

**Conway County, Arkansas**

**Financial and Compliance Report**

**December 31, 2018**

LEGISLATIVE JOINT AUDITING COMMITTEE

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Financial and Compliance Report

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# Arkansas



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**Sen. Eddie Cheatham**  
Senate Vice Chair

**Rep. Richard Womack**  
House Chair  
**Rep. DeAnn Vaught**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Conway County, Arkansas, as of and for the year ended December 31, 2018, and have issued our report thereon dated April 16, 2019. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relates to the following officials who held office during 2018:

County Judge: Jimmy Hart  
Treasurer: Wayne DeSalvo  
Sheriff: Mike Smith  
Tax Collector: Norbert Gunderman Jr.  
County Clerk: Debbie Hartman  
Circuit Clerk: Darlene Massingill  
Assessor: Mark Stobaugh  
County Librarian: Jay Carter

We evaluated the County's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight 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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
April 16, 2019  
LOCO01518

CONWAY COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2018  
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,012,207	\$ 1,063,615	\$ 5,499,090
Accounts receivable	273,135	61,923	274,911
<b>TOTAL ASSETS</b>	<b>\$ 2,285,342</b>	<b>\$ 1,125,538</b>	<b>\$ 5,774,001</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 23,446	\$ 95,428	\$ 114,047
Settlements pending			790,502
Total Liabilities	23,446	95,428	904,549
Fund Balances:			
Restricted			3,215,285
Assigned	41,585	1,030,110	1,654,167
Unassigned	2,220,311		
Total Fund Balances	2,261,896	1,030,110	4,869,452
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,285,342</b>	<b>\$ 1,125,538</b>	<b>\$ 5,774,001</b>

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

CONWAY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

Exhibit B

	General	Road	Other Funds in the Aggregate
<b>REVENUES</b>			
State aid	\$ 765,765	\$ 1,844,652	\$ 313,514
Federal aid	1,346	241,399	165,203
Property taxes	1,810,739	834,520	597,322
Sales taxes	1,008,812	495,557	2,505,415
Fines, forfeitures, and costs	541,800		108,529
Interest	2,895	2,397	10,984
Officers' fees	247,245		95,338
Jail Fees	160,827		
Franchise fees	7,220		
City aid			30,000
911 fees			276,013
Reimbursement of 911 expenses			129,993
Treasurer's commission	155,332		23,375
Collector's commission	240,517		35,564
Taxes apportioned - Assessor's salary and expense	360,253		717
Other	542,415	367,023	78,306
<b>TOTAL REVENUES</b>	<b>5,845,166</b>	<b>3,785,548</b>	<b>4,370,273</b>
Less: Treasurer's commission	57,517	45,578	46,694
<b>NET REVENUES</b>	<b>5,787,649</b>	<b>3,739,970</b>	<b>4,323,579</b>
<b>EXPENDITURES</b>			
Current:			
General government	1,983,293		109,314
Law enforcement	3,770,916		177,775
Highways and streets		4,692,809	
Public safety	4,000		1,929,163
Health	142,135		796,856
Recreation and culture	6,750		448,253
Social services	138,199		164,585
Total Current	6,045,293	4,692,809	3,625,946
Debt Service:			
Note principal	470,261		432,952
Note interest	25,433		19,690
<b>TOTAL EXPENDITURES</b>	<b>6,540,987</b>	<b>4,692,809</b>	<b>4,078,588</b>

CONWAY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (753,338)</u>	<u>\$ (952,839)</u>	<u>\$ 244,991</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			259,771
Transfers out	(139,123)	(65,000)	(55,648)
Loan proceeds	306,000		378,342
Sales tax remitted to community college			<u>(735,041)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>166,877</u>	<u>(65,000)</u>	<u>(152,576)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(586,461)	(1,017,839)	92,415
FUND BALANCES - JANUARY 1	<u>2,848,357</u>	<u>2,047,949</u>	<u>4,777,037</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,261,896</u></u>	<u><u>\$ 1,030,110</u></u>	<u><u>\$ 4,869,452</u></u>

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

CONWAY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATOR BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
State aid	\$ 519,782	\$ 765,765	\$ 245,983	\$ 1,755,000	\$ 1,844,652	\$ 89,652
Federal aid	18,000	1,346	(16,654)	16,200	241,399	225,199
Property taxes	2,067,840	1,810,739	(257,101)	1,017,900	834,520	(183,380)
Sales taxes	877,500	1,008,812	131,312	427,500	495,557	68,057
Fines, forfeitures, and costs	513,180	541,800	28,620			
Interest	2,700	2,895	195	2,475	2,397	(78)
Officers' fees	201,600	247,245	45,645			
Jail Fees	201,000	160,827	(40,173)			
Franchise fees	6,300	7,220	920			
Treasurer's commission	165,000	155,332	(9,668)			
Collector's commission	268,816	240,517	(28,299)			
Taxes apportioned - Assessor's salary and expense	370,000	360,253	(9,747)			
Other	393,600	542,415	148,815	85,500	367,023	281,523
<b>TOTAL REVENUES</b>	<b>5,605,318</b>	<b>5,845,166</b>	<b>239,848</b>	<b>3,304,575</b>	<b>3,785,548</b>	<b>480,973</b>
Less: Treasurer's commission		57,517	(57,517)		45,578	(45,578)
<b>NET REVENUES</b>	<b>5,605,318</b>	<b>5,787,649</b>	<b>182,331</b>	<b>3,304,575</b>	<b>3,739,970</b>	<b>435,395</b>
<b>EXPENDITURES</b>						
Current:						
General government	2,117,297	1,983,293	134,004			
Law enforcement	4,429,877	3,770,916	658,961			
Highways and streets				5,783,172	4,692,809	1,090,363
Public safety		4,000	(4,000)			
Health	173,200	142,135	31,065			
Recreation and culture	6,750	6,750				
Social services	151,271	138,199	13,072			
Total Current	6,878,395	6,045,293	833,102	5,783,172	4,692,809	1,090,363
Debt Service:						
Note principal		470,261	(470,261)			
Note interest		25,433	(25,433)			
<b>TOTAL EXPENDITURES</b>	<b>6,878,395</b>	<b>6,540,987</b>	<b>337,408</b>	<b>5,783,172</b>	<b>4,692,809</b>	<b>1,090,363</b>

