

Searcy County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



SEARCY COUNTY, ARKANSAS
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Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Searcy County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 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 Searcy 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 Searcy 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 October 30, 2025, 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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 30, 2025
LOCO06423

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Searcy County, Arkansas (County), as of and for the year ended December 31, 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 October 30, 2025. 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 balance, revenue, expenditures, and note disclosures of \$382,922, \$45,580, \$428,502, \$783,638, \$22,381, and \$583,513 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

Road Fund financial records contained misstatements for assets, liabilities, fund balance, revenue, expenditures, and note disclosures of \$315,889, \$6,107, \$719,812, \$228,424, \$658,026, and \$719,991 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

Other Funds in the Aggregate financial records contained misstatements for assets, liabilities, fund balance, revenues, expenditures, and note disclosures of \$272,663, \$65,640, \$744,955, \$600,747, \$798,909, and \$766,565 respectively, primarily due to posting errors and misclassifications of revenues and expenses.

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed 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 October 30, 2025.

County's Response to Findings

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

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 30, 2025

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The findings contained in this letter relate to the following officials who held office during 2023:

County Judge: Tony Horton
Treasurer: Mary Beth Martin
Sheriff/Tax Collector: Kenny Cassell
County/Circuit Clerk: Jeff Cotton
Assessor: Randy Crumley
County Librarian: Tammy Bridwell
Airport Commission Chairperson: Joe Wilson
District Court Clerk: Sandy Horton

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

Calculation of Excess Treasurer's Commission was not prepared or distributed in a timely manner. A similar finding was noted in the previous two reports dating back to 2021.

County Judge and County/Circuit Clerk

The portion of the County Judge's salary paid from the County Road Fund exceeded fifty percent, in non-compliance with Ark. Code Ann. § 14-14-811. A similar finding was noted in the previous three reports dating back to 2020.

County/Circuit Clerk

Calculations of Excess Collector's Commission and Excess Assessor's Salary and Expense were not prepared and distributed in a timely manner. A similar finding was noted in the previous two reports dating back to 2021.

District Court Clerk

The following items were noted in an analysis of the District Court Bond and Fine bank accounts, in noncompliance with Ark. Code Ann. § 16-10-209:

- Bank reconciliations were not properly prepared.
- Cash receipts and disbursements journals were not properly prepared.
- Balances remaining were not identified with receipt numbers issued for cases not yet adjudicated and payments made on all unpaid individual time accounts.
- The District Court was unable to provide adequate documentation for credits.
- We were unable to determine if the Court Clerk furnished the presiding Judge with a list of all unpaid installment payment accounts for which a payment was received within the past 30 days.
- Time payment receipts were not properly reflected in Virtual Justice.

Airport Commission Chairperson:

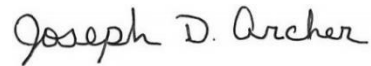
1. The following issues were noted during review of Airport Commission records, in noncompliance with Ark. Code Ann. § 14-357-108:
 - Cash receipts were not issued for all items of income.
 - Cash receipt and disbursement journals were not properly maintained or provided to the County Clerk.
 - Invoices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

A similar finding was issued in the previous three audit reports dating back to 2020.

2. Formal bank reconciliations were not prepared for bank accounts. A similar finding was noted in the previous three audit reports dating back to 2020.

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

ARKANSAS LEGISLATIVE AUDIT



Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 30, 2025

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,022,091	\$ 757,406	\$ 2,676,617
Investments			26,483
Accounts receivable	126,847	6,678	118,357
Interfund receivables	49,529	73,184	
	<u>1,198,467</u>	<u>837,268</u>	<u>2,821,457</u>
TOTAL ASSETS	<u>\$ 1,198,467</u>	<u>\$ 837,268</u>	<u>\$ 2,821,457</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,003	\$ 44,957	\$ 86,850
Interfund payables	36,592		86,121
Settlements pending	8,988		434,462
Total Liabilities	<u>87,583</u>	<u>44,957</u>	<u>607,433</u>
Fund Balances:			
Restricted		792,311	1,932,613
Committed			174,441
Assigned	16,773		143,895
Unassigned	1,094,111		(36,925)
Total Fund Balances	<u>1,110,884</u>	<u>792,311</u>	<u>2,214,024</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,198,467</u>	<u>\$ 837,268</u>	<u>\$ 2,821,457</u>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 470,157	\$ 1,769,415	\$ 176,282
Federal aid	385,799	19,754	
Property taxes	352,717	217,634	324,804
Sales taxes			1,233,387
Fines, forfeitures, and costs	160,235		48,240
Interest	664	1,764	12,387
Officers' fees	61,450		17,318
Contributions from municipalities			344,677
Jail fees	83,640		12,734
Sanitation fees	8,748		4,313
911 fees			215,189
Decrease in fair market value of investments			(830)
Treasurer's commission	110,516		14,751
Collector's commission	173,575		19,286
Taxes apportioned - Assessor's salary and expense	221,854		
Other	198,717	81,457	103,337
TOTAL REVENUES	2,228,072	2,090,024	2,525,875
Less: Treasurer's commission	28,609	38,758	53,390
NET REVENUES	2,199,463	2,051,266	2,472,485
EXPENDITURES			
Current:			
General government	861,853		376,413
Law enforcement	701,100		666,139
Highways and streets		2,016,866	
Public safety	57,348		583,535
Sanitation	26,338		1,024,642
Health	12,448		5,081
Recreation and culture	38,414		381,848
Social services	52,263		
Airport	8,033		48,733
Total Current	1,757,797	2,016,866	3,086,391
Debt Service:			
Bond principal			75,000
Bond interest and other charges			42,049
Financed purchase principal		181,992	165,025
Financed purchase interest		44,248	10,545
TOTAL EXPENDITURES	1,757,797	2,243,106	3,379,010

SEARCY 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
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 441,666	\$ (191,840)	\$ (906,525)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,044		642,726
Transfers out	(303,833)		(341,937)
TOTAL OTHER FINANCING SOURCES (USES)	(300,789)		300,789
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	140,877	(191,840)	(605,736)
FUND BALANCES - JANUARY 1	970,007	984,151	2,819,760
FUND BALANCES - DECEMBER 31	\$ 1,110,884	\$ 792,311	\$ 2,214,024

