

**Stone County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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STONE COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Independent Auditor's Report  
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*  
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

# Arkansas



**Sen. 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

Stone 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 Stone 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 Stone 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 Stone 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 November 15, 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  
November 15, 2024  
LOCO06923

# Arkansas



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

Rep. Jimmy Gazaway  
House Chair  
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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

Stone 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 Stone 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 November 15, 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 certain deficiencies in internal control, described below as item 2023-1, that we consider to be a material weakness.

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

General Fund financial records contained misstatements for assets, liabilities, fund balances, revenues, expenditures, and note disclosures of \$255,243, \$64, \$258,813, \$286,616, \$90,985, and \$403,482, respectively, primarily due to posting errors and misclassifications of revenues and expenditures.

Road Fund financial records contained misstatements for assets, liabilities, fund balances, revenues, expenditures, and note disclosures of \$32,727, \$32,727, \$59,712, \$141,282, and \$104,939, respectively, primarily due to posting errors and misclassifications of revenues and expenditures.

Other Aggregate Funds financial records contained misstatements for assets, liabilities, fund balances, revenues, expenditures, and note disclosures of \$442,958, \$64, \$399,809, \$415,921, \$326,912, and \$443,022, respectively, primarily due to posting errors and misclassifications of revenues and expenditures.

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Report on Internal Control over Financial Reporting section as item 2023-1.

We also reported to management of the County in a separate letter dated November 15, 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  
November 15, 2024

# Arkansas



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

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House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT MANAGEMENT LETTER

Stone 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: Stacey Avey  
Treasurer: Kayla Meeker  
Sheriff: Brandon Long  
Tax Collector: Karen Hodges  
County/Circuit Clerk: Angie Hudspeth/Wade  
Assessor: Heather Stevens  
County Librarian: Lenora Duncan  
District Court Clerk: Janet Harris

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.

### Treasurer

We noted the following issues in noncompliance with Ark. Code Ann. §§ 14-25-107, -108, -114 when reviewing cash:

- Bank reconciliations prepared by the Treasurer were not accurate.
- The outstanding check list was understated by \$11,689.
- Deposits in transit were understated by \$171,242.
- The bank activity and ending bank balances for numerous accounts did not agree with the Treasurer's summary fund activity.
- Receipts were not issued in a timely manner.
- Numerous posting errors of checks including the voiding of checks that cleared the bank, checks issued but not posted to the general ledger, and checks posted to the general ledger with the incorrect check number and payee.

### Treasurer and County/Circuit Clerk

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

### County Judge and County/Circuit Clerk

Appropriations ordinances approved by the Quorum Court were not properly posted to the appropriations journal in noncompliance with Ark. Code Ann. §§ 14-14-904 - 14-14-907, 14-20-103 - 14-20-104.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Joseph D. Archer in black ink.

Joseph D. Archer, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
November 15, 2024

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,458,534	\$ 2,442,212	\$ 13,331,011
Accounts receivable	576,847	109,260	59,788
<b>TOTAL ASSETS</b>	<b><u>\$ 4,035,381</u></b>	<b><u>\$ 2,551,472</u></b>	<b><u>\$ 13,390,799</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 125,164	\$ 49,615	\$ 14,210
Settlements pending		19,268	797,442
<b>Total Liabilities</b>	<b><u>125,164</u></b>	<b><u>68,883</u></b>	<b><u>811,652</u></b>
Fund Balances:			
Restricted	58,391		10,382,307
Assigned	316,330	2,482,589	2,196,840
Unassigned	3,535,496		
<b>Total Fund Balances</b>	<b><u>3,910,217</u></b>	<b><u>2,482,589</u></b>	<b><u>12,579,147</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 4,035,381</u></b>	<b><u>\$ 2,551,472</u></b>	<b><u>\$ 13,390,799</u></b>

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

STONE 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>
REVENUES			
State aid	\$ 645,056	\$ 1,604,780	\$ 299,479
Federal aid	465,828	253,539	308,232
Property taxes	636,706	273,562	142,100
Sales taxes	1,000,245		1,771,687
Fines, forfeitures, and costs	205,430		52,965
Interest	52,498	23,241	320,876
Officers' fees	96,228		36,278
Jail fees	142,919		65,941
Sanitation fees	641,541		
911 fees			356,798
Treasurer's commission	107,689		16,646
Collector's commission	129,385		25,746
Taxes apportioned - Assessor's salary and expense	212,734		
Other	316,327	70,758	49,335
	<u>4,652,586</u>	<u>2,225,880</u>	<u>3,446,083</u>
TOTAL REVENUES			
Less: Treasurer's commission	58,136	31,166	22,710
	<u>4,594,450</u>	<u>2,194,714</u>	<u>3,423,373</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,306,585		49,271
Law enforcement	1,943,651		190,820
Highways and streets		2,045,448	
Public safety	60,874		472,025
Sanitation	803,407		
Health	17,214		
Recreation and culture	9,935		151,031
Social services	54,385		96,867
Industrial development			204,365
Total Current	<u>4,196,051</u>	<u>2,045,448</u>	<u>1,164,379</u>
Debt Service:			
Bond principal			1,010,000
Bond interest and other charges			80,361
Financed purchase principal		389,978	
Financed purchase interest		44,340	
	<u>4,196,051</u>	<u>2,479,766</u>	<u>2,254,740</u>
TOTAL EXPENDITURES			

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 398,399	\$ (285,052)	\$ 1,168,633
OTHER FINANCING SOURCES (USES)			
Transfers in			40,635
Transfers out	(40,635)		
Rent payments remitted to Arkansas Economic Development Commission	(13,750)		
Refund to grantor			(39,330)
TOTAL OTHER FINANCING SOURCES (USES)	(54,385)		1,305
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	344,014	(285,052)	1,169,938
FUND BALANCES - JANUARY 1	3,566,203	2,767,641	11,409,209
FUND BALANCES - DECEMBER 31	\$ 3,910,217	\$ 2,482,589	\$ 12,579,147

