

Sebastian County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



SEBASTIAN COUNTY, ARKANSAS
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Arkansas

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



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

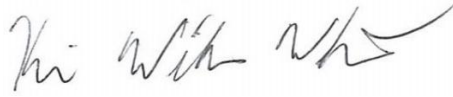
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 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

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 19, 2024
LOCO06523

Arkansas

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



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

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

Sebastian 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 Sebastian County, Arkansas (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated December 19, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

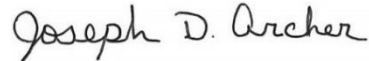
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

We also reported to management of the County in a separate letter dated December 19, 2024.

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
December 19, 2024

Arkansas

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



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

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

County Judge: Steve Hotz
Treasurer/Tax Collector: Lora Rice
Sheriff: Hobe Runion
County Clerk: Sharon Brooks
Circuit Clerk: Susie Hassett
Assessor: Zach Johnson
County Librarian: Rene Myers
District Court Clerk: Lisa Sampley

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

The County discovered, and we verified, that a former employee received a salary payment of \$993 in 2023, one month after the employee resigned, due to payroll personnel failing to verify hours worked. As of report date, the County had not recouped any of this amount from the former employee.

On August 31, 2023, the County discovered that a vendor payment of \$58,692 had been fraudulently diverted to another bank account, after the vendor contacted the County about not receiving payment. The County set up an EFT payment request on July 24, 2023, after receiving an email that appeared to be from the vendor, without verifying the authenticity of the request. Law enforcement and the financial institution were notified; however, the County was unable to recover the funds.

Inadequate documentation was maintained for expenditures in the amount of \$4.8 million. The expenditures were paid with American Rescue Plan Act federal funds which require proper documentation supporting cost determinations. The lack of sufficient detailed documentation also resulted in a federal audit finding for the County (See Note 6).

Other Issue

Eleven unauthorized withdrawals totaling \$11,492 were made from County accounts. County officials and bank personnel discovered the unauthorized withdrawals, and all funds were recovered from the bank.

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

Handwritten signature of Joseph D. Archer in black ink.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 19, 2024

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 16,908,125	\$ 11,063,844	\$ 40,719,017
Accounts receivable	1,848,373	231,936	206,760
TOTAL ASSETS	<u>\$ 18,756,498</u>	<u>\$ 11,295,780</u>	<u>\$ 40,925,777</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 680,381	\$ 86,906	\$ 336,269
Settlements pending			7,949,515
Total Liabilities	<u>680,381</u>	<u>86,906</u>	<u>8,285,784</u>
Fund Balances:			
Restricted	1,964,302	11,208,874	18,614,151
Committed			13,500,331
Assigned	937,381		525,511
Unassigned	15,174,434		
Total Fund Balances	<u>18,076,117</u>	<u>11,208,874</u>	<u>32,639,993</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,756,498</u>	<u>\$ 11,295,780</u>	<u>\$ 40,925,777</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 2,969,217	\$ 4,083,135	\$ 577,540
Federal aid	996,926	39,240	484
Property taxes	11,519,461	3,505,692	294,712
Sales taxes	4,529,992	61,691	553,208
Fines, forfeitures, and costs	1,506,682		303,381
Interest	426,319	367,496	1,156,642
Officers' fees	869,976		918,280
911 fees			1,920,817
Ambulance fees	309,058		1,689,289
Jail fees	3,011,757		287,719
Royalties/franchise fees	80,887		
Insurance premiums	675,677		
Treasurer's commission	402,722		
Collector's commission	793,342		
Taxes apportioned - Assessor's salary and expense	2,234,867		
Other	3,200,266	299,609	187,125
TOTAL REVENUES	33,527,149	8,356,863	7,889,197
Less: Treasurer's commission	486,729	157,643	115,192
NET REVENUES	33,040,420	8,199,220	7,774,005
EXPENDITURES			
Current:			
General government	8,351,874		7,496,941
Law enforcement	13,737,160		4,842,960
Highways and streets		8,445,406	
Public safety	404,819		2,435,330
Health	32,700		1,686,532
Recreation and culture	2,151,304		1,446,460
Social services	1,928,022		
Airport			1,800,000
Total Current	26,605,879	8,445,406	19,708,223
Debt Service:			
Financed purchases principal			360,975
Financed purchases interest			164,926
TOTAL EXPENDITURES	26,605,879	8,445,406	20,234,124

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,434,541	\$ (246,186)	\$ (12,460,119)
OTHER FINANCING SOURCES (USES)			
Transfers in	44,729		10,640,852
Transfers out	(10,539,081)	(20,805)	(125,695)
Realized gain on investments		106,556	228,334
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,494,352)</u>	<u>85,751</u>	<u>10,743,491</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,059,811)	(160,435)	(1,716,628)
FUND BALANCES - JANUARY 1	<u>22,135,928</u>	<u>11,369,309</u>	<u>34,356,621</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 18,076,117</u></u>	<u><u>\$ 11,208,874</u></u>	<u><u>\$ 32,639,993</u></u>

