

**Ashley County, Arkansas**

**Financial and Compliance Report**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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Financial and Compliance Report

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# Arkansas

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Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

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

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Ashley County, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 14, 2018. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2017:

County Judge: Jim Hudson  
Treasurer: Stacey Breshears  
Sheriff: Tommy Sturgeon  
Tax Collector: Sherry Stanley  
County Clerk: Christie Martin  
Circuit Clerk: Vickie Stell  
Assessor: Beth Rush  
County Librarian: Holly Gillum

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

Our procedures indicated that the offices of **Treasurer, Sheriff, 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 County Judge.

### County Judge

The County disbursed \$15,000 to the Ashley County Medical Center on February 14, 2018, for three months of ambulance services; and \$1,000 each to the American Red Cross, Arkansas State Court Appointed Special Advocates Association, and Area Agency on Aging, without a contract, in apparent conflict with Ark. Const. Art. 12 § 5, as interpreted by Op. Att'y Gen. no. 1992-099.

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

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Roger A. Norman in black ink.

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

Little Rock, Arkansas  
September 14, 2018  
LOCO00217

ASHLEY COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017  
(UNAUDITED)

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,919,890	\$ 2,530,258	\$ 3,087,914
Accounts receivable	1,418,897	111,228	228,116
	<b>TOTAL ASSETS</b>	<b>\$ 2,641,486</b>	<b>\$ 3,316,030</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 108,039	\$ 25,496	\$ 15,939
Funds overdraft			4,979
Settlements pending	491,947		1,716,491
Total Liabilities	599,986	25,496	1,737,409
 <b>Fund Balances:</b>			
Restricted	623,775		1,578,621
Committed	4,592	2,615,990	
Assigned	152,958		
Unassigned	3,957,476		
Total Fund Balances	4,738,801	2,615,990	1,578,621
	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,641,486</b>	<b>\$ 3,316,030</b>

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 491,410	\$ 1,672,848	\$ 252,882
Federal aid	12,840	461	4,273
Property taxes	1,719,999	301,995	125,462
Sales taxes	203,251	1,151,753	1,265,098
Fines, forfeitures, and costs	270,027		3,190
Interest	11,588	4,131	3,280
Officers' fees	53,699		108,799
Jail fees	202,003		36,026
Sanitation fees	1,068,322		
911 fees			244,981
Treasurer's commission	112,090		27,318
Collector's commission	180,965		71,065
Taxes apportioned - Assessor's salary and expense	329,911		
Other	314,220	106,517	25,897
	<u>4,970,325</u>	<u>3,237,705</u>	<u>2,168,271</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>50,834</u>	<u>61,526</u>	<u>37,049</u>
	<u>4,919,491</u>	<u>3,176,179</u>	<u>2,131,222</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,474,965		376,734
Law enforcement	2,009,206		734,712
Highways and streets		2,715,744	
Public safety	79,032		277,019
Sanitation	658,573		15,000
Health	64,214		
Recreation and culture	3,000		222,639
Social services	62,016		
Total Current	<u>4,351,006</u>	<u>2,715,744</u>	<u>1,626,104</u>
Debt Service:			
Lease principal	221,648	149,544	
Lease interest	25,875	12,169	
Note principal	36,304	13,944	25,847
Note Interest	1,344	1,304	467
	<u>4,636,177</u>	<u>2,892,705</u>	<u>1,652,418</u>
TOTAL EXPENDITURES			

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 283,314	\$ 283,474	\$ 478,804
OTHER FINANCING SOURCES (USES) Sales tax remitted to hospital			(618,611)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	283,314	283,474	(139,807)
FUND BALANCES - JANUARY 1	4,455,487	2,332,516	1,718,428
FUND BALANCES - DECEMBER 31	\$ 4,738,801	\$ 2,615,990	\$ 1,578,621