CONWAY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATOR BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,273,077)	\$ (753,338)	\$ 519,739	\$ (2,478,597)	\$ (952,839)	\$ 1,525,758
OTHER FINANCING SOURCES (USES)						
Transfers out	(146,623)	(139,123)	7,500	(65,000)	(65,000)	
Loan proceeds		306,000	306,000			
TOTAL OTHER FINANCING SOURCES (USES)	(146,623)	166,877	313,500	(65,000)	(65,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,419,700)	(586,461)	833,239	(2,543,597)	(1,017,839)	1,525,758
FUND BALANCES - JANUARY 1	2,430,000	2,848,357	418,357	2,385,000	2,047,949	(337,051)
FUND BALANCES - DECEMBER 31	\$ 1,010,300	\$ 2,261,896	\$ 1,251,596	\$ (158,597)	\$ 1,030,110	\$ 1,188,707

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



CONWAY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS										
	Treasurer Automation	Collector Automation	Circuit Court Automation	County Clerk's Cost	Court Recorder's Cost	County Library	Child Support Cost	Boating Safety	Emergency 911	Fire Equipment and Training (Act 833)
ASSETS										
Cash and cash equivalents	\$ 50,746	\$ 95,470	\$ 39,717	\$ 10,086	\$ 87,097	\$ 1,135,572	\$ 15,896	\$ 1,608	\$ 98,175	\$ 204,785
Accounts receivable			610	927	3,069	2,260	21		33,710	
<b>TOTAL ASSETS</b>	<b>\$ 50,746</b>	<b>\$ 95,470</b>	<b>\$ 40,327</b>	<b>\$ 11,013</b>	<b>\$ 90,166</b>	<b>\$ 1,137,832</b>	<b>\$ 15,917</b>	<b>\$ 1,608</b>	<b>\$ 131,885</b>	<b>\$ 204,785</b>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 561			\$ 51		\$ 3,721			\$ 7,999	\$ 5,905
Settlements pending										
<b>Total Liabilities</b>	<b>561</b>			<b>51</b>		<b>3,721</b>			<b>7,999</b>	<b>5,905</b>
Fund Balances:										
Restricted	50,185	\$ 95,470	\$ 40,327	10,962	\$ 90,166	1,134,111	\$ 15,917	\$ 1,608	123,886	198,880
Assigned										
<b>Total Fund Balances</b>	<b>50,185</b>	<b>95,470</b>	<b>40,327</b>	<b>10,962</b>	<b>90,166</b>	<b>1,134,111</b>	<b>15,917</b>	<b>1,608</b>	<b>123,886</b>	<b>198,880</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 50,746</b>	<b>\$ 95,470</b>	<b>\$ 40,327</b>	<b>\$ 11,013</b>	<b>\$ 90,166</b>	<b>\$ 1,137,832</b>	<b>\$ 15,917</b>	<b>\$ 1,608</b>	<b>\$ 131,885</b>	<b>\$ 204,785</b>

CONWAY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	Indigent Criminal Defense	Adult Drug Court	Circuit Clerk Commissioner's Fee	Assessor's Late Fee	Fire Departments	County Hospital	Community College (UACCM)	District Court Cost	Nuclear Response
<b>ASSETS</b>									
Cash and cash equivalents	\$ 9,661	\$ 16,790	\$ 3,739	\$ 1,114	\$ 1,590,924	\$ 708,564	\$ 61,490	\$ 45,070	\$ 16,769
Accounts receivable		260	129		93,612	71,162	68,903	68	180
<b>TOTAL ASSETS</b>	<b>\$ 9,661</b>	<b>\$ 17,050</b>	<b>\$ 3,868</b>	<b>\$ 1,114</b>	<b>\$ 1,684,536</b>	<b>\$ 779,726</b>	<b>\$ 130,393</b>	<b>\$ 45,138</b>	<b>\$ 16,949</b>
<b>LIABILITES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,184				\$ 30,369		\$ 61,490	\$ 34	\$ 2,658
Settlements pending									
<b>Total Liabilities</b>	<b>1,184</b>				<b>30,369</b>		<b>61,490</b>	<b>34</b>	<b>2,658</b>
<b>Fund Balances:</b>									
Restricted	8,477	\$ 17,050	\$ 3,868	\$ 1,114		\$ 779,726	68,903	45,104	14,291
Assigned					1,654,167				
<b>Total Fund Balances</b>	<b>8,477</b>	<b>17,050</b>	<b>3,868</b>	<b>1,114</b>	<b>1,654,167</b>	<b>779,726</b>	<b>68,903</b>	<b>45,104</b>	<b>14,291</b>
<b>TOTAL LIABILITES AND FUND BALANCES</b>	<b>\$ 9,661</b>	<b>\$ 17,050</b>	<b>\$ 3,868</b>	<b>\$ 1,114</b>	<b>\$ 1,684,536</b>	<b>\$ 779,726</b>	<b>\$ 130,393</b>	<b>\$ 45,138</b>	<b>\$ 16,949</b>

