

**Marion County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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MARION COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Independent Auditor's Report  
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*

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

# Arkansas

**Sen. Jason Rapert**  
Senate Chair  
**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

### INDEPENDENT AUDITOR'S REPORT

Marion 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 Marion County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

#### ***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 Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 from 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 control. 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 Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

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

#### ***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 Marion County, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, 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 Marion County, Arkansas, as of December 31, 2017, 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 Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Other Matters***

#### ***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, the supplementary 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 it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2019, 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.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
March 12, 2019  
LOCO04517

# Arkansas

**Sen. Jason Rapert**  
Senate Chair  
**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

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

Marion 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 Marion County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated March 12, 2019. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

#### 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.

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. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### 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*.

## 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 2017:

County Judge: Terry Ott  
Treasurer: Ron McPherson  
Sheriff: Clinton Evans  
Tax Collector: Cathy Brightwell  
County and Circuit Clerk: Dawn Moffet  
Assessor: Tonya Eppes  
County Librarian: Dana Scott  
District Court Clerk: Martha Moore

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

### **County Judge**

1. Restricted Road Fund monies of \$13,125, \$13,235, and \$3,360 in 2018, 2017, and 2016, respectively, were used to pay legal expenses related to the County Judge's Ethics Commission hearing and subsequent appeal in Circuit Court. The payments are in apparent conflict with *Hall v. Thompson*, 283 Ark. 26,669 S.W.2d (1984), as interpreted by Op. Atty Gen. nos. 1985-124 and 2011-110.
2. Formal bidding procedures were not performed for the purchase of five dump trucks totaling \$777,875, acquired in a lease-purchase agreement, in noncompliance with Ark. Code Ann. §§ 14-22-101 - 14-22-104.
3. Fixed asset records were not properly maintained, as required by Ark. Code Ann. § 14-25-106. Numerous equipment purchases were not added to the fixed asset listing, and the County could not produce a list of current year disposals.

### **County Librarian**

Marion County Library paid \$100,000 of public funds to a nonprofit organization to establish a charitable fund for the benefit of the Library. The agreement establishing the charitable fund states, in part, "Donor irrevocably gives, delivers, transfers and assigns to Arkansas Community Development Foundation (the nonprofit organization) all of its rights, title and interest in and to the assets gifted...." The agreement also stipulates that a minimum balance of \$50,000 be maintained with the nonprofit organization for three years. The agreement appears to conflict with Ark. Const. art. 12, § 5, which states, in part, "No county...shall...obtain or appropriate money for...any corporation, association, or individual."

### 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.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
March 12, 2019

MARION COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 836,559	\$ 688,695	\$ 8,686,359
Accounts receivable	<u>234,217</u>	<u>15,777</u>	<u>160,390</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,070,776</u></b>	<b><u>\$ 704,472</u></b>	<b><u>\$ 8,846,749</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 55,443	\$ 51,483	\$ 285,407
Settlements pending	<u>7,425</u>	<u>        </u>	<u>635,627</u>
Total Liabilities	<u>62,868</u>	<u>51,483</u>	<u>921,034</u>
Fund Balances:			
Restricted	<u>        </u>	652,989	7,573,112
Committed	471,534	<u>        </u>	341,900
Assigned	6,004	<u>        </u>	10,703
Unassigned	<u>530,370</u>	<u>        </u>	<u>        </u>
Total Fund Balances	<u>1,007,908</u>	<u>652,989</u>	<u>7,925,715</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,070,776</u></b>	<b><u>\$ 704,472</u></b>	<b><u>\$ 8,846,749</u></b>

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

MARION COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 487,427	\$ 1,391,824	\$ 235,483
Federal aid	197,798	250,051	3,498
Property taxes	933,646	451,262	157,837
Sales taxes	1,028,980		894,029
Fines, forfeitures, and costs	208,884		25,679
Interest	1,579	2,842	39,829
Officers' fees	14,296		150,626
Sanitation fees		1,713	148,698
Jail fees	36,035		9,627
911 fees			179,919
Law enforcement services			101,400
Treasurer's commission	95,010		14,133
Collector's commission	196,004		38,857
Taxes apportioned - Assessor's salary and expense	221,774		
Other	138,153	11,332	30,818
	<u>3,559,586</u>	<u>2,109,024</u>	<u>2,030,433</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>47,097</u>	<u>26,511</u>	<u>23,464</u>
NET REVENUES	<u>3,512,489</u>	<u>2,082,513</u>	<u>2,006,969</u>
EXPENDITURES			
Current:			
General government	973,982		325,113
Law enforcement	1,552,004		2,879,676
Highways and streets	274,624	2,183,609	
Public safety	159,207		245,284
Sanitation	92,419		242,019
Health	28,543		
Recreation and culture	46,275		363,022
Social services	90,466		
Total Current	<u>3,217,520</u>	<u>2,183,609</u>	<u>4,055,114</u>
Debt Service:			
Bond interest and other charges			135,455
Lease principal	132,915	86,920	
Lease interest	5,046	12,912	
TOTAL EXPENDITURES	<u>3,355,481</u>	<u>2,283,441</u>	<u>4,190,569</u>



MARION COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 157,008</u>	<u>\$ (200,928)</u>	<u>\$ (2,183,600)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		7,400	56,658
Transfers out	(7,400)		(56,658)
Bond proceeds			<u>8,165,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,400)</u>	<u>7,400</u>	<u>8,165,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	149,608	(193,528)	5,981,400
FUND BALANCES - JANUARY 1	<u>858,300</u>	<u>846,517</u>	<u>1,944,315</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,007,908</u>	<u>\$ 652,989</u>	<u>\$ 7,925,715</u>