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

ASHLEY 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  
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 404,600	\$ 491,410	\$ 86,810	\$ 1,554,000	\$ 1,672,848	\$ 118,848
Federal aid	4,200	12,840	8,640	1,750	461	(1,289)
Property taxes	1,413,300	1,719,999	306,699	253,800	301,995	48,195
Sales taxes	194,000	203,251	9,251	1,150,000	1,151,753	1,753
Fines, forfeitures, and costs	220,000	270,027	50,027			
Interest	725	11,588	10,863	1,200	4,131	2,931
Officers' fees	60,000	53,699	(6,301)			
Jail fees	420,000	202,003	(217,997)			
Sanitation fees	916,500	1,068,322	151,822			
Treasurer's commission	145,075	112,090	(32,985)			
Collector's commission	172,263	180,965	8,702			
Taxes apportioned - Assessor's salary and expense	326,700	329,911	3,211			
Other	175,150	314,220	139,070	122,500	106,517	(15,983)
<b>TOTAL REVENUES</b>	<b>4,452,513</b>	<b>4,970,325</b>	<b>517,812</b>	<b>3,083,250</b>	<b>3,237,705</b>	<b>154,455</b>
Less: Treasurer's commission		50,834	(50,834)		61,526	(61,526)
<b>NET REVENUES</b>	<b>4,452,513</b>	<b>4,919,491</b>	<b>466,978</b>	<b>3,083,250</b>	<b>3,176,179</b>	<b>92,929</b>
EXPENDITURES						
Current:						
General government	1,937,806	1,474,965	462,841			
Law enforcement	2,987,598	2,009,206	978,392			
Highways and streets				3,802,202	2,715,744	1,086,458
Public safety	106,025	79,032	26,993			
Sanitation	1,145,951	658,573	487,378			
Health	62,900	64,214	(1,314)			
Recreation and culture	3,000	3,000				
Social services	83,727	62,016	21,711			
<b>Total Current</b>	<b>6,327,007</b>	<b>4,351,006</b>	<b>1,976,001</b>	<b>3,802,202</b>	<b>2,715,744</b>	<b>1,086,458</b>
Debt Service:						
Lease principal		221,648	(221,648)	201,535	149,544	51,991
Lease interest		25,875	(25,875)		12,169	(12,169)
Note principal		36,304	(36,304)		13,944	(13,944)
Note interest		1,344	(1,344)		1,304	(1,304)
<b>TOTAL EXPENDITURES</b>	<b>6,327,007</b>	<b>4,636,177</b>	<b>1,690,830</b>	<b>4,003,737</b>	<b>2,892,705</b>	<b>1,111,032</b>

ASHLEY 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  
(UNAUDITED)

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,874,494)	\$ 283,314	\$ 2,157,808	\$ (920,487)	\$ 283,474	\$ 1,203,961
OTHER FINANCING SOURCES (USES)						
Transfers in	650,000		(650,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,224,494)	283,314	1,507,808	(920,487)	283,474	1,203,961
FUND BALANCES - JANUARY 1	1,850,000	4,455,487	2,605,487	1,706,000	2,332,516	626,516
FUND BALANCES - DECEMBER 31	<u>\$ 625,506</u>	<u>\$ 4,738,801</u>	<u>\$ 4,113,295</u>	<u>\$ 785,513</u>	<u>\$ 2,615,990</u>	<u>\$ 1,830,477</u>

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



ASHLEY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost Operating	County Recorder's Cost	Sheriff's Automation	County Public Library	County Clerk's Cost
<b>ASSETS</b>									
Cash and cash equivalents	\$ 169,537	\$ 147,418	\$ 5,618	\$ 7,529	\$ 13,095	\$ 90,269	\$ 1,009	\$ 391,811	\$ 1,688
Accounts receivable	27,319	71,065	183		366	6,188	110	5,189	30
<b>TOTAL ASSETS</b>	<b><u>\$ 196,856</u></b>	<b><u>\$ 218,483</u></b>	<b><u>\$ 5,801</u></b>	<b><u>\$ 7,529</u></b>	<b><u>\$ 13,461</u></b>	<b><u>\$ 96,457</u></b>	<b><u>\$ 1,119</u></b>	<b><u>\$ 397,000</u></b>	<b><u>\$ 1,718</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable		\$ 122		\$ 40		\$ 7,145		\$ 2,614	
Fund overdraft									
Settlements pending									
<b>Total Liabilities</b>		<b><u>122</u></b>		<b><u>40</u></b>		<b><u>7,145</u></b>		<b><u>2,614</u></b>	
<b>Fund Balances:</b>									
Restricted	\$ 196,856	218,361	\$ 5,801	7,489	\$ 13,461	89,312	\$ 1,119	394,386	\$ 1,718
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 196,856</u></b>	<b><u>\$ 218,483</u></b>	<b><u>\$ 5,801</u></b>	<b><u>\$ 7,529</u></b>	<b><u>\$ 13,461</u></b>	<b><u>\$ 96,457</u></b>	<b><u>\$ 1,119</u></b>	<b><u>\$ 397,000</u></b>	<b><u>\$ 1,718</u></b>

ASHLEY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	Reappraisal Cost	Support Collections Costs	Communication Facility and Equipment	Drug Control	County Detention Facility	Emergency 911	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee
<b>ASSETS</b>								
Cash and cash equivalents		\$ 78	\$ 2,564	\$ 2,458	\$ 428,218	\$ 39,060	\$ 34,991	\$ 693
Accounts receivable	\$ 4,979	168	842		56,040		650	
<b>TOTAL ASSETS</b>	<u>\$ 4,979</u>	<u>\$ 246</u>	<u>\$ 3,406</u>	<u>\$ 2,458</u>	<u>\$ 484,258</u>	<u>\$ 39,060</u>	<u>\$ 35,641</u>	<u>\$ 693</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable			\$ 298			\$ 5,720		
Fund overdraft	\$ 4,979							
Settlements pending								
<b>Total Liabilities</b>	<u>4,979</u>		<u>298</u>			<u>5,720</u>		
<b>Fund Balances:</b>								
Restricted		\$ 246	3,108	\$ 2,458	\$ 484,258	33,340	\$ 35,641	\$ 693
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,979</u>	<u>\$ 246</u>	<u>\$ 3,406</u>	<u>\$ 2,458</u>	<u>\$ 484,258</u>	<u>\$ 39,060</u>	<u>\$ 35,641</u>	<u>\$ 693</u>