CONWAY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	AGENCY FUNDS					Totals
	Communication Facility and Equipment	Drug Control	Library Building	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 46,187	\$ 39,301	\$ 429,827	\$ 144,584	\$ 121,440	\$ 9,408	\$ 39,791	\$ 475,279	\$ 5,499,090
Accounts receivable									274,911
<b>TOTAL ASSETS</b>	<u>\$ 46,187</u>	<u>\$ 39,301</u>	<u>\$ 429,827</u>	<u>\$ 144,584</u>	<u>\$ 121,440</u>	<u>\$ 9,408</u>	<u>\$ 39,791</u>	<u>\$ 475,279</u>	<u>\$ 5,774,001</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable			\$ 75						\$ 114,047
Settlements pending				\$ 144,584	\$ 121,440	\$ 9,408	\$ 39,791	\$ 475,279	790,502
Total Liabilities			<u>75</u>	<u>144,584</u>	<u>121,440</u>	<u>9,408</u>	<u>39,791</u>	<u>475,279</u>	<u>904,549</u>
Fund Balances:									
Restricted	\$ 46,187	\$ 39,301	429,752						3,215,285
Assigned									1,654,167
Total Fund Balances	<u>46,187</u>	<u>39,301</u>	<u>429,752</u>						<u>4,869,452</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 46,187</u>	<u>\$ 39,301</u>	<u>\$ 429,827</u>	<u>\$ 144,584</u>	<u>\$ 121,440</u>	<u>\$ 9,408</u>	<u>\$ 39,791</u>	<u>\$ 475,279</u>	<u>\$ 5,774,001</u>

CONWAY 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, 2018  
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer Automation	Collector Automation	District Court Automation	Circuit Court Automation	County Clerk's Cost	Court Recorder's Cost	County Library	Child Support Cost
REVENUES								
State aid							\$ 85,340	
Federal aid							309	
Property taxes							287,351	
Sales taxes								
Fines, forfeitures, and costs				\$ 9,232				
Interest		\$ 100	\$ 7	57	\$ 12	\$ 111	6,114	\$ 23
Officers' fees					11,761	39,337		2,696
City aid							30,000	
911 fees								
Reimbursement of 911 expenses								
Treasurer's commission	\$ 23,375							
Collector's commission		35,564						
Taxes apportioned - Assessor's salary and expense								
Other							24,423	
<b>TOTAL REVENUES</b>	<b>23,375</b>	<b>35,664</b>	<b>7</b>	<b>9,289</b>	<b>11,773</b>	<b>39,448</b>	<b>433,537</b>	<b>2,719</b>
Less: Treasurer's commission		2		141	171	556	4,358	54
<b>NET REVENUES</b>	<b>23,375</b>	<b>35,662</b>	<b>7</b>	<b>9,148</b>	<b>11,602</b>	<b>38,892</b>	<b>429,179</b>	<b>2,665</b>
EXPENDITURES								
Current:								
General government	26,586	41,464			6,584	34,530		
Law enforcement			9,012	7,023				1,520
Public safety								
Health								
Recreation and culture							447,903	
Social services								
<b>Total Current</b>	<b>26,586</b>	<b>41,464</b>	<b>9,012</b>	<b>7,023</b>	<b>6,584</b>	<b>34,530</b>	<b>447,903</b>	<b>1,520</b>
Debt Service:								
Note principal								
Note interest								
<b>TOTAL EXPENDITURES</b>	<b>26,586</b>	<b>41,464</b>	<b>9,012</b>	<b>7,023</b>	<b>6,584</b>	<b>34,530</b>	<b>447,903</b>	<b>1,520</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,211)</b>	<b>(5,802)</b>	<b>(9,005)</b>	<b>2,125</b>	<b>5,018</b>	<b>4,362</b>	<b>(18,724)</b>	<b>1,145</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
Loan proceeds								
Sales tax remitted to community college								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(3,211)</b>	<b>(5,802)</b>	<b>(9,005)</b>	<b>2,125</b>	<b>5,018</b>	<b>4,362</b>	<b>(18,724)</b>	<b>1,145</b>
FUND BALANCES - JANUARY 1	53,396	101,272	9,005	38,202	5,944	85,804	1,152,835	14,772
FUND BALANCES - DECEMBER 31	<u>\$ 50,185</u>	<u>\$ 95,470</u>	<u>\$ 0</u>	<u>\$ 40,327</u>	<u>\$ 10,962</u>	<u>\$ 90,166</u>	<u>\$ 1,134,111</u>	<u>\$ 15,917</u>