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,815,173	\$ 2,969,217	\$ 154,044	\$ 3,505,000	\$ 4,083,135	\$ 578,135
Federal aid	2,122,136	996,926	(1,125,210)	39,000	39,240	240
Property taxes	10,038,233	11,519,461	1,481,228	2,925,000	3,505,692	580,692
Sales taxes	4,121,673	4,529,992	408,319		61,691	61,691
Fines, forfeitures, and costs	1,487,300	1,506,682	19,382			
Interest	75,000	426,319	351,319		367,496	367,496
Officers' fees	844,062	869,976	25,914			
Ambulance fees	985,000	309,058	(675,942)			
Jail fees	2,501,000	3,011,757	510,757			
Royalties/franchise fees	95,000	80,887	(14,113)			
Insurance premiums		675,677	675,677			
Treasurer's commission	448,776	402,722	(46,054)			
Collector's commission	912,042	793,342	(118,700)			
Taxes apportioned - Assessor's salary and expense	2,765,259	2,234,867	(530,392)			
Other	3,229,461	3,200,266	(29,195)	117,678	299,609	181,931
TOTAL REVENUES	32,440,115	33,527,149	1,087,034	6,586,678	8,356,863	1,770,185
Less: Treasurer's commission	398,050	486,729	(88,679)	130,500	157,643	(27,143)
NET REVENUES	32,042,065	33,040,420	998,355	6,456,178	8,199,220	1,743,042
EXPENDITURES						
Current:						
General government	9,505,806	8,351,874	1,153,932			
Law enforcement	22,464,634	13,737,160	8,727,474			
Highways and streets				9,772,052	8,445,406	1,326,646
Public safety	1,351,480	404,819	946,661			
Health	2,005,139	32,700	1,972,439			
Recreation and culture	4,260,817	2,151,304	2,109,513			
Social services	2,871,752	1,928,022	943,730			
TOTAL EXPENDITURES	42,459,628	26,605,879	15,853,749	9,772,052	8,445,406	1,326,646

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (10,417,563)	\$ 6,434,541	\$ 16,852,104	\$ (3,315,874)	\$ (246,186)	\$ 3,069,688
OTHER FINANCING SOURCES (USES)						
Transfers in	4,405,479	44,729	(4,360,750)			
Transfers out	(919,133)	(10,539,081)	(9,619,948)	(20,805)	(20,805)	0
Realized gain on investments					106,556	106,556
TOTAL OTHER FINANCING SOURCES (USES)	3,486,346	(10,494,352)	(13,980,698)	(20,805)	85,751	106,556
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,931,217)	(4,059,811)	2,871,406	(3,336,679)	(160,435)	3,176,244
FUND BALANCES - JANUARY 1	24,350,867	22,135,928	(2,214,939)	11,124,752	11,369,309	244,557
FUND BALANCES - DECEMBER 31	\$ 17,419,650	\$ 18,076,117	\$ 656,467	\$ 7,788,073	\$ 11,208,874	\$ 3,420,801

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, payroll taxes, and excess commissions that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

E. Property Taxes

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,137,279	\$ 2,235,869
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	66,541,157	66,668,052
Total Deposits	\$ 68,678,436	\$ 68,903,921

The above total deposits do not include cash on hand of \$12,550.

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.

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

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 49,600		
Property taxes	392,541	\$ 97,174	\$ 2,621
Fines, forfeitures, and costs	109,807		22,485
Interest	75		
Officers' fees	60,853		66,155
911 fees			3,376
Ambulance fees			29,598
Jail fees	514,423		26,353
Royalties/franchise fees	19,661		
Treasurer's commission	1,864		
Other	699,549	134,762	56,172
Totals	<u>\$ 1,848,373</u>	<u>\$ 231,936</u>	<u>\$ 206,760</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 680,381</u>	<u>\$ 86,906</u>	<u>\$ 336,269</u>

NOTE 6: Federal Funds Program Compliance

The grant of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) (21.027) was audited in accordance with federal program requirements. A separate report was issued for the grant of the CSLFRF. The following material instance of noncompliance was reported:

The County did not receive sufficient detailed documentation for the AWIN Radio Towers CSLFRF Project to support determination of costs and applicable federal compliance requirements.

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

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2023, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 1,020,811		\$ 11,174,266
Law enforcement	18,000		862,428
Highways and streets		\$ 11,208,874	
Public safety	59,507		4,643,433
Health	865,984		66,146
Recreation and culture			1,724,489
Debt service			143,389
Total Restricted	1,964,302	11,208,874	18,614,151
Committed for:			
Law enforcement			15,857
Sanitation			795
Capital outlay			13,483,679
Total Committed			13,500,331
Assigned to:			
General government	383,507		
Law enforcement	390,375		
Recreation and culture	163,499		
Capital outlay			525,511
Total Assigned	937,381		525,511
Unassigned	15,174,434		
Totals	\$ 18,076,117	\$ 11,208,874	\$ 32,639,993

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for bonded debt was \$227,902,047. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2023, the legal debt limit for short-term financing obligations was \$61,266,327. There were no short-term financing obligations.

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

NOTE 9: Commitments

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

	December 31, 2023
Long-term liabilities	\$ 6,595,624
Reappraisal contract	972,600
Construction contract	446,807
 Total Commitments	 \$ 8,015,031

Long-term Liabilities

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

	December 31, 2023
<u>Direct Borrowings</u>	
A 2.85% financed purchase agreement with US Bank dated December 28, 2017, in the amount of \$5,084,806 for the purchase of energy conservation measures. Due in monthly installments over 17 years, consisting of five monthly payments of \$29,800, a year of monthly payments installments of \$30,241, and thereafter, a 2.1% increase in monthly payments each year. Payments will be made from a Debt Service Fund, which will come from transfers from General Fund, Street Fund, and Library Fund.	\$ 3,830,979
A 2.79% financed purchase agreement with Capital One Public Funding dated July 28, 2020, in the amount of \$1,995,760 for the purchase of energy conservation measures. Due in yearly installments of \$131,555 over 20 years. Payments will be made from a Debt Service Fund, which will come from transfers from General Fund, Street Fund, and Library Fund.	1,761,729
Total Direct Borrowings	5,592,708
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	1,002,916
Total Long-term liabilities	\$ 6,595,624

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

The County's outstanding financed purchases from direct borrowings of \$5,592,708 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

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

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

NOTE 9: Commitments (Continued)

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2023</u>	<u>Maturities to December 31, 2023</u>
<u>Direct Borrowings</u>					
12/28/17	12/28/33	2.85%	\$ 5,084,806	\$ 3,830,979	\$ 1,253,827
7/28/20	7/28/40	2.79%	1,995,760	1,761,729	234,031
Total Long-Term Debt			<u>\$ 7,080,566</u>	<u>\$ 5,592,708</u>	<u>\$ 1,487,858</u>