ASHLEY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND
	Assessor's Late Assessment Fee	Hospital Sales Tax	June Thach Linder Memorial	Juvenile Drug Court Grant	Court Security Grant	West Ashley County Water Project
ASSETS						
Cash and cash equivalents	\$ 208		\$ 5,893	\$ 3,747	\$ 1,505	\$ 24,034
Accounts receivable		\$ 54,987				
<b>TOTAL ASSETS</b>	<b>\$ 208</b>	<b>\$ 54,987</b>	<b>\$ 5,893</b>	<b>\$ 3,747</b>	<b>\$ 1,505</b>	<b>\$ 24,034</b>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Fund overdraft						
Settlements pending						
Total Liabilities						
Fund Balances:						
Restricted	\$ 208	\$ 54,987	\$ 5,893	\$ 3,747	\$ 1,505	\$ 24,034
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 208</b>	<b>\$ 54,987</b>	<b>\$ 5,893</b>	<b>\$ 3,747</b>	<b>\$ 1,505</b>	<b>\$ 24,034</b>

ASHLEY COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

AGENCY FUNDS							
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	County Judge's Accounts	Totals
ASSETS							
Cash and cash equivalents	\$ 1,348,047	\$ 909	\$ 127,723	\$ 85,013	\$ 115,651	\$ 39,148	\$ 3,087,914
Accounts receivable							228,116
<b>TOTAL ASSETS</b>	<b><u>\$ 1,348,047</u></b>	<b><u>\$ 909</u></b>	<b><u>\$ 127,723</u></b>	<b><u>\$ 85,013</u></b>	<b><u>\$ 115,651</u></b>	<b><u>\$ 39,148</u></b>	<b><u>\$ 3,316,030</u></b>
 LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 15,939
Fund overdraft							4,979
Settlements pending	<u>\$ 1,348,047</u>	<u>\$ 909</u>	<u>\$ 127,723</u>	<u>\$ 85,013</u>	<u>\$ 115,651</u>	<u>\$ 39,148</u>	<u>1,716,491</u>
Total Liabilities	<u>1,348,047</u>	<u>909</u>	<u>127,723</u>	<u>85,013</u>	<u>115,651</u>	<u>39,148</u>	<u>1,737,409</u>
 Fund Balances:							
Restricted							<u>1,578,621</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,348,047</u></b>	<b><u>\$ 909</u></b>	<b><u>\$ 127,723</u></b>	<b><u>\$ 85,013</u></b>	<b><u>\$ 115,651</u></b>	<b><u>\$ 39,148</u></b>	<b><u>\$ 3,316,030</u></b>

ASHLEY 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  
 (UNAUDITED)

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost Operating	County Recorder's Cost	Sheriff's Automation	County Public Library	County Clerk's Cost
REVENUES									
State aid				\$ 4,525				\$ 69,936	
Federal aid									
Property taxes								125,254	
Sales taxes									
Fines, forfeitures, and costs			\$ 2,490						
Interest	\$ 129	\$ 159			\$ 8	\$ 79		2,860	
Officers' fees					5,673	92,300	1,200		\$ 550
Jail fees									
911 fees									
Treasurer's commission	27,318								
Collector's commission		71,065							
Other	9		26	30	48	806	690	10,879	5
<b>TOTAL REVENUES</b>	<b>27,456</b>	<b>71,224</b>	<b>2,516</b>	<b>4,555</b>	<b>5,729</b>	<b>93,185</b>	<b>1,890</b>	<b>208,929</b>	<b>555</b>
Less: Treasurer's commission			51	91	115	1,857	24	3,756	11
<b>NET REVENUES</b>	<b>27,456</b>	<b>71,224</b>	<b>2,465</b>	<b>4,464</b>	<b>5,614</b>	<b>91,328</b>	<b>1,866</b>	<b>205,173</b>	<b>544</b>
EXPENDITURES									
Current:									
General government	6,717	97,121		4,918		120,411			676
Law enforcement			1,004				2,250		
Public safety									
Sanitation									
Recreation and culture								222,639	
Total Current	6,717	97,121	1,004	4,918		120,411	2,250	222,639	676
Debt Service:									
Note principal									
Note Interest									
<b>TOTAL EXPENDITURES</b>	<b>6,717</b>	<b>97,121</b>	<b>1,004</b>	<b>4,918</b>		<b>120,411</b>	<b>2,250</b>	<b>222,639</b>	<b>676</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,739</b>	<b>(25,897)</b>	<b>1,461</b>	<b>(454)</b>	<b>5,614</b>	<b>(29,083)</b>	<b>(384)</b>	<b>(17,466)</b>	<b>(132)</b>
OTHER FINANCING SOURCES (USES)									
Sales tax remitted to hospital									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>20,739</b>	<b>(25,897)</b>	<b>1,461</b>	<b>(454)</b>	<b>5,614</b>	<b>(29,083)</b>	<b>(384)</b>	<b>(17,466)</b>	<b>(132)</b>
FUND BALANCES - JANUARY 1	176,117	244,258	4,340	7,943	7,847	118,395	1,503	411,852	1,850
FUND BALANCES - DECEMBER 31	<b>\$ 196,856</b>	<b>\$ 218,361</b>	<b>\$ 5,801</b>	<b>\$ 7,489</b>	<b>\$ 13,461</b>	<b>\$ 89,312</b>	<b>\$ 1,119</b>	<b>\$ 394,386</b>	<b>\$ 1,718</b>