CONWAY 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, 2018  
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Boating Safety	Emergency 911	Fire Equipment and Training (Act 833)	Indigent Criminal Defense	Adult Drug Court	Circuit Clerk Commissioner's Fee	Assessor's Late Fee	Fire Departments
REVENUES								
State aid	\$ 1,705	\$ 28,000	\$ 86,328					\$ 13,570
Federal aid								22,620
Property taxes								1,011,014
Sales taxes								
Fines, forfeitures, and costs				\$ 14,148	\$ 4,113			
Interest	1	198	279	15	25	\$ 5	\$ 1	2,218
Officers' fees						375		
City aid								
911 fees		276,013						
Reimbursement of 911 expenses		129,993						
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense							717	
Other		3,248						11,521
<b>TOTAL REVENUES</b>	<b>1,706</b>	<b>437,452</b>	<b>86,607</b>	<b>14,163</b>	<b>4,138</b>	<b>380</b>	<b>718</b>	<b>1,060,943</b>
Less: Treasurer's commission	34			69	91	7		15,097
<b>NET REVENUES</b>	<b>1,672</b>	<b>437,452</b>	<b>86,607</b>	<b>14,094</b>	<b>4,047</b>	<b>373</b>	<b>718</b>	<b>1,045,846</b>
EXPENDITURES								
Current:								
General government								
Law enforcement	74			14,804	4,257			
Public safety		580,119	67,877					1,121,007
Health								
Recreation and culture								
Social services								
Total Current	74	580,119	67,877	14,804	4,257			1,121,007
Debt Service:								
Note principal			6,318					171,852
Note interest			125					9,586
<b>TOTAL EXPENDITURES</b>	<b>74</b>	<b>580,119</b>	<b>74,320</b>	<b>14,804</b>	<b>4,257</b>			<b>1,302,445</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,598</b>	<b>(142,667)</b>	<b>12,287</b>	<b>(710)</b>	<b>(210)</b>	<b>373</b>	<b>718</b>	<b>(256,599)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in		194,771						
Transfers out								(55,648)
Loan proceeds								378,342
Sales tax remitted to community college								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>194,771</b>						<b>322,694</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,598</b>	<b>52,104</b>	<b>12,287</b>	<b>(710)</b>	<b>(210)</b>	<b>373</b>	<b>718</b>	<b>66,095</b>
FUND BALANCES - JANUARY 1	10	71,782	186,593	9,187	17,260	3,495	396	1,588,072
FUND BALANCES - DECEMBER 31	\$ 1,608	\$ 123,886	\$ 198,880	\$ 8,477	\$ 17,050	\$ 3,868	\$ 1,114	\$ 1,654,167

CONWAY 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, 2018  
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						
	County Hospital	Community College (UACCM)	District Court Cost	Nuclear Response	Law Enforcement Grant	Communication Facility and Equipment	Drug Control
REVENUES							
State aid	\$ 33,391			\$ 65,180			
Federal aid	309						
Property taxes	287,351						
Sales taxes	747,200	\$ 747,201					
Fines, forfeitures, and costs			\$ 13,932				\$ 67,104
Interest	1,380		59	45		\$ 40	31
Officers' fees						41,169	
City aid							
911 fees							
Reimbursement of 911 expenses							
Treasurer's commission							
Collector's commission							
Taxes apportioned - Assessor's salary and expense							
Other	6,497		3,000	27,533			
<b>TOTAL REVENUES</b>	<b>1,076,128</b>	<b>747,201</b>	<b>16,991</b>	<b>92,758</b>		<b>41,209</b>	<b>67,135</b>
Less: Treasurer's commission	15,177	10,858	79				
<b>NET REVENUES</b>	<b>1,060,951</b>	<b>736,343</b>	<b>16,912</b>	<b>92,758</b>		<b>41,209</b>	<b>67,135</b>
EXPENDITURES							
Current:							
General government							
Law enforcement			11,925		\$ 67	26,829	39,462
Public safety				160,160			
Health	775,552						
Recreation and culture							
Social services							
<b>Total Current</b>	<b>775,552</b>		<b>11,925</b>	<b>160,160</b>	<b>67</b>	<b>26,829</b>	<b>39,462</b>
Debt Service:							
Note principal	254,782						
Note interest	9,979						
<b>TOTAL EXPENDITURES</b>	<b>1,040,313</b>		<b>11,925</b>	<b>160,160</b>	<b>67</b>	<b>26,829</b>	<b>39,462</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,638</b>	<b>736,343</b>	<b>4,987</b>	<b>(67,402)</b>	<b>(67)</b>	<b>14,380</b>	<b>27,673</b>
OTHER FINANCING SOURCES (USES)							
Transfers in				65,000			
Transfers out							
Loan proceeds							
Sales tax remitted to community college		(735,041)					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(735,041)</b>		<b>65,000</b>			
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>20,638</b>	<b>1,302</b>	<b>4,987</b>	<b>(2,402)</b>	<b>(67)</b>	<b>14,380</b>	<b>27,673</b>
FUND BALANCES - JANUARY 1	759,088	67,601	40,117	16,693	67	31,807	11,628
FUND BALANCES - DECEMBER 31	<b>\$ 779,726</b>	<b>\$ 68,903</b>	<b>\$ 45,104</b>	<b>\$ 14,291</b>	<b>\$ 0</b>	<b>\$ 46,187</b>	<b>\$ 39,301</b>

CONWAY 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, 2018  
 (UNAUDITED)

Schedule 2

	CAPITAL PROJECTS FUNDS					Totals
	Center for Exceptional Children	Jail Construction	Courthouse Renovation	County Hospital Renovation	Library Building	
REVENUES						
State aid						\$ 313,514
Federal aid	\$ 164,585					165,203
Property taxes						597,322
Sales taxes						2,505,415
Fines, forfeitures, and costs						108,529
Interest					\$ 263	10,984
Officers' fees						95,338
City aid						30,000
911 fees						276,013
Reimbursement of 911 expenses						129,993
Treasurer's commission						23,375
Collector's commission						35,564
Taxes apportioned - Assessor's salary and expense						717
Other					2,084	78,306
<b>TOTAL REVENUES</b>	<b>164,585</b>				<b>2,347</b>	<b>4,370,273</b>
Less: Treasurer's commission						46,694
<b>NET REVENUES</b>	<b>164,585</b>				<b>2,347</b>	<b>4,323,579</b>
EXPENDITURES						
Current:						
General government			\$ 150			109,314
Law enforcement		\$ 62,802				177,775
Public safety						1,929,163
Health				\$ 21,304		796,856
Recreation and culture					350	448,253
Social services	164,585					164,585
Total Current	164,585	62,802	150	21,304	350	3,625,946
Debt Service:						
Note principal						432,952
Note interest						19,690
<b>TOTAL EXPENDITURES</b>	<b>164,585</b>	<b>62,802</b>	<b>150</b>	<b>21,304</b>	<b>350</b>	<b>4,078,588</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		<b>(62,802)</b>	<b>(150)</b>	<b>(21,304)</b>	<b>1,997</b>	<b>244,991</b>
OTHER FINANCING SOURCES (USES)						
Transfers in						259,771
Transfers out						(55,648)
Loan proceeds						378,342
Sales tax remitted to community college						(735,041)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						<b>(152,576)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>		<b>(62,802)</b>	<b>(150)</b>	<b>(21,304)</b>	<b>1,997</b>	<b>92,415</b>
FUND BALANCES - JANUARY 1		62,802	150	21,304	427,755	4,777,037
FUND BALANCES - DECEMBER 31	\$ 0	\$ 0	\$ 0	\$ 0	\$ 429,752	\$ 4,869,452

