10/19	4/10/24	3.57%	31,480	8,959	22,521
6/14/19	6/14/24	3.99%	24,784	8,391	16,393
8/20/20	8/14/23	3.79%	53,400	12,396	41,004
6/4/21	1/1/24	2.34%	154,900	121,047	33,853
10/13/21	11/18/24	2.34%	204,500	172,062	32,438
Total Direct Borrowings			537,830	333,880	203,950
Total Long-Term Debt			\$ 2,482,830	\$ 2,278,880	\$ 203,950

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 1,945,000	\$ 0	\$ 0	\$ 1,945,000
<u>Direct Borrowings</u>				
Financed purchases	424,527	0	90,647	333,880
Total Long-Term Debt	\$ 2,369,527	\$ 0	\$ 90,647	\$ 2,278,880

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 75,000	\$ 39,399	\$ 114,399	\$ 87,092	\$ 7,086	\$ 94,178
2024	80,000	38,794	118,794	246,788	3,070	249,858
2025	85,000	38,010	123,010			
2026		37,606	37,606			
2027	175,000	36,403	211,403			
2028 - 2032	355,000	160,647	515,647			
2033 - 2037	495,000	126,147	621,147			
2038 - 2042	680,000	76,500	756,500			
Totals	<u>\$ 1,945,000</u>	<u>\$ 553,506</u>	<u>\$ 2,498,506</u>	<u>\$ 333,880</u>	<u>\$ 10,156</u>	<u>\$ 344,036</u>

Lease

The County entered into a lease agreement for eight Sany motor graders on June 29, 2022. Terms of the lease are monthly rental payments of \$17,349 for 60 months. At the end of the lease term, the County will return the graders to the Lessor. The County is obligated for the following amounts for the next five years:

Year	December 31, 2022
2023	\$ 208,189
2024	208,189
2025	208,189
2026	208,189
2027	121,444
Total	<u>\$ 954,200</u>

Lease expense for 2022, was \$86,746.

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions on November 3, 2022, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$8,740 for a total of \$314,640 beginning January 15, 2023, with subsequent payments due on the 15th of each month thereafter. Contract expense for 2022 on a previous contract dated November 29, 2017, was \$89,148.

SEARCY COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

NOTE 10: Commitments (Continued)

County-Wide Reappraisal Contract (Continued)

The County is obligated for the following amounts at December 31, 2022:

<u>Year</u>	<u>December 31, 2022</u>
2023	\$ 104,880
2024	104,880
2025	104,880
Total	<u>\$ 314,640</u>

NOTE 11: Interfund Transfers:

The General Fund transferred \$108,162 to Other Funds in the Aggregate (County Jail Operations) for supplemental funding. Within the Other Funds in the Aggregate, the Detention Facility and Jail Maintenance Fund transferred \$13,002, and the Series 2017/2021 Bond Surplus Fund transferred \$341,466 to the County Jail Operations Fund for supplemental funding. Additionally, the Sales Tax Fund transferred \$113,000 to the General Fund to reimburse prior year expenditures.

NOTE 12: 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 \$553,506, respectively, payable through March 1, 2042. For 2022, interest paid was \$29,057.

The Debt Service Fund received \$98,168 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

NOTE 13: 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 2022.

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 Task Force. The agreement covers the period July 1, 2022 to June 30, 2023. 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 Task Force. Financial statements of the Twentieth Judicial District Task Force were not available.

SEARCY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 14: 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, 2022

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. 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, 2022, (date of APERS Employer Allocation Report) were \$382,390.

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, 2022, (actuarial valuation date and measurement date) was \$3,219,760.

