

Conway County, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CONWAY COUNTY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Arkansas

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Sen. Lance Eads
Senate Vice Chair



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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

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

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

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Conway County, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 20, 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 relates to the following officials who held office during 2017:

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

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

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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 cursive.

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

Little Rock, Arkansas
September 20, 2018
LOCO01517

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 2,720,569	\$ 2,068,663	\$ 5,632,882
Accounts receivable	167,559	66,438	253,073
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 2,888,128</u></u>	<u><u>\$ 2,135,101</u></u>	<u><u>\$ 5,885,955</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 39,771	\$ 87,152	\$ 106,262
Settlements pending			1,002,656
Total Liabilities	<u>39,771</u>	<u>87,152</u>	<u>1,108,918</u>
Fund Balances:			
Restricted			3,232,886
Assigned	41,524	2,047,949	1,544,151
Unassigned	2,806,833		
Total Fund Balances	<u>2,848,357</u>	<u>2,047,949</u>	<u>4,777,037</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,888,128</u></u>	<u><u>\$ 2,135,101</u></u>	<u><u>\$ 5,885,955</u></u>

CONWAY 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
REVENUES			
State aid	\$ 617,916	\$ 1,840,319	\$ 294,153
Federal aid	2,313	39,711	44,856
Property taxes	2,143,418	1,080,054	779,192
Sales taxes	1,005,494	493,927	2,498,832
Fines, forfeitures, and costs	571,962		45,347
Interest	2,689	2,617	10,000
Officers' fees	221,905		80,472
Jail fees	76,769		
Franchise Tax	7,294		
911 Fees			248,587
City Aid			30,000
Reimbursement for 911 expenses			154,445
Treasurer's commission	145,910		29,443
Collector's commission	287,986		43,977
Taxes apportioned - Assessor's salary and expense	355,985		354
Other	331,219	65,409	92,441
TOTAL REVENUES	5,770,860	3,522,037	4,352,099
Less: Treasurer's commission	55,531	44,280	43,746
NET REVENUES	5,715,329	3,477,757	4,308,353
 EXPENDITURES			
Current:			
General government	1,959,659		111,328
Law enforcement	3,275,453		538,818
Highways and streets		3,923,935	
Public safety	4,000		1,636,116
Health	55,032		1,019,512
Recreation and culture	6,000		446,404
Social services	133,733		18,500
Total Current	5,433,877	3,923,935	3,770,678
Debt Service:			
Note principal	461,270		486,122
Note interest	34,656		27,120
TOTAL EXPENDITURES	5,929,803	3,923,935	4,283,920

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

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (214,474)</u>	<u>\$ (446,178)</u>	<u>\$ 24,433</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			244,772
Transfers out	(97,386)	(50,000)	(97,386)
Sales tax remitted to community college			(730,261)
Loan Proceeds			98,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(97,386)</u>	<u>(50,000)</u>	<u>(484,875)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(311,860)	(496,178)	(460,442)
FUND BALANCES - JANUARY 1	<u>3,160,217</u>	<u>2,544,127</u>	<u>5,237,479</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,848,357</u></u>	<u><u>\$ 2,047,949</u></u>	<u><u>\$ 4,777,037</u></u>

CONWAY 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	\$ 542,876	\$ 617,916	\$ 75,040	\$ 1,374,300	\$ 1,840,319	\$ 466,019
Federal aid	18,000	2,313	(15,687)	25,650	39,711	14,061
Property taxes	1,829,340	2,143,418	314,078	959,400	1,080,054	120,654
Sales taxes	877,500	1,005,494	127,994	427,500	493,927	66,427
Fines, forfeitures, and costs	492,750	571,962	79,212			
Interest	2,500	2,689	189	2,700	2,617	(83)
Officers' fees	194,400	221,905	27,505			
Jail fees	243,750	76,769	(166,981)			
Franchise Tax	6,300	7,294	994			
Treasurer's commission	155,000	145,910	(9,090)			
Collector's commission	260,000	287,986	27,986			
Taxes apportioned - Assessor's salary and expense	325,000	355,985	30,985			
Other	335,638	331,219	(4,419)	90,000	65,409	(24,591)
TOTAL REVENUES	5,283,054	5,770,860	487,806	2,879,550	3,522,037	642,487
Less: Treasurer's commission		55,531	(55,531)		44,280	(44,280)
NET REVENUES	5,283,054	5,715,329	432,275	2,879,550	3,477,757	598,207
EXPENDITURES						
Current:						
General government	2,056,435	1,959,659	96,776			
Law enforcement	4,047,938	3,275,453	772,485			
Highways and streets				5,729,442	3,923,935	1,805,507
Public safety	9,079	4,000	5,079			
Health	173,200	55,032	118,168			
Recreation and culture	6,750	6,000	750			
Social services	148,684	133,733	14,951			
Total Current	6,442,086	5,433,877	1,008,209	5,729,442	3,923,935	1,805,507
Debt Service:						
Lease principal		461,270	(461,270)			
Lease interest		34,656	(34,656)			
TOTAL EXPENDITURES	6,442,086	5,929,803	512,283	5,729,442	3,923,935	1,805,507