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

MARION 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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
State aid	\$ 464,158	\$ 487,427	\$ 23,269	\$ 1,203,950	\$ 1,391,824	\$ 187,874
Federal aid	170,775	197,798	27,023	475,392	250,051	(225,341)
Property taxes	807,300	933,646	126,346	386,055	451,262	65,207
Sales taxes	900,900	1,028,980	128,080			
Fines, forfeitures, and costs	182,790	208,884	26,094			
Interest	1,800	1,579	(221)	1,350	2,842	1,492
Officers' fees	15,030	14,296	(734)			
Sanitation fees					1,713	1,713
Jail fees	43,200	36,035	(7,165)			
Treasurer's commission	92,000	95,010	3,010			
Collector's commission	155,000	196,004	41,004			
Taxes apportioned - Assessor's salary and expense	203,500	221,774	18,274			
Other	190,722	138,153	(52,569)	48,760	11,332	(37,428)
<b>TOTAL REVENUES</b>	<b>3,227,175</b>	<b>3,559,586</b>	<b>332,411</b>	<b>2,115,507</b>	<b>2,109,024</b>	<b>(6,483)</b>
Less: Treasurer's commission		47,097	(47,097)		26,511	(26,511)
<b>NET REVENUES</b>	<b>3,227,175</b>	<b>3,512,489</b>	<b>285,314</b>	<b>2,115,507</b>	<b>2,082,513</b>	<b>(32,994)</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,055,342	973,982	81,360			
Law enforcement	1,888,813	1,552,004	336,809			
Highways and streets	278,443	274,624	3,819	2,302,479	2,183,609	118,870
Public safety	184,418	159,207	25,211			
Sanitation	385,413	92,419	292,994			
Health	40,125	28,543	11,582			
Recreation and culture	46,275	46,275	0			
Social services	106,484	90,466	16,018			
Total Current	3,985,313	3,217,520	767,793	2,302,479	2,183,609	118,870
Debt Service:						
Lease principal	142,602	132,915	9,687	68,000	86,920	(18,920)
Lease interest	5,405	5,046	359	30,000	12,912	17,088
<b>TOTAL EXPENDITURES</b>	<b>4,133,320</b>	<b>3,355,481</b>	<b>777,839</b>	<b>2,400,479</b>	<b>2,283,441</b>	<b>117,038</b>

MARION 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, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (906,145)	\$ 157,008	\$ 1,063,153	\$ (284,972)	\$ (200,928)	\$ 84,044
OTHER FINANCING SOURCES (USES)						
Transfers in	172,976		(172,976)	7,400	7,400	0
Transfers out		(7,400)	(7,400)			
TOTAL OTHER FINANCING SOURCES (USES)	172,976	(7,400)	(180,376)	7,400	7,400	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(733,169)	149,608	882,777	(277,572)	(193,528)	84,044
FUND BALANCES - JANUARY 1	743,352	858,300	114,948	280,000	846,517	566,517
FUND BALANCES - DECEMBER 31	\$ 10,183	\$ 1,007,908	\$ 997,725	\$ 2,428	\$ 652,989	\$ 650,561

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

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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 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, and federal disaster funds that are restricted or committed for maintaining and constructing roads.

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

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

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

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

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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

**C. 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.

**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, commissions, fees, taxes, and trust funds 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.

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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 except for the Transfer Station Fees Fund.

**G. Fund Balance Classification Policies and Procedures**

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

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

**NOTE 2: Cash Deposits with Financial Institutions**

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

	<u>December 31, 2017</u>	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,253,480	\$ 1,322,480
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	8,955,797	9,412,594
Total Deposits	\$ 10,209,277	\$ 10,735,074

The above total deposits do not include cash on hand of \$2,336.

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

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

**NOTE 4: Accounts Receivable**

The accounts receivable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Property taxes	\$ 12,650	\$ 5,055	
Sales taxes	84,653		\$ 93,411
Fines, forfeitures, and costs	8,428		850
Interest	5		3,212
Officers' fees	866		10,859
Sanitation fees			10,703
Jail fees	1,536		5
911 fees			33,550
Treasurer's commission	95,010		
Other	12,034		7,800
Treasurer's commission charged	19,035	10,722	
Totals	<u>\$ 234,217</u>	<u>\$ 15,777</u>	<u>\$ 160,390</u>

**NOTE 5: Accounts Payable**

The accounts payable balance at December 31, 2017, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 55,443</u>	<u>\$ 51,483</u>	<u>\$ 285,407</u>

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 6: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2017, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 589,834
Law enforcement			387,431
Highways and streets		\$ 652,989	
Public safety			46,918
Sanitation			470
Recreation and culture			461,379
Capital outlay			5,103,441
Debt service			983,639
Total Restricted		<u>652,989</u>	<u>7,573,112</u>
Committed for:			
General government			308,367
Law enforcement	\$ 95,464		33,533
Highways and streets	193,270		
Public safety	20,301		
Sanitation	162,499		
Total Committed	<u>471,534</u>		<u>341,900</u>
Assigned to:			
Law enforcement	6,004		
Sanitation			10,703
Total Assigned	<u>6,004</u>		<u>10,703</u>
Unassigned	<u>530,370</u>		
Totals	<u>\$ 1,007,908</u>	<u>\$ 652,989</u>	<u>\$ 7,925,715</u>



MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 7: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2017, the legal debt limit for bonded debt was \$21,323,002. 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, 2017, the legal debt limit for short-term financing obligations was \$5,630,390. The amount of short-term financing obligations was \$944,545, leaving a legal debt margin of \$4,685,845.

**NOTE 8: Commitments**

Total commitments consist of the following at December 31, 2017:

	December 31, 2017
Long-term liabilities	\$ 9,109,545
Noncancellable lease	102,008
Reappraisal contract	486,612
Construction contract	<u>4,759,447</u>
Total Commitments	<u>\$ 14,457,612</u>

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 8: Commitments (Continued)**

Long-term Liabilities

Long-term liabilities at December 31, 2017, are comprised of the following:

	December 31, 2017
Lease-purchase agreement dated April 29, 2013, with US Bank Equipment Finance in the amount of \$42,245, interest rate of 5.63% for the purchase of a Caterpillar MDL CB34. Monthly payments of \$740 for 60 months. Payments are to be made from the Road Fund or Sales Tax - Road account of the General Fund.	\$ 2,949
Lease-purchase agreement dated April 29, 2013, with US Bank Equipment Finance in the amount of \$38,800, interest rate of 5.14% for the purchase of a NPK MDL GH 7 Hammer. Monthly payments of \$680 for 60 months. Payments are to be made from the Road Fund or Sales Tax - Road account of the General Fund.	2,708
Lease-purchase agreement dated July 11, 2014, with US Bank in the amount of \$196,756 with interest rate of 2.35% for the purchase of a cone crusher. Quarterly payments of \$12,922 for 48 months. Payments are to be made from the Road Fund or Sales Tax - Road account of the General Fund.	38,313
Lease-purchase agreement dated June 1, 2015, with Arvest Equipment Finance in the amount of \$195,784 with interest rate of 2.110% for the purchase of a loader. 6 monthly payments of \$2,600 and 54 monthly payments of \$3,540 are to be made. Payments are made from the Road Fund or Sales Tax - Road account of the General Fund.	103,346
Lease-purchase agreement dated May 8, 2017, with Arvest Equipment Finance in the amount of \$777,875, with interest rate of 2.970% for the purchase of five Kenworth T880 dump trucks. Monthly payments of \$13,967 for 60 months. Payments are made from the Road Fund.	692,954
Promissory note dated September 22, 2017, with First Service Bank in the amount of \$104,275 with interest rate of 2.930% for the purchase of a Kobelco Excavator. One interest payment of \$2,258, followed by 26 payments of \$4,000, and one final payment of \$3,932. Payments are to be made from the Road Fund.	104,275
Sales and Use Tax Bonds, Series 2017, dated February 23, 2017, in the amount of \$8,165,000, due in annual installments of \$245,000 to \$565,000 plus interest through March 1, 2036; interest rates from 2.5% to 3.5%. Payments are to be made from the Debt Service Fund.	8,165,000
Total Long-term liabilities	\$ 9,109,545