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 399,575	\$ 470,157	\$ 70,582	\$ 1,498,921	\$ 1,769,415	\$ 270,494
Federal aid	168,640	385,799	217,159	47,000	19,754	(27,246)
Property taxes	402,262	352,717	(49,545)	215,571	217,634	2,063
Sales taxes				3,000		(3,000)
Fines, forfeitures, and costs	174,042	160,235	(13,807)	4,000		(4,000)
Interest	3,050	664	(2,386)	66,800	1,764	(65,036)
Officers' fees	154,051	61,450	(92,601)			
Jail fees	58,000	83,640	25,640			
Sanitation fees		8,748	8,748			
Treasurer's commission	140,000	110,516	(29,484)			
Collector's commission	5,000	173,575	168,575			
Taxes apportioned - Assessor's salary and expense		221,854	221,854			
Other	215,167	198,717	(16,450)		81,457	81,457
TOTAL REVENUES	1,719,787	2,228,072	508,285	1,835,292	2,090,024	254,732
Less: Treasurer's commission		28,609	(28,609)		38,758	(38,758)
NET REVENUES	1,719,787	2,199,463	479,676	1,835,292	2,051,266	215,974
EXPENDITURES						
Current:						
General government	1,375,360	861,853	513,507			
Law enforcement	827,746	701,100	126,646			
Highways and streets				2,542,415	2,016,866	525,549
Public safety	58,304	57,348	956			
Sanitation	20,700	26,338	(5,638)			
Health	17,850	12,448	5,402			
Recreation and culture	252,756	38,414	214,342			
Social services	57,996	52,263	5,733			
Airport	7,128	8,033	(905)			
Total Current	2,617,840	1,757,797	860,043	2,542,415	2,016,866	525,549
Debt Service:						
Financed purchase principal					181,992	(181,992)
Financed purchase interest					44,248	(44,248)
TOTAL EXPENDITURES	2,617,840	1,757,797	860,043	2,542,415	2,243,106	299,309

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (898,053)	\$ 441,666	\$ 1,339,719	\$ (707,123)	\$ (191,840)	\$ 515,283
OTHER FINANCING SOURCES (USES)						
Transfers in	103,296	3,044	(100,252)	222,130		(222,130)
Transfers out	(203,965)	(303,833)	(99,868)			
TOTAL OTHER FINANCING SOURCES (USES)	(100,669)	(300,789)	(200,120)	222,130		(222,130)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(998,722)	140,877	1,139,599	(484,993)	(191,840)	293,153
FUND BALANCES - JANUARY 1	1,204,383	970,007	(234,376)	1,779,409	984,151	(795,258)
FUND BALANCES - DECEMBER 31	\$ 205,661	\$ 1,110,884	\$ 905,223	\$ 1,294,416	\$ 792,311	\$ (502,105)

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

SEARCY 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.

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

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

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

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, delinquent taxes and fees that have not been transferred to the appropriate entities.

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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds except for the Detention Facility and Jail Maintenance and the County Jail Building and Maintenance Funds.

G. Fund Balance Classification Policies and Procedures

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

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,174,684	\$ 1,167,716
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent not in the County's name	3,196,566	3,365,466
Uninsured and uncollateralized	84,186	84,186
 Total Deposits	 <u>\$ 4,455,436</u>	 <u>\$ 4,617,368</u>

The above total deposits do not include cash on hand of \$678.

Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2023, \$84,186 of the County's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 7,032
Property taxes	\$ 8,523		1,800
Fines, forfeitures, and costs	25,979		4,175
Officers' fees	4,261		1,117
Contributions from municipalities			54,026
Jail fees	2,720		2,035
Sanitation fees	2,976		300
911 fees			16,017
Treasurer's commission	60,987		
Collector's commission	11,227		19,286
Other	5,343		10,275
Treasurer's commission charged	4,831	\$ 6,678	2,294
 Totals	 <u>\$ 126,847</u>	 <u>\$ 6,678</u>	 <u>\$ 118,357</u>

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

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	\$ 36,625	\$ 42,515	\$ 82,834
Salaries payable	5,378	2,442	4,016
Totals	<u>\$ 42,003</u>	<u>\$ 44,957</u>	<u>\$ 86,850</u>

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund	\$ 49,529	\$ 36,592
Road Fund	73,184	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		49,529
Sales Tax		36,592
Totals	<u>\$ 122,713</u>	<u>\$ 122,713</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances were repaid in 2025.

SEARCY 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			\$ 491,712
Law enforcement			232,951
Highways and streets		\$ 792,311	47,408
Public safety			208,111
Sanitation			374,470
Health			22,838
Recreation and culture			470,938
Debt service			84,185
Total Restricted		<u>792,311</u>	<u>1,932,613</u>
Committed for:			
General government			<u>174,441</u>
Total Committed			<u>174,441</u>
Assigned to:			
Sanitation	\$ 16,773		130,515
Airport			<u>13,380</u>
Total Assigned	<u>16,773</u>		<u>143,895</u>
Unassigned	<u>1,094,111</u>		<u>(36,925)</u>
Totals	<u><u>\$ 1,110,884</u></u>	<u><u>\$ 792,311</u></u>	<u><u>\$ 2,214,024</u></u>

NOTE 8: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2023:

	December 31, 2023
Other Funds in the Aggregate:	
Special Revenue Funds:	
Reappraisal Cost	\$ (13,463)
County Jail Operations	<u>(23,462)</u>
Total	<u><u>\$ (36,925)</u></u>

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

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2023, the legal debt limit for bonded debt was \$9,703,131. 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 \$2,682,289. The amount of short-term financing obligations was \$2,005,767 leaving a legal debt margin of \$676,522.