ASHLEY 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  
 (UNAUDITED)

Schedule 2

SPECIAL REVENUE FUNDS

	Reappraisal Cost	Support Collections Costs	Communication Facility and Equipment	Drug Control	County Detention Facility	Boating Safety and Enforcement	Emergency 911	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee
REVENUES									
State aid	\$ 139,321					\$ 2,350			
Federal aid									
Property taxes									
Sales taxes					\$ 632,549				
Fines, forfeitures, and costs								\$ 700	
Interest			\$ 4						
Officers' fees		\$ 933	4,598					3,008	\$ 537
Jail fees			15,600		20,426				
911 fees							\$ 244,981		
Treasurer's commission									
Collector's commission									
Other	4,979	6	197		5,753		2,425	42	2
<b>TOTAL REVENUES</b>	<b>144,300</b>	<b>939</b>	<b>20,399</b>		<b>658,728</b>	<b>2,350</b>	<b>247,406</b>	<b>3,750</b>	<b>539</b>
Less: Treasurer's commission		15	418		13,099		4,900	77	10
<b>NET REVENUES</b>	<b>144,300</b>	<b>924</b>	<b>19,981</b>		<b>645,629</b>	<b>2,350</b>	<b>242,506</b>	<b>3,673</b>	<b>529</b>
EXPENDITURES									
Current:									
General government	144,300	1,439							1,152
Law enforcement			26,347		664,037			13,684	
Public safety						2,350	261,174		
Sanitation									
Recreation and culture									
Total Current	144,300	1,439	26,347		664,037	2,350	261,174	13,684	1,152
Debt Service:									
Note principal							25,847		
Note Interest							467		
<b>TOTAL EXPENDITURES</b>	<b>144,300</b>	<b>1,439</b>	<b>26,347</b>		<b>664,037</b>	<b>2,350</b>	<b>287,488</b>	<b>13,684</b>	<b>1,152</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>0</b>	<b>(515)</b>	<b>(6,366)</b>		<b>(18,408)</b>	<b>0</b>	<b>(44,982)</b>	<b>(10,011)</b>	<b>(623)</b>
OTHER FINANCING SOURCES (USES)									
Sales tax remitted to hospital									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>		<b>(515)</b>	<b>(6,366)</b>		<b>(18,408)</b>		<b>(44,982)</b>	<b>(10,011)</b>	<b>(623)</b>
FUND BALANCES - JANUARY 1		761	9,474	\$ 2,458	502,666		78,322	45,652	1,316
FUND BALANCES - DECEMBER 31	\$ 0	\$ 246	\$ 3,108	\$ 2,458	\$ 484,258	\$ 0	\$ 33,340	\$ 35,641	\$ 693

ASHLEY 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  
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	Totals
	Assessor's Late Assessment Fee	Hospital Sales Tax	June Thach Linder Memorial	Juvenile Drug Court Grant	Recycling Grant	Court Security Grant	West Ashley County Water Project	
REVENUES								
State aid				\$ 6,750	\$ 15,000	\$ 15,000		\$ 252,882
Federal aid							\$ 4,273	4,273
Property taxes	\$ 208							125,462
Sales taxes		\$ 632,549						1,265,098
Fines, forfeitures, and costs								3,190
Interest			\$ 41					3,280
Officers' fees								108,799
Jail fees								36,026
911 fees								244,981
Treasurer's commission								27,318
Collector's commission								71,065
Other								25,897
<b>TOTAL REVENUES</b>	<b>208</b>	<b>632,549</b>	<b>41</b>	<b>6,750</b>	<b>15,000</b>	<b>15,000</b>	<b>4,273</b>	<b>2,168,271</b>
Less: Treasurer's commission		12,625						37,049
<b>NET REVENUES</b>	<b>208</b>	<b>619,924</b>	<b>41</b>	<b>6,750</b>	<b>15,000</b>	<b>15,000</b>	<b>4,273</b>	<b>2,131,222</b>
EXPENDITURES								
Current:								
General government								376,734
Law enforcement				27,390				734,712
Public safety						13,495		277,019
Sanitation					15,000			15,000
Recreation and culture								222,639
Total Current				27,390	15,000	13,495		1,626,104
Debt Service:								
Note principal								25,847
Note Interest								467
<b>TOTAL EXPENDITURES</b>				<b>27,390</b>	<b>15,000</b>	<b>13,495</b>		<b>1,652,418</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>208</b>	<b>619,924</b>	<b>41</b>	<b>(20,640)</b>	<b>0</b>	<b>1,505</b>	<b>4,273</b>	<b>478,804</b>
OTHER FINANCING SOURCES (USES)								
Sales tax remitted to hospital		(618,611)						(618,611)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>208</b>	<b>1,313</b>	<b>41</b>	<b>(20,640)</b>		<b>1,505</b>	<b>4,273</b>	<b>(139,807)</b>
FUND BALANCES - JANUARY 1		53,674	5,852	24,387			19,761	1,718,428
FUND BALANCES - DECEMBER 31	\$ 208	\$ 54,987	\$ 5,893	\$ 3,747	\$ 0	\$ 1,505	\$ 24,034	\$ 1,578,621