CONWAY COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer 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 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.
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.
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.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
Court 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 library 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.
Boating Safety	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 commercial mobile radio service and telephone providers for 911 emergency services.
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the county to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.



CONWAY COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Indigent Criminal Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court, defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
Adult Drug Court	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 Fee	Ark. Code Ann. § 26-26-201 amended by Act 61 of 2017 to help pay for the expense of assessing property, subject to appropriation by the Quorum Court.
Fire Departments	Established to receive voluntary property taxes, sales tax, and other revenues to be used to finance capital improvements and operating and maintenance cost of the Conway County Rural Fire Departments.
County Hospital	Conway County Ordinance no. 2000-14 (July 21, 2000) established fund to receive property and sales tax revenue levied to assist constructing, operating, and maintaining the hospital facilities owned by the County.
Community College (UACCM)	Conway County Ordinance no. 2000-56 (August 24, 2000) established fund to receive sales tax revenue levied to assist the University of Arkansas Community College at Morrilton (UACCM) in constructing, improvements to, and operating and maintaining facilities owned by the College.
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.
Nuclear Response	Established to receive state, federal, and local grants to be expended for safety related matters concerning Arkansas Nuclear One.

CONWAY COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Law Enforcement Grant	Established to receive federal COPS grant funds and the required matching money from the County for the purposes of purchasing body armor.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Center for Exceptional Children	Established to account for a grant received through the US Department of Housing and Urban Development.
Jail Construction	Established to account for the monies used for the expansion of the county jail.
Courthouse Renovation	Conway County Ordinance no. 2002-19 (December 28, 2002) established fund to receive aid restricted for renovation of county buildings.
County Hospital Renovation	Conway County Ordinance no. 2014-16 (May 22, 2014) established fund to receive loan proceeds restricted for renovation of the hospital facilities owned by the County.
Library Building	Established to account for donations restricted by donors and grants for the purchase of computers and library expansion.

Treasurer's accounts consist primarily of treasurer's commissions not distributed to the appropriate agencies.

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

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

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

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

CONWAY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2018  
(UNAUDITED)

1. A. **Basis of Presentation - Regulatory Fund Accounting**

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.

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

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

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

**Road Fund** - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, federal aid, interest, and sales tax 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. The Special Revenue Funds presented on Schedules 1 and 2 are 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. The Capital Projects Funds presented on Schedules 1 and 2 are reported with other funds in the aggregate.

**Agency Funds** - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The Agency Funds presented on Schedule 1 are reported with other funds in the aggregate.

B. **Basis of Accounting**

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 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. 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.

CONWAY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2018  
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1. (Continued)

**C. 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, trusts, excess treasurer commission, interest, law library, and taxes 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.

**D. 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.

**E. 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 Law Enforcement Grant, Communication Facility, and Equipment, Center for Exceptional Children, and Library Building Funds.

CONWAY COUNTY, ARKANSAS  
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1. (Continued)

**F. 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.

For classification of fund balance amounts, restricted resources are considered spent before unrestricted. 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.

2. **Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 247,897
Law enforcement			217,839
Public safety			337,057
Health			779,726
Recreation and culture			1,134,111
Remittance to the community college			68,903
Capital outlay			429,752
Total Restricted			<u>3,215,285</u>
Assigned to:			
Highways and streets		\$ 1,030,110	
Public safety			1,654,167
Economic Development	\$ 41,585		
Total Assigned	<u>41,585</u>	<u>1,030,110</u>	<u>1,654,167</u>
Unassigned	<u>2,220,311</u>		
Totals	<u>\$ 2,261,896</u>	<u>\$ 1,030,110</u>	<u>\$ 4,869,452</u>

CONWAY COUNTY, ARKANSAS  
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**3. Commitments**

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	\$ 2,097,642
Noncancellable leases	9,528
Reappraisal contract	548,000
Construction contract	268,563
 Total Commitments	 \$ 2,923,733

Long-term Liabilities

Long-term liabilities at December 31, 2018, are comprised of the following:

