

Hot Spring County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE



HOT SPRING COUNTY, ARKANSAS
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Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
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Rep. John W. Walker
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Hot Spring County, Arkansas, as of and for the year ended December 31, 2013, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility 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 Arkansas Code, as described in Note 1, to meet the requirements permitted by the State of Arkansas. 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Arkansas Code, 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.

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" paragraph, the 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 Hot Spring County, Arkansas, as of December 31, 2013, or the revenues, expenditures, and changes in net position and where applicable, cash flows, thereof for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

The County's financial statements do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the 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 Hot Spring County, Arkansas, as of December 31, 2013, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the omission of the information described above, the information 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.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That 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.

DIVISION OF LEGISLATIVE AUDIT



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

Little Rock, Arkansas
September 30, 2014
LOCO03013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,
AND OTHER ISSUES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Hot Spring 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 accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Hot Spring County, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2014. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect 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 qualified because required disclosures were not made concerning deposit risks.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2013-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The County officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording transactions to the extent possible with the current staffing levels.

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 the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Entity's Response to Findings

The County's response to the finding identified in our audit is described above. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the County.

The commentary contained in this section relates to the following officials that held office during 2013:

County Judge: Bill Scrimshire
Treasurer: Mary Cansler
Sheriff: Ed Hollingsworth
Tax Collector: Valerie Hearn
County Clerk: Sandy Boyette
Circuit Clerk: Mayme Brown
Assessor: Blake Riggan
County Librarian: Ashley Parker-Graves

Our audit procedures indicated that the offices of **County Judge, Treasurer, Tax Collector, County Clerk, Circuit Clerk, Assessor, and County Librarian** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Sheriff**.

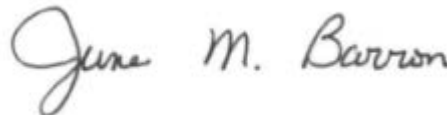
Sheriff

The Sheriff's office again was unable to account for all citation books. In addition, completed citation books again were not filed with the court clerk, as required by Ark. Code Ann. § 16-10-205.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
September 30, 2014

HOT SPRING COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 2,097,983	\$ 1,037,579	\$ 5,338,729
Accounts receivable	<u>257,976</u>	<u>52,630</u>	<u>476,649</u>
TOTAL ASSETS	<u><u>\$ 2,355,959</u></u>	<u><u>\$ 1,090,209</u></u>	<u><u>\$ 5,815,378</u></u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 60,255	\$ 28,395	\$ 94,330
Settlements pending	<u>379,062</u>	<u> </u>	<u>1,390,089</u>
Total Liabilities	<u><u>439,317</u></u>	<u><u>28,395</u></u>	<u><u>1,484,419</u></u>
Fund Balances:			
Restricted	<u> </u>	1,061,814	4,023,949
Committed	<u> </u>	<u> </u>	6,631
Assigned	414,122	<u> </u>	300,379
Unassigned	<u>1,502,520</u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>1,916,642</u></u>	<u><u>1,061,814</u></u>	<u><u>4,330,959</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,355,959</u></u>	<u><u>\$ 1,090,209</u></u>	<u><u>\$ 5,815,378</u></u>

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

HOT SPRING COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 691,043	\$ 1,400,845	\$ 244,472
Federal aid	58,128	130,928	43,160
Property taxes	2,080,597	804,332	315,274
Sales taxes			3,162,784
Fines, forfeitures, and costs	423,640		70,283
Interest	3,544	2,033	10,598
Officers' fees	34,611		285,220
911 fees			261,186
Dispatch salary reimbursement			138,510
Phone commission			10,835
Donations			107,149
Library fees			19,747
Industrial park rent	146,772		
Jail fees	126,557		
Treasurer's commission	101,991		25,873
Collector's commission	193,813		68,436
Taxes apportioned - Assessor's salary and expense	286,007		
Other	169,282	25,509	76,419
TOTAL REVENUES	4,315,985	2,363,647	4,839,946
Less: Treasurer's commission	34,551	21,608	41,337
NET REVENUES	4,281,434	2,342,039	4,798,609
EXPENDITURES			
Current:			
General government	1,957,860		343,310
Law enforcement	1,988,246		154,184
Highways and streets		2,254,300	
Public safety	32,495		696,826
Health	33,361		
Recreation and culture			396,975
Social services	67,669		
TOTAL EXPENDITURES	4,079,631	2,254,300	1,591,295

HOT SPRING COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 201,803</u>	<u>\$ 87,739</u>	<u>\$ 3,207,314</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	95,321		311,433
Transfers out	(225,254)	(17,708)	(163,792)
Sales tax remitted to solid waste authority			(1,690,131)
Sales tax remitted to hospital			(1,312,191)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(129,933)</u>	<u>(17,708)</u>	<u>(2,854,681)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>71,870</u>	<u>70,031</u>	<u>352,633</u>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	1,908,927	1,083,725	3,982,951
Restatement adjustment	<u>(64,155)</u>	<u>(91,942)</u>	<u>(4,625)</u>
FUND BALANCES - JANUARY 1, AS RESTATED	<u>1,844,772</u>	<u>991,783</u>	<u>3,978,326</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,916,642</u></u>	<u><u>\$ 1,061,814</u></u>	<u><u>\$ 4,330,959</u></u>