ASHLEY COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017  
 (UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
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.
County Clerk's Cost Operating	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.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
Sheriff's 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.
County Public 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.
County Clerk's Cost	Ark. Code Ann. § 16-20-407 established fund to account for a \$2 marriage license fee to be used for operation of the county clerk's office.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.



ASHLEY COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017  
 (UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
County Detention Facility	Ark. Code Ann. § 12-41-505 and Ashley County Ordinance no. 2010-1 (February 9, 2010) 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. 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. Ashley County Ordinance no. 2003-6 (July 8, 2003) provides for the levying of a one-quarter of one percent (0.25%) sales and use tax for operating and maintaining jail facilities and/or securing the repayment of capital improvement bonds.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for the general operations expenses of the office of County Clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive an additional fifty cents (50¢) on last assessments to help pay for the expense of assessing property.
Hospital Sales Tax	Ashley County Ordinance No. 2008-10 (August 20, 2008) established the fund to account for the .25% dedicated sales tax and disbursements of the Ashley County Medical Center building, equipment, and related capital improvements.

ASHLEY COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2017  
 (UNAUDITED)

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

<u>Fund Name</u>	<u>Fund Description</u>
June Thach Linder Memorial	Established to account for funds donated by individuals in memory of a former library employee.
Juvenile Drug Court Grant	Established to account for grant funds received from Arkansas Department of Community Corrections for the purpose of drug testing, electronic monitors, honorariums, transportation assistance and/or tutoring.
Recycling Grant	Established to account for grant funds received from the Southeast Arkansas Regional Solid Waste Management District recycling program to assist the Shelter Workshop with the purchase of a vertical compaction force baler.
Court Security Grant	Established to account for grant funds received from the Administrative Office of the Courts of Arkansas for the installation of a CCTV/video arraignment system and supplies in the County's District Court Room.
West Ashley County Water Project	Grant received through Southeast Arkansas Development District for extension of treated water through the South Crossett community.

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

County Clerk's accounts consist primarily of trust money and settlements due to Treasurer.

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

County Judge's account consists of solid waste collections not yet remitted to the County Treasurer.

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2017  
(UNAUDITED)

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

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

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

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

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

**Road Fund** - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and sales taxes that are committed for maintaining and constructing roads.

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

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

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

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

**B. Basis of Accounting**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period except for Treasurer's Commission, which was distributed on March 23, 2018. 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.

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2017  
(UNAUDITED)

**1. Basis of Presentation - Regulatory Fund Accounting (Continued)**

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

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, sanitation fees, treasurer's commission, and collector's commission 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.

**D. Property Taxes**

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

**E. Budget Law**

1. Legal Requirements

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

2. Accounting

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

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2017  
(UNAUDITED)

1. **Basis of Presentation - Regulatory Fund Accounting (Continued)**

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

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

For classification of fund balance amounts, restricted resources are considered spent before unrestricted. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

2. **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			\$ 528,344
Law enforcement			536,132
Public safety			34,845
Sanitation	\$ 623,775		
Health			54,987
Recreation and culture			400,279
Capital outlay			24,034
Total Restricted	<u>623,775</u>		<u>1,578,621</u>
Committed for:			
Law enforcement	4,592		
Highways and streets		\$ 2,615,990	
Total Committed	<u>4,592</u>	<u>2,615,990</u>	
Assigned to:			
Sanitation	<u>152,958</u>		
Unassigned	<u>3,957,476</u>		
Totals	<u>\$ 4,738,801</u>	<u>\$ 2,615,990</u>	<u>\$ 1,578,621</u>

3. **Commitments**

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

	December 31, 2017
Long-term liabilities	\$ 2,117,562
Noncancellable lease	101,109
Reappraisal contract	144,300
Rental agreement	<u>235,053</u>
Total Commitments	<u>\$ 2,598,024</u>

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2017  
(UNAUDITED)