	December 31, 2018
Note Payable, dated June 4, 2014, with Petit Jean State Bank for the expansion of the hospital emergency room, at an interest rate of 1.94%. Five annual payments of \$264,761 are to be made from the County Hospital Fund.	\$ 259,597
Note payable, dated June 24, 2014, with Petit Jean State Bank for the purchase of a 2015 Ford F350 brush truck for the Sardis Fire Department, at an interest rate of 1.97%. Five annual payments of \$9,707 are to be made from the Fire Department Fund.	9,488
Note payable, dated March 25, 2014, with Petit Jean State Bank for the purchase of a 2015 Ford F550 super cab fire truck for the Springfield Fire Department, at an interest rate of 1.97%. Five annual payments of \$30,598 are to be made from the Fire Department Fund.	29,909
Note payable, dated July 1, 2014, with Petit Jean State Bank for the purchase of and construction of a building for the Overcup Fire Department, at an interest rate of 1.97%. Five annual payments of \$18,689 are to be made from the Fire Department Fund.	18,070
Note payable, dated December 2, 2015, with Petit Jean State Bank for the expansion of the county jail, at an interest rate of 1.94%. Five annual payments of \$423,671 are to be made from the General Fund.	822,844
Note payable, dated May 23, 2016, with Arvest Bank for the purchase of a 2016 Kenworth pumper truck, for the Birdtown Fire Department, at an interest rate of 1.99%. Five annual payments of \$33,647 are to be made from the Fire Department Fund.	97,054
Note payable, dated September 13, 2016, with Petit Jean State Bank for the purchase of a 2017 Kenworth T-370 fire truck, for the Cleveland Fire Department, at an interest rate of 1.97%. Five annual payments of \$16,931 are to be made from the Fire Department Fund.	48,854
Note payable, dated June 1, 2016, with Petit Jean State Bank for the purchase of a 2015 brush truck, for the Overcup Fire Department, at an interest rate of 1.97%. Five annual payments of \$7,443 are to be made from the Fire Department Fund.	21,477

CONWAY COUNTY, ARKANSAS  
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**3. Commitments (Continued)**

Long-term Liabilities (Continued)

	December 31, 2018
Note payable, dated June 29, 2016, with Petit Jean State Bank for the purchase of a 2016 Dodge Charger and a 2016 Ford Transport, for the County Sheriff's office, at an interest rate of 1.97%. Five annual payments of \$9,292 are to be made from the General Fund.	\$ 26,814
Note payable, dated September 19, 2017, with Petit Jean State Bank for the purchase of a 2018 Dodge Ram 3500, for the Blackwell Fire Department, at an interest rate of 2.01%. Five annual payments of \$12,342 are to be made from the Fire Department Fund.	46,879
Note payable, dated May 22, 2017, with Petit Jean State Bank for the purchase of a 2017 Dodge 3500 Firetruck, for the Hillcreek Fire Department, at an interest rate of 1.97%. Five annual payments of \$8,186 are to be made from the Fire Department Fund.	32,314
Note payable, dated March 27, 2018, with Petit Jean State Bank for the purchase of a 1997 Freightliner Pierce Pumper Truck, for the Springfield Fire Department, at an interest rate of 2.20%. Five annual payments of \$13,443 are to be made from the Fire Department Fund.	63,001
Note payable, dated May 3, 2018, with Petit Jean State Bank for the purchase of 3.25 acres with a building, for the Jerusalem Fire Department, at an interest rate of 2.20%. Five annual payments of \$16,828 are to be made from the Fire Department Fund.	78,855
Note payable, dated June 20, 2018, with Petit Jean State Bank for the purchase of a metal building, septic system and a HVAC unit, for the Center Ridge Fire Department, at an interest rate of 2.20%. Five annual payments of \$32,010 are to be made from the Fire Department Fund.	150,000
Note payable, dated March 1, 2018, with Petit Jean State Bank for the purchase of 9-2018 Ford Explorers, 2-2018 Dodge Chargers and 2-2018 Dodge Ram trucks, for the County Sheriff's office, at an interest rate of 2.20%. Five annual payments of \$65,310 are to be made from the General Fund.	306,000
Note payable, dated August 24, 2018, with Petit Jean State Bank for the purchase of a 2018 Kenworth T370 Tanker Truck for the Cleveland Fire Department, at an interest rate of 2.20%. Five annual payments of \$18,458 are to be made from the Fire Department Fund.	86,486
Total Long-term liabilities	\$ 2,097,642

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

Compensated Absences

Compensated absences do not vest or accumulate. The amount of compensated absences was not determined.

Post Employment Benefits Other Than Pensions

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

CONWAY COUNTY, ARKANSAS  
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**3. Commitments (Continued)**

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2018:

Years Ending December 31,	Notes
2019	\$ 981,601
2020	657,847
2021	234,176
2022	166,862
2023	146,024
Total Obligations	2,186,510
Less Interest	88,868
Total Principal	\$ 2,097,642

Noncancellable Lease

The County entered into a noncancellable lease agreement for two John Deere 672GP Motor Graders on August 29, 2016. Terms of the lease are monthly rental payments of \$2,722 for 36 months. One of the graders burned in June, 2018 and was returned which reduced the monthly rental payments to \$1,361. At the end of the lease term, the County will return the remaining grader.

The County is obligated for the following amounts for the next seven months:

Year	December 31, 2018
2019	\$ 9,528

Rental expense for 2018 was \$16,333.

Reappraisal Contract

The County entered into a contract dated October 23, 2017, with Arkansas CAMA Technology, Inc., for reappraisal services. The terms of the contract require \$685,000 to be paid in monthly installments of \$11,417 for a period of 60 months. The County is obligated for the following amounts:

Year	December 31, 2018
2019	\$ 137,000
2020	137,000
2021	137,000
2022	137,000
	\$ 548,000

Reappraisal expense for 2018 was \$137,000.



CONWAY COUNTY, ARKANSAS  
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**3. Commitments (Continued)**

Construction Contracts

The County was contractually obligated for the following construction contract at December 31, 2018:

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2018</u>
Replacement of Caney Valley Road Bridge	April 30, 2019	<u>\$ 268,563</u>

**4. Interfund Transfers**

The General and Road Funds transferred \$139,123 and \$65,000 respectively to Other Funds in the Aggregate to supplement the Emergency 911 operations. Within the Other Funds in the Aggregate, the Fire Department Fund transferred \$55,648 to supplement the Emergency 911 operations.