NOTE 10: Commitments

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

	December 31, 2023
Long-term liabilities	\$ 3,927,219
Lease	255,510
Reappraisal contract	<u>209,760</u>
Total Commitments	<u><u>\$ 4,392,489</u></u>

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

NOTE 10: 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 Refunding Bonds, Series 2021, in the amount of \$1,945,000, dated December 7, 2021, issued to refund Series 2017 Sales and Use Tax Bonds, annual installments of \$75,000 to \$120,000, interest at 0.6% to 2.5%, with a final maturity of March 1, 2042. Payments are to be made from the Debt Service Fund.	<u>\$ 1,870,000</u>
<u>Direct Borrowings</u>	
Financed purchase with First Service Bank in the amount of \$31,480 to purchase a 2017 Ford F350 truck. The note was dated April 10, 2019, with a maturity date of April 10, 2024, and an interest rate of 3.57%. Principal and interest on the note are to be paid in monthly installments of \$574 for 60 months. Payments are to be made from the Sales Tax Fund.	2,280
Financed purchase agreement with Welch State Bank in the amount of \$24,784 for the purchase of a 2019 Interstate trailer. The agreement was dated June 14, 2019, with a maturity date of June 14, 2024, and an interest rate of 3.99%. Principal and interest on the agreement are to be paid in monthly installments of \$456 for 60 months. Payments are to be made from the Road Fund.	3,153
Financed purchase agreement with Cadence Equipment Finance in the amount of \$1,718,766 for the purchase of a eight Sany motor graders. The agreement was dated June 29, 2022, with a maturity date of July 27, 2027, and an interest rate of 2.78%. Principal and interest on the agreement are to be paid in monthly installments of \$17,349 for 60 months, and a final payment of \$859,388. Payments are to be made from the Road Fund.	1,487,271
Financed purchase agreement with Cadence Equipment Finance in the amount of \$262,500 for the purchase of a 2024 Freightliner. The agreement was dated October 30, 2023, with a maturity date of November 20, 2025, and an interest rate of 5.78%. Principal and interest on the agreement are to be paid in monthly installments of \$3,079 for 24 months, and a final payment of \$217,500. Payments are to be made from the Sales Tax Fund.	260,677
Financed purchase agreement with Cadence Equipment Finance in the amount of \$257,900 for the purchase of a 2023 Peterbilt Truck. The agreement was dated August 14, 2023, with a maturity date of September 1, 2025, and an interest rate of 5.78%. Principal and interest on the agreement are to be paid in monthly installments of \$3,071 for 24 months, and a final payment of \$211,478. Payments are to be made from the Sales Tax Fund.	252,386
Total Direct Borrowings	<u>2,005,767</u>
Arkansas District Judge's Retirement unfunded pension liability to be repaid over 30 years beginning January 1, 2005. Payments are to be made from the General Fund.	51,452
Total Long-term liabilities	<u>\$ 3,927,219</u>

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

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

NOTE 10: Commitments (Continued)

Long-term Liabilities (Continued)

The County's outstanding bonds payable of \$1,870,000 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 \$2,005,767 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Long-Term Debt Issued and Outstanding

<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>Bonds</u>					
12/7/21	3/1/42	.6-2.5%	\$ 1,945,000	\$ 1,870,000	\$ 75,000
<u>Direct Borrowings</u>					
4/10/19	4/10/24	3.57%	31,480	2,280	29,200
6/14/19	6/14/24	3.99%	24,784	3,153	21,631
6/29/22	6/27/27	2.78%	1,718,766	1,487,271	231,495
10/30/23	11/20/25	5.78%	262,500	260,677	1,823
8/14/23	9/1/25	5.78%	257,900	252,386	5,514
Total Direct Borrowings			2,295,430	2,005,767	289,663
Total Long-Term Debt			\$ 4,240,430	\$ 3,875,767	\$ 364,663

Changes in Long-Term Debt

	<u>Balance January 01, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2023</u>
Bonds payable	\$ 1,945,000	\$ 0	\$ 75,000	\$ 1,870,000
<u>Direct Borrowings</u>				
Financed purchases	1,985,509 *	520,400	500,142 **	2,005,767
Total Long-Term Debt	\$ 3,930,509	\$ 520,400	\$ 575,142	\$ 3,875,767

*Beginning balance was increased \$1,651,629 to reclassify financed purchase agreement reported as a lease in the prior year.

**Includes early retirement of debt of \$153,125 refinanced in financed purchase agreement dated August 14, 2023, and the early payoff of a balloon payment of \$97,809.

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

NOTE 10: Commitments (Continued)

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	\$ 80,000	\$ 38,794	\$ 118,794	\$ 221,676	\$ 68,889	\$ 290,565
2025	85,000	38,010	123,010	639,549	56,048	695,597
2026		37,606	37,606	178,636	29,554	208,190
2027	175,000	36,403	211,403	965,906	14,926	980,832
2028		35,200	35,200			
2029 - 2033	355,000	154,203	509,203			
2034 - 2038	495,000	114,391	609,391			
2039 - 2042	680,000	59,500	739,500			
Totals	<u>\$1,870,000</u>	<u>\$ 514,107</u>	<u>\$2,384,107</u>	<u>\$2,005,767</u>	<u>\$ 169,417</u>	<u>\$2,175,184</u>

Lease

The County entered into a lease agreement for an asphalt zipper and trailer on August 21, 2023. Terms of the lease are annual rental payments of \$51,102 for 5 years beginning August 21, 2024. At the end of the lease term, the County will return the equipment to the Lessor. The County is obligated for the following amounts for the next five years:

Year	December 31, 2023
2024	\$ 51,102
2025	51,102
2026	51,102
2027	51,102
2028	51,102
Total	<u>\$ 255,510</u>

County-Wide Reappraisal Contract

The County entered into a contract with Total Assessment Solutions on November 3, 2022, for a county-wide reappraisal. The County is obligated for 36 monthly payments of \$8,740 for a total of \$314,640 beginning January 15, 2023, with subsequent payments due on the 15th of each month thereafter. Contract expense for 2023, was \$104,880.

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

Year	December 31, 2023
2024	\$ 104,880
2025	104,880
Total	<u>\$ 209,760</u>

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

NOTE 11: Interfund Transfers

The General Fund transferred \$303,833 to Other Funds in the Aggregate (County Jail Operations) for supplemental funding. The Other Funds in the Aggregate (Sheriff's K-9 Dog) transferred \$3,044 to the General Fund to close the fund. Within the Other Funds in the Aggregate, the Series 2017/2021 Bond Surplus Fund transferred \$338,893 to the County Jail Building and Maintenance Fund (\$33,888) and County Jail Operations Fund (\$305,005) for supplemental funding.

NOTE 12: Pledged Revenues

The County pledged future .5% sales and use taxes to repay \$1,945,000 in bonds that were issued in 2021 to refund 2017 sales and use tax bonds. Total principal and interest remaining on the bonds are \$1,870,000 and \$514,107, respectively, payable through March 1, 2042. For 2023, principal and interest paid were \$75,000 and \$39,399, respectively.