NOTE 16: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$1,530,792 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$1,530,792 of this amount has been received. In 2022, the County was awarded \$444,828 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021. In 2022 and 2023, the County received funds in the amount of \$222,414 and \$222,414, respectively. 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, 2022

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	Sales Tax
ASSETS								
Cash and cash equivalents	\$ (6,640)	\$ 12,251	\$ 36,927	\$ 649	\$ 15,676	\$ 11,990	\$ 174,366	\$ 660,804
Investments								
Accounts receivable		14,927		20		2,846	411	45,536
Interfund receivables	12,684							
TOTAL ASSETS	\$ 6,044	\$ 27,178	\$ 36,927	\$ 669	\$ 15,676	\$ 14,836	\$ 174,777	\$ 706,340
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable							\$ 10,174	\$ 73,642
Interfund payables								20,480
Settlements pending		\$ 5,845						
Total Liabilities		5,845					10,174	94,122
Fund Balances:								
Restricted	\$ 6,044	21,333	\$ 36,927	\$ 669	\$ 15,676	\$ 14,836	164,603	481,703
Committed								
Assigned								130,515
Unassigned								
Total Fund Balances	6,044	21,333	36,927	669	15,676	14,836	164,603	612,218
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,044	\$ 27,178	\$ 36,927	\$ 669	\$ 15,676	\$ 14,836	\$ 174,777	\$ 706,340

SEARCY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							
	Ozark Mountain Solid Waste District E-Waste	Reappraisal Cost	Child Support Cost	Communication Facility and Equipment	Boating Safety and Enforcement	Emergency 911	Drug Control	Public Safety
ASSETS								
Cash and cash equivalents	\$ 16,307	\$ (8,316)	\$ 3,341	\$ 61,609	\$ 1,201	\$ 205,683	\$ 5,022	\$ 2,028
Investments								
Accounts receivable				706		13,944		
Interfund receivables								
TOTAL ASSETS	<u>\$ 16,307</u>	<u>\$ (8,316)</u>	<u>\$ 3,341</u>	<u>\$ 62,315</u>	<u>\$ 1,201</u>	<u>\$ 219,627</u>	<u>\$ 5,022</u>	<u>\$ 2,028</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 150		\$ 6,261		
Interfund payables								
Settlements pending								
Total Liabilities				<u>150</u>		<u>6,261</u>		
Fund Balances:								
Restricted	\$ 16,307		\$ 3,341	62,165	\$ 1,201	213,366	\$ 5,022	\$ 2,028
Committed								
Assigned								
Unassigned		\$ (8,316)						
Total Fund Balances	<u>16,307</u>	<u>(8,316)</u>	<u>3,341</u>	<u>62,165</u>	<u>1,201</u>	<u>213,366</u>	<u>5,022</u>	<u>2,028</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,307</u>	<u>\$ (8,316)</u>	<u>\$ 3,341</u>	<u>\$ 62,315</u>	<u>\$ 1,201</u>	<u>\$ 219,627</u>	<u>\$ 5,022</u>	<u>\$ 2,028</u>

SEARCY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Building Maintenance	County Jail Building and Maintenance	County Jail Operations	Unpaved Roads Richland Area	Clerks Automated Records System
ASSETS								
Cash and cash equivalents	\$ (118)	\$ 6,128	\$ 1,017,055	\$ 163,745	\$ 74,866	\$ (85,630)	\$ 47,408	\$ 1,503
Investments								
Accounts receivable				138				
Interfund receivables								
TOTAL ASSETS	\$ (118)	\$ 6,128	\$ 1,017,055	\$ 163,883	\$ 74,866	\$ (85,630)	\$ 47,408	\$ 1,503
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				\$ 9,711	\$ 2,097	\$ 13,339		
Interfund payables								
Settlements pending								
Total Liabilities				9,711	2,097	13,339		
Fund Balances:								
Restricted		\$ 6,128	\$ 1,017,055		72,769		\$ 47,408	\$ 1,503
Committed				154,172				
Assigned								
Unassigned	\$ (118)					(98,969)		
Total Fund Balances	(118)	6,128	1,017,055	154,172	72,769	(98,969)	47,408	1,503
TOTAL LIABILITIES AND FUND BALANCES	\$ (118)	\$ 6,128	\$ 1,017,055	\$ 163,883	\$ 74,866	\$ (85,630)	\$ 47,408	\$ 1,503