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

HOT SPRING 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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 402,000	\$ 691,043	\$ 289,043	\$ 1,126,000	\$ 1,400,845	\$ 274,845
Federal aid	55,000	58,128	3,128	34,000	130,928	96,928
Property taxes	1,633,000	2,080,597	447,597	836,000	804,332	(31,668)
Fines, forfeitures, and costs	270,900	423,640	152,740			
Interest	6,500	3,544	(2,956)	3,500	2,033	(1,467)
Officers' fees	31,600	34,611	3,011			
Industrial park rent		146,772	146,772			
Jail fees	75,000	126,557	51,557			
Treasurer's commission	96,500	101,991	5,491			
Collector's commission	175,000	193,813	18,813			
Taxes apportioned - Assessor's salary and expense	260,000	286,007	26,007			
Other	351,456	169,282	(182,174)	100	25,509	25,409
TOTAL REVENUES	3,356,956	4,315,985	959,029	1,999,600	2,363,647	364,047
Less: Treasurer's commission		34,551	(34,551)		21,608	(21,608)
NET REVENUES	3,356,956	4,281,434	924,478	1,999,600	2,342,039	342,439
EXPENDITURES						
Current:						
General government	2,017,195	1,957,860	59,335			
Law enforcement	2,075,558	1,988,246	87,312			
Highways and streets				2,430,727	2,254,300	176,427
Public safety	41,145	32,495	8,650			
Health	34,686	33,361	1,325			
Recreation and culture	5,000		5,000			
Social services	64,387	67,669	(3,282)			
TOTAL EXPENDITURES	4,237,971	4,079,631	158,340	2,430,727	2,254,300	176,427

HOT SPRING 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, 2013

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (881,015)	\$ 201,803	\$ 1,082,818	\$ (431,127)	\$ 87,739	\$ 518,866
OTHER FINANCING SOURCES (USES)						
Transfers in	250,000	95,321	(154,679)	17,000		(17,000)
Transfers out	(194,694)	(225,254)	(30,560)	(17,708)	(17,708)	
TOTAL OTHER FINANCING SOURCES (USES)	55,306	(129,933)	(185,239)	(708)	(17,708)	(17,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(825,709)	71,870	897,579	(431,835)	70,031	501,866
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	1,670,000	1,908,927	238,927	900,000	1,083,725	183,725
Restatement adjustment		(64,155)	(64,155)		(91,942)	(91,942)
FUND BALANCES - JANUARY 1, AS RESTATED	1,670,000	1,844,772	174,772	900,000	991,783	91,783
FUND BALANCES - DECEMBER 31	\$ 844,291	\$ 1,916,642	\$ 1,072,351	\$ 468,165	\$ 1,061,814	\$ 593,649

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

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 Fund Accounting

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Arkansas Code. 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. The General Fund heading as it appears in the financial statements includes the following accounts: General and Perla Project.

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. The following Special Revenue Funds are reported with other funds in the aggregate: Recorder's Cost, Hot Spring County Detention Facility, Child Support Cost, District Court Cost, County Emergency Rescue, Intoximeter, Emergency Vehicle, Emergency 911, Treasurer's Automation, Communications Facility and Equipment, Special Drug Enforcement, Juvenile Court Representation, Collector's Automation, County Clerk's Cost, Circuit Court Automation, Circuit Court Juvenile Division, Public Defender, Victim/Witness, Bullet Proof Vest Grant, Solid Waste Sales Tax, County Library, Solid Waste Reserve, Assessor's Amendment no. 79, Library Foundation, Voting System Grant, Circuit Clerk Commissioners Fee, Project Lifesaver, Hospital Sales Tax, Sheriff's Tiger Commissary, Automated Records System Grant, State Homeland Security Grant Program, Law Enforcement Terrorist Prevention Activities Grant, Adult Drug Court, Sheriff Automation, Magnet Cove Charter Administrative Fee, Magnet Cove/Hot Spring County Improvement, Point Cedar Fire Department Rural Community Grant, Fire Equipment and Training, and Sheriff's Drug Control.

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 following Capital Projects Funds are reported with other funds in the aggregate: Future Jail Construction and Capital Improvement.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Regulatory Fund Accounting (Continued)

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: Treasurer (Treasurer's Commission, Collector's Unapportioned, Insurance Clearing, Law Library, City of Magnet Cove, and State Land Sales); Collector (Current Tax and Delinquent Tax); Sheriff (Fee, Bond and Fine, Circuit Bond, and Commissary); County Clerk (Fee and Trust); and Circuit Clerk (Fee, Trust, and Juvenile).

C. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. 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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, funds held in trust, property taxes, interest, excess commissions, and officers' 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.
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.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash

Deposit risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

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.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid			\$ 77,208
Federal aid	\$ 4,226		
Property taxes	69,426	\$ 30,231	11,721
Sales taxes			267,095
Fines, forfeitures, and costs	22,568		10,859
Officers' fees	1,977		12,319
Jail fees	230		
911 fees			8,450
Dispatch salary reimbursement			39,629
Industrial park rent	12,376		
Treasurer's commission	101,991	22,125	42,324
Other	4,853	274	7,044
Treasurer's commission charged	40,329		
Totals	\$ 257,976	\$ 52,630	\$ 476,649

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2013 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 55,745	\$ 28,395	\$ 94,330
Payroll taxes payable	4,510		
Totals	\$ 60,255	\$ 28,395	\$ 94,330

NOTE 6: 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, 2013, the legal debt limit for bonded debt was \$31,786,783. 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, 2013, the legal debt limit for short-term financing obligations was \$9,288,812. There were no short-term financing obligations.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2013 are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 731,421
Law enforcement			135,627
Highways and streets		\$ 1,061,814	
Public safety			59,212
Sanitation			772,458
Recreation and culture			1,070,435
Health			604,074
Capital outlay			650,722
Total Restricted		<u>1,061,814</u>	<u>4,023,949</u>
Committed for:			
Law enforcement			<u>6,631</u>
Assigned to:			
General government	\$ 414,122		
Law enforcement			35,711
Public safety			203,108
Capital outlay			61,560
Total Assigned	<u>414,122</u>		<u>300,379</u>
Unassigned	<u>1,502,520</u>		
Totals	<u>\$ 1,916,642</u>	<u>\$ 1,061,814</u>	<u>\$ 4,330,959</u>

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2013:

	December 31, 2013
Noncancelable leases	\$ 45,576
Reappraisal contract	<u>472,788</u>
Total Commitments	<u>\$ 518,364</u>

Post Employment Benefits Other Than Pensions

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

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 8: Commitments (Continued)