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

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 8: Commitments (Continued)**

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.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2017:

Years Ending December 31,	Bonds	Notes	Leases	Total
2018	\$ 501,094	\$ 26,258	\$ 254,524	\$ 781,876
2019	593,494	48,000	210,079	851,573
2020	589,806	35,932	188,842	814,580
2021	590,031		167,604	757,635
2022	589,081		69,835	658,916
2023 through 2027	2,951,159			2,951,159
2028 through 2032	2,936,650			2,936,650
2033 through 2036	2,205,569			2,205,569
Total Obligations	10,956,884	110,190	890,884	11,957,958
Less Interest	2,791,884	5,915	50,614	2,848,413
Total Principal	<u>\$ 8,165,000</u>	<u>\$ 104,275</u>	<u>\$ 840,270</u>	<u>\$ 9,109,545</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for a road grader on June 23, 2015. Terms of the lease are monthly rental payments of \$1,597 for 36 months. At the end of the lease term, the County will return the road grader to the lessor.

The County entered into a noncancellable lease agreement for two road graders on May 17, 2016. Terms of the lease are monthly rental payments of \$1,775 for 36 months. At the end of the lease term, the County will return the road graders to the lessor.

The County entered into a noncancellable lease agreement for three road graders on September 1, 2016. Terms of the lease are monthly rental payments of \$2,660 for 36 months. At the end of the lease term, the County will return the road graders to the lessor.

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 8: Commitments (Continued)**

The County is obligated for the following amounts for the next five years:

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 69,193
2019	32,815
	<hr/>
Total	<u>\$ 102,008</u>

Rental expense for 2017 was \$72,388.

Construction Contract

The County was contractually obligated for the following construction contract at December 31, 2017:

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2017</u>
Marion County Law Enforcement Center	November 2018	<u>\$ 4,759,447</u>

Reappraisal Contract

The County entered into a professional services contract dated November 10, 2016, for \$608,265 with Arkansas CAMA Technology for countywide reappraisal of real property for the period January 1, 2017 through December 31, 2021. Terms of the contract call for 60 equal monthly payments of \$10,138. The County is obligated for the following amounts:

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 121,653
2019	121,653
2020	121,653
2021	121,653
	<hr/>
Total	<u>\$ 486,612</u>

Reappraisal expense for 2017 was \$121,653.

**NOTE 9: Interfund Transfers**

The General Fund transferred \$7,400 to the Road Fund to supplement operations. Within Other Funds in the Aggregate, Series 2017 Bonds Construction Fund transferred \$56,658 to the County Buildings Improvement Fund to reimburse prior year expenditures.

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 10: Pledged Revenues**

The County pledged future .25% and .50% sales and use taxes to repay \$8,165,000 in bonds that were issued in 2017 to provide funding for the construction of a new county jail and law enforcement facility. Total principal and interest remaining on the bonds are \$8,165,000 and \$2,791,884, respectively, payable through March 1, 2036. For 2017, interest paid was \$135,455.

The Debt Service Fund received \$515,559 in sales taxes in 2017. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

**NOTE 11: Jointly Governed Organizations**

Ozark Mountain Solid Waste District

The County is a member of the Ozark Mountain Solid Waste District. The District is a jointly governed organization comprised of representatives from Baxter, Boone, Carroll, Marion, Newton, and Searcy Counties, and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. No payments were made by the County in 2017.

Fourteenth Judicial Drug Task Force

The Prosecuting Attorney of the Fourteenth Judicial District, the Sheriffs' Departments of Baxter, Boone, Marion, and Newton Counties, and the Police Departments of Harrison and Mountain Home entered into an agreement to establish the Fourteenth Judicial Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fourteenth Judicial District. Financial statements of the Fourteenth Judicial Drug Task Force are not available.

**NOTE 12: Risk Management**

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

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

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

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 12 : Risk Management (Continued)**

Vehicle Program

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

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

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

**NOTE 13: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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, 2017 (date of APERS Employer Allocation Report) were \$417,692.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$4,130,238.

MARION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 14: Library Contribution to the Arkansas Community Foundation**

In November 2017, the County Library paid the Arkansas Community Foundation \$100,000 to establish the "Marion County Library Charitable Fund". The Library must maintain a minimum balance of \$50,000 for three years. The Library has access to amounts above \$50,000. After three years, the Library has access to the entire amount invested. At December 31, 2017, the balance held by Foundation was \$99,943.

MARION COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS									
	Recorder's Cost	Treasurer's Automation	County Building Improvement	Jail Assessment Fees (Jail Sales Tax)	Breathalyzer	Collector's Automation	Child Support	Boating Safety	Law Enforcement - Federal Emergency Management Agency (FEMA) Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$ 237,221	\$ 26,139	\$ 299,680	\$ 225,615	\$ 16,947	\$ 180,437	\$ 21,900	\$ 12,744	\$ 1,820
Accounts receivable	10,126			31,248					
<b>TOTAL ASSETS</b>	<u>\$ 247,347</u>	<u>\$ 26,139</u>	<u>\$ 299,680</u>	<u>\$ 256,863</u>	<u>\$ 16,947</u>	<u>\$ 180,437</u>	<u>\$ 21,900</u>	<u>\$ 12,744</u>	<u>\$ 1,820</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable		\$ 32		\$ 3,892					
Settlements pending									
<b>Total Liabilities</b>		<u>32</u>		<u>3,892</u>					
Fund Balances:									
Restricted	\$ 247,347	26,107		252,971	\$ 16,947	\$ 180,437	\$ 21,900	\$ 12,744	\$ 1,820
Committed			\$ 299,680						
Assigned									
<b>Total Fund Balances</b>	<u>247,347</u>	<u>26,107</u>	<u>299,680</u>	<u>252,971</u>	<u>16,947</u>	<u>180,437</u>	<u>21,900</u>	<u>12,744</u>	<u>1,820</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 247,347</u>	<u>\$ 26,139</u>	<u>\$ 299,680</u>	<u>\$ 256,863</u>	<u>\$ 16,947</u>	<u>\$ 180,437</u>	<u>\$ 21,900</u>	<u>\$ 12,744</u>	<u>\$ 1,820</u>