The Debt Service Fund received \$117,224 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

NOTE 13: Jointly Governed Organizations

Ozark Mountain Solid Waste District

The County is a member of the Ozark Mountain Solid Waste District (District). The District is a jointly governed organization of representatives from Baxter, Boone, Carroll, Marion, Newton, and Searcy Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. No payments were made to the District by the County during 2023.

Twentieth Judicial District Drug Task Force

The Prosecuting Attorney of the Twentieth Judicial District, the Sheriffs' Departments of Faulkner, Van Buren, and Searcy Counties, and the Conway and Fairfield Bay Police Departments entered into an agreement to establish the Twentieth Judicial District Drug Task Force (Task Force). Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Twentieth Judicial District. The County did not provide any funding to the Task Force in 2023. Financial statements of the Task Force were not available.

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.

SEARCY 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.

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 \$361,195.

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 \$3,099,910.

SEARCY 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 \$444,828 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021, and as of the report date, \$444,828 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 17: Subsequent Events

On May 14, 2025, the County received notification of default on three financed purchase agreements with Cadence Bank. The County did not appropriate funds for a June 29, 2022, financed purchase agreement for the 2025 budget year and notified Cadence that they were terminating the contract under the non-appropriation clause of the agreement. Cadence subsequently declared the County to be in default on this contract and two additional financed purchase agreements dated August 14, 2023, and October 30, 2023. Terms of the agreements are disclosed in Note 10. Property financed by the June 29, 2022, agreement was sold by Cadence Bank on September 9, 2025, at public auction as collateral on unpaid debt. Correspondence dated October 16, 2025, from a law firm representing Cadence Bank indicated the County's remaining liability on the June 29, 2022, financed purchase agreement was \$849,377. The County refinanced the August 14, 2023, and October 30, 2023, agreements with another bank in June 2025. The matter has been referred to the Searcy County Court with a claims hearing scheduled for November 18, 2025.

SEARCY 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	Sales Tax
ASSETS								
Cash and cash equivalents	\$ 58,457	\$ 3,950	\$ 31,209	\$ 672	\$ 10,708	\$ 9,810	\$ 186,486	\$ 502,199
Investments								
Accounts receivable		19,286	217	217		1,852	1,800	54,566
TOTAL ASSETS	\$ 58,457	\$ 23,236	\$ 31,426	\$ 889	\$ 10,708	\$ 11,662	\$ 188,286	\$ 556,765
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 600		\$ 97		\$ 60	\$ 5,638	\$ 25,002
Interfund payables	\$ 49,529							36,592
Settlements pending								
Total Liabilities	49,529	600		97		60	5,638	61,594
Fund Balances:								
Restricted	8,928	22,636	\$ 31,426	792	\$ 10,708	11,602	182,648	364,656
Committed								
Assigned								130,515
Unassigned								
Total Fund Balances	8,928	22,636	31,426	792	10,708	11,602	182,648	495,171
TOTAL LIABILITIES AND FUND BALANCES	\$ 58,457	\$ 23,236	\$ 31,426	\$ 889	\$ 10,708	\$ 11,662	\$ 188,286	\$ 556,765

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Ozark Mountain Solid Waste District E- Waste	Reappraisal Cost	Child Support Cost	Communication Facility and Equipment	Detention Facility and Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Drug Control	Public Safety
ASSETS									
Cash and cash equivalents	\$ 4,670	\$ (20,495)	\$ 3,455	\$ 78,827	\$ 1,382	\$ 589	\$ 195,344	\$ 5,152	\$ 2,292
Investments									
Accounts receivable		7,032		1,675	2,680		16,017	1,390	31
TOTAL ASSETS	<u>\$ 4,670</u>	<u>\$ (13,463)</u>	<u>\$ 3,455</u>	<u>\$ 80,502</u>	<u>\$ 4,062</u>	<u>\$ 589</u>	<u>\$ 211,361</u>	<u>\$ 6,542</u>	<u>\$ 2,323</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable							\$ 5,573		
Interfund payables									
Settlements pending									
Total Liabilities							<u>5,573</u>		
Fund Balances:									
Restricted	\$ 4,670		\$ 3,455	\$ 80,502	\$ 4,062	\$ 589	205,788	\$ 6,542	\$ 2,323
Committed									
Assigned									
Unassigned		\$ (13,463)							
Total Fund Balances	<u>4,670</u>	<u>(13,463)</u>	<u>3,455</u>	<u>80,502</u>	<u>4,062</u>	<u>589</u>	<u>205,788</u>	<u>6,542</u>	<u>2,323</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,670</u>	<u>\$ (13,463)</u>	<u>\$ 3,455</u>	<u>\$ 80,502</u>	<u>\$ 4,062</u>	<u>\$ 589</u>	<u>\$ 211,361</u>	<u>\$ 6,542</u>	<u>\$ 2,323</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Building Maintenance	Series 2017/2021 Bond Surplus	County Jail Building and Maintenance	County Jail Operations	Unpaved Roads Richland Area	Clerks Automated Records System
ASSETS									
Cash and cash equivalents	\$ 49	\$ 5,472	\$ 443,000	\$ 176,335	\$ 30,755	\$ 64,538	\$ (21,619)	\$ 47,408	\$ 1,503
Investments									
Accounts receivable							11,594		
TOTAL ASSETS	<u>\$ 49</u>	<u>\$ 5,472</u>	<u>\$ 443,000</u>	<u>\$ 176,335</u>	<u>\$ 30,755</u>	<u>\$ 64,538</u>	<u>\$ (10,025)</u>	<u>\$ 47,408</u>	<u>\$ 1,503</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 15,643	\$ 1,894		\$ 189	\$ 13,437		
Interfund payables									
Settlements pending									
Total Liabilities			<u>15,643</u>	<u>1,894</u>		<u>189</u>	<u>13,437</u>		
Fund Balances:									
Restricted	\$ 49	\$ 5,472	427,357		\$ 30,755	64,349		\$ 47,408	\$ 1,503
Committed				174,441					
Assigned									
Unassigned							(23,462)		
Total Fund Balances	<u>49</u>	<u>5,472</u>	<u>427,357</u>	<u>174,441</u>	<u>30,755</u>	<u>64,349</u>	<u>(23,462)</u>	<u>47,408</u>	<u>1,503</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 49</u>	<u>\$ 5,472</u>	<u>\$ 443,000</u>	<u>\$ 176,335</u>	<u>\$ 30,755</u>	<u>\$ 64,538</u>	<u>\$ (10,025)</u>	<u>\$ 47,408</u>	<u>\$ 1,503</u>