SEARCY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							
	Sheriff's K-9 Dog	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Shirt Factory Renovation Fund	Law Library	County Library Board	Airport Commission
ASSETS								
Cash and cash equivalents	\$ 3,044	\$ 27,919	\$ 1,222	\$ 22,824	\$ 1,372	\$ 13,484	\$ 252,476	\$ 21,208
Investments							27,333	
Accounts receivable								
Interfund receivables								
TOTAL ASSETS	<u>\$ 3,044</u>	<u>\$ 27,919</u>	<u>\$ 1,222</u>	<u>\$ 22,824</u>	<u>\$ 1,372</u>	<u>\$ 13,484</u>	<u>\$ 279,809</u>	<u>\$ 21,208</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable						\$ 284		
Interfund payables								
Settlements pending								
Total Liabilities						<u>284</u>		
Fund Balances:								
Restricted	\$ 3,044	\$ 27,919	\$ 1,222	\$ 22,824	\$ 1,372	13,200	\$ 279,809	\$ 21,208
Committed								
Assigned								
Unassigned								
Total Fund Balances	<u>3,044</u>	<u>27,919</u>	<u>1,222</u>	<u>22,824</u>	<u>1,372</u>	<u>13,200</u>	<u>279,809</u>	<u>21,208</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,044</u>	<u>\$ 27,919</u>	<u>\$ 1,222</u>	<u>\$ 22,824</u>	<u>\$ 1,372</u>	<u>\$ 13,484</u>	<u>\$ 279,809</u>	<u>\$ 21,208</u>

SEARCY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	DEBT	CUSTODIAL FUNDS					Totals
	SERVICE FUND	Jail Bond Debt Service	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	
ASSETS							
Cash and cash equivalents	\$ 81,794	\$ 5,054	\$ 35,144	\$ 70,746	\$ 94,756	\$ 18,741	\$ 3,067,639
Investments							27,333
Accounts receivable							78,528
Interfund receivables							12,684
TOTAL ASSETS	\$ 81,794	\$ 5,054	\$ 35,144	\$ 70,746	\$ 94,756	\$ 18,741	\$ 3,186,184
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 115,658
Interfund payables							20,480
Settlements pending		\$ 5,054	\$ 35,144	\$ 70,746	\$ 94,756	\$ 18,741	230,286
Total Liabilities		5,054	35,144	70,746	94,756	18,741	366,424
Fund Balances:							
Restricted	\$ 81,794						2,642,476
Committed							154,172
Assigned							130,515
Unassigned							(107,403)
Total Fund Balances	81,794						2,819,760
TOTAL LIABILITIES AND FUND BALANCES	\$ 81,794	\$ 5,054	\$ 35,144	\$ 70,746	\$ 94,756	\$ 18,741	\$ 3,186,184

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, 2022

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					\$ 2,974		\$ 43,757		
Federal aid									
Property taxes							229,376		
Sales taxes								\$ 727,686	
Fines, forfeitures, and costs			\$ 4,258	\$ 1,894					
Interest	\$ 116	\$ 179	119	5	54	\$ 30	577	2,436	
Officers' fees						18,793			
Contributions from municipalities								262,641	
Jail fees									
911 fees									
Increase in fair market value of investments									
Donations									
Treasurer's commission	11,878								
Collector's commission		17,855							
Other			5	4	5	3,464	694	85,367	
TOTAL REVENUES	11,994	18,034	4,382	1,903	3,033	22,287	274,404	1,078,130	
Less: Treasurer's commission			90	38	61	419	4,979	20,963	
NET REVENUES	11,994	18,034	4,292	1,865	2,972	21,868	269,425	1,057,167	
EXPENDITURES									
Current:									
General government	15,804	23,697				17,004			
Law enforcement				2,818					
Highways and streets									
Public safety									
Sanitation								888,678	
Recreation and culture							255,237		
Airport									
Total Current	15,804	23,697		2,818		17,004	255,237	888,678	
Debt Service:									
Bond interest and other charges									
Financed purchase principal								68,420	
Financed purchase interest								8,375	
TOTAL EXPENDITURES	15,804	23,697		2,818		17,004	255,237	965,473	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,810)	(5,663)	4,292	(953)	2,972	4,864	14,188	91,694	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out								(113,000)	
TOTAL OTHER FINANCING SOURCES (USES)								(113,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,810)	(5,663)	4,292	(953)	2,972	4,864	14,188	(21,306)	
FUND BALANCES - JANUARY 1	9,854	26,996	32,635	1,622	12,704	9,972	150,415	633,524	\$ 16,307
FUND BALANCES - DECEMBER 31	\$ 6,044	\$ 21,333	\$ 36,927	\$ 669	\$ 15,676	\$ 14,836	\$ 164,603	\$ 612,218	\$ 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, 2022