3. **Commitments (Continued)**

Long-term Liabilities

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

	December 31, 2017
<u>Notes Payable</u>	
2014 Note payable with Simmons First Bank for the purchase of a 911 system; 48 monthly payments of \$2,193 at 2.50% interest. Payments are to be made from the Emergency 911 Fund.	\$ 4,372
2015 Note payable with First National Bank of Crossett for the purchase of four Sheriffs' vehicles; 36 monthly payments of \$3,137 at 3.50% interest. Payments are to be made from the County General Fund.	18,621
2017 Note payable with Riggs Cat for the repairs of a John Deere Motor Grader; 9 monthly payments of \$1,500 at 2.99% with a final payment of \$57,538 in February 2018. Payments are to be made from the County Road Fund.	58,748
Total Notes Payable	81,741
<u>Lease Purchases</u>	
2016 Lease-purchase agreement with Kansas State Bank for a 2017 Mack CHU613 truck; 36 monthly installments of \$1,598 at 2.29% interest with a final payment of \$62,500 in July 2019. Payments are to be made from the County Road Fund.	\$ 88,532
2016 Lease-purchase agreement with Kansas State Bank for two 2016 Mack CHU613 trucks; 36 monthly installments of \$3,197 at 2.29% interest with a final payment of \$125,000. Payments are to be made from the County Road Fund.	162,714
2016 Lease-purchase agreement with Welch State Bank for a 2016 Freightliner M2 106 trash truck with automated side winder body; 39 monthly installments of \$4,367 at 3.08% interest with a final payment of \$35,000 in August 2019. Payments are to be made from the County General Fund.	114,120
2016 Lease-purchase agreement with Welch State Bank for a 2016 Freightliner M2 106 trash truck with automated side winder body; 60 monthly installments of \$4,367 at 3.08% interest for 39 months, then 3.26% interest for 21 months. Payments are to be made from the County General Fund.	126,281
2016 Lease-purchase agreement with Caterpillar Financial Services for a 826K Caterpillar compactor; 35 monthly installments of \$11,744 at 3.19% interest with a final payment of \$261,904. in July 2019 Payments are to be made from the County General Fund.	465,169
2017 Lease-purchase agreement with Kansas State Bank for two 2017 Mack CHU613 daycab trucks; 36 monthly installments of \$3,197 at 2.29% interest with a final payment of \$125,000 in February 2020. Payments are to be made from the County Road Fund.	196,923
Total Lease Purchases	1,153,739
Compensated Absences	138,355
Estimated liability for Landfill Closure and Post-Closure Care Costs	743,727
Total Long-term liabilities	\$ 2,117,562

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

Post-Employment Benefits Other Than Pensions

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

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
DECEMBER 31, 2017  
(UNAUDITED)

**3. Commitments (Continued)**

Debt Service Requirements to Maturity

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

Years Ending December 31,	Notes	Leases	Total
2018	\$ 82,235	\$ 341,626	\$ 423,861
2019		695,417	695,417
2020		148,753	148,753
2021		11,991	11,991
Total Obligations	82,235	1,197,787	1,280,022
Less Interest	494	44,048	44,542
Total Principal	<u>\$ 81,741</u>	<u>\$ 1,153,739</u>	<u>\$ 1,235,480</u>

Noncancellable Lease

The County entered into two noncancellable lease agreements for a 911 recorder system and a 2016 Caterpillar Hydraulic Excavator in June 2015 and January 2017, respectively. Terms of the leases are annual rental payments of \$3,300 for five years and monthly rental payments of \$1,929 for 5 years, respectively. At the end of the lease term, the County will return the leased equipment. The County is obligated for the following amounts for the next five years:

Year	December 31, 2017
2018	\$ 26,445
2019	26,445
2020	23,145
2021	23,145
2022	1,929
Total	<u>\$ 101,109</u>

Rental expense for 2017 was \$103,898.

Reappraisal Contract

The County entered into a contract dated December 26, 2013, with Arkansas CAMA Technology, Inc., for reappraisal services. Terms of the contract require \$721,500 to be paid in monthly rental payments of \$12,025 for 60 months. The County is obligated for the following amount in 2018:

Year	December 31, 2017
2018 Total	<u>\$ 144,300</u>

Rental expense for 2017 was \$144,300

Rental Agreement

The County entered into a rental agreement dated December 8, 2017, with John Deere Financial, for the rental of four John Deere motor graders. Terms of the agreement require \$235,053 to be paid in monthly rental payments of \$6,529 for 36 months.

ASHLEY COUNTY, ARKANSAS  
OTHER GENERAL INFORMATION  
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**3. Commitments (Continued)**

Rental Agreement (Continued)

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 78,351
2019	78,351
2020	<u>78,351</u>
Total	<u>\$ 235,053</u>

No rental payments made in 2017.

Landfill Closure and Post-closure Care Costs

Ashley County is the owner of permit #0230-S1-R1 to operate a Class I solid waste landfill. State and federal regulators require a final cover to be placed on the landfill site when the County stops accepting waste and perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and post-closure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and post-closure care costs had a balance of \$743,727 as of December 31, 2017, and represents the cumulative amount to be reported to date based on 64% usage of the landfill for 2017. The County will recognize the remaining estimated cost of closure and post-closure care of \$411,947 as the remaining capacity is filled. At the present utilization rate, the landfill site life is estimated to exhaust in 7 years from the balance sheet dated December 31, 2017.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2017. However, the actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by Ark. Code Ann. § 8-6-1602, 1603 to establish financial assurance for the costs of closure and post-closure care in compliance with state regulations and the solid waste permit. The County is in compliance with these requirements.