Changes in Long-Term Debt

	<u>Balance January 01, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2023</u>
<u>Direct Borrowings</u>				
Financed purchases	\$ 5,953,683	\$ 0	\$ 360,975	\$ 5,592,708

Debt Service Requirements to Maturity

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

<u>Years Ending December 31,</u>	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 379,710	\$ 154,471	\$ 534,181
2025	399,161	143,476	542,637
2026	419,350	131,919	551,269
2027	440,304	119,779	560,083
2028	462,049	107,034	569,083
2029 through 2033	2,665,980	321,176	2,987,156
2034 through 2038	573,658	84,120	657,778
2039 through 2040	252,496	10,616	263,112
Totals	<u>\$ 5,592,708</u>	<u>\$ 1,072,591</u>	<u>\$ 6,665,299</u>

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on October 28, 2020, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$40,525 for a total of \$2,431,500 beginning January 15, 2021. Contract expense for 2023, was \$486,300.

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

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 486,300
2025	486,300
Total	<u>\$ 972,600</u>

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

NOTE 9: Commitments (Continued)

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2023:

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance December 31, 2023</u>
Radio Tower Project	April 2025	<u>\$ 446,807</u>

NOTE 10: Interfund Transfers

The General Fund transferred \$10,539,081 to Other Funds in the Aggregate for operating expenses of \$49,584 (County Public Library), debt service of \$489,497 (Energy Conservation Note), and future capital expenditures of \$10,000,000 (Justice Facilities Capital). The Road Fund transferred \$20,805 to Other Funds in the Aggregate (Energy Conservation Note) for debt service. Other Funds in the Aggregate (General Fund Sales Tax Revenue) transferred \$44,729 to the General Fund to return funds that had been formerly assigned for capital expenditures. Within Other Funds in the Aggregate, \$2,400 was transferred (from County Public Library to Energy Conservation Note) for debt service and \$78,566 was transferred (from General Fund Sales Tax Revenue to Capital Improvement Reserve General) for capital expenditures.

NOTE 11: Subsequent Events

On September 13, 2024, the County paid a \$3 million settlement for the death of a county inmate, of which \$350,000 was reimbursed to the County by the Association of Arkansas Counties Risk Management Services on October 11, 2024.

NOTE 12: Joint Ventures

A. Regional Library

Sebastian and Scott Counties entered into an agreement on June 16, 1978, in accordance with Ark. Code Ann. § 13-2-401 to establish the Scott/Sebastian Regional Library. The agreement states that the Regional Library Board shall employ a regional librarian approved by the Arkansas Library Commission to serve for such time and such terms as the Board may prescribe and to be paid from the regional budget. County and branch personnel shall be recommended by the County Library Board and shall be employed only after approval of the regional librarian and the Arkansas Library Commission with such salaries to be paid from county funds.

The parties also agreed that each county in the region should contribute a fair share of the expenses. The fair share of the expenses shall be determined each year by the Regional Library Board. The County contributed \$500 to the Scott/Sebastian Regional Library. Separate financial statements of the Scott/Sebastian Regional Library are not available.

B. Western Arkansas Intermodal Authority

Sebastian and Crawford Counties, and the Cities of Fort Smith and Van Buren entered into an agreement on July 21, 2009, in accordance with Ark. Code Ann. §14-143-103 to establish the Western Arkansas Intermodal Authority. Funding is provided by taxes levied upon and collected from shippers, transporters, or users loading or unloading freight, and commerce or passengers at a terminal or facility of the Authority. The County contributed \$21,140 to the Western Arkansas Intermodal Authority. Separate financial statements for the Western Arkansas Intermodal Authority are available at: 1109 S 16th Street, Fort Smith, AR 72901.

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

NOTE 13: Jointly Governed Organization – Twelfth Judicial District Drug Task Force

The Prosecuting Attorneys of the Twelfth Judicial District and the Twenty-first Judicial District, the Sebastian and Crawford Counties' Sheriffs' Departments, and the Police Departments of Fort Smith, Alma, Greenwood, and Barling entered into an agreement to establish the Twelfth Judicial District Drug Task Force. Funding is provided by grants and the Prosecuting Attorneys' offices, local Sheriffs' Departments, and local Police Departments. The County did not contribute any funds or equipment to the Twelfth Judicial District Drug Task Force. Separate financial statements for the Twelfth Judicial District Drug Task Force are available at: 901 South B Street, Fort Smith, AR 72901.

NOTE 14: Interlocal Agreements

A. District Court Judge

Sebastian County and the Cities of Greenwood, Barling, and Central City entered into an agreement to provide for a District Judge's annual salary to be paid 50% by the state and the remaining 50% to be paid by Sebastian County, Greenwood, Barling, and Central City. The Judge will be an employee of the State of Arkansas and will hold court in each of these cities. The Judge will be elected for a four-year term. The County's share of these expenses for 2023 was \$35,981.

B. Emergency Management and Public Facility

The County entered into an interlocal agreement with the City of Fort Smith to cooperate in the operation of the Sebastian County Emergency Management and Public Safety Facility. The facility shall be maintained by the County Judge. The primary building square footage will be utilized 50% by the County and 50% by the City of Fort Smith. The County will initially pay all expenses incurred for maintenance and utilities of the primary building, excluding agreed upon items. The City will be responsible for 50% of the County paid expenses for maintenance and utilities, excluding agreed upon items. This allocation shall adjust automatically proportionate to the use by the City if either the size of the facility or the amount of space utilized by the City changes.

C. Aquatics Facility

The County entered into an interlocal agreement dated December 17, 2013, with the City of Fort Smith to authorize the sharing and/or allocating the expenses of designing and constructing an aquatic center. The County and City will equally share in any net operating loss or profit from operation of the aquatic center. The facility shall be managed and operated by the City, which shall initially pay all operating costs and receive and account for all revenues. Payment for any operating loss or profit shall be due no later than 90 days after the last day of operation for each calendar year.