**5. Jointly Governed Organizations**

West River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott, and Yell Counties and the Cities of Van Buren, Ozark, Atkins, Booneville, Alma, Clarksville, Russellville, Paris, Charleston, Morrilton, Waldron, and Dardanelle entered into an agreement in 1991 to form the West River Valley Solid Waste Management District, in accordance with Ark. Code Ann. § 8-6-708. The County did not provide any funding for the West River Valley Solid Waste Management District in 2018. Separate financial statements may be obtained at 24087 Highway 164 Clarksville, AR. 72830.

Fifteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Fifteenth Judicial District, the Sheriffs' Departments of Yell, Conway, Logan, Scott, and Yell Counties, and the Police Departments of Paris, Booneville, Magazine, Waldron, Plainview, Ola, Dardanelle, Danville, Morrilton, Oppelo, Menifee, Mansfield, and Plumerville entered into an agreement to establish the Fifteenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fifteenth Judicial District. The County provided funding in the amount of \$15,000 to the Fifteenth District Drug Task Force during 2018. Financial statements of the Fifteenth District Drug Task force are not available.

Central Arkansas Intermodal Authority

Conway and Perry Counties entered into an agreement in 2016 to form the Central Arkansas Intermodal Authority, In accordance with Ark. Code Ann. § 14-143-103. The County did not provide any funding for the District in 2017.

**6. 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.

CONWAY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2018  
(UNAUDITED)

**6. Arkansas Public Employees Retirement System (Continued)**

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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, 2018 (date of APERS Employer Allocation Report) were \$605,709.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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, 2018 (actuarial valuation date and measurement date) was \$4,836,194.

**7. Capital Assets**

The County's fixed asset records are summarized below:

	December 31, 2018
Land	\$ 212,208
Buildings	8,022,832
Equipment	13,272,584
Construction in Progress	<u>3,112,053</u>
Total	<u>\$ 24,619,677</u>

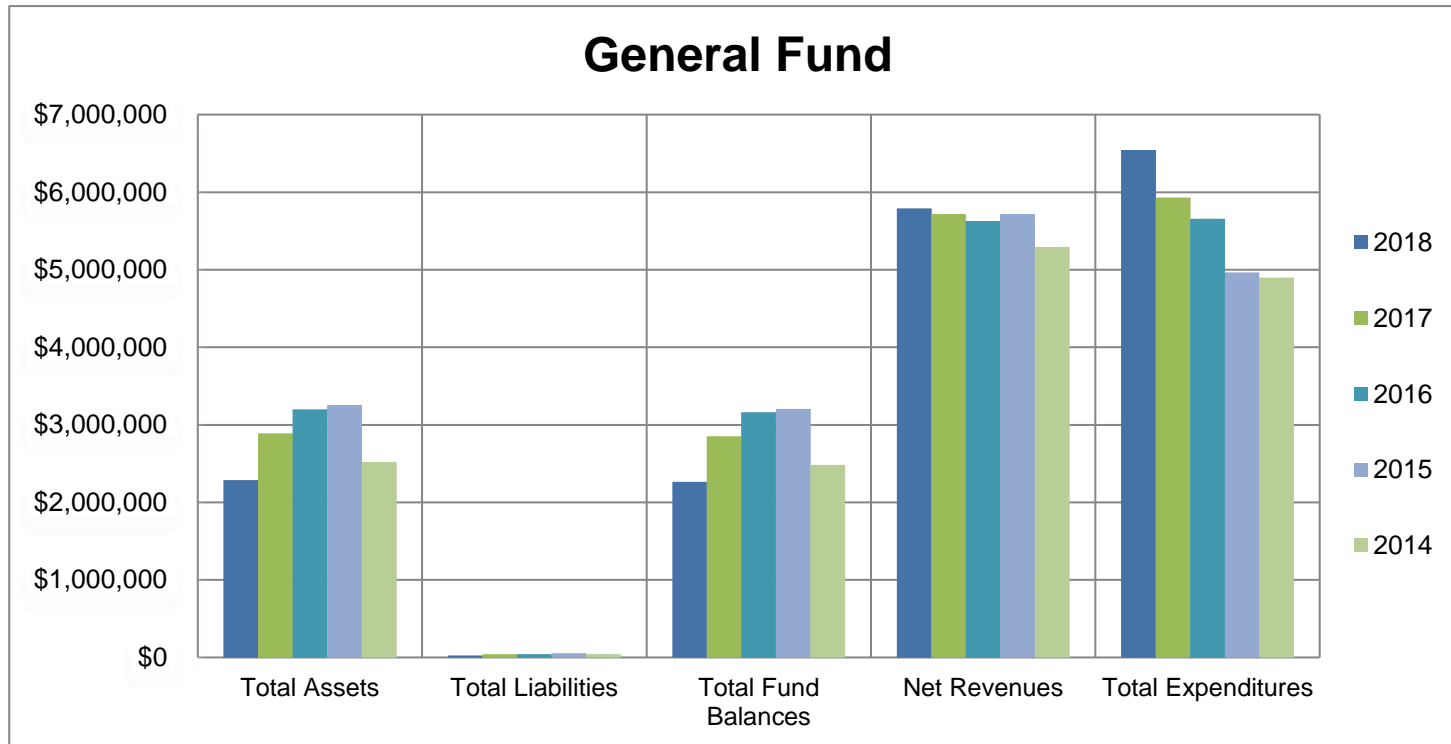
**8. Subsequent Events**

A taxpayer in Conway County has commenced proceedings in the Circuit Court of Conway County (Court) seeking to reduce property tax assessments. If successful, these proceedings could result in a significant reduction in property tax revenue received by the County. The amount of potential losses cannot currently be determined.