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

STONE 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	\$ 664,458	\$ 645,056	\$ (19,402)	\$ 1,618,909	\$ 1,604,780	\$ (14,129)
Federal aid	441,305	465,828	24,523	240,333	253,539	13,206
Property taxes	653,068	636,706	(16,362)	252,232	273,562	21,330
Sales taxes	875,700	1,000,245	124,545			
Fines, forfeitures, and costs	194,370	205,430	11,060			
Interest	39,800	52,498	12,698	24,000	23,241	(759)
Officers' fees	115,180	96,228	(18,952)			
Jail fees	98,000	142,919	44,919			
Sanitation fees	511,800	641,541	129,741			
Treasurer's commission	140,000	107,689	(32,311)			
Collector's commission	233,500	129,385	(104,115)			
Taxes apportioned - Assessor's salary and expense	175,000	212,734	37,734			
Other	232,843	316,327	83,484	142,784	70,758	(72,026)
<b>TOTAL REVENUES</b>	<b>4,375,024</b>	<b>4,652,586</b>	<b>277,562</b>	<b>2,278,258</b>	<b>2,225,880</b>	<b>(52,378)</b>
Less: Treasurer's commission		58,136	(58,136)		31,166	(31,166)
<b>NET REVENUES</b>	<b>4,375,024</b>	<b>4,594,450</b>	<b>219,426</b>	<b>2,278,258</b>	<b>2,194,714</b>	<b>(83,544)</b>
EXPENDITURES						
Current:						
General government	1,315,464	1,306,585	8,879			
Law enforcement	2,174,804	1,943,651	231,153			
Highways and streets				3,289,895	2,045,448	1,244,447
Public safety	87,171	60,874	26,297			
Sanitation	815,113	803,407	11,706			
Health	19,469	17,214	2,255			
Recreation and culture	40,258	9,935	30,323			
Social services	56,130	54,385	1,745			
Total Current	4,508,409	4,196,051	312,358	3,289,895	2,045,448	1,244,447
Debt Service:						
Financed purchase principal					389,978	(389,978)
Financed purchase interest					44,340	(44,340)
<b>TOTAL EXPENDITURES</b>	<b>4,508,409</b>	<b>4,196,051</b>	<b>312,358</b>	<b>3,289,895</b>	<b>2,479,766</b>	<b>810,129</b>

STONE 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	\$ (133,385)	\$ 398,399	\$ 531,784	\$ (1,011,637)	\$ (285,052)	\$ 726,585
OTHER FINANCING SOURCES (USES)						
Transfers out	(100,000)	(40,635)	59,365			
Rent payments remitted to Arkansas Economic Development Commission		(13,750)	(13,750)			
TOTAL OTHER FINANCING SOURCES (USES)	(100,000)	(54,385)	45,615			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(233,385)	344,014	577,399	(1,011,637)	(285,052)	726,585
FUND BALANCES - JANUARY 1	3,000,000	3,566,203	566,203	2,900,000	2,767,641	(132,359)
FUND BALANCES - DECEMBER 31	<u>\$ 2,766,615</u>	<u>\$ 3,910,217</u>	<u>\$ 1,143,602</u>	<u>\$ 1,888,363</u>	<u>\$ 2,482,589</u>	<u>\$ 594,226</u>

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

STONE 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, and federal aid that are restricted or committed for maintaining and constructing roads.

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

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

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting - Regulatory**

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

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

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, delinquent property taxes, fees to be settled with County Treasurer, interest, funds held in trust, and excess Treasurer's and Collector's 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. 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.
3. 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.

STONE 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.

There were no committed fund balances at year-end.

**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)	\$ 6,748,609	\$ 6,751,165
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	12,482,648	12,649,043
Total Deposits	\$ 19,231,257	\$ 19,400,208

The above total deposits do not include cash on hand of \$500.

**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.

STONE 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	\$ 985		
Federal aid		\$ 59,712	
Property taxes	50,334		
Fines, forfeitures, and costs	11,337		\$ 2,712
Interest	1,710		
Officers' fees	6,822		1,966
Jail fees	45,118		
Sanitation fees	48,484		
911 fees			11,092
Treasurer's commission	107,690		16,646
Collector's commission	138,149		21,025
Taxes apportioned - Assessor's salary and expense	134,423		
Other	11,985	38,928	766
Treasurer's commission charged	19,810	10,620	5,581
Totals	<u>\$ 576,847</u>	<u>\$ 109,260</u>	<u>\$ 59,788</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	\$ 115,004	\$ 45,529	\$ 12,819
Salaries payable	10,160	4,086	1,391
Totals	<u>\$ 125,164</u>	<u>\$ 49,615</u>	<u>\$ 14,210</u>

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

**NOTE 6: 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			\$ 2,691,181
Law enforcement			316,551
Public safety			766,813
Recreation and culture	\$ 58,391		484,129
Capital outlay			5,421,611
Debt service			702,022
Total Restricted	<u>58,391</u>		<u>10,382,307</u>
Assigned to:			
General government	314,979		
Law enforcement			2,196,840
Highways and streets		\$ 2,482,589	
Public safety	1,351		
Total Assigned	<u>316,330</u>	<u>2,482,589</u>	<u>2,196,840</u>
Unassigned	<u>3,535,496</u>		
Totals	<u>\$ 3,910,217</u>	<u>\$ 2,482,589</u>	<u>\$ 12,579,147</u>

**NOTE 7: 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 \$18,063,504. 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 \$4,834,684. The amount of short-term financing obligations was \$924,293 leaving a legal debt margin of \$3,910,391.

**NOTE 8: Commitments**

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

	December 31, 2023
Long-term liabilities	\$ 4,299,293
Reappraisal contract	332,424
Construction contract	<u>11,767,879</u>
Total Commitments	<u>\$ 16,399,596</u>