D. Regional Crisis Stabilization Unit

The County entered into an interlocal agreement dated July 17, 2018, with the counties and cities in the Sebastian County mental health catchment area, including Sebastian, Crawford, Franklin, Logan, Scott, and Polk Counties and all incorporated cities in these counties, concerning the operations of the Sebastian County Regional Crisis Stabilization Unit. This program will be utilized by the counties and cities to divert people who are experiencing a mental health crisis from jail to get the treatment they need, as determined by the medical service provider who is trained to recognize and treat behavioral-health issues. The program shall be maintained by the County Judge. State funding of \$1.6 million annually has been allocated to operate the crisis stabilization unit based upon daily billable services to each individual treated and subject to Medicaid reimbursements and other patient insurance. The County will initially pay all expenses incurred for operations and management of the program. The counties and cities will participate in a cost sharing agreement based on the cost per day for services for each patient, which will be determined by actual operations expenses. The cost sharing will equitably allocate the unreimbursed cost to each governmental entity participating in the program, after consideration of grant funding and allowable insurance reimbursements. The cost sharing agreement will be based upon the collection of actual operations data in the first year of service, and each year thereafter, as appropriate for annual adjustment. In addition, to defray maintenance and operation costs the counties and cities agree to pay a daily rate of \$5 for services provided each day of care for the length of stay. Sebastian County will send a monthly itemized bill to each county and city, beginning August 1, 2018, to receive reimbursement for each county's and city's equitable share of expenses.

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

NOTE 15: Risk Management

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

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

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

Property Program – This program is a blanket policy with coverage up to \$1,000,000,000 for any one loss with a \$2,000 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 \$500,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board.

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

NOTE 16: Arkansas Public Employees Retirement System

Plan Description

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

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

NOTE 16: Arkansas Public Employees Retirement System (Continued)

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2023. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2023, (date of APERS Employer Allocation Report) were \$2,511,969.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2023, (actuarial valuation date and measurement date) was \$21,558,656.

NOTE 17: Employee Self-Insured Benefits

The County participates in an Employee Self-Insured Benefit Plan. The County is required to maintain a benefit plan account which will be sufficient at all times to fund plan benefits and plan-related expenses. Insurance premiums collected in the amount of \$675,677, as reflected on the Statement of Revenue, Expenditures, and Changes in Fund Balance – Regulatory Basis, represent payroll deductions for employee, spouse, and dependent coverage, and COBRA and retiree payments received. Health insurance claims, administered by UMR, Inc., in the amount of \$2,783,598 were paid from this account. As of December 31, 2023, the balance in this account was \$1,026,996. To safeguard against catastrophic claims loss, the County maintains a stop loss policy with US Fire Insurance Company that has the following features:

1. \$125,000 stop loss per individual.
2. \$2,873,122 Aggregate (county wide) stop loss.

NOTE 18: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2022, the County was awarded \$490,482 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021, and as of the report date, \$490,482 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

		SPECIAL REVENUE FUNDS						
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Solid Waste Management
ASSETS								
Cash and cash equivalents	\$ 546,820	\$ 480,453	\$ 206,571	\$ 93,797	\$ 141,163	\$ 926,566	\$ 1,731,773	\$ 795
Accounts receivable			4,875	570		68,061	4,315	
TOTAL ASSETS	\$ 546,820	\$ 480,453	\$ 211,446	\$ 94,367	\$ 141,163	\$ 994,627	\$ 1,736,088	\$ 795
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 185	\$ 2,236				\$ 3,206	\$ 11,599	
Settlements pending								
Total Liabilities	185	2,236				3,206	11,599	
Fund Balances:								
Restricted	546,635	478,217	\$ 211,446	\$ 94,367	\$ 141,163	991,421	1,724,489	
Committed								\$ 795
Assigned								
Total Fund Balances	546,635	478,217	211,446	94,367	141,163	991,421	1,724,489	795
TOTAL LIABILITIES AND FUND BALANCES	\$ 546,820	\$ 480,453	\$ 211,446	\$ 94,367	\$ 141,163	\$ 994,627	\$ 1,736,088	\$ 795

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

Schedule 1

SPECIAL REVENUE FUNDS								
	County Clerk's Cost	Reappraisal Cost	Communication Facility and Equipment	Drug Control	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services
ASSETS								
Cash and cash equivalents	\$ 149,135	\$ 136	\$ 152,059	\$ 120,801	\$ 100	\$ 2,881	\$ 4,869,833	\$ 22,265
Accounts receivable	794		29,711	111	21,116		31,969	43,881
TOTAL ASSETS	\$ 149,929	\$ 136	\$ 181,770	\$ 120,912	\$ 21,216	\$ 2,881	\$ 4,901,802	\$ 66,146
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 48	\$ 738		\$ 879	\$ 316,388	
Settlements pending								
Total Liabilities			48	738		879	316,388	
Fund Balances:								
Restricted	\$ 149,929	\$ 136	181,722	120,174	\$ 21,216	2,002	4,585,414	\$ 66,146
Committed								
Assigned								
Total Fund Balances	149,929	136	181,722	120,174	21,216	2,002	4,585,414	66,146
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,929	\$ 136	\$ 181,770	\$ 120,912	\$ 21,216	\$ 2,881	\$ 4,901,802	\$ 66,146