**4. Subsequent Events**

In January of 2018, the County entered into a \$428,730 note payable with The Citizens Bank for the purchase of voting machines. The County agreed to pay \$7,807 per month for 60 months.

In March of 2018, the County entered into a \$89,944 note payable with First National Bank of Crossett for the purchase of three vehicles for the Sheriff's department. The County agreed to pay \$2,612 per month for 36 months.

**5. Jointly Governed Organizations**

Southeast Arkansas Regional Solid Waste Management District

Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln Counties entered into an agreement in 1991 to form the Southeast Arkansas Regional Solid Waste Management District in accordance with Ark. Code Ann. § 8-6-703. The County provided \$22,218 in funding for the Southeast Arkansas Regional Solid Waste Management District during 2017. Separate financial statements may be obtained at: P. O. Box 6806, Pine Bluff, AR 71611.



ASHLEY COUNTY, ARKANSAS  
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DECEMBER 31, 2017  
(UNAUDITED)

**5. Jointly Governed Organizations (Continued)**

Tenth Judicial District Drug Task Force

The Sheriff's Departments of Ashley, Bradley, Chicot, Desha, and Drew Counties entered into an agreement to establish the Tenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Tenth Judicial District. No contributions or payments for expenditures were made to the Tenth Judicial District Drug Task Force by the County. The 2017 financial statements of the Tenth Judicial District Task Force have not been audited.

**6. Arkansas Public Employees Retirement System**

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](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 \$525,036.

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 \$5,191,686.

**7. Capital Assets**

The County's capital asset records are summarized below:

	December 31, 2017
Land	\$ 3,403,713
Buildings	20,497,293
Equipment	4,191,820
Total	\$28,092,826

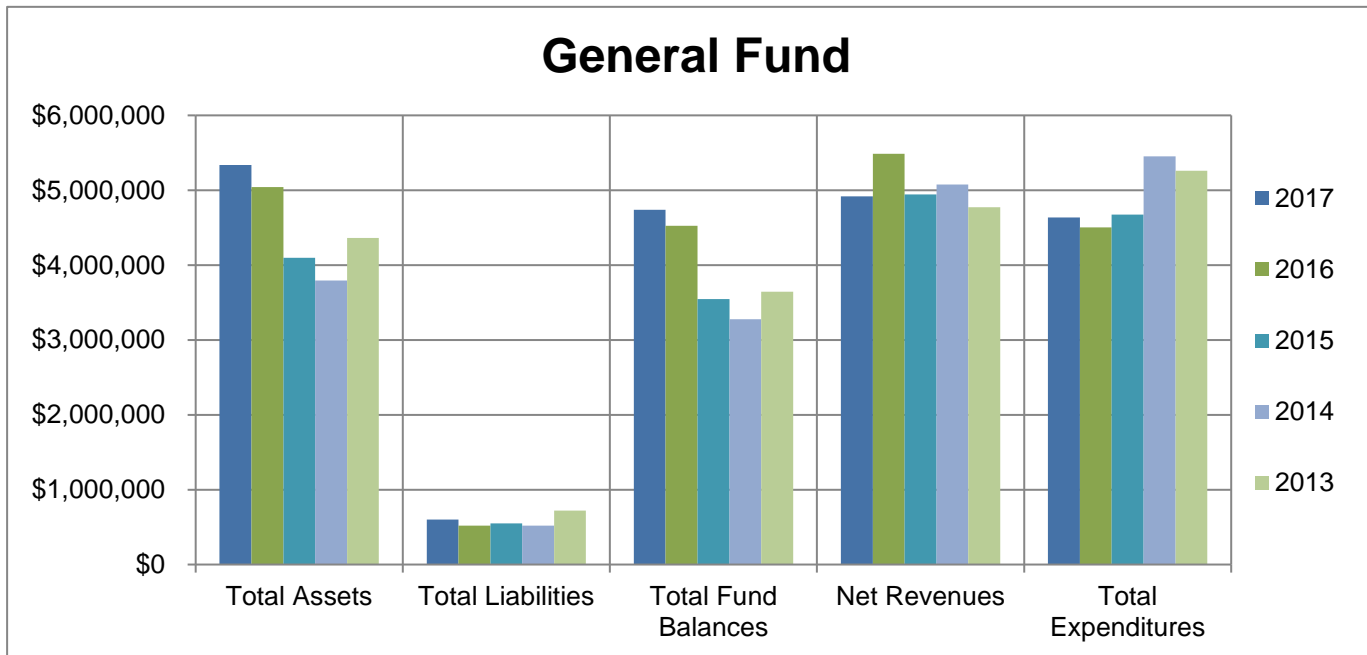
**8. Hospital Lease Agreement**

Ashley County Ordinance no. 2017-12 (August 15, 2017) extended the assignment and lease of the Ashley County Medical Center, which originated on September 15, 1998, to the Crossett Health Foundation, an Arkansas nonprofit corporation. The lease agreement stipulates that Crossett Health Foundation shall lease the Medical Center real estate and equipment for 10 years commencing on September 15, 2017, and ending September 15, 2027, with annual renewals by the Quorum Court to provide a rolling ten year term. Crossett Health Foundation assumes all rights and responsibilities for the operation of the Medical Center and related ancillary facilities. In lieu of paying rent, the Crossett Health Foundation awards a \$2,500 scholarship to a local high school graduate planning to major in studies related to the medical field.