CONWAY 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	<u>\$ (1,159,032)</u>	<u>\$ (214,474)</u>	<u>\$ 944,558</u>	<u>\$ (2,849,892)</u>	<u>\$ (446,178)</u>	<u>\$ 2,403,714</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(107,500)</u>	<u>(97,386)</u>	<u>10,114</u>		<u>(50,000)</u>	<u>(50,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,266,532)	(311,860)	954,672	(2,849,892)	(496,178)	2,353,714
FUND BALANCES - JANUARY 1	<u>2,695,500</u>	<u>3,160,217</u>	<u>464,717</u>	<u>2,880,000</u>	<u>2,544,127</u>	<u>(335,873)</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 1,428,968</u></u>	<u><u>\$ 2,848,357</u></u>	<u><u>\$ 1,419,389</u></u>	<u><u>\$ 30,108</u></u>	<u><u>\$ 2,047,949</u></u>	<u><u>\$ 2,017,841</u></u>

CONWAY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS								
	Fire Equipment and Training (Act 833)	Communication Facility and Equipment	Indigent Criminal Defense	District Court Cost	Child Support Cost	Emergency 911	Circuit Court Automation	Fire Departments	County Library
ASSETS									
Cash and cash equivalents	\$ 187,221	\$ 31,807	\$ 9,676	\$ 40,068	\$ 14,772	\$ 74,961	\$ 37,562	\$ 1,507,108	\$ 1,159,432
Accounts receivable				49		9,966	640	96,599	3,008
TOTAL ASSETS	\$ 187,221	\$ 31,807	\$ 9,676	\$ 40,117	\$ 14,772	\$ 84,927	\$ 38,202	\$ 1,603,707	\$ 1,162,440
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 628		\$ 489			\$ 13,145		\$ 15,635	\$ 9,605
Settlements pending									
Total Liabilities	628		489			13,145		15,635	9,605
Fund Balances:									
Restricted	186,593	\$ 31,807	9,187	\$ 40,117	\$ 14,772	71,782	\$ 38,202	60,614	1,152,835
Assigned								1,527,458	
Total Fund Balances	186,593	31,807	9,187	40,117	14,772	71,782	38,202	1,588,072	1,152,835
TOTAL LIABILITIES AND FUND BALANCES	\$ 187,221	\$ 31,807	\$ 9,676	\$ 40,117	\$ 14,772	\$ 84,927	\$ 38,202	\$ 1,603,707	\$ 1,162,440

CONWAY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016
 (UNAUDITED)

Schedule 1

SPECIAL REVENUE FUNDS

	District Court Automation	Boating Safety	Adult Drug Court	Circuit Clerk Commissioner's Fee	Nuclear Response	Community College (UACCM)	Treasurer's Automation	Collector's Automation	County Hospital
ASSETS									
Cash and cash equivalents	\$ 9,005	\$ 10	\$ 16,773	\$ 3,378	\$ 18,765	\$ 60,745	\$ 54,187	\$ 101,272	\$ 688,478
Accounts receivable			647	117		67,601			70,610
TOTAL ASSETS	<u>\$ 9,005</u>	<u>\$ 10</u>	<u>\$ 17,420</u>	<u>\$ 3,495</u>	<u>\$ 18,765</u>	<u>\$ 128,346</u>	<u>\$ 54,187</u>	<u>\$ 101,272</u>	<u>\$ 759,088</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 160		\$ 2,072	\$ 60,745	\$ 791		
Settlements pending									
Total Liabilities			<u>160</u>		<u>2,072</u>	<u>60,745</u>	<u>791</u>		
Fund Balances:									
Restricted	\$ 9,005	\$ 10	17,260	\$ 3,495		67,601	53,396	\$ 101,272	\$ 759,088
Assigned					16,693				
Total Fund Balances	<u>9,005</u>	<u>10</u>	<u>17,260</u>	<u>3,495</u>	<u>16,693</u>	<u>67,601</u>	<u>53,396</u>	<u>101,272</u>	<u>759,088</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,005</u>	<u>\$ 10</u>	<u>\$ 17,420</u>	<u>\$ 3,495</u>	<u>\$ 18,765</u>	<u>\$ 128,346</u>	<u>\$ 54,187</u>	<u>\$ 101,272</u>	<u>\$ 759,088</u>