MARION COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

		SPECIAL REVENUE FUNDS							
		Recycling Grant	Public Defender	Commercial Mobile Radio Service (CMRS) 911 Board	Circuit Court Automation	Emergency Vehicle	Planning Board	Juvenile Probation	Disaster
<b>ASSETS</b>									
Cash and cash equivalents	\$	470	\$ 19,923	\$ 5,200	\$ 39,464	\$ 9,288	\$ 8,687	\$ 13,860	\$ 616
Accounts receivable				33,550	453	464		280	
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>470</b>	<b>\$ 19,923</b>	<b>\$ 38,750</b>	<b>\$ 39,917</b>	<b>\$ 9,752</b>	<b>\$ 8,687</b>	<b>\$ 14,140</b>	<b>\$ 616</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable				\$ 1,584				\$ 590	
Settlements pending									
<b>Total Liabilities</b>				<u>1,584</u>				<u>590</u>	
<b>Fund Balances:</b>									
Restricted	\$	470	\$ 19,923	37,166	\$ 39,917	\$ 9,752		13,550	\$ 616
Committed							\$ 8,687		
Assigned									
<b>Total Fund Balances</b>		<u>470</u>	<u>19,923</u>	<u>37,166</u>	<u>39,917</u>	<u>9,752</u>	<u>8,687</u>	<u>13,550</u>	<u>616</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>470</b>	<b>\$ 19,923</b>	<b>\$ 38,750</b>	<b>\$ 39,917</b>	<b>\$ 9,752</b>	<b>\$ 8,687</b>	<b>\$ 14,140</b>	<b>\$ 616</b>

MARION COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS

	Metro Police Yelville	Courthouse Restoration	Assessor's Amendment no. 79	Capital Mercury/Marion County Shirt Company	Communications Facilities and Equipment	District Court Automation	County Library	FEMA 1819 - Disaster Relief Arkansas (DRAR) Project 1	Transfer Station Fees
<b>ASSETS</b>									
Cash and cash equivalents	\$ 29,269	\$ 11	\$ 14,840	\$ 59,693	\$ 16,917	\$ 25,353	\$ 467,980	\$ 17	
Accounts receivable	7,800					280			\$ 8,165
<b>TOTAL ASSETS</b>	<u>\$ 37,069</u>	<u>\$ 11</u>	<u>\$ 14,840</u>	<u>\$ 59,693</u>	<u>\$ 16,917</u>	<u>\$ 25,633</u>	<u>\$ 467,980</u>	<u>\$ 17</u>	<u>\$ 8,165</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 3,536		\$ 1,555				\$ 10,614		
Settlements pending									
Total Liabilities	<u>3,536</u>		<u>1,555</u>				<u>10,614</u>		
Fund Balances:									
Restricted		\$ 11	13,285	\$ 59,693	\$ 16,917	\$ 25,633	457,366	\$ 17	
Committed	33,533								
Assigned									\$ 8,165
Total Fund Balances	<u>33,533</u>	<u>11</u>	<u>13,285</u>	<u>59,693</u>	<u>16,917</u>	<u>25,633</u>	<u>457,366</u>	<u>17</u>	<u>8,165</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 37,069</u>	<u>\$ 11</u>	<u>\$ 14,840</u>	<u>\$ 59,693</u>	<u>\$ 16,917</u>	<u>\$ 25,633</u>	<u>\$ 467,980</u>	<u>\$ 17</u>	<u>\$ 8,165</u>

MARION COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	DEBT SERVICE FUND
	Recycling	County Law Library	Assessor's Late Assessment Fee	Library Grant	Court Security Grant	Fair Board Commercial Building Grant	Series 2017 Bonds - Construction	Series 2017 Bonds - Debt Service
ASSETS								
Cash and cash equivalents		\$ 27,625	\$ 504	\$ 13	\$ 1,828	\$ 4,000	\$ 5,361,306	\$ 921,365
Accounts receivable	\$ 2,538						3,212	62,274
<b>TOTAL ASSETS</b>	<b>\$ 2,538</b>	<b>\$ 27,625</b>	<b>\$ 504</b>	<b>\$ 13</b>	<b>\$ 1,828</b>	<b>\$ 4,000</b>	<b>\$ 5,364,518</b>	<b>\$ 983,639</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 703			\$ 1,824		\$ 261,077	
Settlements pending								
<b>Total Liabilities</b>		<b>703</b>			<b>1,824</b>		<b>261,077</b>	
Fund Balances:								
Restricted		26,922	\$ 504	\$ 13	4	\$ 4,000	5,103,441	\$ 983,639
Committed								
Assigned	\$ 2,538							
<b>Total Fund Balances</b>	<b>2,538</b>	<b>26,922</b>	<b>504</b>	<b>13</b>	<b>4</b>	<b>4,000</b>	<b>5,103,441</b>	<b>983,639</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,538</b>	<b>\$ 27,625</b>	<b>\$ 504</b>	<b>\$ 13</b>	<b>\$ 1,828</b>	<b>\$ 4,000</b>	<b>\$ 5,364,518</b>	<b>\$ 983,639</b>