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

Schedule 3-1

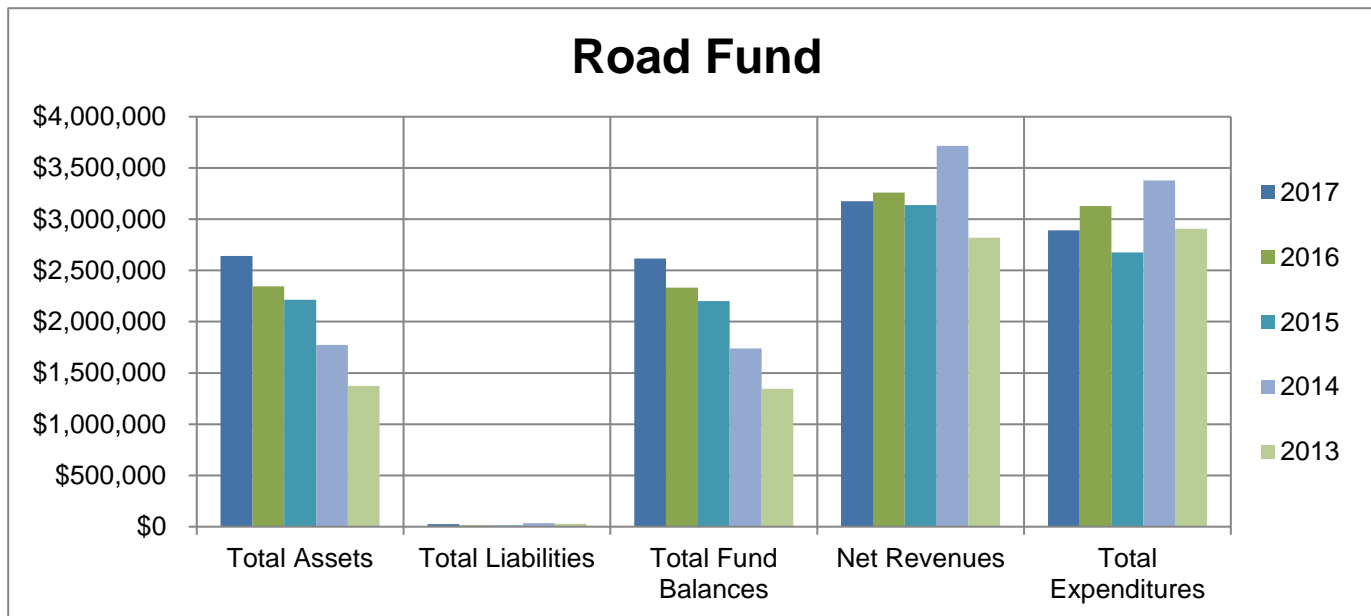
<b>General</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 5,338,787	\$ 5,043,343	\$ 4,096,300	\$ 3,795,340	\$ 4,364,219
Total Liabilities	599,986	519,798	551,098	519,023	721,271
Total Fund Balances	4,738,801	4,523,545	3,545,202	3,276,317	3,642,948
Net Revenues	4,919,491	5,486,679	4,943,102	5,078,210	4,772,415
Total Expenditures	4,636,177	4,502,937	4,674,596	5,453,664	5,260,366
Total Other Financing Sources/Uses		(5,399)	739	(16,613)	(3,104)



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

Schedule 3-2

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 2,641,486	\$ 2,345,880	\$ 2,213,871	\$ 1,772,595	\$ 1,374,412
Total Liabilities	25,496	13,364	13,154	33,655	29,209
Total Fund Balances	2,615,990	2,332,516	2,200,717	1,738,940	1,345,203
Net Revenues	3,176,179	3,261,017	3,137,542	3,716,272	2,818,035
Total Expenditures	2,892,705	3,129,218	2,675,765	3,378,365	2,906,193
Total Other Financing Sources/Uses				55,830	(194,500)



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

Schedule 3-3

<b><u>Other Funds in the Aggregate</u></b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 3,316,030	\$ 3,253,141	\$ 2,923,617	\$ 2,726,891	\$ 2,808,091
Total Liabilities	1,737,409	1,534,763	1,151,280	530,354	508,498
Total Fund Balances	1,578,621	1,718,378	1,772,337	2,196,537	2,299,593
Net Revenues	2,131,222	2,213,596	2,206,867	2,568,198	2,254,950
Total Expenditures	1,652,418	1,648,255	1,975,930	2,142,149	1,509,895
Total Other Financing Sources/Uses	(618,611)	(619,300)	(655,137)	(529,105)	(646,096)