CONWAY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016
 (UNAUDITED)

Schedule 1

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			
	Law Enforcement Grant	County Clerk's Cost	County Recorder's Cost	Drug Control	Assessor's Late Fee	Courthouse Renovation	Jail Construction	Hospital Renovation	Library Building
ASSETS									
Cash and cash equivalents	\$ 67	\$ 5,245	\$ 83,159	\$ 11,628	\$ 396	\$ 150	\$ 65,302	\$ 21,304	\$ 427,755
Accounts receivable		748	3,088						
TOTAL ASSETS	\$ 67	\$ 5,993	\$ 86,247	\$ 11,628	\$ 396	\$ 150	\$ 65,302	\$ 21,304	\$ 427,755
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 49	\$ 443				\$ 2,500		
Settlements pending									
Total Liabilities		49	443				2,500		
Fund Balances:									
Restricted	\$ 67	5,944	85,804	\$ 11,628	\$ 396	\$ 150	62,802	\$ 21,304	\$ 427,755
Assigned									
Total Fund Balances	67	5,944	85,804	11,628	396	150	62,802	21,304	427,755
TOTAL LIABILITIES AND FUND BALANCES	\$ 67	\$ 5,993	\$ 86,247	\$ 11,628	\$ 396	\$ 150	\$ 65,302	\$ 21,304	\$ 427,755

CONWAY COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2016
 (UNAUDITED)

Schedule 1

AGENCY FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Totals
ASSETS						
Cash and cash equivalents	\$ 158,755	\$ 233,937	\$ 10,073	\$ 72,176	\$ 527,715	\$ 5,632,882
Accounts receivable						253,073
TOTAL ASSETS	<u>\$ 158,755</u>	<u>\$ 233,937</u>	<u>\$ 10,073</u>	<u>\$ 72,176</u>	<u>\$ 527,715</u>	<u>\$ 5,885,955</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 106,262
Settlements pending	\$ 158,755	\$ 233,937	\$ 10,073	\$ 72,176	\$ 527,715	1,002,656
Total Liabilities	<u>158,755</u>	<u>233,937</u>	<u>10,073</u>	<u>72,176</u>	<u>527,715</u>	<u>1,108,918</u>
Fund Balances:						
Restricted						3,232,886
Assigned						1,544,151
Total Fund Balances						<u>4,777,037</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 158,755</u>	<u>\$ 233,937</u>	<u>\$ 10,073</u>	<u>\$ 72,176</u>	<u>\$ 527,715</u>	<u>\$ 5,885,955</u>

CONWAY COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS						
	Fire Equipment and Training (Act 833)	Communication Facility and Equipment	Indigent Criminal Defense	District Court Cost	Child Support Cost	Emergency 911	Circuit Court Automation
REVENUES							
State aid	\$ 85,877		\$ 2,145			\$ 28,000	
Federal aid							
Property taxes							
Sales taxes							
Fines, forfeitures, and costs			10,380	\$ 13,710			\$ 8,228
Interest	248		10	21	\$ 17	42	40
Officers' fees		31,670			1,200		
911 fees						248,587	
City Aid							
Reimbursement for 911 expenses						154,445	
Treasurer's commission							
Collector's commission							
Taxes apportioned - Assessor's salary and expense							
Other		238				633	
TOTAL REVENUES	86,125	31,927	12,535	13,731	1,217	431,707	8,268
Less: Treasurer's commission			43	15	25		106
NET REVENUES	86,125	31,927	12,492	13,716	1,192	431,707	8,162
EXPENDITURES							
Current:							
General government							
Law enforcement		23,767	10,664	15,299			
Public safety	111,079					580,511	
Health							
Recreation and culture							
Social services							
Total Current	111,079	23,767	10,664	15,299		580,511	
Debt Service:							
Note principal	6,207						
Note interest	251						
TOTAL EXPENDITURES	117,537	23,767	10,664	15,299		580,511	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,412)	8,160	1,828	(1,583)	1,192	(148,804)	8,162
OTHER FINANCING SOURCES (USES)							
Transfers in						194,772	
Transfers out							
Sales tax remitted to community college							
Loan Proceeds							
TOTAL OTHER FINANCING SOURCES (USES)						194,772	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(31,412)	8,160	1,828	(1,583)	1,192	45,968	8,162
FUND BALANCES - JANUARY 1	218,005	23,647	7,359	41,700	13,580	25,814	30,040
FUND BALANCES - DECEMBER 31	\$ 186,593	\$ 31,807	\$ 9,187	\$ 40,117	\$ 14,772	\$ 71,782	\$ 38,202