Noncancellable Leases

The County entered into the following noncancellable lease agreements. At the end of the lease term, the County must return the machine to the vendor. The County is obligated for the following amounts:

	December 31, 2013
Lease agreement dated April 25, 2013 with Datamax for a ImageRunner 2525 copier. Terms of the lease are 60 months with monthly payments of \$190. Payments are to be made from the General Fund.	\$ 9,707
Lease agreement dated December 15, 2011 with Ikon Financial Services for a Ricoh MP4001 copier. Terms of the lease are 60 months with monthly payments of \$267. Payments are to be made from the General Fund.	9,612
Lease agreement dated August 23, 2010 with Datamax for a coin operated copier. Terms of the lease are 60 months with monthly payments of \$155. Payments are to be made from the Library Fund.	3,255
Lease agreement dated April 5, 2013 with Datamax for a Lexmark xm7155 copier. Terms of the lease are 60 months with monthly payments of \$434. Payments are to be made from the Library Fund.	23,002
Total	\$ 45,576

Years Ending December 31,	December 31, 2013
2014	\$ 12,556
2015	12,091
2016	10,696
2017	7,492
2018	2,741
Total Obligations	\$ 45,576

Rental expense for 2013 was \$10,355.

Reappraisal Contract

The County entered into a noncancellable reappraisal contract with Arkansas CAMA Technologies on January 24, 2012 for countywide real estate reappraisal. Terms of the contract are 60 monthly payments of \$13,133. The County was contractually obligated for the following amounts at December 31, 2013:

Year	December 31, 2013
2014	\$ 157,596
2015	157,596
2016	157,596
Total	\$ 472,788

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 9: Interfund Transfers

The General Fund transferred \$225,254 to the Other Funds in the Aggregate; \$218,694 to supplement operations and \$6,560 to reimburse operating expenses. The Road Fund transferred \$17,708 to the General Fund for administrative expenses. The Other Funds in the Aggregate transferred \$77,613 to the General Fund for reimbursement of administrative and operating expenses. Additionally, within the Other Funds in the Aggregate \$86,179 was transferred between Solid Waste Sales Tax Fund and Solid Waste Reserve Fund for future construction of landfill and recycling facilities.

NOTE 10: Prior Year Restatement

The January 1, 2013 fund balances for the General Fund, Street Fund, and Other Funds in the Aggregate were decreased in the amounts of \$64,155, \$91,942, and \$4,625, respectively, to recognize revenues in the year received by the County.

NOTE 11: Joint Venture: Mid-Arkansas Regional Library

Dallas, Grant, and Hot Spring Counties entered into an agreement in January 1982 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mid-Arkansas Regional Library. The agreement was amended in September 1989 to include Cleveland County. The agreement states that the business of the Mid-Arkansas Regional Library shall be handled by the Regional Board composed of the chairman, one other member of each county board, and the four co-regional librarians and shall be administered by a regional director. Funds for the Mid-Arkansas Regional Library consist of state aid grants, federal funds, and any other available funds for the purchase of books, maintenance of bookmobiles, and the employment of drivers and clerks. Each county continues to supervise control over its income from that county's one mill tax and has control of its particular library. The County made no payments to or on behalf of the Regional Library in 2013. The financial statements of the Mid-Arkansas Regional Library have not been audited. Financial Information may be obtained at the Hot Spring County Library, 202 East Third Street, Malvern, Arkansas 72104.

NOTE 12: Jointly Governed Organizations

Narcotics Enforcement Unit

The Prosecuting Attorneys of the Seventh and Ninth-(East) Judicial Districts, the Sheriff's Departments of Clark, Grant, and Hot Spring Counties, and the Police Departments of Arkadelphia, Sheridan, and Malvern entered into an agreement to establish the Group "6" Narcotics Enforcement Unit. Though this written agreement expired June 30, 2009, all parties are continuing on the premise of the 2009 agreement. Funding was provided through federal and state grants in addition to contributions from participating entities. The County made no contributions to or on behalf of the Group "6" Narcotics Enforcement Unit in 2013. Separate financial statements of the Group "6" Narcotics Enforcement Unit are not available.

Southwest Central Regional Solid Waste Management District

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Southwest Central Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in Arkansas Counties of Clark, Garland, and Hot Spring. The Southwest Central Regional Solid Waste Management District's board of directors is composed in accordance with the requirements of the Act and is comprised of representatives of the counties in the District and representatives of all first class cities, of all cities with a population over 2,000, and of the largest city of each county in the District. The County made no contributions to or disbursements on behalf of the Southwest Central Regional Solid Waste Management District in 2013. All financial transactions are between the Southwest Central Regional Solid Waste Management District and the Hot Spring County Solid Waste Authority, Inc. Separate financial statements of the Southwest Central Regional Solid Waste Management District are available at 1000 Central Avenue, Hot Springs, AR, 71903.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 13: 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 area:

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.

The County participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county property.

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). 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 and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. 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 shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

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 \$250,000 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.

HOT SPRING COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 14: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS 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 PERS. 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

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code 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 December 31, 2013 were \$504,124.

NOTE 15: Lease and Hospital Facilities

Hot Spring County Memorial Hospital was operated as a county hospital through November 30, 1994. In November 1994, members of the Board of Directors of Hot Spring County Memorial Hospital formed a 501(c) (3) not-for-profit corporation (Hot Spring County Medical Services, Inc.) for the purpose of leasing the hospital from the County and operating it as a private nonprofit concern. On November 3, 1994, Hot Spring County Medical Services, Inc., signed a lease agreement with the County to lease the facilities for: (a) a fee of \$25 annually and (b) payment of principal and interest necessary to meet the obligation of the hospital's existing bonded indebtedness. The lease agreement was approved by Hot Spring County Ordinance no. 94-31 (November 8, 1994) and modified with Hot Spring County Ordinance no. 08-42 (October 14, 2008). In 2013, the voters approved a one-half cent county-wide sales tax for 20 years to be used for the operation, maintenance, improvement, renovation, expansion, and equipping of hospital and related health care facilities, including particularly, without limitation, the hospital facility known as Hot Spring County Medical Center. The tax will expire December 31, 2033. The proceeds of the sales tax are accounted for in the Hospital Sales Tax Fund, a part of the other funds in the aggregate. In 2013, \$1,312,191 of this sales tax was received and remitted to the Hot Spring County Medical Center. The Quorum Court approved Hot Spring County Ordinance no. 13-53 (November 12, 2013) consenting to a sublease agreement between Hot Spring County Medical Center and Baptist Health.