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

**NOTE 8: Commitments (Continued)**

Long-term Liabilities

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

	December 31, 2023
<u>Bonds</u>	
Sales and Use Tax Capital Improvement Bonds, Series 2020, dated October 1, 2020, in the amount of \$5,970,000 with interest rates of 0.7% - 1.75%, for the purpose of constructing and equipping a jail and law enforcement facility. Due in annual installments of varying amounts payable from the proceeds of a 0.5% county sales tax. Surplus tax receipts will be used to redeem bonds as funds are available, thus shortening the final maturity date of the bonds. The maturity date of the bonds as of the year ended December 31, 2023, is October 1, 2032. Payments are to be made from the Jail Construction Sales and Use Tax Bonds Debt Service Fund.	<u>\$ 3,375,000</u>
<u>Direct Borrowings</u>	
Financed purchase dated July 1, 2021, with Centennial Bank in the amount of \$226,200, for the purchase of a Caterpillar Grader. Due in 36 monthly installments of \$6,508 with interest rate of 2.25%. Payments are to be made from the County Road Fund.	45,210
Financed purchase dated March 16, 2022, with Centennial Bank in the amount of \$278,000, for the purchase of a Caterpillar Grader. Due in 36 monthly installments of \$7,998 with interest rate of 2.25%. Payments are to be made from the County Road Fund.	118,152
Financed purchase dated August 22, 2022, with Centennial Bank in the amount of \$260,000, for the purchase of a Caterpillar Grader. Due in 36 monthly installments of \$7,683 with interest rate of 4%. Payments are to be made from the County Road Fund.	148,333
Financed purchase dated December 8, 2022, with Centennial Bank in the amount of \$750,000, for the purchase of three Caterpillar Graders. Due in 59 monthly installments of \$14,005 and one installment of \$12,159 with interest rate of 4.5%. Payments are to be made from the County Road Fund.	<u>612,598</u>
Total Direct Borrowings	<u>924,293</u>
Total Long-term liabilities	<u><u>\$ 4,299,293</u></u>

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

The County's outstanding bonds payable of \$3,375,000 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 \$924,293 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.

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

**NOTE 8: Commitments (Continued)**

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Bonds</u>					
10/1/20	10/1/32	0.7-1.75%	\$ 5,970,000	\$ 3,375,000	\$ 2,595,000
<u>Direct Borrowings</u>					
7/1/21	7/3/24	2.25%	226,200	45,210	180,990
3/16/22	3/16/25	2.25%	278,000	118,152	159,848
8/22/22	8/22/25	4%	260,000	148,333	111,667
12/8/22	12/8/27	4.5%	750,000	612,598	137,402
Total Direct Borrowings			1,514,200	924,293	589,907
Total Long-Term Debt			\$ 7,484,200	\$ 4,299,293	\$ 3,184,907

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
Bonds payable	\$ 4,385,000	\$ 0	\$ 1,010,000	\$ 3,375,000
<u>Direct Borrowings</u>				
Financed purchases	1,314,271	0	389,978	924,293
Total Long-Term Debt	\$ 5,699,271	\$ 0	\$ 1,399,978	\$ 4,299,293

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 370,000	\$ 59,299	\$ 429,299	\$ 358,472	\$ 29,301	\$ 387,773
2025	375,000	51,899	426,899	233,895	19,618	253,513
2026	385,000	44,399	429,399	156,315	11,739	168,054
2027	390,000	39,394	429,394	163,497	4,558	168,055
2028	395,000	33,934	428,934	12,114	45	12,159
2029 - 2032	1,460,000	62,363	1,522,363			
Totals	\$3,375,000	\$ 291,288	\$3,666,288	\$ 924,293	\$ 65,261	\$ 989,554

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions Corporation on November 19, 2021, for a county-wide reappraisal. The County is obligated for 60 monthly payments of \$9,234 for a total of \$554,040 beginning January 15, 2022. Contract expense for 2023, was \$110,808.

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

**NOTE 8: Commitments (Continued)**

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

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 110,808
2025	110,808
2026	<u>110,808</u>
Total	<u>\$ 332,424</u>

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>
New County Jail	December 2025	<u>\$ 11,767,879</u>

**NOTE 9: Rent Sharing Agreement**

The County entered into a rent sharing agreement on June 5, 2018, for \$300,000 with Arkansas Economic Development Commission in consideration of a grant agreement between the County and the Commission. Terms of the agreement are monthly payments of \$1,250 for 240 months, beginning May 1, 2019. Payments are derived from monthly rent payments received from Excel Boat Company. Amounts paid under this agreement for 2023 were \$13,750.

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

<u>Year</u>	<u>December 31, 2023</u>
2024	\$ 16,250
2025	15,000
2026	15,000
2027	15,000
2028	15,000
2029 through 2033	75,000
2034 through 2038	75,000
2039	<u>5,000</u>
Total	<u>\$ 231,250</u>

**NOTE 10: Interfund Transfers**

The General Fund transferred \$40,635 to Other Funds in the Aggregate (Arkansas Economic Development Account – Excel Boats \$5, Arkansas Economic Development Account – Dorcas House \$5, and the Radio Grant Fund \$40,625) for supplemental funding.

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

**NOTE 11: Pledged Revenues**

The County pledged future 0.5% sales and use taxes to repay \$5,970,000 in bonds that were issued in 2020 to provide funding for construction of a County jail facility. Total principal and interest remaining on the bonds are \$3,375,000 and \$291,288, respectively, payable through October 1, 2032. For 2023, principal and interest paid were \$1,010,000 and \$78,361, respectively.

The Debt Service Fund received \$1,104,857 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for the redemption of outstanding bonds prior to maturity.

**NOTE 12: Jointly Governed Organization: White River Regional Library**

Independence, Stone, Sharp, Cleburne, Izard, and Fulton Counties entered into an agreement in May 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the White River Regional Library. Initially, the parties agreed to the formation of a regional library for a period of two years. The Board's existence was continued from year to year thereafter unless a participating member gave notice of cancellation at least 60 days prior to the end of the fiscal year. Independence County cancelled its membership on April 10, 2016. The White River Regional Library Board is comprised of one board member from each of the participating counties. The County Library did not pay any regional library expenditures in 2023. Contact the White River Regional Library at P. O. Box 1107, Mountain View, AR 72560, to obtain financial statements.

**NOTE 13: Jointly Governed Organization: White River Regional Solid Waste Management District**

The County is a member of the White River Regional Solid Waste Management District. This District is a jointly governed organization comprised of Cleburne, Fulton, Independence, Izard, Jackson, Sharp, Stone, Van Buren, White, and Woodruff 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. Stone County did not make any payments to the White River Regional Solid Waste Management District in 2023.

**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.

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

**NOTE 14: Risk Management (Continued)**

Vehicle Program

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

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

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

**NOTE 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](http://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 5.5% 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 \$363,062.

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 \$3,115,934.