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

Schedule 1

SPECIAL REVENUE FUNDS

	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Shirt Factory Renovation Fund	Law Library	County Library Board	Airport Commission	Civic Center Building and Maintenance
ASSETS								
Cash and cash equivalents	\$ 27,055	\$ 2,997	\$ 5,144	\$ 2	\$ 13,934	\$ 258,810 26,483	\$ 13,380	\$ 14,500
Investments								
Accounts receivable								
TOTAL ASSETS	\$ 27,055	\$ 2,997	\$ 5,144	\$ 2	\$ 13,934	\$ 285,293	\$ 13,380	\$ 14,500
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 4,217							\$ 14,500
Interfund payables								
Settlements pending								
Total Liabilities	4,217							14,500
Fund Balances:								
Restricted	22,838	\$ 2,997	\$ 5,144	\$ 2	\$ 13,934	\$ 285,293		
Committed								
Assigned							\$ 13,380	
Unassigned								
Total Fund Balances	22,838	2,997	5,144	2	13,934	285,293	13,380	
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,055	\$ 2,997	\$ 5,144	\$ 2	\$ 13,934	\$ 285,293	\$ 13,380	\$ 14,500

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

Schedule 1

	DEBT SERVICE FUND	CUSTODIAL FUNDS					
	Jail Bond Debt Service	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 84,185	\$ 161,135	\$ 37,472	\$ 41,379	\$ 107,153	\$ 87,323	\$ 2,676,617
Investments							26,483
Accounts receivable							118,357
TOTAL ASSETS	<u>\$ 84,185</u>	<u>\$ 161,135</u>	<u>\$ 37,472</u>	<u>\$ 41,379</u>	<u>\$ 107,153</u>	<u>\$ 87,323</u>	<u>\$ 2,821,457</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 86,850
Interfund payables							86,121
Settlements pending		\$ 161,135	\$ 37,472	\$ 41,379	\$ 107,153	\$ 87,323	434,462
Total Liabilities		<u>161,135</u>	<u>37,472</u>	<u>41,379</u>	<u>107,153</u>	<u>87,323</u>	<u>607,433</u>
Fund Balances:							
Restricted	\$ 84,185						1,932,613
Committed							174,441
Assigned							143,895
Unassigned							(36,925)
Total Fund Balances	<u>84,185</u>						<u>2,214,024</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 84,185</u>	<u>\$ 161,135</u>	<u>\$ 37,472</u>	<u>\$ 41,379</u>	<u>\$ 107,153</u>	<u>\$ 87,323</u>	<u>\$ 2,821,457</u>

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

Schedule 2

	SPECIAL REVENUE FUNDS								Ozark Mountain Solid Waste District E- Waste
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Sales Tax	
REVENUES									
State aid							\$ 45,553		
Property taxes							244,206		
Sales taxes								\$ 740,165	
Fines, forfeitures, and costs			\$ 3,966	\$ 3,034					
Interest	\$ 47	\$ 4	86	2	\$ 28	\$ 23	360	1,560	
Officers' fees						17,040			
Contributions from municipalities								283,755	
Jail fees									
Sanitation fees								4,313	
911 fees									
Decrease in fair market value of investments									
Treasurer's commission	14,751								
Collector's commission		19,286							
Other			7	3	5	3,672	2,366	44,551	
TOTAL REVENUES	14,798	19,290	4,059	3,039	33	20,735	292,485	1,074,344	
Less: Treasurer's commission			77	57	1	418	5,647	20,461	
NET REVENUES	14,798	19,290	3,982	2,982	32	20,317	286,838	1,053,883	
EXPENDITURES									
Current:									
General government	11,914	17,987			5,000	23,551			
Law enforcement			9,483	2,859					
Public safety									
Sanitation								995,360	\$ 11,637
Health									
Recreation and culture							268,793		
Airport									
Total Current	11,914	17,987	9,483	2,859	5,000	23,551	268,793	995,360	11,637
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal								165,025	
Financed purchase interest								10,545	
TOTAL EXPENDITURES	11,914	17,987	9,483	2,859	5,000	23,551	268,793	1,170,930	11,637
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	2,884	1,303	(5,501)	123	(4,968)	(3,234)	18,045	(117,047)	(11,637)
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	2,884	1,303	(5,501)	123	(4,968)	(3,234)	18,045	(117,047)	(11,637)
FUND BALANCES - JANUARY 1	6,044	21,333	36,927	669	15,676	14,836	164,603	612,218	16,307
FUND BALANCES - DECEMBER 31	\$ 8,928	\$ 22,636	\$ 31,426	\$ 792	\$ 10,708	\$ 11,602	\$ 182,648	\$ 495,171	\$ 4,670

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Reappraisal Cost	Child Support Cost	Communication Facility and Equipment	Detention Facility and Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Drug Control	Public Safety	Circuit Clerk Commissioner's Fee
REVENUES									
State aid	\$ 91,417				\$ 610				
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 21,964	\$ 17,005				\$ 300	
Interest		\$ 8	177	1		\$ 568	\$ 12		
Officers' fees		108							\$ 170
Contributions from municipalities									
Jail fees			11,224				1,510		
Sanitation fees									
911 fees						215,189			
Decrease in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other			50	20	1	1,048	1		
TOTAL REVENUES	91,417	116	33,415	17,026	611	216,805	1,523	300	170
Less: Treasurer's commission		2	635	286	18	4,288	3	5	3
NET REVENUES	91,417	114	32,780	16,740	593	212,517	1,520	295	167
EXPENDITURES									
Current:									
General government	96,564								
Law enforcement			14,443	12,678	1,205				
Public safety						220,095			
Sanitation									
Health									
Recreation and culture									
Airport									
Total Current	96,564		14,443	12,678	1,205	220,095			
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	96,564		14,443	12,678	1,205	220,095			
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(5,147)	114	18,337	4,062	(612)	(7,578)	1,520	295	167
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(5,147)	114	18,337	4,062	(612)	(7,578)	1,520	295	167
FUND BALANCES - JANUARY 1	(8,316)	3,341	62,165		1,201	213,366	5,022	2,028	(118)
FUND BALANCES - DECEMBER 31	\$ (13,463)	\$ 3,455	\$ 80,502	\$ 4,062	\$ 589	\$ 205,788	\$ 6,542	\$ 2,323	\$ 49