NOTE 16: Recycling Center Lease Agreement

The County entered into a lease agreement with Hot Spring County Solid Waste Authority, Inc., on September 11, 2001. According to the terms of the agreement, the County (lessor) agreed to lease to the Solid Waste Authority (lessee) specified real property at the Jones Mill Industrial Park for the period of 50 years beginning on September 11, 2001 and ending on September 11, 2051. In return, the Hot Spring County Solid Waste Authority paid the County a lump sum amount of \$600,000 at the time of signing.

NOTE 17: Hot Spring County Solid Waste Authority

The Hot Spring County Solid Waste Authority, a separate government entity, was established by the Quorum Court in 1985. In 1994, the voters approved a one percent county-wide sales tax to be used (95%) to retire the then current indebtedness of the Solid Waste Authority (SWA), the annual operations and maintenance of the SWA, other general needs of the County, and five percent to establish a reserve fund for the purchase, acquisition, and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling. All of the municipalities of the County, except the City of Malvern, remit their portion of the sales tax to the County in exchange for sanitation services provided by SWA. The proceeds of the sales tax are accounted for in the Solid Waste Sales Tax and Solid Waste Reserve Funds, a part of the other funds in the aggregate. In 2013, \$1,690,131 of this sales tax was received and remitted to the SWA.

HOT SPRING COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS									
	Recorder's Cost	Hot Spring County Detention Facility	Child Support Cost	District Court Cost	County Emergency Rescue	Intoximeter	Emergency Vehicle	Emergency 911	Treasurer's Automation
ASSETS									
Cash and cash equivalents	\$ 68,730	\$ 48,607	\$ 10,022	\$ 7,652	\$ 59,186	\$ 1,155	\$ 3,893	\$ 161,051	\$ 98,015
Accounts receivable	12,792	6,047	45	575	26	33	745	52,976	
TOTAL ASSETS	<u>\$ 81,522</u>	<u>\$ 54,654</u>	<u>\$ 10,067</u>	<u>\$ 8,227</u>	<u>\$ 59,212</u>	<u>\$ 1,188</u>	<u>\$ 4,638</u>	<u>\$ 214,027</u>	<u>\$ 98,015</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 8	\$ 2,024						\$ 10,919	\$ 9
Settlements pending									
Total Liabilities	<u>8</u>	<u>2,024</u>						<u>10,919</u>	<u>9</u>
Fund Balances:									
Restricted	81,514	18,990	\$ 10,067	\$ 8,227	\$ 59,212	\$ 1,188	\$ 4,638		98,006
Committed									
Assigned		33,640						203,108	
Total Fund Balances	<u>81,514</u>	<u>52,630</u>	<u>10,067</u>	<u>8,227</u>	<u>59,212</u>	<u>1,188</u>	<u>4,638</u>	<u>203,108</u>	<u>98,006</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 81,522</u>	<u>\$ 54,654</u>	<u>\$ 10,067</u>	<u>\$ 8,227</u>	<u>\$ 59,212</u>	<u>\$ 1,188</u>	<u>\$ 4,638</u>	<u>\$ 214,027</u>	<u>\$ 98,015</u>

HOT SPRING COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Communications Facility and Equipment	Special Drug Enforcement	Juvenile Court Representation	Collector's Automation	County Clerk's Cost	Circuit Court Automation	Circuit Court Juvenile Division	Public Defender	Victim/Witness
ASSETS									
Cash and cash equivalents	\$ 3,046	\$ 152	\$ 19,557	\$ 307,837	\$ 21,728	\$ 20,173	\$ 21,689	\$ 23,481	
Accounts receivable	1,157		1		1,057	265	344	1,490	\$ 2,218
TOTAL ASSETS	\$ 4,203	\$ 152	\$ 19,558	\$ 307,837	\$ 22,785	\$ 20,438	\$ 22,033	\$ 24,971	\$ 2,218
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable								\$ 563	
Settlements pending									
Total Liabilities								<u>563</u>	
Fund Balances:									
Restricted	\$ 4,203		\$ 19,558	\$ 307,837	\$ 22,785	\$ 20,438	\$ 22,033	24,408	\$ 2,218
Committed		\$ 152							
Assigned									
Total Fund Balances	<u>4,203</u>	<u>152</u>	<u>19,558</u>	<u>307,837</u>	<u>22,785</u>	<u>20,438</u>	<u>22,033</u>	<u>24,408</u>	<u>2,218</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,203	\$ 152	\$ 19,558	\$ 307,837	\$ 22,785	\$ 20,438	\$ 22,033	\$ 24,971	\$ 2,218

HOT SPRING COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Solid Waste Sales Tax	County Library	Solid Waste Reserve	Assessor's Amendment no. 79	Library Foundation	Circuit Clerk Commissioners Fee	Project Lifesaver	Hospital Sales Tax
ASSETS								
Cash and cash equivalents	\$ 145,299	\$ 340,939	\$ 455,808	\$ 42,087	\$ 717,718	\$ 200	\$ 4,673	\$ 471,427
Accounts receivable	171,351	15,377		45		52		132,647
TOTAL ASSETS	<u>\$ 316,650</u>	<u>\$ 356,316</u>	<u>\$ 455,808</u>	<u>\$ 42,132</u>	<u>\$ 717,718</u>	<u>\$ 252</u>	<u>\$ 4,673</u>	<u>\$ 604,074</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 3,599						
Settlements pending								
Total Liabilities		<u>3,599</u>						
Fund Balances:								
Restricted	\$ 316,650	352,717	\$ 455,808	\$ 42,132	\$ 717,718	\$ 252		\$ 604,074
Committed							\$ 4,673	
Assigned								
Total Fund Balances	<u>316,650</u>	<u>352,717</u>	<u>455,808</u>	<u>42,132</u>	<u>717,718</u>	<u>252</u>	<u>4,673</u>	<u>604,074</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 316,650</u>	<u>\$ 356,316</u>	<u>\$ 455,808</u>	<u>\$ 42,132</u>	<u>\$ 717,718</u>	<u>\$ 252</u>	<u>\$ 4,673</u>	<u>\$ 604,074</u>