CONWAY COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS							
	Fire Departments	County Library	District Court Automation	Boating Safety	Adult Drug Court	Circuit Clerk Commissioner's Fee	Nuclear Response	Community College (UACCM)
REVENUES								
State aid		\$ 79,389		\$ 1,247			\$ 65,000	
Federal aid		531					25,294	
Property taxes	\$ 36,804	371,194						
Sales taxes	1,009,347							\$ 744,743
Fines, forfeitures, and costs					\$ 7,012			
Interest	1,771	5,699	\$ 21	1	18	\$ 4	6	
Officers' fees						591		
911 fees								
City Aid		30,000						
Reimbursement for 911 expenses								
Treasurer's commission								
Collector's commission								
Taxes apportioned - Assessor's salary and expense								
Other	48,386	26,431					1,091	
TOTAL REVENUES	1,096,308	513,244	21	1,248	7,030	595	91,391	744,743
Less: Treasurer's commission	13,256	5,299		25	133	10		9,432
NET REVENUES	1,083,052	507,945	21	1,223	6,897	585	91,391	735,311
EXPENDITURES								
Current:								
General government								
Law enforcement			18,319	1,463	2,951			
Public safety	801,473						143,053	
Health								
Recreation and culture		444,628						
Social services								
Total Current	801,473	444,628	18,319	1,463	2,951		143,053	
Debt Service:								
Note principal	229,982							
Note interest	12,041							
TOTAL EXPENDITURES	1,043,496	444,628	18,319	1,463	2,951		143,053	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,556	63,317	(18,298)	(240)	3,946	585	(51,662)	735,311
OTHER FINANCING SOURCES (USES)								
Transfers in							50,000	
Transfers out	(97,386)							
Sales tax remitted to community college								(730,261)
Loan Proceeds	98,000							
TOTAL OTHER FINANCING SOURCES (USES)	614						50,000	(730,261)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	40,170	63,317	(18,298)	(240)	3,946	585	(1,662)	5,050
FUND BALANCES - JANUARY 1	1,547,902	1,089,518	27,303	250	13,314	2,910	18,355	62,551
FUND BALANCES - DECEMBER 31	<u>\$ 1,588,072</u>	<u>\$ 1,152,835</u>	<u>\$ 9,005</u>	<u>\$ 10</u>	<u>\$ 17,260</u>	<u>\$ 3,495</u>	<u>\$ 16,693</u>	<u>\$ 67,601</u>

CONWAY COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS					
	Treasurer's Automation	Collector's Automation	County Hospital	Law Enforcement Grant	County Clerk's Cost	County Recorder's Cost
REVENUES						
State aid			\$ 32,495			
Federal aid			531			
Property taxes			371,194			
Sales taxes			744,742			
Fines, forfeitures, and costs						
Interest		\$ 93	1,294		\$ 4	\$ 93
Officers' fees					10,443	36,568
911 fees						
City Aid						
Reimbursement for 911 expenses						
Treasurer's commission	\$ 29,443					
Collector's commission		43,977				
Taxes apportioned - Assessor's salary and expense						
Other			10,103			4,698
TOTAL REVENUES	29,443	44,070	1,160,359		10,447	41,359
Less: Treasurer's commission		1	14,732		136	533
NET REVENUES	29,443	44,069	1,145,627		10,311	40,826
EXPENDITURES						
Current:						
General government	34,093	32,211			5,635	39,389
Law enforcement						
Public safety						
Health			1,019,512			
Recreation and culture						
Social services						
Total Current	34,093	32,211	1,019,512		5,635	39,389
Debt Service:						
Note principal			249,933			
Note interest			14,828			
TOTAL EXPENDITURES	34,093	32,211	1,284,273		5,635	39,389
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,650)	11,858	(138,646)		4,676	1,437
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Sales tax remitted to community college						
Loan Proceeds						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,650)	11,858	(138,646)		4,676	1,437
FUND BALANCES - JANUARY 1	58,046	89,414	897,734	\$ 67	1,268	84,367
FUND BALANCES - DECEMBER 31	\$ 53,396	\$ 101,272	\$ 759,088	\$ 67	\$ 5,944	\$ 85,804