MARION COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	Juvenile Probation Account	District Court Accounts	County Judge's Account	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 141,189	\$ 97,408	\$ 64,447	\$ 318,155	\$ 280	\$ 4,979	\$ 9,169	\$ 8,686,359
Accounts receivable								160,390
<b>TOTAL ASSETS</b>	<b>\$ 141,189</b>	<b>\$ 97,408</b>	<b>\$ 64,447</b>	<b>\$ 318,155</b>	<b>\$ 280</b>	<b>\$ 4,979</b>	<b>\$ 9,169</b>	<b>\$ 8,846,749</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable								\$ 285,407
Settlements pending	\$ 141,189	\$ 97,408	\$ 64,447	\$ 318,155	\$ 280	\$ 4,979	\$ 9,169	635,627
<b>Total Liabilities</b>	<b>141,189</b>	<b>97,408</b>	<b>64,447</b>	<b>318,155</b>	<b>280</b>	<b>4,979</b>	<b>9,169</b>	<b>921,034</b>
<b>Fund Balances:</b>								
Restricted								7,573,112
Committed								341,900
Assigned								10,703
<b>Total Fund Balances</b>								<b>7,925,715</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 141,189</b>	<b>\$ 97,408</b>	<b>\$ 64,447</b>	<b>\$ 318,155</b>	<b>\$ 280</b>	<b>\$ 4,979</b>	<b>\$ 9,169</b>	<b>\$ 8,846,749</b>

MARION 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Recorder's Cost	Treasurer's Automation	County Building Improvement	Jail Assessment Fees (Jail Sales Tax)	Breathalyzer	Collector's Automation	Child Support	Boating Safety	Law Enforcement - Federal Emergency Management Agency (FEMA) Grant
REVENUES									
State aid								\$ 3,607	
Federal aid									
Property taxes			\$ 6						
Sales taxes				\$ 378,470					
Fines, forfeitures, and costs					\$ 3,465				
Interest	\$ 955	\$ 79	1,125	546	47	\$ 625	\$ 88	43	
Officers' fees	133,120						864		
Sanitation fees									
Jail fees				8,234					
911 fees									
Law enforcement services									
Treasurer's commission		14,133							
Collector's commission						38,857			
Other	48		7,649	284					
<b>TOTAL REVENUES</b>	<b>134,123</b>	<b>14,212</b>	<b>8,780</b>	<b>387,534</b>	<b>3,512</b>	<b>39,482</b>	<b>952</b>	<b>3,650</b>	
Less: Treasurer's commission	2,701			7,712		778	18	72	
<b>NET REVENUES</b>	<b>131,422</b>	<b>14,212</b>	<b>8,780</b>	<b>379,822</b>	<b>3,512</b>	<b>38,704</b>	<b>934</b>	<b>3,578</b>	
EXPENDITURES									
Current:									
General government	115,220	12,812	8,820			17,461			
Law enforcement			2,502	277,431	37			5,381	
Public safety									
Sanitation									
Recreation and culture			9,004						
Total Current	115,220	12,812	20,326	277,431	37	17,461		5,381	
Debt Service:									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>115,220</b>	<b>12,812</b>	<b>20,326</b>	<b>277,431</b>	<b>37</b>	<b>17,461</b>		<b>5,381</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>16,202</b>	<b>1,400</b>	<b>(11,546)</b>	<b>102,391</b>	<b>3,475</b>	<b>21,243</b>	<b>934</b>	<b>(1,803)</b>	
OTHER FINANCING SOURCES (USES)									
Transfers in			56,658						
Transfers out									
Bond proceeds									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>56,658</b>						
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>16,202</b>	<b>1,400</b>	<b>45,112</b>	<b>102,391</b>	<b>3,475</b>	<b>21,243</b>	<b>934</b>	<b>(1,803)</b>	
FUND BALANCES - JANUARY 1	231,145	24,707	254,568	150,580	13,472	159,194	20,966	14,547	\$ 1,820
FUND BALANCES - DECEMBER 31	<b>\$ 247,347</b>	<b>\$ 26,107</b>	<b>\$ 299,680</b>	<b>\$ 252,971</b>	<b>\$ 16,947</b>	<b>\$ 180,437</b>	<b>\$ 21,900</b>	<b>\$ 12,744</b>	<b>\$ 1,820</b>

MARION 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Recycling Grant	Public Defender	Commercial Mobile Radio Service (CMRS) 911 Board	Circuit Court Automation	Emergency Vehicle	Planning Board	Juvenile Probation	Corp of Engineers	Disaster
REVENUES									
State aid									
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs		\$ 15,935			\$ 973				
Interest		71	\$ 261	\$ 150				\$ 14	
Officers' fees				6,657			\$ 4,208		
Sanitation fees									
Jail fees									
911 fees			179,919						
Law enforcement services									
Treasurer's commission									
Collector's commission									
Other			155					8,705	
<b>TOTAL REVENUES</b>		<u>16,006</u>	<u>180,335</u>	<u>6,807</u>	<u>973</u>		<u>4,208</u>	<u>8,719</u>	
Less: Treasurer's commission			<u>2,650</u>	<u>132</u>	<u>10</u>		<u>87</u>		
<b>NET REVENUES</b>		<u>16,006</u>	<u>177,685</u>	<u>6,675</u>	<u>963</u>		<u>4,121</u>	<u>8,719</u>	
EXPENDITURES									
Current:									
General government				1,392		\$ 2			
Law enforcement		16,330					953	9,242	
Public safety			232,784						
Sanitation	\$ 2,470								
Recreation and culture									
Total Current	<u>2,470</u>	<u>16,330</u>	<u>232,784</u>	<u>1,392</u>		<u>2</u>	<u>953</u>	<u>9,242</u>	
Debt Service:									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<u>2,470</u>	<u>16,330</u>	<u>232,784</u>	<u>1,392</u>		<u>2</u>	<u>953</u>	<u>9,242</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,470)</u>	<u>(324)</u>	<u>(55,099)</u>	<u>5,283</u>	<u>963</u>	<u>(2)</u>	<u>3,168</u>	<u>(523)</u>	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Bond proceeds									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(2,470)</u>	<u>(324)</u>	<u>(55,099)</u>	<u>5,283</u>	<u>963</u>	<u>(2)</u>	<u>3,168</u>	<u>(523)</u>	
FUND BALANCES - JANUARY 1	<u>2,940</u>	<u>20,247</u>	<u>92,265</u>	<u>34,634</u>	<u>8,789</u>	<u>8,689</u>	<u>10,382</u>	<u>523</u>	<u>\$ 616</u>
FUND BALANCES - DECEMBER 31	<u>\$ 470</u>	<u>\$ 19,923</u>	<u>\$ 37,166</u>	<u>\$ 39,917</u>	<u>\$ 9,752</u>	<u>\$ 8,687</u>	<u>\$ 13,550</u>	<u>\$ 0</u>	<u>\$ 616</u>