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

Schedule 2

	SPECIAL REVENUE FUNDS								
	Assessor's Late Assessment Fee	American Rescue Plan Act	Building Maintenance	Series 2017/2021 Bond Surplus	County Jail Building and Maintenance	County Jail Operations	Unpaved Roads Richland Area	Clerks Automated Records System	Sheriff's K-9 Dog
REVENUES									
State aid			\$ 15,702						
Property taxes	\$ 292		80,306						
Sales taxes				\$ 375,962					
Fines, forfeitures, and costs									
Interest		\$ 403	376		\$ 206	\$ 41			
Officers' fees									
Contributions from municipalities						60,922			
Jail fees									
Sanitation fees									
911 fees									
Decrease in fair market value of investments									
Treasurer's commission									
Collector's commission									
Other		405	34	590					
TOTAL REVENUES	292	808	96,418	376,552	206	60,963			
Less: Treasurer's commission	6		1,878	6,904		12,567			
NET REVENUES	286	808	94,540	369,648	206	48,396			
EXPENDITURES									
Current:									
General government	942	144,812	74,271						
Law enforcement					42,514	581,727			
Public safety		363,440							
Sanitation									
Health									
Recreation and culture		82,254							
Airport									
Total Current	942	590,506	74,271		42,514	581,727			
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES	942	590,506	74,271		42,514	581,727			
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	(656)	(589,698)	20,269	369,648	(42,308)	(533,331)			
OTHER FINANCING SOURCES (USES)									
Transfers in					33,888	608,838			
Transfers out				(338,893)					\$ (3,044)
TOTAL OTHER FINANCING SOURCES (USES)				(338,893)	33,888	608,838			(3,044)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)									
EXPENDITURES AND OTHER USES	(656)	(589,698)	20,269	30,755	(8,420)	75,507			(3,044)
FUND BALANCES - JANUARY 1	6,128	1,017,055	154,172		72,769	(98,969)	\$ 47,408	\$ 1,503	3,044
FUND BALANCES - DECEMBER 31	\$ 5,472	\$ 427,357	\$ 174,441	\$ 30,755	\$ 64,349	\$ (23,462)	\$ 47,408	\$ 1,503	\$ 0

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

Schedule 2

SPECIAL REVENUE FUNDS

	Growing a Healthy Searcy County	Civic Center Park Improvement	Tire Accountability Grant	Shirt Factory Renovation Fund	Law Library	County Library Board	Airport Commission
REVENUES							
State aid							
Property taxes							
Sales taxes							\$ 36
Fines, forfeitures, and costs					\$ 1,971		
Interest					33	\$ 6,234	2
Officers' fees							
Contributions from municipalities							
Jail fees							
Sanitation fees							
911 fees							
Decrease in fair market value of investments						\$ (830)	
Treasurer's commission							
Collector's commission							
Other		\$ 3,130		\$ 2		6,585	40,867
TOTAL REVENUES		3,130		2	2,004	11,989	40,905
Less: Treasurer's commission		59	\$ 35		40		
NET REVENUES		3,071	(35)	2	1,964	11,989	40,905
EXPENDITURES							
Current:							
General government				1,372			
Law enforcement					1,230		
Public safety							
Sanitation			17,645				
Health	\$ 5,081						
Recreation and culture		1,296				6,505	
Airport							48,733
Total Current	5,081	1,296	17,645	1,372	1,230	6,505	48,733
Debt Service:							
Bond principal							
Bond interest and other charges							
Financed purchase principal							
Financed purchase interest							
TOTAL EXPENDITURES	5,081	1,296	17,645	1,372	1,230	6,505	48,733
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	(5,081)	1,775	(17,680)	(1,370)	734	5,484	(7,828)
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
TOTAL OTHER FINANCING SOURCES (USES)							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER USES	(5,081)	1,775	(17,680)	(1,370)	734	5,484	(7,828)
FUND BALANCES - JANUARY 1	27,919	1,222	22,824	1,372	13,200	279,809	21,208
FUND BALANCES - DECEMBER 31	\$ 22,838	\$ 2,997	\$ 5,144	\$ 2	\$ 13,934	\$ 285,293	\$ 13,380

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

Schedule 2

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	
	Community of Snowball	Civic Center Building and Maintenance	Jail Bond Debt Service	Totals
REVENUES				
State aid	\$ 15,000	\$ 8,000		\$ 176,282
Property taxes				324,804
Sales taxes			\$ 117,224	1,233,387
Fines, forfeitures, and costs				48,240
Interest			2,216	12,387
Officers' fees				17,318
Contributions from municipalities				344,677
Jail fees				12,734
Sanitation fees				4,313
911 fees				215,189
Decrease in fair market value of investments				(830)
Treasurer's commission				14,751
Collector's commission				19,286
Other				103,337
TOTAL REVENUES	15,000	8,000	119,440	2,525,875
Less: Treasurer's commission				53,390
NET REVENUES	15,000	8,000	119,440	2,472,485
EXPENDITURES				
Current:				
General government				376,413
Law enforcement				666,139
Public safety				583,535
Sanitation				1,024,642
Health				5,081
Recreation and culture	15,000	8,000		381,848
Airport				48,733
Total Current	15,000	8,000		3,086,391
Debt Service:				
Bond principal			75,000	75,000
Bond interest and other charges			42,049	42,049
Financed purchase principal				165,025
Financed purchase interest				10,545
TOTAL EXPENDITURES	15,000	8,000	117,049	3,379,010
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES			2,391	(906,525)
OTHER FINANCING SOURCES (USES)				
Transfers in				642,726
Transfers out				(341,937)
TOTAL OTHER FINANCING SOURCES (USES)				300,789
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES			2,391	(605,736)
FUND BALANCES - JANUARY 1			81,794	2,819,760
FUND BALANCES - DECEMBER 31	\$ 0	\$ 0	\$ 84,185	\$ 2,214,024

SEARCY 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.
Sales Tax	Established to account for a one percent sales and use tax pledged for solid waste management, road equipment, and road materials approved by Searcy County voters on July 23, 1985. Additionally, this fund also accounts for solid waste fees charged to local municipalities.
Ozark Mountain Solid Waste District E-Waste	Established to receive and monitor disbursements of grant received from Ozark Mountain Solid Waste District for E-waste.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from the State.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.