CONWAY COUNTY, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				Center for Exceptional Children Grant	Totals
	Drug Control	Assessor's Late Fee	Courthouse Renovation	Jail Construction	Hospital Renovation	Library Building		
REVENUES								
State aid								\$ 294,153
Federal aid							\$ 18,500	44,856
Property taxes								779,192
Sales taxes								2,498,832
Fines, forfeitures, and costs	\$ 6,017							45,347
Interest	17	\$ 42		\$ 326		\$ 214		10,000
Officers' fees								80,472
911 fees								248,587
City Aid								30,000
Reimbursement for 911 expenses								154,445
Treasurer's commission								29,443
Collector's commission								43,977
Taxes apportioned - Assessor's salary and expense		354						354
Other						861		92,441
TOTAL REVENUES	6,034	396		326		1,075	18,500	4,352,099
Less: Treasurer's commission								43,746
NET REVENUES	6,034	396		326		1,075	18,500	4,308,353
EXPENDITURES								
Current:								
General government								111,328
Law enforcement	26,334			440,021				538,818
Public safety								1,636,116
Health								1,019,512
Recreation and culture						1,776		446,404
Social services							18,500	18,500
Total Current	26,334			440,021		1,776	18,500	3,770,678
Debt Service:								
Note principal								486,122
Note interest								27,120
TOTAL EXPENDITURES	26,334			440,021		1,776	18,500	4,283,920
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,300)	396		(439,695)		(701)	0	24,433
OTHER FINANCING SOURCES (USES)								
Transfers in								244,772
Transfers out								(97,386)
Sales tax remitted to community college								(730,261)
Loan Proceeds								98,000
TOTAL OTHER FINANCING SOURCES (USES)								(484,875)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(20,300)	396		(439,695)		(701)		(460,442)
FUND BALANCES - JANUARY 1	31,928		\$ 150	502,497	\$ 21,304	428,456		5,237,479
FUND BALANCES - DECEMBER 31	\$ 11,628	\$ 396	\$ 150	\$ 62,802	\$ 21,304	\$ 427,755	\$ 0	\$ 4,777,037

CONWAY 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>
Fire Equipment and Training (Act 833)	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the county to local fire districts for equipment, training, capital improvements, insurance for buildings, utility costs, or other expenditures necessary for upgrading fire service.
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.
Indigent Criminal Defense	Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of the juvenile division of chancery court; and for defraying the medical and dental costs for indigent defendants in the county jail.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
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.
Fire Departments	Established to receive voluntary property taxes, sales tax, and other revenues to be used to finance capital improvements and operating and maintenance costs of Conway County Rural Fire Departments.
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.

CONWAY 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>
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.
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.
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Nuclear Response	Established to receive state, federal, and local grants to be expended for safety related matters concerning Arkansas Nuclear One.
Community College (UACCM)	Conway County Ordinance no. 2000-56 (August 24, 2000) established fund to receive sales tax revenue levied to assist the University of Arkansas Community College at Morrilton (UACCM) in constructing, improvements to, and operating and maintaining facilities owned by the College.
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.
County Hospital	Conway County Ordinance no. 2000-14 (July 21, 2000) established fund to receive property and sales tax revenue levied to assist in constructing, operating, and maintaining the hospital facilities owned by the County.
Law Enforcement Grant	Established to receive federal COPS grant funds and the required matching money from the County for the purpose of purchasing body armor.