MARION 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, 2017

Schedule 2

SPECIAL REVENUE FUNDS									
	Metro Police Yellville	Courthouse Restoration	Assessor's Amendment no. 79	Capital Mercury/Marion County Shirt Company	Communications Facilities and Equipment	District Court Automation	Arkansas State Justice Assistance Grant (JAG) Mini Grant	County Library	FEMA 1819 - Disaster Relief Arkansas (DRAR) Project 1
REVENUES									
State aid			\$ 4,527					\$ 72,340	
Federal aid							\$ 3,498		
Property taxes								157,317	
Sales taxes									
Fines, forfeitures, and costs						\$ 3,920			
Interest	\$ 167		61			95		2,465	
Officers' fees					\$ 5,777				
Sanitation fees									
Jail fees					1,393				
911 fees									
Law enforcement services	101,400								
Treasurer's commission									
Collector's commission									
Other	325							11,592	
<b>TOTAL REVENUES</b>	<b>101,892</b>		<b>4,588</b>		<b>7,170</b>	<b>4,015</b>	<b>3,498</b>	<b>243,714</b>	
Less: Treasurer's commission	1,872		91			77		4,593	
<b>NET REVENUES</b>	<b>100,020</b>		<b>4,497</b>		<b>7,170</b>	<b>3,938</b>	<b>3,498</b>	<b>239,121</b>	
EXPENDITURES									
Current:									
General government			2,662						
Law enforcement	97,907				5,083		13,029		
Public safety									
Sanitation									
Recreation and culture								352,031	
Total Current	97,907		2,662		5,083		13,029	352,031	
Debt Service:									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>97,907</b>		<b>2,662</b>		<b>5,083</b>		<b>13,029</b>	<b>352,031</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,113</b>		<b>1,835</b>		<b>2,087</b>	<b>3,938</b>	<b>(9,531)</b>	<b>(112,910)</b>	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Bond proceeds									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>2,113</b>		<b>1,835</b>		<b>2,087</b>	<b>3,938</b>	<b>(9,531)</b>	<b>(112,910)</b>	
FUND BALANCES - JANUARY 1	31,420	\$ 11	11,450	\$ 59,693	14,830	21,695	9,531	570,276	\$ 17
FUND BALANCES - DECEMBER 31	\$ 33,533	\$ 11	\$ 13,285	\$ 59,693	\$ 16,917	\$ 25,633	\$ 0	\$ 457,366	\$ 17

MARION 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS								
	Transfer Station Fees	Recycling	Reappraisal Cost	County Law Library	Bruno Fire Department Grant	Automated Records System Grant	Assessor's Late Assessment Fee	Courthouse Stone Wall and Cupola Grant	Fairgrounds Grant
REVENUES									
State aid			\$ 121,653					\$ 9,820	
Federal aid									
Property taxes							\$ 514		
Sales taxes									
Fines, forfeitures, and costs				\$ 1,386					
Interest	\$ 287	\$ 142		114					
Officers' fees									
Sanitation fees	94,406	54,292							
Jail fees									
911 fees									
Law enforcement services									
Treasurer's commission									
Collector's commission									
Other		60							\$ 1,000
<b>TOTAL REVENUES</b>	<b>94,693</b>	<b>54,494</b>	<b>121,653</b>	<b>1,500</b>			<b>514</b>	<b>9,820</b>	<b>1,000</b>
Less: Treasurer's commission	1,496	1,165					10		
<b>NET REVENUES</b>	<b>93,197</b>	<b>53,329</b>	<b>121,653</b>	<b>1,500</b>			<b>504</b>	<b>9,820</b>	<b>1,000</b>
EXPENDITURES									
Current:									
General government			121,653			\$ 30,271		9,820	
Law enforcement				3,389					
Public safety					\$ 12,500				
Sanitation	127,458	112,091							
Recreation and culture									1,000
Total Current	127,458	112,091	121,653	3,389	12,500	30,271		9,820	1,000
Debt Service:									
Bond interest and other charges									
<b>TOTAL EXPENDITURES</b>	<b>127,458</b>	<b>112,091</b>	<b>121,653</b>	<b>3,389</b>	<b>12,500</b>	<b>30,271</b>		<b>9,820</b>	<b>1,000</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,261)	(58,762)		(1,889)	(12,500)	(30,271)	504		
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Bond proceeds									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(34,261)	(58,762)		(1,889)	(12,500)	(30,271)	504		
FUND BALANCES - JANUARY 1	42,426	61,300		28,811	12,500	30,271			
FUND BALANCES - DECEMBER 31	\$ 8,165	\$ 2,538	\$ 0	\$ 26,922	\$ 0	\$ 0	\$ 504	\$ 0	\$ 0



MARION 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, 2017

Schedule 2

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Totals	
	Library Grant	Court Security Grant	Fair Board Commercial Building Grant	Assessor GIF Program Grant	Series 2017 Bonds - Construction		Series 2017 Bonds - Debt Service
REVENUES							
State aid		\$ 14,536	\$ 4,000	\$ 5,000			\$ 235,483
Federal aid							3,498
Property taxes							157,837
Sales taxes						\$ 515,559	894,029
Fines, forfeitures, and costs							25,679
Interest					\$ 28,624	3,870	39,829
Officers' fees							150,626
Sanitation fees							148,698
Jail fees							9,627
911 fees							179,919
Law enforcement services							101,400
Treasurer's commission							14,133
Collector's commission							38,857
Other	\$ 1,000						30,818
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>14,536</b>	<b>4,000</b>	<b>5,000</b>	<b>28,624</b>	<b>519,429</b>	<b>2,030,433</b>
Less: Treasurer's commission							23,464
<b>NET REVENUES</b>	<b>1,000</b>	<b>14,536</b>	<b>4,000</b>	<b>5,000</b>	<b>28,624</b>	<b>519,429</b>	<b>2,006,969</b>
EXPENDITURES							
Current:							
General government				5,000			325,113
Law enforcement		14,532			2,173,278	260,582	2,879,676
Public safety							245,284
Sanitation							242,019
Recreation and culture	987						363,022
Total Current	987	14,532		5,000	2,173,278	260,582	4,055,114
Debt Service:							
Bond interest and other charges						135,455	135,455
<b>TOTAL EXPENDITURES</b>	<b>987</b>	<b>14,532</b>		<b>5,000</b>	<b>2,173,278</b>	<b>396,037</b>	<b>4,190,569</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13	4	4,000		(2,144,654)	123,392	(2,183,600)
OTHER FINANCING SOURCES (USES)							
Transfers in							56,658
Transfers out					(56,658)		(56,658)
Bond proceeds					7,304,753	860,247	8,165,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					<b>7,248,095</b>	<b>860,247</b>	<b>8,165,000</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	13	4	4,000		5,103,441	983,639	5,981,400
FUND BALANCES - JANUARY 1							1,944,315
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 13</b>	<b>\$ 4</b>	<b>\$ 4,000</b>	<b>\$ 0</b>	<b>\$ 5,103,441</b>	<b>\$ 983,639</b>	<b>\$ 7,925,715</b>