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

**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 2022, the County was awarded \$491,413 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, \$491,413 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

STONE 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 Library	Child Support Cost	Communication Facility and Equipment
<b>ASSETS</b>									
Cash and cash equivalents	\$ 39,922	\$ 83,652	\$ 14,993	\$ 73,756	\$ 35,286	\$ 47,145	\$ 449,853	\$ 5,474	\$ 99,113
Accounts receivable	16,646	21,025	475	677		1,770	1,763	3	75
<b>TOTAL ASSETS</b>	<b>\$ 56,568</b>	<b>\$ 104,677</b>	<b>\$ 15,468</b>	<b>\$ 74,433</b>	<b>\$ 35,286</b>	<b>\$ 48,915</b>	<b>\$ 451,616</b>	<b>\$ 5,477</b>	<b>\$ 99,188</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 678	\$ 815		\$ 1,467		\$ 2,446	\$ 2,039		\$ 979
Settlements pending							9,950		
<b>Total Liabilities</b>	<b>678</b>	<b>815</b>		<b>1,467</b>		<b>2,446</b>	<b>11,989</b>		<b>979</b>
<b>Fund Balances:</b>									
Restricted	55,890	103,862	\$ 15,468	72,966	\$ 35,286	46,469	439,627	\$ 5,477	98,209
Assigned									
<b>Total Fund Balances</b>	<b>55,890</b>	<b>103,862</b>	<b>15,468</b>	<b>72,966</b>	<b>35,286</b>	<b>46,469</b>	<b>439,627</b>	<b>5,477</b>	<b>98,209</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 56,568</b>	<b>\$ 104,677</b>	<b>\$ 15,468</b>	<b>\$ 74,433</b>	<b>\$ 35,286</b>	<b>\$ 48,915</b>	<b>\$ 451,616</b>	<b>\$ 5,477</b>	<b>\$ 99,188</b>

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

Schedule 1

SPECIAL REVENUE FUNDS								
	Breathalyzer	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	911 Public Safety Answering Point (PSAP)	Drug Court Program	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee
ASSETS								
Cash and cash equivalents	\$ 2,901	\$ 54,657	\$ 3,694	\$ 511,315	\$ 246,432	\$ 9,116	\$ 8,347	\$ 4,153
Accounts receivable		1,500		12,506		10		
<b>TOTAL ASSETS</b>	<b>\$ 2,901</b>	<b>\$ 56,157</b>	<b>\$ 3,694</b>	<b>\$ 523,821</b>	<b>\$ 246,432</b>	<b>\$ 9,126</b>	<b>\$ 8,347</b>	<b>\$ 4,153</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 123		\$ 3,440				
Settlements pending								
<b>Total Liabilities</b>		<b>123</b>		<b>3,440</b>				
Fund Balances:								
Restricted	\$ 2,901	56,034	\$ 3,694	520,381	\$ 246,432	\$ 9,126	\$ 8,347	\$ 4,153
Assigned								
<b>Total Fund Balances</b>	<b>2,901</b>	<b>56,034</b>	<b>3,694</b>	<b>520,381</b>	<b>246,432</b>	<b>9,126</b>	<b>8,347</b>	<b>4,153</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,901</b>	<b>\$ 56,157</b>	<b>\$ 3,694</b>	<b>\$ 523,821</b>	<b>\$ 246,432</b>	<b>\$ 9,126</b>	<b>\$ 8,347</b>	<b>\$ 4,153</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	County Jail Construction and Maintenance and Operation	American Rescue Plan Act	District Court Cost	Drug Court Mini Grant	Local Law Enforcement Block Grant	Juvenile Officer Grant	County Library Memorial	County Law Library	Drug Dog Fund
ASSETS									
Cash and cash equivalents	\$ 2,193,552	\$ 2,431,697	\$ 13,291	\$ 7,361	\$ 4,000	\$ 619	\$ 44,502	\$ 7,568	\$ 27,487
Accounts receivable	3,288		50						
<b>TOTAL ASSETS</b>	<b><u>\$ 2,196,840</u></b>	<b><u>\$ 2,431,697</u></b>	<b><u>\$ 13,341</u></b>	<b><u>\$ 7,361</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 619</u></b>	<b><u>\$ 44,502</u></b>	<b><u>\$ 7,568</u></b>	<b><u>\$ 27,487</u></b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 115					\$ 2,045	\$ 63
Settlements pending									
<b>Total Liabilities</b>			<b><u>115</u></b>					<b><u>2,045</u></b>	<b><u>63</u></b>
Fund Balances:									
Restricted		\$ 2,431,697	13,226	\$ 7,361	\$ 4,000	\$ 619	\$ 44,502	5,523	27,424
Assigned	\$ 2,196,840								
<b>Total Fund Balances</b>	<b><u>2,196,840</u></b>	<b><u>2,431,697</u></b>	<b><u>13,226</u></b>	<b><u>7,361</u></b>	<b><u>4,000</u></b>	<b><u>619</u></b>	<b><u>44,502</u></b>	<b><u>5,523</u></b>	<b><u>27,424</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,196,840</u></b>	<b><u>\$ 2,431,697</u></b>	<b><u>\$ 13,341</u></b>	<b><u>\$ 7,361</u></b>	<b><u>\$ 4,000</u></b>	<b><u>\$ 619</u></b>	<b><u>\$ 44,502</u></b>	<b><u>\$ 7,568</u></b>	<b><u>\$ 27,487</u></b>

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

Schedule 1

CAPITAL PROJECTS FUNDS

	Dodd Mountain Volunteer Fire Department Grant	Arkansas Economic Development Account - Senior Center	Jail Construction	Fox Community and Park Grant	Arkansas Economic Development Account - Excel Boats	Arkansas Economic Development Account - Dorcas House	Radio Grant
ASSETS							
Cash and cash equivalents	\$ 12,500	\$ 5	\$ 5,268,425	\$ 99,918	\$ 5	\$ 5	\$ 40,753
Accounts receivable							
<b>TOTAL ASSETS</b>	<b>\$ 12,500</b>	<b>\$ 5</b>	<b>\$ 5,268,425</b>	<b>\$ 99,918</b>	<b>\$ 5</b>	<b>\$ 5</b>	<b>\$ 40,753</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Restricted	\$ 12,500	\$ 5	\$ 5,268,425	\$ 99,918	\$ 5	\$ 5	\$ 40,753
Assigned							
Total Fund Balances	<u>12,500</u>	<u>5</u>	<u>5,268,425</u>	<u>99,918</u>	<u>5</u>	<u>5</u>	<u>40,753</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,500</b>	<b>\$ 5</b>	<b>\$ 5,268,425</b>	<b>\$ 99,918</b>	<b>\$ 5</b>	<b>\$ 5</b>	<b>\$ 40,753</b>