CONWAY 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>
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
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.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Assessor's Late Fee	Ark. Code Ann. § 26-26-201 amended by Act 161 of 2017 to help pay for the expense of assessing property, subject to appropriation by the Quorum Court.
Courthouse Renovation	Conway County Ordinance no. 2002-19 (December 28, 2002) established fund to receive aid restricted for renovation of county buildings.
Jail Construction	Established to account for monies to be used for the expansion of the county jail.
Hospital Renovation	Conway County Ordinance no. 2014-16 (May 22, 2014) established fund to receive loan proceeds restricted for renovation of the hospital facilities owned by the County.
Library Building	Established to account for donations restricted by donors and grants for purchase of computers and library expansion.
Center for Exceptional Children Grant	Established to account for a grant received through the US Department of Housing and Urban Development.

Treasurer's accounts consist primarily of Treasurer's commissions not yet distributed to appropriate entities.

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 to be settled with Treasurer.

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

COWAY 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, interest, federal aid, and sales taxes that are restricted or committed for maintaining and constructing roads.

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

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

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

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

B. Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

COWAY 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, inmate monies, excess treasurer commission, trust funds and taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

D. Property Taxes

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

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

COWAY 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.

There were no committed fund balances at year-end.

2. **Details of Fund Balance Classifications**

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
General government			\$ 303,281
Law enforcement			119,081
Public safety			318,989
Health			759,088
Recreation and culture			1,152,835
Remittance to community college			67,601
Capital outlay			<u>512,011</u>
Total Restricted			<u>3,232,886</u>
Assigned to:			
Highways and streets		\$ 2,047,949	
Public safety			1,544,151
Economic Development	\$ 41,524		
Total Assigned	<u>41,524</u>	<u>2,047,949</u>	<u>1,544,151</u>
Unassigned	<u>2,806,833</u>		
Totals	<u>\$ 2,848,357</u>	<u>\$ 2,047,949</u>	<u>\$ 4,777,037</u>

3. **Commitments**

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

	<u>December 31, 2017</u>
Long-term liabilities	\$ 2,316,513
Noncancellable lease	51,721
Construction contracts	<u>206,087</u>
Total Commitments	<u>\$ 2,574,321</u>

COWAY 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
Note payable, date September 5, 2013, with Petit Jean State Bank for the purchase of a 1990 Seagrave pumper truck for the Springfield Fire Department, at an interest rate of 2%. Five annual payments of \$6,351 are to be made from the Fire Department Fund.	\$ 6,298
Note payable, dated April 24, 2013, with Petit Jean State Bank for the purchase of extrication equipment for the Springfield Fire Department, at an interest rate of 2%. Five annual payments of \$6,458 are to be made from the Fire Department Fund.	6,317
Note payable, dated April 24, 2013, with Petit Jean State Bank for the purchase of a Quick Attack brush truck for the Overcup Fire Department, at an interest rate of 2%. Five annual payments of \$18,282 are to be made from the Fire Department Fund.	17,730
Note payable, dated June 27, 2013, with Petit Jean State Bank, for the purchase of a 2003 Freightliner tanker for the Cleveland Fire Department at an interest rate of 2%. Five annual payments of \$18,987 are to be made from the Fire Department Fund.	18,621
Note payable, dated April 5, 2013, with Petit Jean State Bank for the purchase of 13 2013 Dodge Charger police cruisers and two 2013 Dodge D1500 pickup trucks for the Conway County Sheriff's Department, at an interest rate of 2%. Five annual payments of \$62,963 are to be made from the General Fund.	61,719
Note payable, dated June 4, 2014, with Petit Jean State Bank for the expansion of the hospital emergency room, at an interest rate of 1.94%. Five annual payments of \$264,761 are to be made from the County Hospital Fund.	514,379
Note payable, dated June 24, 2014, with Petit Jean State Bank for the purchase of a 2015 Ford F350 brush truck for the Sardis Fire Department, at an interest rate of 1.97%. Five annual payments of \$9,707 are to be made from the Fire Department Fund.	18,824
Note payable, dated March 25, 2014, with Petit Jean State Bank for the purchase of a 2015 Ford F550 Super cab fire truck for the Springfield Fire Department, at an interest rate of 1.97%. Five annual payments of \$30,598 are to be made from the Fire Department Fund.	59,338
Note payable, dated July 1, 2014, with Petit Jean State Bank for the purchase and construction of a building for Overcup Fire Department, at an interest rate of 1.97%. Five annual payments of \$18,689 are to be made from the Fire Department fund.	36,060
Note payable, dated December 2, 2015, with Petit Jean State Bank for the expansion of the county jail, at an interest rate of 1.94%. Five annual payments of \$423,671 are to be made from the General Fund.	1,222,792
Note payable, dated May 23, 2016, with Arvest Bank for the purchase of a 2016 Kenworth pumper truck, for the Birdtown Fire Department, at an interest rate of 1.99%. Five annual payments of \$33,647 are to be made out of the Fire Department fund.	128,151
Note payable, dated September 13, 2016, with Petit Jean State Bank for the purchase of a 2017 Kenworth T-370 fire truck for the Cleveland Fire Department at an interest rate of 1.97%. Five annual payments of \$16,931 are to be made from the Fire Department Fund.	64,514
Note payable, dated June 1, 2016, with Petit Jean State Bank for the purchase of a 2015 brush truck, for the Overcup Fire Department, at an interest rate of 1.97%. Five annual payments of \$7,443.28 are to be made out of the Fire Department Fund.	28,362
Note payable, dated June 29, 2016, with Petit Jean State Bank, for the purchase of a 2016 Dodge Charger and a 2016 Ford Transport for the County Sheriff's office, at an interest rate of 1.97%. Five annual payments of \$9,292 are to be made from the General Fund.	35,408
Note payable, dated September 19, 2017, with Petit Jean State Bank, for the purchase of a 2018 Dodge Ram 3500 for the Blackwell Fire Department at an interest rate of 2.10%. Five annual payments of \$12,342 are to be made from the Fire Fund.	58,000
Note payable, dated May 22, 2017, with Petit Jean State Bank, for the purchase of a 2017 Dodge 3500 Firetruck, for the Hillcreek Fire Department, at an interest rate of 1.97%. Five annual payments of \$8,186 are to be made from the Fire Fund	40,000
Total Long-term liabilities	\$ 2,316,513