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				\$ 524				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 27,034	\$ 12,925				\$ 250	
Interest		\$ 12	141	3		\$ 620	\$ 18		
Officers' fees		72					100		\$ 82
Contributions from municipalities									
Jail fees			10,061						
911 fees						214,152			
Increase in fair market value of investments									
Donations									
Treasurer's commission									
Collector's commission									
Other			33	29	51	1,086	2		
TOTAL REVENUES	83,195	84	37,269	12,957	575	215,858	120	250	82
Less: Treasurer's commission		2	658	265	11	4,075	2	5	2
NET REVENUES	83,195	82	36,611	12,692	564	211,783	118	245	80
EXPENDITURES									
Current:									
General government	89,148								1,483
Law enforcement			7,690		996				
Highways and streets									
Public safety						164,575			
Sanitation									
Recreation and culture									
Airport									
Total Current	89,148		7,690		996	164,575			1,483
Debt Service:									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	89,148		7,690		996	164,575			1,483
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,953)	82	28,921	12,692	(432)	47,208	118	245	(1,403)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out				(13,002)					
TOTAL OTHER FINANCING SOURCES (USES)				(13,002)					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,953)	82	28,921	(310)	(432)	47,208	118	245	(1,403)
FUND BALANCES - JANUARY 1	(2,363)	3,259	33,244	310	1,633	166,158	4,904	1,783	1,285
FUND BALANCES - DECEMBER 31	\$ (8,316)	\$ 3,341	\$ 62,165	\$ 0	\$ 1,201	\$ 213,366	\$ 5,022	\$ 2,028	\$ (118)

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	American Rescue Plan Act	County Library American Rescue Plan Act	Building Maintenance	Series 2017/2021 Bond Surplus	County Jail Building and Maintenance	County Jail Operations	Unpaved Roads Richland Area	Clerks Automated Records System
REVENUES									
State aid				\$ 14,586				\$ 26,222	
Federal aid		\$ 765,396							
Property taxes	\$ 274			74,851					
Sales taxes					\$ 348,734	\$ 37,968			
Fines, forfeitures, and costs									
Interest		521		552		205	\$ 167		
Officers' fees									
Contributions from municipalities							48,970		
Jail fees									
911 fees									
Increase in fair market value of investments									
Donations									
Treasurer's commission									
Collector's commission									
Other		480		2,134	466		3,003		
TOTAL REVENUES	274	766,397		92,123	349,200	38,173	52,140	26,222	
Less: Treasurer's commission	5			1,672	7,734		1,034		
NET REVENUES	269	766,397		90,451	341,466	38,173	51,106	26,222	
EXPENDITURES									
Current:									
General government	74	55,943		90,024					
Law enforcement		15,387				17,439	634,036		
Highways and streets		1,510							
Public safety		28,355							
Sanitation									
Recreation and culture		11,932	\$ 3,758						
Airport									
Total Current	74	113,127	3,758	90,024		17,439	634,036		
Debt Service:									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	74	113,127	3,758	90,024		17,439	634,036		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	195	653,270	(3,758)	427	341,466	20,734	(582,930)	26,222	
OTHER FINANCING SOURCES (USES)									
Transfers in							462,630		
Transfers out					(341,466)				
TOTAL OTHER FINANCING SOURCES (USES)					(341,466)		462,630		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	195	653,270	(3,758)	427		20,734	(120,300)	26,222	
FUND BALANCES - JANUARY 1	5,933	363,785	3,758	153,745		52,035	21,331	21,186	\$ 1,503
FUND BALANCES - DECEMBER 31	\$ 6,128	\$ 1,017,055	\$ 0	\$ 154,172	\$ 0	\$ 72,769	\$ (98,969)	\$ 47,408	\$ 1,503