HOT SPRING COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

SPECIAL REVENUE FUNDS

	Sheriff's Tiger Commissary	Automated Records System Grant	Adult Drug Court	Sheriff Automation	Magnet Cove Charter Administrative Fee	Magnet Cove/Hot Spring County Improvement	Fire Equipment and Training	Sheriff's Drug Control
ASSETS								
Cash and cash equivalents	\$ 1,806	\$ 16,170	\$ 5,180	\$ 3,156	\$ 20,020	\$ 132,638		\$ 3,263
Accounts receivable			48	150			\$ 77,208	
TOTAL ASSETS	<u>\$ 1,806</u>	<u>\$ 16,170</u>	<u>\$ 5,228</u>	<u>\$ 3,306</u>	<u>\$ 20,020</u>	<u>\$ 132,638</u>	<u>\$ 77,208</u>	<u>\$ 3,263</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable							\$ 77,208	
Settlements pending								
Total Liabilities							<u>77,208</u>	
Fund Balances:								
Restricted		\$ 16,170	\$ 3,157	\$ 3,306	\$ 20,020	\$ 132,638		\$ 3,263
Committed	\$ 1,806							
Assigned			2,071					
Total Fund Balances	<u>1,806</u>	<u>16,170</u>	<u>5,228</u>	<u>3,306</u>	<u>20,020</u>	<u>132,638</u>		<u>3,263</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,806</u>	<u>\$ 16,170</u>	<u>\$ 5,228</u>	<u>\$ 3,306</u>	<u>\$ 20,020</u>	<u>\$ 132,638</u>	<u>\$ 77,208</u>	<u>\$ 3,263</u>

HOT SPRING COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2013

Schedule 1

	<u>CAPITAL PROJECTS FUNDS</u>		<u>AGENCY FUNDS</u>					<u>Totals</u>
	<u>Future Jail Construction</u>	<u>Capital Improvement</u>	<u>Treasurer's Accounts</u>	<u>Collector's Accounts</u>	<u>Sheriff's Accounts</u>	<u>County Clerk's Accounts</u>	<u>Circuit Clerk's Accounts</u>	
ASSETS								
Cash and cash equivalents	\$ 61,560	\$ 650,722	\$ 313,102	\$ 149,002	\$ 59,393	\$ 17,775	\$ 850,817	\$ 5,338,729
Accounts receivable								476,649
TOTAL ASSETS	<u>\$ 61,560</u>	<u>\$ 650,722</u>	<u>\$ 313,102</u>	<u>\$ 149,002</u>	<u>\$ 59,393</u>	<u>\$ 17,775</u>	<u>\$ 850,817</u>	<u>\$ 5,815,378</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 94,330
Settlements pending			\$ 313,102	\$ 149,002	\$ 59,393	\$ 17,775	\$ 850,817	1,390,089
Total Liabilities			<u>313,102</u>	<u>149,002</u>	<u>59,393</u>	<u>17,775</u>	<u>850,817</u>	<u>1,484,419</u>
Fund Balances:								
Restricted		\$ 650,722						4,023,949
Committed								6,631
Assigned	\$ 61,560							300,379
Total Fund Balances	<u>61,560</u>	<u>650,722</u>						<u>4,330,959</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 61,560</u>	<u>\$ 650,722</u>	<u>\$ 313,102</u>	<u>\$ 149,002</u>	<u>\$ 59,393</u>	<u>\$ 17,775</u>	<u>\$ 850,817</u>	<u>\$ 5,815,378</u>

HOT SPRING 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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Recorder's Cost	Hot Spring County Detention Facility	Child Support Cost	District Court Cost	County Emergency Rescue	Intoximeter	Emergency Vehicle	Emergency 911	Treasurer's Automation
REVENUES									
State aid					\$ 2,575				
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs						\$ 402	\$ 6,389		
Interest	\$ 243	\$ 108	\$ 25	\$ 11	156	2	11	\$ 503	\$ 211
Officers' fees	167,528	89,067	4,423	6,902					
911 fees								261,186	
Dispatch salary reimbursement								138,510	
Phone commission									
Donations									
Library fees									
Treasurer's commission									25,873
Collector's commission									
Other		88					790	2,250	
TOTAL REVENUES	167,771	89,263	4,448	6,913	2,731	404	7,190	402,449	26,084
Less: Treasurer's commission	1,676	871	43		25		60	3,562	
NET REVENUES	166,095	88,392	4,405	6,913	2,706	404	7,130	398,887	26,084
EXPENDITURES									
Current:									
General government	241,928		1,505						10,118
Law enforcement		69,402		6,769		82	6,440		
Public safety					11,916			471,321	
Recreation and culture									
TOTAL EXPENDITURES	241,928	69,402	1,505	6,769	11,916	82	6,440	471,321	10,118
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(75,833)	18,990	2,900	144	(9,210)	322	690	(72,434)	15,966
OTHER FINANCING SOURCES (USES)									
Transfers in	6,400							218,694	
Transfers out									(31,400)
Sales tax remitted to solid waste authority									
Sales tax remitted to hospital									
TOTAL OTHER FINANCING SOURCES (USES)	6,400							218,694	(31,400)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(69,433)	18,990	2,900	144	(9,210)	322	690	146,260	(15,434)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	150,947	33,640	7,167	8,083	68,571	866	3,948	56,848	113,440
Restatement adjustment					(149)				
FUND BALANCES - JANUARY 1, AS RESTATED	150,947	33,640	7,167	8,083	68,422	866	3,948	56,848	113,440
FUND BALANCES - DECEMBER 31	\$ 81,514	\$ 52,630	\$ 10,067	\$ 8,227	\$ 59,212	\$ 1,188	\$ 4,638	\$ 203,108	\$ 98,006