MARION COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
County Building Improvement	Marion County Ordinance no. 2006-54 (December 12, 2006) established fund to receive funds to be used for building repair and improvements.
Jail Assessment Fees (Jail Sales Tax)	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs. Marion County Ordinance no. 2015-061 (November 10, 2015) levied a 0.25% sales tax, approved by voters March 1, 2016, for the financing, construction, and maintenance of the jail.
Breathalyzer	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for maintaining and purchasing breathalyzer equipment.
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.
Child Support	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 a county or for emergency rescue services if the county has not established a patrol.
Law Enforcement - Federal Emergency Management Agency (FEMA) Grant	Established to account for federal grant funds received for disaster relief from the Federal Emergency Management Agency for law enforcement.
Recycling Grant	Established to account for state and federal grants from the Arkansas Department of Environmental Quality and fees received to create and operate a recycling program.
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.
Commercial Mobile Radio Service (CMRS) 911 Board	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.

MARION COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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.
Planning Board	Marion County Ordinance no. 80-008 (September 10, 1980) established fund to account for fees generated by building and related permits required by Marion County.
Juvenile Probation	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.
Corp of Engineers	Established to account for federal funds received from the Corp of Engineers for their contract with Marion County to patrol the waterways.
Disaster	Marion County Ordinance no. 2003-008 (March 12, 2003) established fund to account for state and federal disaster relief grants.
Metro Police Yellville	Marion County Ordinance no. 97-59 (September 25, 1997) established fund to account for monies received from the City of Yellville for the metropolitan branch of the Marion County Sheriff's Office.
Courthouse Restoration	Established to maintain building restoration grants from Arkansas Historical Society to renovate courthouse.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const. amend. 79.
Capital Mercury/Marion County Shirt Company	Lease agreement established fund to account for local funds used to repair the roof of a county owned building.
Communications Facilities 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.
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.

MARION COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Arkansas State Justice Assistance Grant (JAG) Mini Grant	Established to account for federal grant funds received for the benefit of the Marion County Sheriff's Office.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library. Also, Marion County Ordinance no. 1978-11 (April 6, 1978) established the Library Board to oversee the operations of the Marion County Library.
FEMA 1819 - Disaster Relief Arkansas (DRAR) Project 1	Established to account for Federal Emergency Management Agency grant received for road repairs.
Transfer Station Fees	Established to account for fees collected at the Transfer Station for waste disposal.
Recycling	Established to account for monies received from Transfer Station for sale of recycled items.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
County Law Library	Ark. Code Ann. § 16-23-101 established fund to account for the establishment, maintenance, and operation of a county law library.
Bruno Fire Department Grant	Established to account for State Community Project Grant for improvement of local fire protection.
Automated Records System Grant	Established to account for Automated Records System Grant received for the automation of the recorder's office.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to to receive delinquent assessment fees of fifty cents for each list, which shall be utilized by the county assessor to help pay for the expense of assessing property.
Courthouse Stone Wall and Cupola Grant	Established to account for Northwest Arkansas Economic and Development District Grant received for repair of courthouse stone wall and cupola.
Fairgrounds Grant	Established to account for Blue and You Foundation grant to make improvements to restroom facilities.
Library Grant	Established to account for Blue and You Foundation grant to purchase, install, and train for automated external defibrillator.
Court Security Grant	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.

MARION COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
Fair Board Commercial Building Grant	Established to account for AEDC Rural Services grant to update and maintain the Marion County Fair and Livestock Board commercial building.
Assessor GIF Program Grant	Established to account for Northwest Arkansas Economic and Development District Grant received for upgrading the County's Geographic Information Systems.
Series 2017 Bonds - Construction	Marion County Ordinance 2017-02 (January 10, 2017) authorized the issuance of Sales and Use Tax Bonds, Series 2017, for the purpose of financing capital improvements to acquire, construct, equip, and furnish a new jail and law enforcement facility. The County pledged two sales and use taxes aggregating .75% for the repayment of the bond principal and interest.
Series 2017 Bonds - Debt Service	Marion County Ordinance 2017-02 (January 10, 2017) authorized the issuance of Sales and Use Tax Bonds, Series 2017, for the purpose of financing capital improvements to acquire, construct, equip, and furnish a new jail and law enforcement facility. The County pledged two sales and use taxes aggregating .75% for the repayment of the bond principal and interest.

MARION COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2017

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

<u>Fund Name</u>	<u>Fund Description</u>
------------------	-------------------------

Treasurer's accounts consist primarily of treasurer's commission 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 circuit bond money held awaiting disposition by the court.

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

Juvenile Probation Officer's account consists primarily of fees not yet distributed to County.

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

County Judge's account consist of sanitation fees not yet remitted to the Treasurer.

MARION COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2017  
(Unaudited)