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

Schedule 1

SPECIAL REVENUE FUNDS								
	Emergency Vehicle	Victim/Witness	Drug Court Program	Public Safety	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Fee	American Rescue Plan Act
ASSETS								
Cash and cash equivalents	\$ 54,279	\$ 122	\$ 6,244	\$ 1,050	\$ 5,528	\$ 20,918	\$ 38,865	\$ 8,595,147
Accounts receivable	688				280	91	298	
TOTAL ASSETS	\$ 54,967	\$ 122	\$ 6,244	\$ 1,050	\$ 5,808	\$ 21,009	\$ 39,163	\$ 8,595,147
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Settlements pending								
Total Liabilities								
Fund Balances:								
Restricted	\$ 54,967	\$ 122	\$ 6,244	\$ 1,050	\$ 5,808	\$ 21,009	\$ 39,163	\$ 8,595,147
Committed								
Assigned								
Total Fund Balances	54,967	122	6,244	1,050	5,808	21,009	39,163	8,595,147
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,967	\$ 122	\$ 6,244	\$ 1,050	\$ 5,808	\$ 21,009	\$ 39,163	\$ 8,595,147

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

Schedule 1

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND
	Federal Forfeiture	Drug Court Emergency and Contingency	Juvenile Court Representation	Capital Improvement Reserve General	General Fund Sales Tax Revenue	Justice Facilities Capital	Energy Conservation Note
ASSETS							
Cash and cash equivalents	\$ 420,835	\$ 15,857	\$ 12,930	\$ 3,060,976	\$ 525,511	\$ 10,422,703	\$ 143,389
Accounts receivable							
TOTAL ASSETS	<u>\$ 420,835</u>	<u>\$ 15,857</u>	<u>\$ 12,930</u>	<u>\$ 3,060,976</u>	<u>\$ 525,511</u>	<u>\$ 10,422,703</u>	<u>\$ 143,389</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 990						
Settlements pending							
Total Liabilities	<u>990</u>						
Fund Balances:							
Restricted	419,845		\$ 12,930				\$ 143,389
Committed		\$ 15,857		\$ 3,060,976		\$ 10,422,703	
Assigned					\$ 525,511		
Total Fund Balances	<u>419,845</u>	<u>15,857</u>	<u>12,930</u>	<u>3,060,976</u>	<u>525,511</u>	<u>10,422,703</u>	<u>143,389</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 420,835</u>	<u>\$ 15,857</u>	<u>\$ 12,930</u>	<u>\$ 3,060,976</u>	<u>\$ 525,511</u>	<u>\$ 10,422,703</u>	<u>\$ 143,389</u>

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

Schedule 1

CUSTODIAL FUNDS								
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Other Custodial	Totals
ASSETS								
Cash and cash equivalents	\$ 932,572	\$ 923,231	\$ 679,063	\$ 65,887	\$ 1,098,606	\$ 112,847	\$ 4,137,309	\$ 40,719,017
Accounts receivable								206,760
TOTAL ASSETS	\$ 932,572	\$ 923,231	\$ 679,063	\$ 65,887	\$ 1,098,606	\$ 112,847	\$ 4,137,309	\$ 40,925,777
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 336,269
Settlements pending	\$ 932,572	\$ 923,231	\$ 679,063	\$ 65,887	\$ 1,098,606	\$ 112,847	\$ 4,137,309	7,949,515
Total Liabilities	932,572	923,231	679,063	65,887	1,098,606	112,847	4,137,309	8,285,784
Fund Balances:								
Restricted								18,614,151
Committed								13,500,331
Assigned								525,511
Total Fund Balances								32,639,993
TOTAL LIABILITIES AND FUND BALANCES	\$ 932,572	\$ 923,231	\$ 679,063	\$ 65,887	\$ 1,098,606	\$ 112,847	\$ 4,137,309	\$ 40,925,777