HOT SPRING 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, 2013

Schedule 2

SPECIAL REVENUE FUNDS									
	Communications Facility and Equipment	Special Drug Enforcement	Juvenile Court Representation	Collector's Automation	County Clerk's Cost	Circuit Court Automation	Circuit Court Juvenile Division	Public Defender	Victim/Witness
REVENUES									
State aid								\$ 2,534	
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs						\$ 3,515	\$ 5,192	17,568	\$ 26,616
Interest			\$ 48	\$ 622	\$ 76	56	49	60	
Officers' fees	\$ 5,497		140		11,409				
911 fees									
Dispatch salary reimbursement									
Phone commission	10,835								
Donations									
Library fees									
Treasurer's commission									
Collector's commission				68,436					
Other									
TOTAL REVENUES	16,332		188	69,058	11,485	3,571	5,241	20,162	26,616
Less: Treasurer's commission			2		114		52	25	
NET REVENUES	16,332		186	69,058	11,371	3,571	5,189	20,137	26,616
EXPENDITURES									
Current:									
General government				28,942	18,685				
Law enforcement	13,466					5,000	1,174	21,070	26,564
Public safety									
Recreation and culture									
TOTAL EXPENDITURES	13,466			28,942	18,685	5,000	1,174	21,070	26,564
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,866		186	40,116	(7,314)	(1,429)	4,015	(933)	52
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out				(15,000)			(8,270)		
Sales tax remitted to solid waste authority									
Sales tax remitted to hospital									
TOTAL OTHER FINANCING SOURCES (USES)				(15,000)			(8,270)		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,866		186	25,116	(7,314)	(1,429)	(4,255)	(933)	52
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	1,337	\$ 152	19,372	282,721	30,099	21,867	26,288	25,341	2,166
Restatement adjustment									
FUND BALANCES - JANUARY 1, AS RESTATED	1,337	152	19,372	282,721	30,099	21,867	26,288	25,341	2,166
FUND BALANCES - DECEMBER 31	<u>\$ 4,203</u>	<u>\$ 152</u>	<u>\$ 19,558</u>	<u>\$ 307,837</u>	<u>\$ 22,785</u>	<u>\$ 20,438</u>	<u>\$ 22,033</u>	<u>\$ 24,408</u>	<u>\$ 2,218</u>

HOT SPRING 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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS							
	Bullet Proof Vest Grant	Solid Waste Sales Tax	County Library	Solid Waste Reserve	Assessor's Amendment no. 79	Library Foundation	Voting System Grant	Circuit Clerk Commissioners Fee
REVENUES								
State aid			\$ 53,726		\$ 4,476		\$ 10,732	
Federal aid								
Property taxes			315,274					
Sales taxes		\$ 1,760,018						
Fines, forfeitures, and costs								
Interest		121	359	\$ 996	102	\$ 3,971		
Officers' fees								\$ 254
911 fees								
Dispatch salary reimbursement								
Phone commission								
Donations			90,979					
Library fees			19,747					
Treasurer's commission								
Collector's commission								
Other		65,148	5,234					
TOTAL REVENUES		1,825,287	485,319	996	4,578	3,971	10,732	254
Less: Treasurer's commission		17,136	3,571		45			2
NET REVENUES		1,808,151	481,748	996	4,533	3,971	10,732	252
EXPENDITURES								
Current:								
General government							10,732	
Law enforcement								
Public safety								
Recreation and culture			392,275			4,700		
TOTAL EXPENDITURES			392,275			4,700	10,732	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		1,808,151	89,473	996	4,533	(729)		252
OTHER FINANCING SOURCES (USES)								
Transfers in				86,179				
Transfers out	\$ (5,235)	(103,887)						
Sales tax remitted to solid waste authority		(1,690,131)						
Sales tax remitted to hospital								
TOTAL OTHER FINANCING SOURCES (USES)	(5,235)	(1,794,018)		86,179				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,235)	14,133	89,473	87,175	4,533	(729)		252
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	5,235	302,517	263,244	368,633	42,075	718,447		
Restatement adjustment					(4,476)			
FUND BALANCES - JANUARY 1, AS RESTATED	5,235	302,517	263,244	368,633	37,599	718,447		
FUND BALANCES - DECEMBER 31	\$ 0	\$ 316,650	\$ 352,717	\$ 455,808	\$ 42,132	\$ 717,718	\$ 0	\$ 252

HOT SPRING 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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS								
	Project Lifesaver	Hospital Sales Tax	Sheriff's Tiger Commissary	Automated Records System Grant	State Homeland Security Grant Program	Law Enforcement Terrorist Prevention Activities Grant	Adult Drug Court	Sheriff Automation	Magnet Cove Charter Administrative Fee
REVENUES									
State aid									
Federal aid					\$ 26,019	\$ 17,141			
Property taxes									
Sales taxes		\$ 1,402,766							
Fines, forfeitures, and costs							\$ 2,595	\$ 2,405	
Interest		981						5	\$ 20
Officers' fees									
911 fees									
Dispatch salary reimbursement									
Phone commission									
Donations				\$ 16,170					
Library fees									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES		1,403,747		16,170	26,019	17,141	2,595	2,410	20
Less: Treasurer's commission		14,131					22		
NET REVENUES		1,389,616		16,170	26,019	17,141	2,573	2,410	20
EXPENDITURES									
Current:									
General government				31,400					
Law enforcement			\$ 1,879						
Public safety					26,019	17,141			
Recreation and culture									
TOTAL EXPENDITURES			1,879	31,400	26,019	17,141			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		1,389,616	(1,879)	(15,230)			2,573	2,410	20
OTHER FINANCING SOURCES (USES)									
Transfers in							160		
Transfers out									
Sales tax remitted to solid waste authority									
Sales tax remitted to hospital		(1,312,191)							
TOTAL OTHER FINANCING SOURCES (USES)		(1,312,191)					160		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		77,425	(1,879)	(15,230)			2,733	2,410	20
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	\$ 4,673	526,649	3,685	31,400			2,495	896	20,000
Restatement adjustment									
FUND BALANCES - JANUARY 1, AS RESTATED	4,673	526,649	3,685	31,400			2,495	896	20,000
FUND BALANCES - DECEMBER 31	\$ 4,673	\$ 604,074	\$ 1,806	\$ 16,170	\$ 0	\$ 0	\$ 5,228	\$ 3,306	\$ 20,020