SEARCY COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 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.
Detention Facility and Jail Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail. Ark. Code Ann. § 12-41-505 established fund to receive 90% of a \$40 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility or for certificate pay for law enforcement and jailer personnel.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of circuit clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
American Rescue Plan Act	Searcy County Ordinance no. 2021-23 (September 13, 2021) established fund to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Building Maintenance	Searcy County Ordinance no. 2010-06 (December 4, 2010) levied a one mill property tax to be used for the repair and maintenance of the County courthouse.
Series 2017/2021 Bond Surplus	Sales and Use Tax Bonds, Series 2017 indenture, and Searcy County Ordinance no. 2017-16 (July 10, 2017) established the fund to receive surplus tax proceeds to be used for any lawful purpose for which tax collections can be used. Series 2017 bonds were subsequently refunded with Series 2021 bonds.
County Jail Building and Maintenance	Searcy County Ordinance no. 2018-51 (December 17, 2018) established fund to account for 10 percent of surplus funds received monthly.
County Jail Operations	Searcy County Ordinance no. 2018-36 (December 17, 2018) established fund to account for operations of the County Jail.
Unpaved Roads Richland Area	Established to receive and monitor disbursements of a grant with Arkansas Department of Agriculture and the United States Environmental Protection Agency (EPA) to assist with creating a better unpaved county road system.
Clerks Automated Records System	Ark. Code Ann. § 14-20-107 provided for grant funds to be awarded by the Association of Arkansas Counties to county recorders in Class 1 - Class 5 counties solely for the purpose of office automation.
Sheriff's K-9 Dog	Established to receive and monitor private donations for a K-9 for the sheriff's office.
Growing a Healthy Searcy County	Established to receive and monitor disbursements of funding through state grants to aid in fighting hunger and spreading knowledge of healthy choices within the community.
Civic Center Park Improvement	Searcy County Ordinance no. 2017-21 (October 9, 2017) established fund to monitor donations received for improvements to the Civic Center Park.
Tire Accountability Grant	Established to receive and monitor disbursements of funding received from Ozark Mountain Solid Waste Management District for managing, monitoring, and overseeing a Used Tire Program (UTP) administered by the Arkansas Department of Environmental Quality.
Shirt Factory Renovation Fund	Established to receive and disburse funds to be used for renovations of the shirt factory building.
Law Library	Ark. Code Ann. § 16-23-105 established fund to receive collections from the costs levied and to fund the law library expenditures.

SEARCY 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>
County Library Board	Established by the County Library Board, as allowed by Ark. Code Ann. § 13-2-204, to receive and monitor donations and grants to the County Library.
Airport Commission	Searcy County Court Order, dated June 1, 1969, established commission to account for funds to assist in further development, maintenance, and operation of an airport facility.
Community of Snowball	Searcy County Ordinance no. 2023-28 (July 10, 2023) established fund to receive state Rural Community grant for community of Snowball.
Civic Center Building and Maintenance	Searcy County Ordinance no. 2023-27 (July 10, 2023) established fund to receive state Rural Community grant for Civic Center.
Jail Bond Debt Service	Sales and Use Tax Refunding Bonds, Series 2021 indenture and Searcy County Ordinance no. 2021-33 (October 26, 2021) established the fund to account for proceeds from the bond sale and sales taxes received for debt service payments.

Treasurer's accounts consist primarily of property taxes and treasurer's commission.

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

Sheriff's accounts consist primarily of fees settlement, bond, evidence, and restitution funds not distributed to the appropriate agencies.