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Solid Waste Management	County Clerk's Cost
REVENUES									
State aid					\$ 42,646		\$ 133,766		
Federal aid							484		
Property taxes							288,188		
Sales taxes									
Fines, forfeitures, and costs				\$ 7,476					
Interest	\$ 25,128	\$ 20,559	\$ 1,408	703	1,191	\$ 13,943	25,293		\$ 3,611
Officers' fees			77,951			774,042			12,975
911 fees									
Ambulance fees									
Jail fees									
Other		7	1,225	95	624	90,409	43,830		198
TOTAL REVENUES	25,128	20,566	80,584	8,274	44,461	878,394	491,561		16,784
Less: Treasurer's commission		242	1,622	165	878	15,906	7,152		287
NET REVENUES	25,128	20,324	78,962	8,109	43,583	862,488	484,409		16,497
EXPENDITURES									
Current:									
General government	107,968	181,910	20,719		39,896	951,226			
Law enforcement									
Public safety									
Health									
Recreation and culture							550,548		
Airport									
Total Current	107,968	181,910	20,719		39,896	951,226	550,548		
Debt Service:									
Financed purchases principal									
Financed purchases interest									
TOTAL EXPENDITURES	107,968	181,910	20,719		39,896	951,226	550,548		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,840)	(161,586)	58,243	8,109	3,687	(88,738)	(66,139)		16,497
OTHER FINANCING SOURCES (USES)									
Transfers in							49,584		
Transfers out							(2,400)		
Realized gain on investments									
TOTAL OTHER FINANCING SOURCES (USES)							47,184		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(82,840)	(161,586)	58,243	8,109	3,687	(88,738)	(18,955)		16,497
FUND BALANCES - JANUARY 1	629,475	639,803	153,203	86,258	137,476	1,080,159	1,743,444	\$ 795	133,432
FUND BALANCES - DECEMBER 31	<u>\$ 546,635</u>	<u>\$ 478,217</u>	<u>\$ 211,446</u>	<u>\$ 94,367</u>	<u>\$ 141,163</u>	<u>\$ 991,421</u>	<u>\$ 1,724,489</u>	<u>\$ 795</u>	<u>\$ 149,929</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Reappraisal Cost	Support Collections Costs	Communication Facility and Equipment	Drug Control	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services	Emergency Vehicle
REVENUES									
State aid	\$ 398,132					\$ 2,996			
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 26,596	\$ 261,623				\$ 4,847
Interest	1,355		\$ 1,242	892	903	24	\$ 115,616	\$ 2,490	407
Officers' fees		\$ 573	44,335						
911 fees							1,920,817		
Ambulance fees								1,689,289	
Jail fees			287,719						
Other	20	16	644	608	2,877	1,542	28,593	14,283	37
TOTAL REVENUES	399,507	589	333,940	28,096	265,403	4,562	2,065,026	1,706,062	5,291
Less: Treasurer's commission	29	11	916	306	5,205	60	40,232	20,097	99
NET REVENUES	399,478	578	333,024	27,790	260,198	4,502	2,024,794	1,685,965	5,192
EXPENDITURES									
Current:									
General government	399,584	581							
Law enforcement			351,173	18,367	257,939				
Public safety						5,235	2,126,320		
Health								1,686,532	
Recreation and culture									
Airport									
Total Current	399,584	581	351,173	18,367	257,939	5,235	2,126,320	1,686,532	
Debt Service:									
Financed purchases principal									
Financed purchases interest									
TOTAL EXPENDITURES	399,584	581	351,173	18,367	257,939	5,235	2,126,320	1,686,532	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(106)	(3)	(18,149)	9,423	2,259	(733)	(101,526)	(567)	5,192
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Realized gain on investments							45,667		
TOTAL OTHER FINANCING SOURCES (USES)							45,667		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(106)	(3)	(18,149)	9,423	2,259	(733)	(55,859)	(567)	5,192
FUND BALANCES - JANUARY 1	242	3	199,871	110,751	18,957	2,735	4,641,273	66,713	49,775
FUND BALANCES - DECEMBER 31	<u>\$ 136</u>	<u>\$ 0</u>	<u>\$ 181,722</u>	<u>\$ 120,174</u>	<u>\$ 21,216</u>	<u>\$ 2,002</u>	<u>\$ 4,585,414</u>	<u>\$ 66,146</u>	<u>\$ 54,967</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Public Defender	Victim/Witness	Drug Court Program	Public Safety	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Fee	American Rescue Plan Act	Federal Forfeiture
REVENUES									
State aid									
Federal aid									
Property taxes							\$ 6,524		
Sales taxes									
Fines, forfeitures, and costs	\$ 2,796			\$ 43					
Interest					\$ 24			\$ 347,142	\$ 3,523
Officers' fees					5,905	\$ 2,499			
911 fees									
Ambulance fees									
Jail fees									
Other	38			2	83	37	86		33
TOTAL REVENUES	2,834			45	6,012	2,536	6,610	347,142	3,556
Less: Treasurer's commission	56			1	153	49	130	3,421	75
NET REVENUES	2,778			44	5,859	2,487	6,480	343,721	3,481
EXPENDITURES									
Current:									
General government								5,340,529	
Law enforcement	2,778				4,690			4,152,585	55,428
Public safety								303,775	
Health									
Recreation and culture									
Airport									
Total Current	2,778				4,690			9,796,889	55,428
Debt Service:									
Financed purchases principal									
Financed purchases interest									
TOTAL EXPENDITURES	2,778				4,690			9,796,889	55,428
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				44	1,169	2,487	6,480	(9,453,168)	(51,947)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Realized gain on investments								182,667	
TOTAL OTHER FINANCING SOURCES (USES)								182,667	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				44	1,169	2,487	6,480	(9,270,501)	(51,947)
FUND BALANCES - JANUARY 1		\$ 122	\$ 6,244	1,006	4,639	18,522	32,683	17,865,648	471,792
FUND BALANCES - DECEMBER 31	\$ 0	\$ 122	\$ 6,244	\$ 1,050	\$ 5,808	\$ 21,009	\$ 39,163	\$ 8,595,147	\$ 419,845

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

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND	Totals
	Drug Court Emergency and Contingency	Juvenile Court Representation	Capital Improvement Reserve General	General Fund Sales Tax Revenue	Justice Facilities Capital	Energy Conservation Note	
REVENUES							
State aid							\$ 577,540
Federal aid							484
Property taxes							294,712
Sales taxes				\$ 553,208			553,208
Fines, forfeitures, and costs							303,381
Interest			\$ 156,421	4,209	\$ 427,466	\$ 3,092	1,156,642
Officers' fees							918,280
911 fees							1,920,817
Ambulance fees							1,689,289
Jail fees							287,719
Other			1,797			41	187,125
TOTAL REVENUES			158,218	557,417	427,466	3,133	7,889,197
Less: Treasurer's commission			2,123	11,151	4,763	63	115,192
NET REVENUES			156,095	546,266	422,703	3,070	7,774,005
EXPENDITURES							
Current:							
General government			151,296	303,232			7,496,941
Law enforcement							4,842,960
Public safety							2,435,330
Health							1,686,532
Recreation and culture			877,600	18,312			1,446,460
Airport			1,800,000				1,800,000
Total Current			2,828,896	321,544			19,708,223
Debt Service:							
Financed purchases principal						360,975	360,975
Financed purchases interest						164,926	164,926
TOTAL EXPENDITURES			2,828,896	321,544		525,901	20,234,124
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(2,672,801)	224,722	422,703	(522,831)	(12,460,119)
OTHER FINANCING SOURCES (USES)							
Transfers in			78,566		10,000,000	512,702	10,640,852
Transfers out				(123,295)			(125,695)
Realized gain on investments							228,334
TOTAL OTHER FINANCING SOURCES (USES)			78,566	(123,295)	10,000,000	512,702	10,743,491
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES			(2,594,235)	101,427	10,422,703	(10,129)	(1,716,628)
FUND BALANCES - JANUARY 1	\$ 15,857	\$ 12,930	5,655,211	424,084		153,518	34,356,621
FUND BALANCES - DECEMBER 31	\$ 15,857	\$ 12,930	\$ 3,060,976	\$ 525,511	\$ 10,422,703	\$ 143,389	\$ 32,639,993