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Sheriff's K-9 Dog	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Searcy County Jail/Museum Grant	Sheriff's Vehicle and Equipment Project (2021)	Shirt Factory Renovation Fund	Law Library
REVENUES								
State aid								
Federal aid					\$ 9,030			
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								\$ 1,972
Interest								45
Officers' fees								
Contributions from municipalities								
Jail fees								
911 fees								
Increase in fair market value of investments								
Donations								
Treasurer's commission								
Collector's commission								
Other	\$ 2		\$ 80				\$ 1,400	
TOTAL REVENUES	2		80		9,030		1,400	2,017
Less: Treasurer's commission			2				28	
NET REVENUES	2		78		9,030		1,372	2,017
EXPENDITURES								
Current:								
General government								
Law enforcement						\$ 3,146		1,011
Highways and streets								
Public safety								
Sanitation								
Recreation and culture					9,040			
Airport								
Total Current					9,040	3,146		1,011
Debt Service:								
Bond interest and other charges								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES					9,040	3,146		1,011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2		78		(10)	(3,146)	1,372	1,006
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)								
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2		78		(10)	(3,146)	1,372	1,006
FUND BALANCES - JANUARY 1	3,042	\$ 27,919	1,144	\$ 22,824	10	3,146		12,194
FUND BALANCES - DECEMBER 31	\$ 3,044	\$ 27,919	\$ 1,222	\$ 22,824	\$ 0	\$ 0	\$ 1,372	\$ 13,200

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	Totals
	County Library Board	Airport Commission	Snowball Water Project	East Searcy County Water Project	Jail Bond Debt Service	
REVENUES						
State aid		\$ 32,796				\$ 204,054
Federal aid		32,077				806,503
Property taxes						304,501
Sales taxes		44			\$ 98,168	1,212,600
Fines, forfeitures, and costs						48,333
Interest	\$ 751	2			665	7,218
Officers' fees						19,047
Contributions from municipalities						311,611
Jail fees						10,061
911 fees						214,152
Increase in fair market value of investments	199					199
Donations	15,864					15,864
Treasurer's commission						11,878
Collector's commission						17,855
Other	9,121	26,764				134,190
TOTAL REVENUES	25,935	91,683			98,833	3,318,066
Less: Treasurer's commission						42,045
NET REVENUES	25,935	91,683			98,833	3,276,021
EXPENDITURES						
Current:						
General government			\$ 5	\$ 4		293,186
Law enforcement						682,523
Highways and streets						1,510
Public safety						192,930
Sanitation						888,678
Recreation and culture	11,489					291,456
Airport		81,604				81,604
Total Current	11,489	81,604	5	4		2,431,887
Debt Service:						
Bond interest and other charges					31,721	31,721
Financed purchase principal						68,420
Financed purchase interest						8,375
TOTAL EXPENDITURES	11,489	81,604	5	4	31,721	2,540,403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,446	10,079	(5)	(4)	67,112	735,618
OTHER FINANCING SOURCES (USES)						
Transfers in						462,630
Transfers out						(467,468)
TOTAL OTHER FINANCING SOURCES (USES)						(4,838)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	14,446	10,079	(5)	(4)	67,112	730,780
FUND BALANCES - JANUARY 1	265,363	11,129	5	4	14,682	2,088,980
FUND BALANCES - DECEMBER 31	\$ 279,809	\$ 21,208	\$ 0	\$ 0	\$ 81,794	\$ 2,819,760

SEARCY COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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, 2022

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.
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.

SEARCY COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Building Maintenance	Searcy County Ordinance no. 2010-06 (December 4, 2010) levied a one mill property tax to be used for the repair and maintenance of the County courthouse.
Series 2017/2021 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. Series 2017 bonds were subsequently refunded with Series 2021 bonds.
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.
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.
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.