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

Schedule 1

	DEBT SERVICE FUND	CUSTODIAL FUNDS						Totals
	Jail Construction Sales and Use Tax Bonds	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	District Court Accounts	Sanitation	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 702,022	\$ 222,046	\$ 136,862	\$ 10,349	\$ 331,486	\$ 36,208	\$ 50,541	\$ 13,331,011
Accounts receivable								59,788
<b>TOTAL ASSETS</b>	<u>\$ 702,022</u>	<u>\$ 222,046</u>	<u>\$ 136,862</u>	<u>\$ 10,349</u>	<u>\$ 331,486</u>	<u>\$ 36,208</u>	<u>\$ 50,541</u>	<u>\$ 13,390,799</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable								\$ 14,210
Settlements pending		\$ 222,046	\$ 136,862	\$ 10,349	\$ 331,486	\$ 36,208	\$ 50,541	797,442
Total Liabilities		<u>222,046</u>	<u>136,862</u>	<u>10,349</u>	<u>331,486</u>	<u>36,208</u>	<u>50,541</u>	<u>811,652</u>
Fund Balances:								
Restricted	\$ 702,022							10,382,307
Assigned								2,196,840
Total Fund Balances	<u>702,022</u>							<u>12,579,147</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 702,022</u>	<u>\$ 222,046</u>	<u>\$ 136,862</u>	<u>\$ 10,349</u>	<u>\$ 331,486</u>	<u>\$ 36,208</u>	<u>\$ 50,541</u>	<u>\$ 13,390,799</u>

STONE 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 Library	Child Support Cost
REVENUES								
State aid					\$ 4,784		\$ 31,037	
Federal aid								
Property taxes							141,581	
Sales taxes								
Fines, forfeitures, and costs			\$ 6,161	\$ 12,644				
Interest	\$ 458	\$ 546	121	601	325	\$ 407	3,592	\$ 47
Officers' fees						25,538		767
Jail fees								
911 fees								
Treasurer's commission	16,646							
Collector's commission		25,746						
Other		34	37	76	32	789	11,852	7
<b>TOTAL REVENUES</b>	<b>17,104</b>	<b>26,326</b>	<b>6,319</b>	<b>13,321</b>	<b>5,141</b>	<b>26,734</b>	<b>188,062</b>	<b>821</b>
Less: Treasurer's commission		11	125	262	102	536	4,051	16
<b>NET REVENUES</b>	<b>17,104</b>	<b>26,315</b>	<b>6,194</b>	<b>13,059</b>	<b>5,039</b>	<b>26,198</b>	<b>184,011</b>	<b>805</b>
EXPENDITURES								
Current:								
General government	13,151	3,634			2,180	30,166		140
Law enforcement			3,906	1,620				
Public safety								
Recreation and culture							149,861	
Social services								
Industrial development								
<b>Total Current</b>	<b>13,151</b>	<b>3,634</b>	<b>3,906</b>	<b>1,620</b>	<b>2,180</b>	<b>30,166</b>	<b>149,861</b>	<b>140</b>
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>13,151</b>	<b>3,634</b>	<b>3,906</b>	<b>1,620</b>	<b>2,180</b>	<b>30,166</b>	<b>149,861</b>	<b>140</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,953</b>	<b>22,681</b>	<b>2,288</b>	<b>11,439</b>	<b>2,859</b>	<b>(3,968)</b>	<b>34,150</b>	<b>665</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Refund to grantor								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,953</b>	<b>22,681</b>	<b>2,288</b>	<b>11,439</b>	<b>2,859</b>	<b>(3,968)</b>	<b>34,150</b>	<b>665</b>
FUND BALANCES - JANUARY 1	51,937	81,181	13,180	61,527	32,427	50,437	405,477	4,812
FUND BALANCES - DECEMBER 31	<b>\$ 55,890</b>	<b>\$ 103,862</b>	<b>\$ 15,468</b>	<b>\$ 72,966</b>	<b>\$ 35,286</b>	<b>\$ 46,469</b>	<b>\$ 439,627</b>	<b>\$ 5,477</b>

STONE 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							
	Communication Facility and Equipment	Breathalyzer	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	911 Public Safety Answering Point (PSAP)	Drug Court Program	Circuit Clerk Commissioner's Fee
REVENUES								
State aid				\$ 1,112				
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs		\$ 462	\$ 24,527				\$ 235	
Interest	\$ 366	26	431	29	\$ 4,422	\$ 2,089	80	\$ 73
Officers' fees	2,311		6,995					550
Jail fees	65,941							
911 fees					316,798	40,000		
Treasurer's commission								
Collector's commission								
Other	19	4	194	8	2,174	272	1	1
<b>TOTAL REVENUES</b>	<b>68,637</b>	<b>492</b>	<b>32,147</b>	<b>1,149</b>	<b>323,394</b>	<b>42,361</b>	<b>316</b>	<b>624</b>
Less: Treasurer's commission	54	10	638	23	6,324	842	6	12
<b>NET REVENUES</b>	<b>68,583</b>	<b>482</b>	<b>31,509</b>	<b>1,126</b>	<b>317,070</b>	<b>41,519</b>	<b>310</b>	<b>612</b>
EXPENDITURES								
Current:								
General government								
Law enforcement	30,761	443	38,349	941			57	
Public safety					309,525			
Recreation and culture								
Social services								
Industrial development								
Total Current	30,761	443	38,349	941	309,525		57	
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>30,761</b>	<b>443</b>	<b>38,349</b>	<b>941</b>	<b>309,525</b>		<b>57</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>37,822</b>	<b>39</b>	<b>(6,840)</b>	<b>185</b>	<b>7,545</b>	<b>41,519</b>	<b>253</b>	<b>612</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Refund to grantor								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>37,822</b>	<b>39</b>	<b>(6,840)</b>	<b>185</b>	<b>7,545</b>	<b>41,519</b>	<b>253</b>	<b>612</b>
FUND BALANCES - JANUARY 1	60,387	2,862	62,874	3,509	512,836	204,913	8,873	7,735
FUND BALANCES - DECEMBER 31	<b>\$ 98,209</b>	<b>\$ 2,901</b>	<b>\$ 56,034</b>	<b>\$ 3,694</b>	<b>\$ 520,381</b>	<b>\$ 246,432</b>	<b>\$ 9,126</b>	<b>\$ 8,347</b>