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of Collector's gross commission to operate the Collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees to be used solely for district court-related technology.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Solid Waste Management	Ark. Code Ann. § 8-6-212 authorizes counties to fund a solid waste management system for the county by assessing fees, charges, and licenses. Each fee, charge, and license shall be based on fee schedule contained in an ordinance. Sebastian County Ordinance no. 87-18 (August 18, 1987) authorized solid waste management fees.
County Clerk's Cost	Ark. Code Ann. § 16-20-407 established a \$2 marriage license fee to be used for County Clerk's cost.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
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, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
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.
Emergency Medical Services	Ark. Code Ann. §§ 20-13-303 - 20-13-305 and Sebastian County Ordinance no. 85-39 (December 17, 1985) established fund to receive fees to provide for ambulance services for the County.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Public Defender	Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
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 Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
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 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	Sebastian County Ordinance no. 2021-10 (June 22, 2021) established fund to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Federal Forfeiture	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Drug Court Emergency and Contingency	Sebastian County Ordinance no. 2014-12 (September 16, 2014) established a fund to account for certain Circuit Court ordered revenues associated with the support and operation of the Sebastian County Drug Court Program.
Juvenile Court Representation	Ark. Code Ann. § 9-27-316 established fund to collect fees and costs to offset expenses of juvenile representation.
Capital Improvement Reserve General	Sebastian County Ordinance no. 82-13 (May 18, 1982) established fund to account for special one-time revenues earmarked for capital purchases as shall be designated by the Quorum Court.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
General Fund Sales Tax Revenue	Sebastian County Resolution no. 2003-6 (April 15, 2003) established fund to account for a percentage of county-wide sales tax as allocated by the Quorum court for acquisition, construction, or remodeling of Sebastian county public service facilities. Resolution no. 2013-2 (February 19, 2013) specified that 11% of sales tax revenue shall be dedicated for capital expenditures.
Justice Facilities Capital	Sebastian County Ordinance no. 2023-3 (January 26, 2023) established fund to account for the funding from revenue replacement reimbursements committed for future capital expenditures.
Energy Conservation Note	Established in accordance with installment contract for the Energy Project Fund. Sebastian County Ordinance no. 2017-25 (November 21, 2017) established energy performance project.

Treasurer's accounts consist primarily of property taxes and payroll withholdings not distributed to the appropriate agencies.

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

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

County Clerk's accounts consist primarily of fee money to be settled with the treasurer.

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

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

Other Custodial consists primarily of excess Treasurer and Collector commissions awaiting distribution and Juvenile Probation fees to be settled with Treasurer.

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

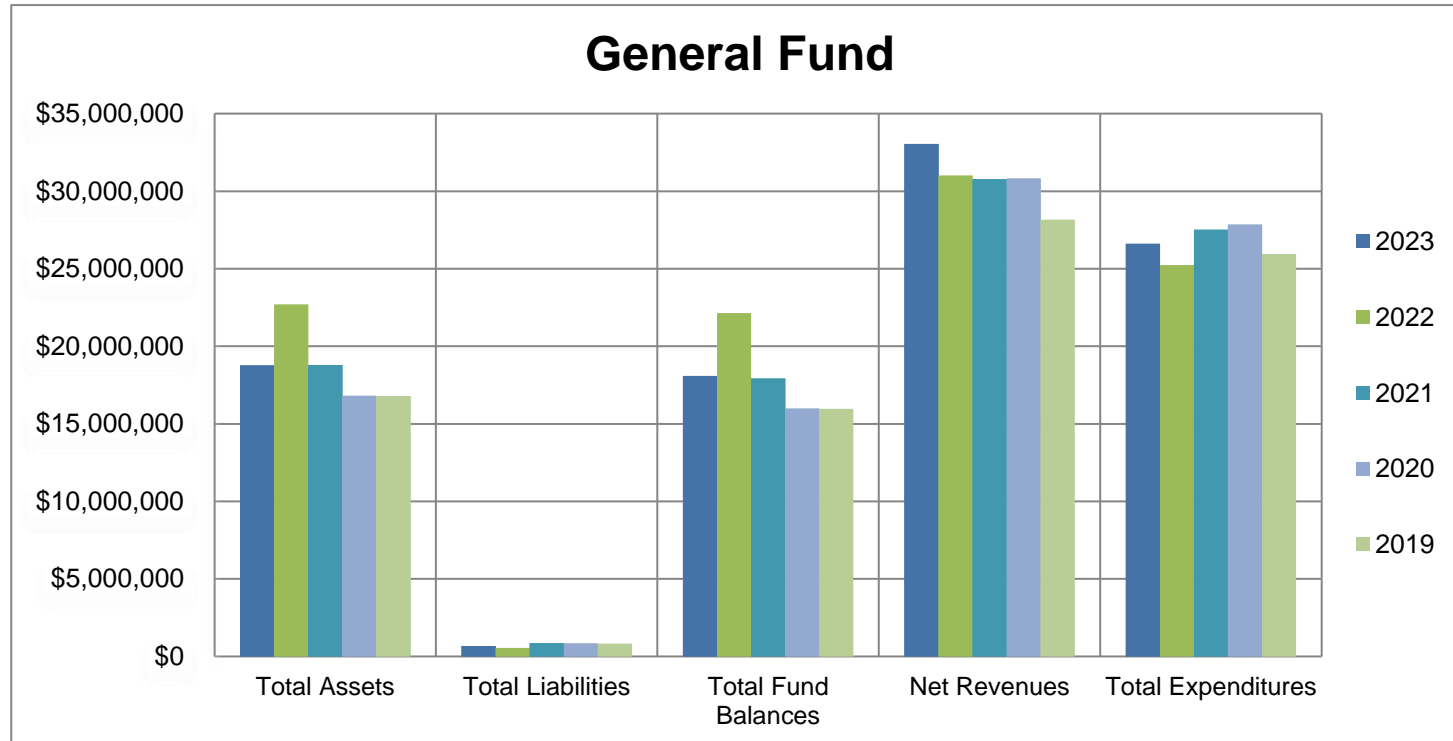
Schedule 3

	<u>December 31, 2023</u>
Land, buildings, and improvements	\$ 62,129,022
Equipment	<u>23,600,871</u>
Total	<u>\$ 85,729,893</u>