SEARCY COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
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).
Sheriff's Vehicle and Equipment Project (2021)	Established to receive and disburse federal grant funds for the purchase of a sheriff's vehicle.
Shirt Factory Renovation Fund	Established to receive and disburse funds to be used for renovations of the shirt factory building.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.
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.
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 administration of justice funds and delinquent taxes 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, 2022
(Unaudited)

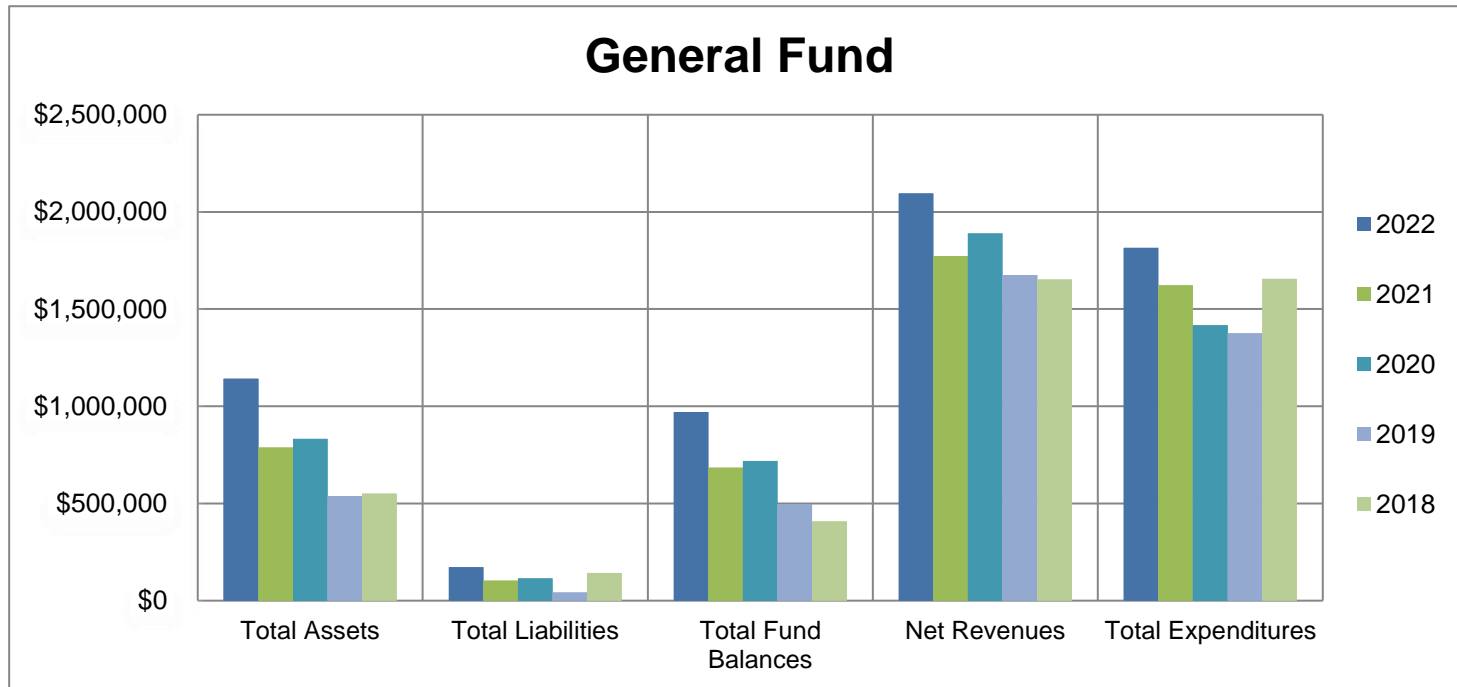
Schedule 3

	December 31, 2022
Land	\$ 599,857
Buildings	4,089,002
Improvements other than building	2,455,280
Equipment	<u>3,782,966</u>
Total	<u>\$ 10,927,105</u>