STONE 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						
	Assessor's Late Assessment Fee	County Jail Construction and Maintenance and Operation	American Rescue Plan Act	District Court Cost	Drug Court Mini Grant	Local Law Enforcement Block Grant	Juvenile Officer Grant
REVENUES							
State aid							
Federal aid						\$ 7,000	
Property taxes	\$ 519						
Sales taxes		\$ 666,830					
Fines, forfeitures, and costs				\$ 4,602			
Interest	34	16,374	\$ 2,553	126			
Officers' fees		117					
Jail fees							
911 fees							
Treasurer's commission							
Collector's commission							
Other	3			29			
<b>TOTAL REVENUES</b>	<b>556</b>	<b>683,321</b>	<b>2,553</b>	<b>4,757</b>		<b>7,000</b>	
Less: Treasurer's commission	11	9,302		94			
<b>NET REVENUES</b>	<b>545</b>	<b>674,019</b>	<b>2,553</b>	<b>4,663</b>		<b>7,000</b>	
EXPENDITURES							
Current:							
General government							
Law enforcement				6,979		3,000	
Public safety							
Recreation and culture							
Social services							
Industrial development							
Total Current				6,979		3,000	
Debt Service:							
Bond principal							
Bond interest and other charges							
<b>TOTAL EXPENDITURES</b>				<b>6,979</b>		<b>3,000</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>545</b>	<b>674,019</b>	<b>2,553</b>	<b>(2,316)</b>		<b>4,000</b>	
OTHER FINANCING SOURCES (USES)							
Transfers in							
Refund to grantor							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>545</b>	<b>674,019</b>	<b>2,553</b>	<b>(2,316)</b>		<b>4,000</b>	
FUND BALANCES - JANUARY 1	3,608	1,522,821	2,429,144	15,542	\$ 7,361		\$ 619
FUND BALANCES - DECEMBER 31	\$ 4,153	\$ 2,196,840	\$ 2,431,697	\$ 13,226	\$ 7,361	\$ 4,000	\$ 619

STONE 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		
	Public Safety Equipment Grant	County Library Memorial	County Law Library	Drug Dog Fund	Dodd Mountain Volunteer Fire Department Grant	Arkansas Economic Development Account - Senior Center	Jail Construction
REVENUES							
State aid							
Federal aid						\$ 64,099	
Property taxes							
Sales taxes							
Fines, forfeitures, and costs			\$ 4,334				
Interest		\$ 140	72				\$ 246,401
Officers' fees							
Jail fees							
911 fees							
Treasurer's commission							
Collector's commission							
Other		4,083	29	\$ 29,691			
<b>TOTAL REVENUES</b>		<b>4,223</b>	<b>4,435</b>	<b>29,691</b>		<b>64,099</b>	<b>246,401</b>
Less: Treasurer's commission			88	203			
<b>NET REVENUES</b>		<b>4,223</b>	<b>4,347</b>	<b>29,488</b>		<b>64,099</b>	<b>246,401</b>
EXPENDITURES							
Current:							
General government							
Law enforcement			7,768	2,064			91,482
Public safety							
Recreation and culture		1,170					
Social services						64,099	
Industrial development							
<b>Total Current</b>		<b>1,170</b>	<b>7,768</b>	<b>2,064</b>		<b>64,099</b>	<b>91,482</b>
Debt Service:							
Bond principal							
Bond interest and other charges							
<b>TOTAL EXPENDITURES</b>		<b>1,170</b>	<b>7,768</b>	<b>2,064</b>		<b>64,099</b>	<b>91,482</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		<b>3,053</b>	<b>(3,421)</b>	<b>27,424</b>			<b>154,919</b>
OTHER FINANCING SOURCES (USES)							
Transfers in							
Refund to grantor	\$ (39,330)						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(39,330)</b>						
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(39,330)</b>	<b>3,053</b>	<b>(3,421)</b>	<b>27,424</b>			<b>154,919</b>
FUND BALANCES - JANUARY 1	39,330	41,449	8,944		\$ 12,500	5	5,113,506
FUND BALANCES - DECEMBER 31	\$ 0	\$ 44,502	\$ 5,523	\$ 27,424	\$ 12,500	\$ 5	\$ 5,268,425

STONE 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

	CAPITAL PROJECTS FUNDS				DEBT SERVICE FUND		Totals
	Fox Community and Park Grant	Arkansas Economic Development Account - Excel Boats	Arkansas Economic Development Account - Dorcas House	Radio Grant	Jail Construction Sales and Use Tax Bonds		
REVENUES							
State aid	\$ 99,918			\$ 162,628			\$ 299,479
Federal aid		\$ 204,365	\$ 32,768				308,232
Property taxes							142,100
Sales taxes					\$ 1,104,857		1,771,687
Fines, forfeitures, and costs							52,965
Interest					41,563		320,876
Officers' fees							36,278
Jail fees							65,941
911 fees							356,798
Treasurer's commission							16,646
Collector's commission							25,746
Other							49,335
<b>TOTAL REVENUES</b>	<b>99,918</b>	<b>204,365</b>	<b>32,768</b>	<b>162,628</b>	<b>1,146,420</b>		<b>3,446,083</b>
Less: Treasurer's commission							22,710
<b>NET REVENUES</b>	<b>99,918</b>	<b>204,365</b>	<b>32,768</b>	<b>162,628</b>	<b>1,146,420</b>		<b>3,423,373</b>
EXPENDITURES							
Current:							
General government							49,271
Law enforcement						3,450	190,820
Public safety				162,500			472,025
Recreation and culture							151,031
Social services			32,768				96,867
Industrial development		204,365					204,365
Total Current		204,365	32,768	162,500	3,450		1,164,379
Debt Service:							
Bond principal						1,010,000	1,010,000
Bond interest and other charges						80,361	80,361
<b>TOTAL EXPENDITURES</b>		<b>204,365</b>	<b>32,768</b>	<b>162,500</b>	<b>1,093,811</b>		<b>2,254,740</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>99,918</b>			<b>128</b>	<b>52,609</b>		<b>1,168,633</b>
OTHER FINANCING SOURCES (USES)							
Transfers in		5	5	40,625			40,635
Refund to grantor							(39,330)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>5</b>	<b>5</b>	<b>40,625</b>			<b>1,305</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>99,918</b>	<b>5</b>	<b>5</b>	<b>40,753</b>	<b>52,609</b>		<b>1,169,938</b>
FUND BALANCES - JANUARY 1						649,413	11,409,209
FUND BALANCES - DECEMBER 31	\$ 99,918	\$ 5	\$ 5	\$ 40,753	\$ 702,022		\$ 12,579,147

STONE 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 record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions 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 at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communications 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.
Breathalyzer	Ark. Code Ann. § 16-10-307 established fund to receive revenues generated from court costs to be used to maintain and purchase breathalyzer.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Jail 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; 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.
911 Public Safety Answering Point (PSAP)	Ark. Code Ann. § 12-10-305 established fund to be used to provide an answering system for emergency calls.
Drug Court Program	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit 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.
County Jail Construction and Maintenance and Operation	Stone County Ordinance no. 2020-3 (April 9, 2020) established fund to account for expenditures arising from construction, maintenance, and operation of the Stone County Jail.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.