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

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

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

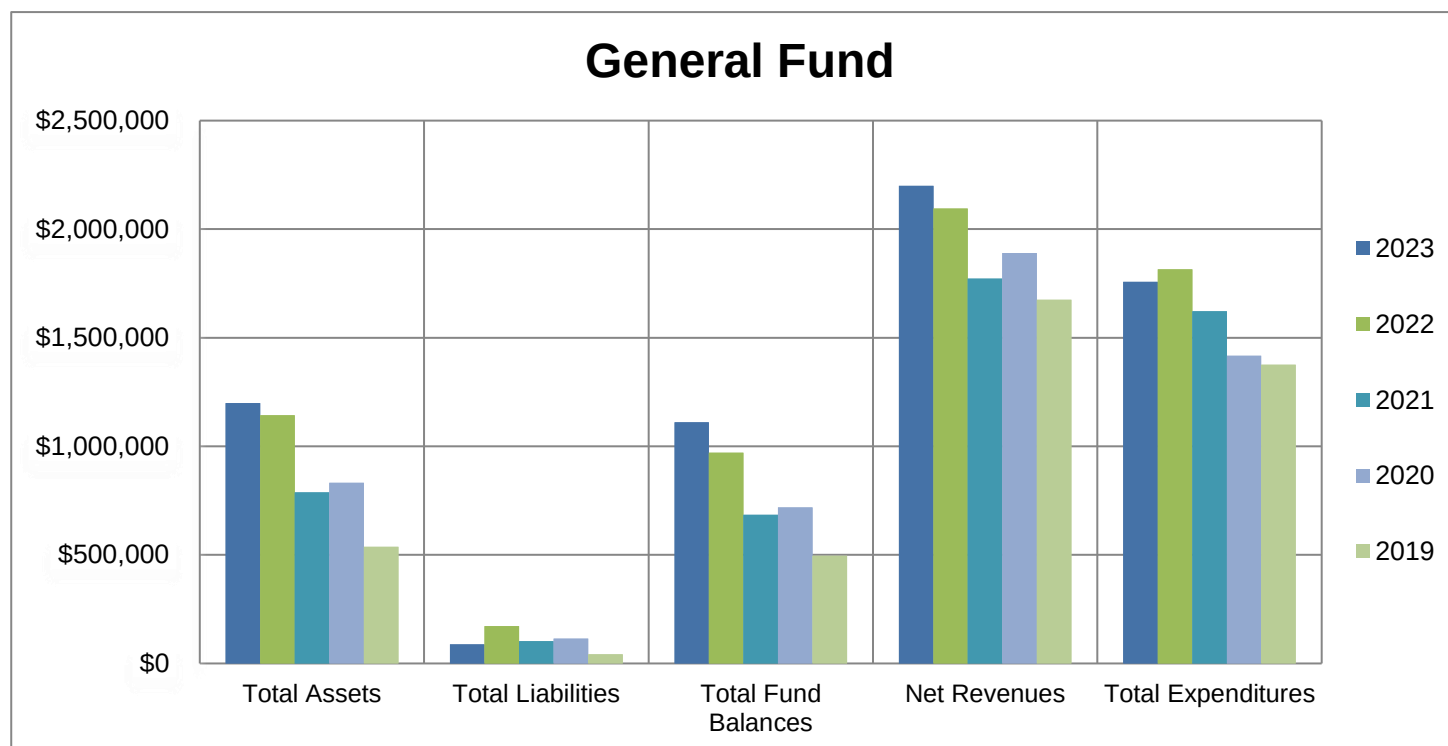
Schedule 3

	December 31, 2023
Land	\$ 599,857
Buildings	4,089,002
Improvements other than building	2,455,280
Equipment	<u>3,800,516</u>
Total	<u><u>\$ 10,944,655</u></u>

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

Schedule 4-1

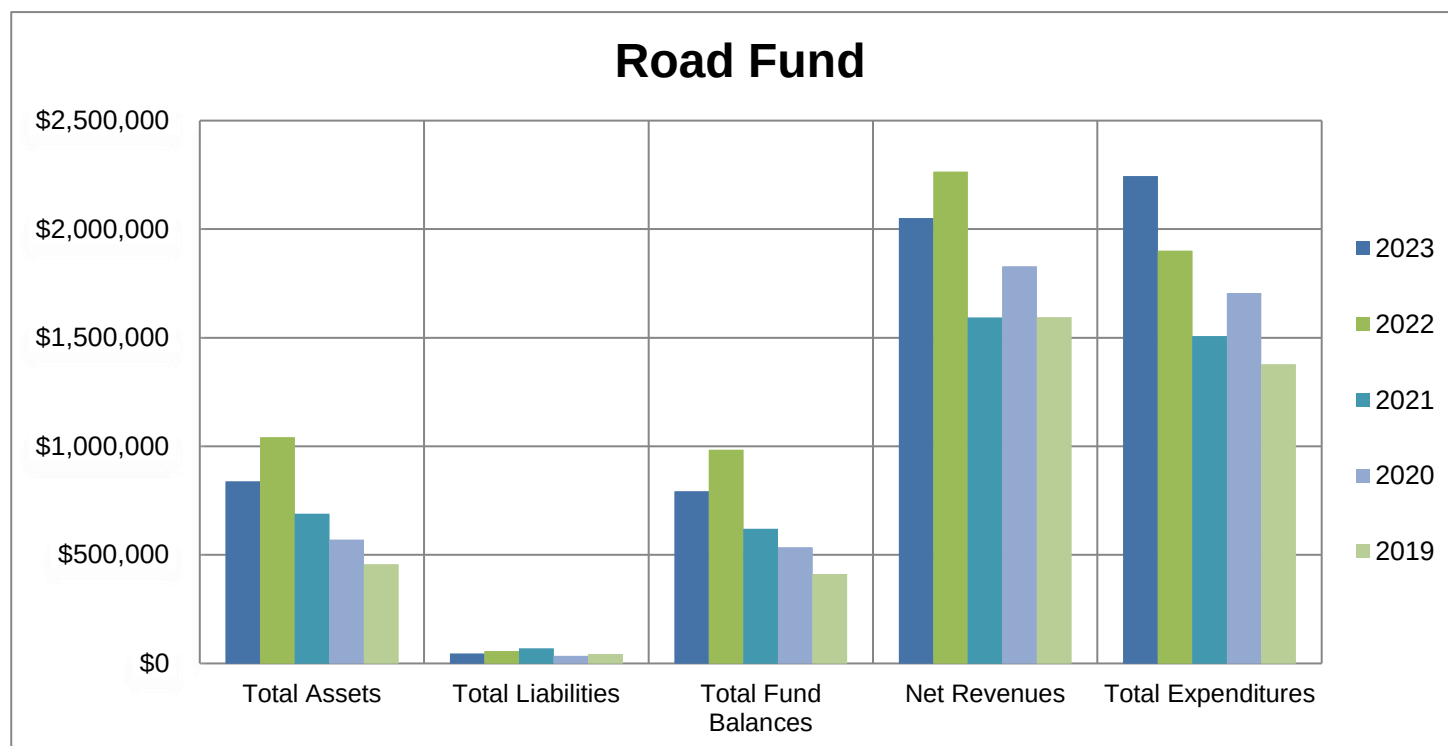
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,198,467	\$ 1,142,352	\$ 787,216	\$ 832,450	\$ 537,748
Total Liabilities	87,583	172,345	102,541	114,110	41,716
Total Fund Balances	1,110,884	970,007	684,675	718,340	496,032
Net Revenues	2,199,463	2,095,544	1,772,345	1,889,602	1,675,169
Total Expenditures	1,757,797	1,815,050	1,621,878	1,416,678	1,375,718
Total Other Financing Sources/Uses	(300,789)	4,838	(184,132)	(250,616)	(210,660)



SEARCY 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	\$ 837,268	\$ 1,040,646	\$ 688,530	\$ 570,221	\$ 455,982
Total Liabilities	44,957	56,495	68,299	35,405	44,127
Total Fund Balances	792,311	984,151	620,231	534,816	411,855
Net Revenues	2,051,266	2,264,412	1,591,898	1,828,929	1,593,911
Total Expenditures	2,243,106	1,900,492	1,506,483	1,705,968	1,377,897
Total Other Financing Sources/Uses					(32,950)



SEARCY 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

Other Funds in the Aggregate	2023	2022	2021	2020	2019
Total Assets	\$ 2,821,457	\$ 3,186,184	\$ 2,501,264	\$ 2,189,839	\$ 1,776,017
Total Liabilities	607,433	366,424	412,284	605,421	587,204
Total Fund Balances	2,214,024	2,819,760	2,088,980	1,584,418	1,188,813
Net Revenues	2,472,485	3,276,021	3,351,387	2,662,894	3,387,976
Total Expenditures	3,379,010	2,540,403	2,900,493	2,517,905	3,574,154
Total Other Financing Sources/Uses	300,789	(4,838)	42,098	250,616	243,610