SEARCY COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-1

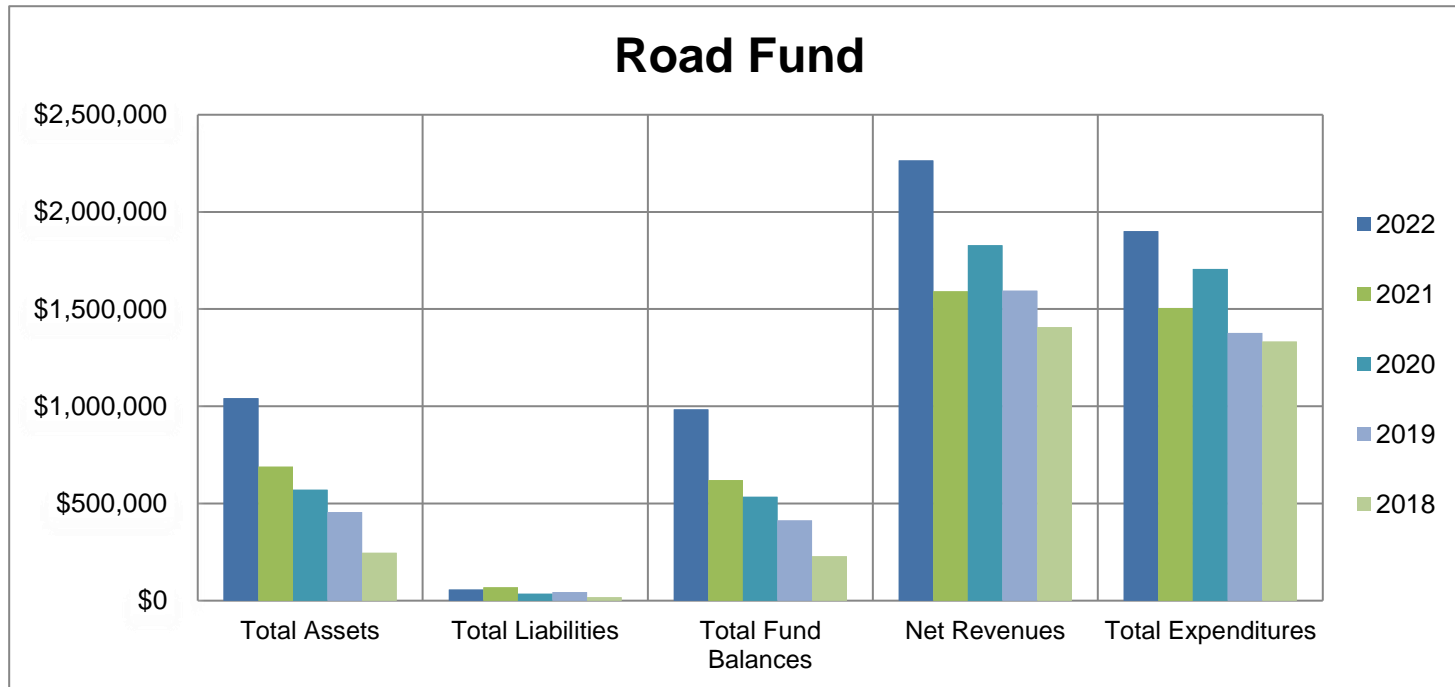
General	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 1,142,352	\$ 787,216	\$ 832,450	\$ 537,748	\$ 550,306
Total Liabilities	172,345	102,541	114,110	41,716	143,065
Total Fund Balances	970,007	684,675	718,340	496,032	407,241
Net Revenues	2,095,544	1,772,345	1,889,602	1,675,169	1,652,213
Total Expenditures	1,815,050	1,621,878	1,416,678	1,375,718	1,655,276
Total Other Financing Sources/Uses	4,838	(184,132)	(250,616)	(210,660)	(24,000)



SEARCY COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 1,040,646	\$ 688,530	\$ 570,221	\$ 455,982	\$ 245,665
Total Liabilities	56,495	68,299	35,405	44,127	16,874
Total Fund Balances	984,151	620,231	534,816	411,855	228,791
Net Revenues	2,264,412	1,591,898	1,828,929	1,593,911	1,406,893
Total Expenditures	1,900,492	1,506,483	1,705,968	1,377,897	1,333,227
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, 2022
 (Unaudited)

Schedule 4-3

Other Funds in the Aggregate	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 3,186,184	\$ 2,501,264	\$ 2,189,839	\$ 1,776,017	\$ 1,983,405
Total Liabilities	366,424	412,284	605,421	587,204	852,024
Total Fund Balances	2,819,760	2,088,980	1,584,418	1,188,813	1,131,381
Net Revenues	3,276,021	3,351,387	2,662,894	3,387,976	4,289,429
Total Expenditures	2,540,403	2,900,493	2,517,905	3,574,154	6,391,570
Total Other Financing Sources/Uses	(4,838)	42,098	250,616	243,610	157,766