STONE 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 Mini Grant	Stone County Ordinance no. 2019-6 (April 11, 2019) established fund to account for the receipt and disbursement of various grants received for the drug court program.
Local Law Enforcement Block Grant	Established to account for grants and other revenue received for local law enforcement programs.
Juvenile Officer Grant	Stone County Ordinance no. 2020-1 (February 13, 2020) established fund to account for a grant received from the Administrative Office of the Courts for mileage reimbursements and technology upgrades for juvenile officers.
Public Safety Equipment Grant	Ark. Code Ann. § 12-1-103 and Stone County Ordinance no. 2022-2 (January 13, 2022) established fund to account for a grant received from the Arkansas Public Safety Equipment Grant Program for the purchase of law enforcement equipment aiding in improving trust and relationships between law enforcement and their communities.
County Library Memorial	County Library Board established fund to receive and monitor disbursements of donations to the County Library.
County Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.
Drug Dog Fund	Established fund to account for donations and other revenue received for the purchase and training of a narcotics canine.
Dodd Mountain Volunteer Fire Department Grant	Stone County Resolution no. 2020-10 (June 11, 2020) established fund to receive grant funds and monitor disbursements for the construction of a new fire department.
Arkansas Economic Development Account - Senior Center	Established to account for miscellaneous grant projects to improve the county. In 2023, grant money was used for improvements and equipment at the Senior Center.
Jail Construction	Stone County Ordinance no. 2020-5 (August 13, 2020) established fund to account for bond proceeds to be used for the construction of a new jail and law enforcement facility. The construction fund may be used to pay bond debt payments if balances in the bond fund are not sufficient. Remaining funds after construction is completed are to be transferred to the bond fund.

STONE 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>
Fox Community and Park Grant	Stone County Ordinance no. 2021-14 (August 10, 2021) established fund to account for funds paid to Fox Community Center and Park for the purchase of HVAC equipment and a lawn mower.
Arkansas Economic Development Account - Excel Boats	Established to account for miscellaneous grant projects to improve the county. In 2023, grant money was used for an expansion project of a county owned building occupied by Excel Boats.
Arkansas Economic Development Account - Dorcas House	Established to account for a federal grant for the roofing and porch project at Dorcas House, a local not for profit clothing store and food pantry.
Radio Grant	Act 1049 of 2019 provides annual funding from the Public Safety Trust Fund for operations and maintenance of the Arkansas Wireless Information Network system. The county is using these grant monies to replace radios to better their communication system.
Jail Construction Sales and Use Tax Bonds	Stone County Ordinance no. 2020-5 (August 13, 2020) established fund to account for the collection of sales tax, for the recording of debt payments, and the debt service reserve required to be maintained.

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

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

Sheriff's accounts consist primarily of bond and inmate trust money.

County/Circuit Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court and fee money to be settled with the County Treasurer.

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

Sanitation account consists of solid waste collection fees not yet distributed to the County.