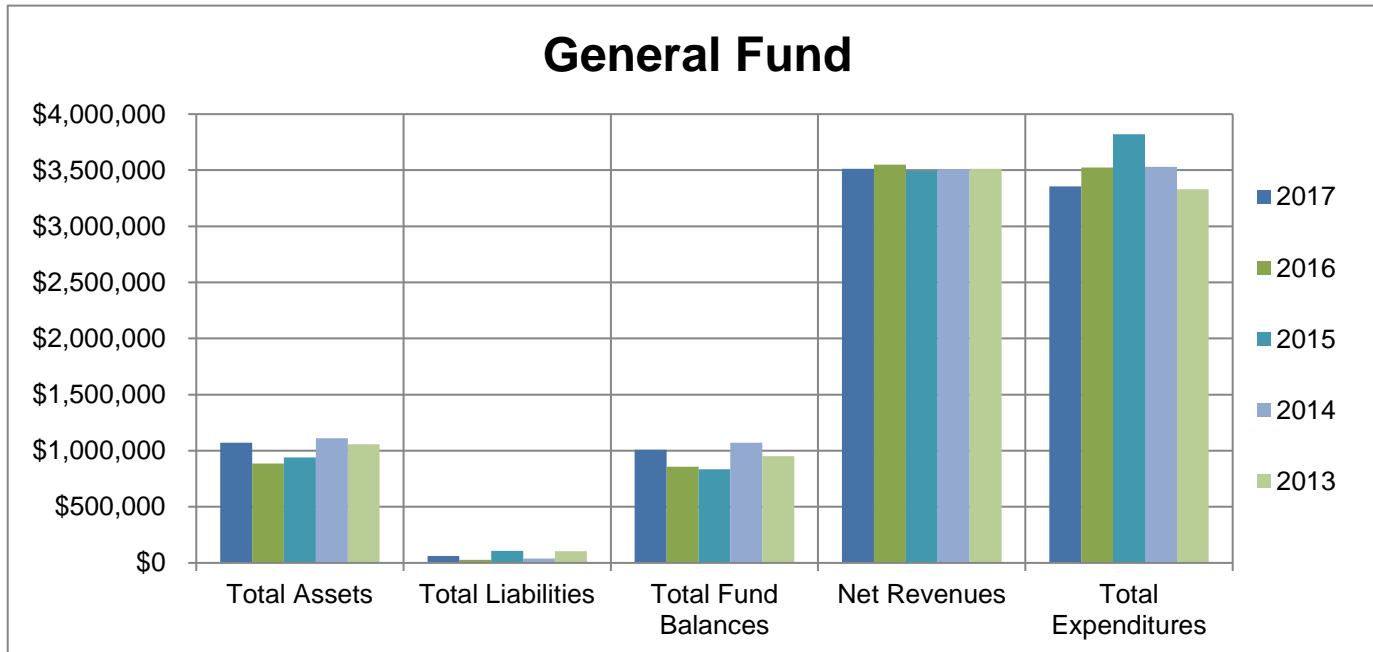
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 455,363
Buildings	9,691,813
Construction in progress	2,173,279
Equipment	<u>5,519,130</u>
Total	<u><u>\$ 17,839,585</u></u>

MARION COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-1

<b>General</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 1,070,776	\$ 886,798	\$ 940,782	\$ 1,111,478	\$ 1,055,973
Total Liabilities	62,868	28,498	107,054	38,908	105,691
Total Fund Balances	1,007,908	858,300	833,728	1,072,570	950,282
Net Revenues	3,512,489	3,550,226	3,492,354	3,508,755	3,512,304
Total Expenditures	3,355,481	3,523,934	3,820,408	3,529,389	3,329,795
Total Other Financing Sources/Uses	(7,400)	(1,720)	89,212	142,922	(869,020)

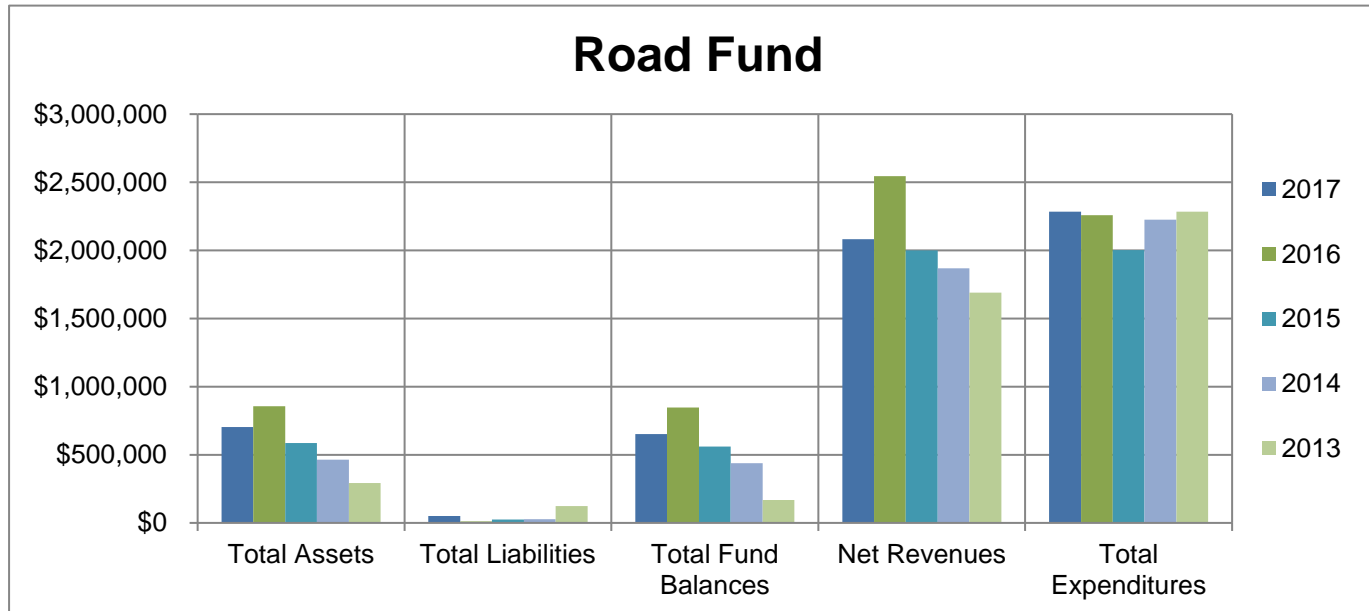




MARION COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-2

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 704,472	\$ 856,786	\$ 585,437	\$ 464,797	\$ 292,416
Total Liabilities	51,483	10,269	24,195	26,962	123,209
Total Fund Balances	652,989	846,517	561,242	437,835	169,207
Net Revenues	2,082,513	2,544,026	2,000,161	1,868,427	1,691,070
Total Expenditures	2,283,441	2,258,751	2,002,978	2,226,049	2,283,418
Total Other Financing Sources/Uses	7,400		126,224	626,250	546,473



MARION COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2017  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 8,846,749	\$ 2,426,463	\$ 2,109,690	\$ 2,030,456	\$ 2,198,760
Total Liabilities	921,034	482,148	423,166	445,398	377,146
Total Fund Balances	7,925,715	1,944,315	1,686,524	1,585,058	1,821,614
Net Revenues	2,006,969	1,262,558	1,552,194	4,149,243	2,713,252
Total Expenditures	4,190,569	1,023,183	1,235,292	3,616,627	2,900,237
Total Other Financing Sources/Uses	8,165,000	1,720	(215,436)	(769,172)	374,675