HOT SPRING 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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		Totals
	Magnet Cove/Hot Spring County Improvement	Point Cedar Fire Department Rural Community Grant	Fire Equipment and Training	Sheriff's Drug Control	Future Jail Construction	Capital Improvement	
REVENUES							
State aid		\$ 8,500	\$ 161,929				\$ 244,472
Federal aid							43,160
Property taxes							315,274
Sales taxes							3,162,784
Fines, forfeitures, and costs				\$ 5,601			70,283
Interest	\$ 134				\$ 146	\$ 1,582	10,598
Officers' fees							285,220
911 fees							261,186
Dispatch salary reimbursement							138,510
Phone commission							10,835
Donations							107,149
Library fees							19,747
Treasurer's commission							25,873
Collector's commission							68,436
Other					2,909		76,419
TOTAL REVENUES	134	8,500	161,929	5,601	3,055	1,582	4,839,946
Less: Treasurer's commission							41,337
NET REVENUES	134	8,500	161,929	5,601	3,055	1,582	4,798,609
EXPENDITURES							
Current:							
General government							343,310
Law enforcement				2,338			154,184
Public safety		8,500	161,929				696,826
Recreation and culture							396,975
TOTAL EXPENDITURES		8,500	161,929	2,338			1,591,295
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	134			3,263	3,055	1,582	3,207,314
OTHER FINANCING SOURCES (USES)							
Transfers in							311,433
Transfers out							(163,792)
Sales tax remitted to solid waste authority							(1,690,131)
Sales tax remitted to hospital							(1,312,191)
TOTAL OTHER FINANCING SOURCES (USES)							(2,854,681)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	134			3,263	3,055	1,582	352,633
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	132,504				58,505	649,140	3,982,951
Restatement adjustment							(4,625)
FUND BALANCES - JANUARY 1, AS RESTATED	132,504				58,505	649,140	3,978,326
FUND BALANCES - DECEMBER 31	\$ 132,638	\$ 0	\$ 0	\$ 3,263	\$ 61,560	\$ 650,722	\$ 4,330,959

HOT SPRING COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

Fund Name	Fund Description
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 automated records system.
Hot Spring County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 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.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's Office.
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.
County Emergency Rescue	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
Intoximeter	Ark. Code Ann. § 16-10-307 establishes that the County Administration of Justice Fund shall be used to defray a part of the expenses of the administration of justice in the County, including the Intoxication Detection Equipment Fund.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
Communications Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Special Drug Enforcement	This fund was created by Hot Spring County Ordinance no. 98-20 (May 12, 1998) per Ark. Code Ann. § 14-21-201.

HOT SPRING COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

Fund Name	Fund Description
Juvenile Court Representation	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the Juvenile Division of Circuit Court.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of Collector's gross commissions to operate the Collector's Office and to purchase, maintain, and operate an automated record keeping system.
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.
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.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the Juvenile Division of Circuit Court.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive District Court costs levied to be used by Prosecuting Attorney for operating victim/witness program.
Bullet Proof Vest Grant	This fund was created by Hot Spring County Ordinance no. 12-19 (March 13, 2012) to account for the 50% reimbursement of the amounts spent for bullet proof vests.
Solid Waste Sales Tax	Established by Hot Spring County Ordinance no 90-18 (October 9, 1990) to account for a one cent sales tax passed in January 1991. Civil Court Order no. 2003-279-2 determined that the designated purpose for the revenues are as follows: (a) 95% are to be used to pay the existing indebtedness of the Solid Waste Authority (SWA) to FmHA and the Bank of Malvern (retired prior to 2010) and the annual operation and maintenance of SWA and upon the retirement of the debt to FmHA and the Bank of Malvern, these revenues may be appropriated by the Quorum Court: First, to fund the annual operation and maintenance of SWA; and Second, to fund other general needs of the County as authorized by law; (b) 5% shall be appropriated into a reserve fund to be used for the purchase, acquisition and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling.

HOT SPRING COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

Fund Name	Fund Description
County Library	Fund consists of two accounts, Operating and Challenge. Ark. Code Ann. § 13-2-404 establishes the Operating account to receive property taxes, fees, fines, gifts, etc., to be appropriated for the support, operation, and maintenance of county public library system. All donations to the library are deposited in the Challenge Fund and are to be expended at the discretion of the Library Board.
Solid Waste Reserve	Established by Hot Spring County Ordinance no 90-18 (October 9, 1990) to account for a one cent sales tax passed in January 1991. Civil Court Order no. 2003-279-2 determined that the designated purpose for the revenues are as follows: (a) 95% are to be used to pay the existing indebtedness of the Solid Waste Authority (SWA) to FmHA and the Bank of Malvern (retired prior to 2010) and the annual operation and maintenance of SWA and upon the retirement of the debt to FmHA and the Bank of Malvern, these revenues may be appropriated by the Quorum Court: First, to fund the annual operation and maintenance of SWA; and Second, to fund other general needs of the County as authorized by law. (b) 5% shall be appropriated into a reserve fund to be used for the purchase, acquisition and/or construction of landfills and recycling facilities, all for the purpose of solid waste disposal and/or recycling.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that one per cent of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Arkansas Constitution, Amendment no. 79.
Library Foundation	The Library Foundation Fund is an investment fund made up of excess donations from a fund raiser to construct a new library in 2004. These funds are overseen by the Library Board.
Voting System Grant	Ark. Code Ann. 19-5-1247 established to receive grants from the County Voting System Grant Fund to purchase voting system equipment, programming, and maintenance.
Circuit Clerk Commissioners 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 expenses of the office of Circuit Clerk.
Project Lifesaver	This fund was created by Hot Spring County Ordinance no. 10-57 (October 20, 2010) to provide training of law enforcement personnel in the operation of electronic tracking equipment.