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

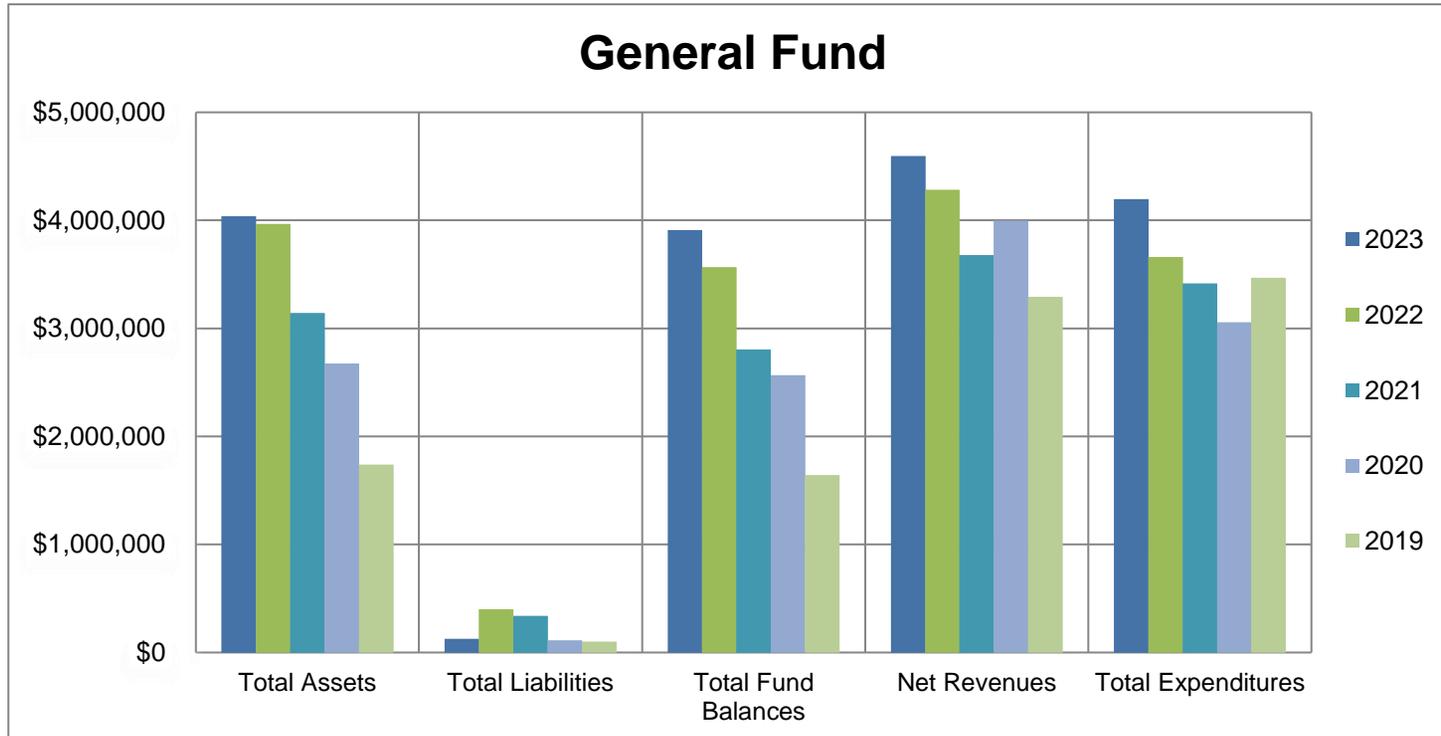
Schedule 3

	<u>December 31, 2023</u>
Land	\$ 1,195,470
Buildings	4,080,196
Equipment	<u>5,336,522</u>
Total	<u><u>\$ 10,612,188</u></u>

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

Schedule 4-1

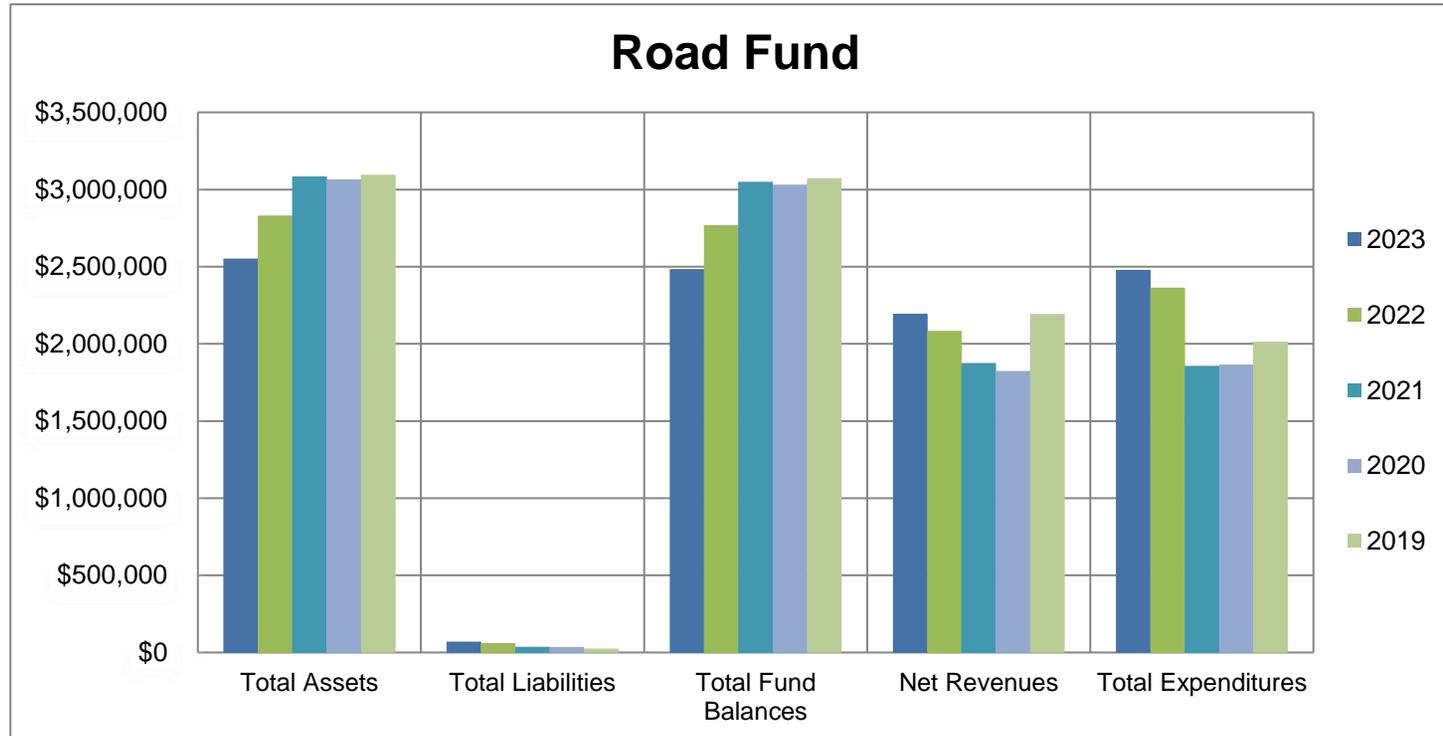
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 4,035,381	\$ 3,965,822	\$ 3,140,823	\$ 2,674,665	\$ 1,738,196
Total Liabilities	125,164	399,619	336,192	110,101	98,740
Total Fund Balances	3,910,217	3,566,203	2,804,631	2,564,564	1,639,456
Net Revenues	4,594,450	4,281,313	3,678,535	3,996,649	3,292,098
Total Expenditures	4,196,051	3,658,407	3,415,818	3,056,641	3,468,735
Total Other Financing Sources/Uses	(54,385)	138,666	(22,650)	(14,900)	(10,000)



STONE 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	\$ 2,551,472	\$ 2,829,518	\$ 3,083,916	\$ 3,064,381	\$ 3,093,374
Total Liabilities	68,883	61,877	35,731	34,445	23,045
Total Fund Balances	2,482,589	2,767,641	3,048,185	3,029,936	3,070,329
Net Revenues	2,194,714	2,082,173	1,874,752	1,823,826	2,193,251
Total Expenditures	2,479,766	2,362,717	1,856,503	1,864,219	2,012,517
Total Other Financing Sources/Uses					



STONE 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	\$ 13,390,799	\$ 12,240,097	\$ 9,957,640	\$ 8,113,872	\$ 1,344,162
Total Liabilities	811,652	830,888	241,001	210,095	183,427
Total Fund Balances	12,579,147	11,409,209	9,716,639	7,903,777	1,160,735
Net Revenues	3,423,373	3,596,393	3,562,468	1,478,037	2,181,494
Total Expenditures	2,254,740	1,878,105	1,758,168	724,982	2,190,403
Total Other Financing Sources/Uses	1,305	(25,718)	7,650	5,989,987	