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

Schedule 4-1

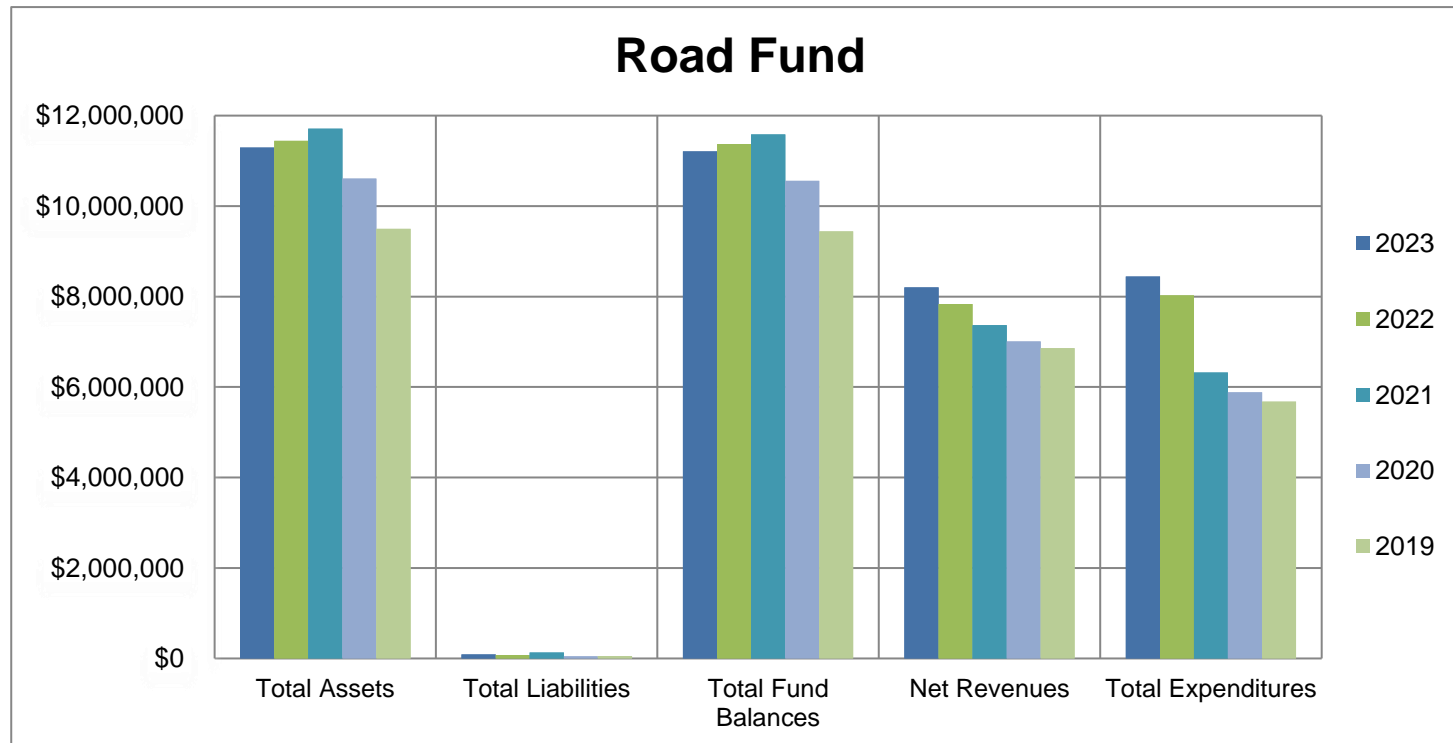
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 18,756,498	\$ 22,689,152	\$ 18,778,451	\$ 16,814,018	\$ 16,781,042
Total Liabilities	680,381	553,224	866,038	828,201	820,210
Total Fund Balances	18,076,117	22,135,928	17,912,413	15,985,817	15,960,832
Net Revenues	33,040,420	31,004,733	30,767,092	30,824,293	28,163,131
Total Expenditures	26,605,879	25,218,888	27,510,581	27,850,050	25,937,889
Total Other Financing Sources/Uses	(10,494,352)	(1,562,330)	(1,329,915)	(2,949,258)	(289,231)



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

Schedule 4-2

<u>Road</u>	2023	2022	2021	2020	2019
Total Assets	\$ 11,295,780	\$ 11,443,112	\$ 11,713,828	\$ 10,609,649	\$ 9,496,493
Total Liabilities	86,906	73,803	128,525	48,581	52,857
Total Fund Balances	11,208,874	11,369,309	11,585,303	10,561,068	9,443,636
Net Revenues	8,199,220	7,831,763	7,366,535	7,008,923	6,856,329
Total Expenditures	8,445,406	8,026,952	6,321,495	5,885,579	5,674,020
Total Other Financing Sources/Uses	85,751	(20,805)	(20,805)	(5,912)	(5,338)



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2023	2022	2021	2020	2019
Total Assets	\$ 40,925,777	\$ 43,594,380	\$ 35,319,655	\$ 22,331,939	\$ 15,664,076
Total Liabilities	8,285,784	9,237,759	7,898,106	8,144,762	6,909,897
Total Fund Balances	32,639,993	34,356,621	27,421,549	14,187,177	8,754,179
Net Revenues	7,774,005	21,008,686	28,064,894	13,544,537	11,670,180
Total Expenditures	20,234,124	14,209,393	8,628,170	6,441,855	5,736,802
Total Other Financing Sources/Uses	10,743,491	135,779	(6,202,352)	(1,669,684)	(5,450,141)