CONWAY COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 3-1

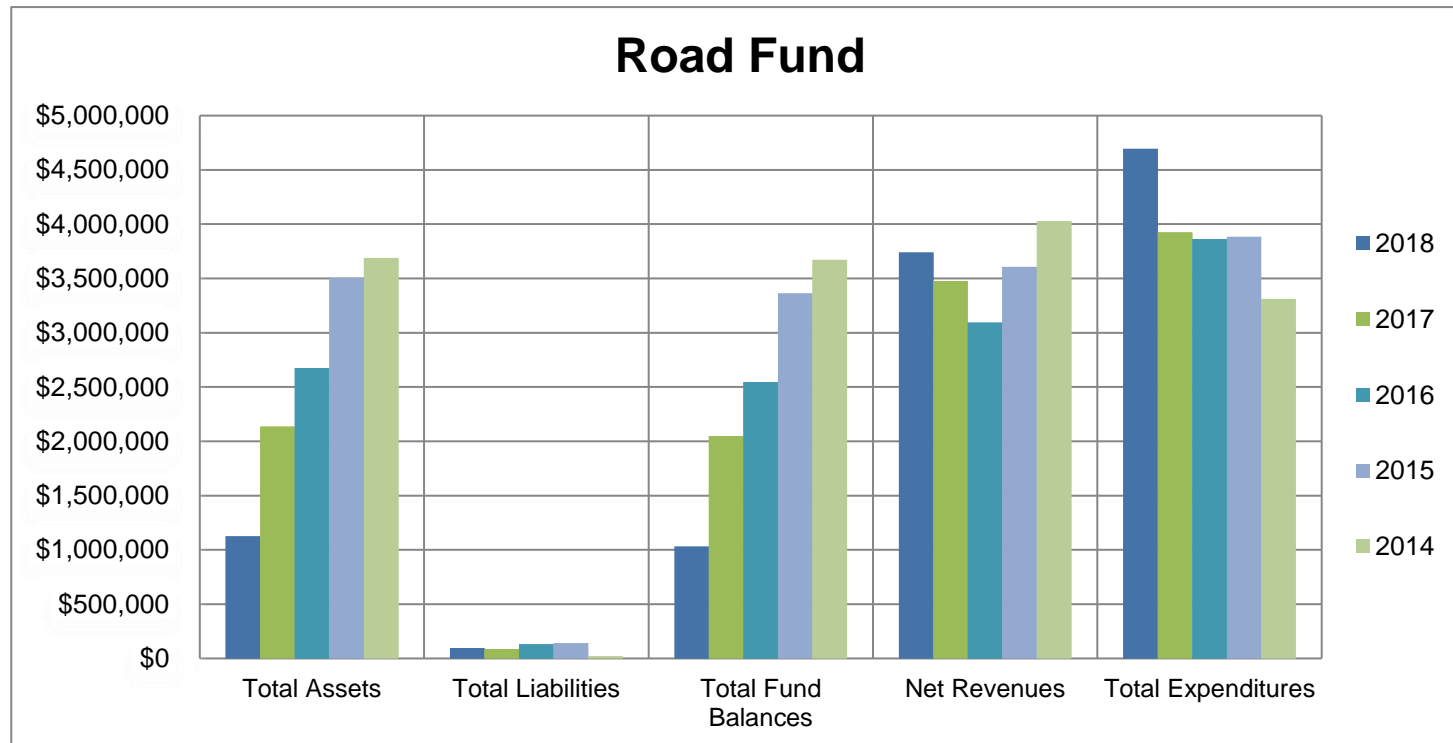
<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 2,285,342	\$ 2,888,128	\$ 3,197,996	\$ 3,254,988	\$ 2,519,787
Total Liabilities	23,446	39,771	37,779	49,924	37,839
Total Fund Balances	2,261,896	2,848,357	3,160,217	3,205,064	2,481,948
Net Revenues	5,787,649	5,715,329	5,626,472	5,718,829	5,294,206
Total Expenditures	6,540,987	5,929,803	5,656,325	4,963,820	4,895,073
Total Other Financing Sources/Uses	166,877	(97,386)	(14,994)	(28,148)	(472,209)



CONWAY COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 3-2

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 1,125,538	\$ 2,135,101	\$ 2,674,433	\$ 3,501,809	\$ 3,689,487
Total Liabilities	95,428	87,152	130,306	138,703	19,092
Total Fund Balances	1,030,110	2,047,949	2,544,127	3,363,106	3,670,395
Net Revenues	3,739,970	3,477,757	3,093,253	3,605,854	4,028,366
Total Expenditures	4,692,809	3,923,935	3,862,232	3,882,213	3,311,124
Total Other Financing Sources/Uses	(65,000)	(50,000)	(50,000)	(30,930)	(45,000)



CONWAY COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 3-3

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 5,774,001	\$ 5,885,955	\$ 6,280,596	\$ 8,140,824	\$ 6,659,407
Total Liabilities	904,549	1,108,918	1,043,117	1,242,833	1,096,327
Total Fund Balances	4,869,452	4,777,037	5,237,479	6,897,991	5,563,080
Net Revenues	4,323,579	4,308,353	4,166,909	4,399,374	4,772,054
Total Expenditures	4,078,588	4,283,920	5,496,854	4,341,435	5,163,485
Total Other Financing Sources/Uses	(152,576)	(484,875)	(330,567)	1,273,227	1,234,228