HOT SPRING COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

Fund Name	Fund Description
Hospital Sales Tax	Established by Hot Spring County Ordinance no. 08-31 (July 8, 2008) to account for a 1/2 cent sales tax passed September 9, 2008 for the operation, maintenance, improvement, renovation, expansion, and equipping of hospital and related health care facilities, including particularly, without limitation, the hospital facility known as Hot Spring County Medical Center.
Sheriff's Tiger Commissary	This fund was created by Hot Spring County Ordinance no. 11-59 (September 27, 2011) to account for profits received from the Sheriff's commissary account.
Automated Records System Grant	This fund was created by Hot Spring County Ordinance no. 11-63 (October 24, 2011) to process monies received from the Association of Arkansas Counties for Phase I Scanning Deed Books in the Circuit Clerk's Office.
State Homeland Security Grant Program	This fund was created by Hot Spring County Ordinance no. 11-78 (December 13, 2011) to process the County Emergency State Homeland Security Grant Program.
Law Enforcement Terrorist Prevention Activities Grant Program	This fund was created by Hot Spring County Ordinance no. 11-78 (December 13, 2011) to process the County Emergency Law Enforcement Terrorist Prevention Activities grant.
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.
Sheriff Automation	Ark. Code Ann. § 27-53-210 established fund to partially reimburse county law enforcement agency for cost of making copies of accident reports and traffic violations. Funds collected shall be retained for support of the law enforcement agency.
Magnet Cove Charter Administrative Fee	This fund was created by Hot Spring County Ordinance no. 12-85 (December 11, 2012) for the purpose of securing the storage and maintenance of all records held by the agents of Magnet Cove relating to the history, official acts, business, and all other records of the town of Magnet Cove, Arkansas.
Magnet Cove/Hot Spring County Improvement	This fund was created by Hot Spring County Ordinance no. 12-85 (December 11, 2012) for Hot Spring County to hold the funds and make expenditures from the special general account in compliance with the Agreement Made In Contemplation Of Dissolution of Magnet Cove, Arkansas with Hot Springs County, Arkansas.

HOT SPRING COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2013

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

Fund Name	Fund Description
Point Cedar Fire Department Rural Community Grant	This fund was created by Hot Spring County Ordinance no. 13-26 (July 10, 2013) to process the Point Cedar Fire Department Rural Community grant.
Fire Equipment and Training	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.
Sheriff's Drug Control	Ark. Code Ann. § 5-64-505 dictates the management and use of asset forfeiture funds for law enforcement and prosecutorial purposes.
Future Jail Construction	This fund was established by Hot Spring County Ordinance no. 04-37 (November 15, 2004) for the purpose of constructing a new Hot Spring County criminal detention facility.
Capital Improvement	Established by Hot Spring County Ordinance no. 08-1 (January 8, 2008) to account for Act 1093 of 2007 state monies for the purpose of funding capital expenditures.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate authorities.
 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 Treasurer and trust money awaiting disposition by the applicable court.
 Circuit Clerk's accounts consist of trust money and settlements due to Treasurer and trust money awaiting disposition by the applicable court.

HOT SPRING COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2013
(Unaudited)

Schedule 3

	<u>December 31, 2013</u>
Land and buildings	\$ 9,031,109
Equipment	<u>7,979,967</u>
Total	<u><u>\$ 17,011,076</u></u>

HOT SPRING COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2013
(Unaudited)

Schedule 4

<u>General</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Assets	\$ 2,355,959	\$ 2,432,997	\$ 2,287,110	\$ 1,431,285	\$ 1,281,359
Total Liabilities	439,317	524,070	539,424	479,794	80,166
Total Fund Balances	1,916,642	1,908,927	1,747,686	951,491	1,201,193
Net Revenues	4,281,434	4,381,728	4,341,299	3,342,560	3,835,176
Total Expenditures	4,079,631	4,161,273	3,887,577	3,485,711	3,696,763
Total Other Financing Sources/Uses	(129,933)	(59,214)	115,395	(106,551)	(169,643)
<u>Road</u>					
Total Assets	\$ 1,090,209	\$ 1,125,251	\$ 1,104,752	\$ 1,091,466	\$ 1,417,701
Total Liabilities	28,395	41,526	61,599	49,268	190,615
Total Fund Balances	1,061,814	1,083,725	1,043,153	1,042,198	1,227,086
Net Revenues	2,342,039	2,147,753	2,124,388	1,939,938	2,380,004
Total Expenditures	2,254,300	2,111,072	2,126,749	2,238,442	2,358,700
Total Other Financing Sources/Uses	(17,708)	3,891	3,316	113,616	(16,231)
<u>Other Funds in the Aggregate</u>					
Total Assets	\$ 5,815,378	\$ 4,814,472	\$ 4,376,094	\$ 6,055,161	\$ 5,814,187
Total Liabilities	1,484,419	831,521	717,922	724,029	1,084,838
Total Fund Balances	4,330,959	3,982,951	3,658,172	5,331,132	4,729,349
Net Revenues	4,798,609	5,036,505	4,563,934	4,864,993	3,412,112
Total Expenditures	1,591,295	1,523,481	3,005,787	1,698,345	4,119,785
Total Other Financing Sources/Uses	(2,854,681)	(3,188,245)	(3,004,029)	(3,021,788)	185,874