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

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

3. 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:

<u>Years Ending December 31,</u>	<u>Notes</u>
2018	\$ 948,462
2019	835,562
2020	511,807
2021	88,137
2022	<u>20,823</u>
Total Obligations	2,404,791
Less Interest	<u>88,278</u>
Total Principal	<u><u>\$ 2,316,513</u></u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for two John Deere 672GP Motor Graders on August 29, 2016. Terms of the lease are monthly rental payments of \$2,722 for 36 months. At the end of the lease term, the County will return the graders. The County is obligated for the following amounts for the next two years:

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 32,666
2019	<u>19,055</u>
Total	<u><u>\$ 51,721</u></u>

Rental expense for 2017 was \$32,666.

Construction Contracts

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

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2017</u>
Health Department Remodel	April 3, 2018.	\$ 114,172
Chapel Road Bridge	May 22, 2018	68,437
Jail Expansion	July 10, 2018	<u>23,478</u>
Total Construction Contracts		<u><u>\$ 206,087</u></u>

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

4. Interfund Transfers

The General Fund transferred \$97,386 to Other Funds in the Aggregate to supplement operations in the Emergency 911 Fund. The Road Fund transferred \$50,000 to the Other Funds in the Aggregate to supplement Office of Emergency Management salaries and benefits in the Nuclear Response Fund, in accordance with A.C.A. § 14-14-811. Within the Other Funds in the Aggregate, Fire Department Fund transferred \$97,386 to supplement operations in the Emergency 911 Fund.

5. Subsequent Events

On March 1, 2018, the County secured a bank loan in the amount of \$305,970 for the purchase of nine Ford Explorers, two Dodge Chargers, and two Dodge Ram trucks for the Sheriff's office. The loan carries an interest rate of 2.20%, and calls for 5 annual payments of \$65,310 beginning on March 5, 2019.

On March 27, 2018, the County secured a bank loan in the amount of \$63,000 for the purchase of a 1997 Freightliner Pierce firetruck. The loan carries an interest rate of 2.20% and calls for 5 annual payments of \$13,443 beginning on March 25, 2019.

On May 3, 2018, the County secured a bank loan in the amount of \$78,855 for the purchase of 3.25 acres with a building. The loan carries an interest rate of 2.20% and calls for 5 annual payments of \$16,828 beginning May 3, 2019.

On June 30, 2018, the County secured a bank loan in the amount of \$150,000 for the construction of a new fire station. The loan carries an interest rate of 2.20% and calls for 5 annual payments of \$32,010 beginning June 20, 2019.

6. Jointly Governed Organizations

West River Valley Solid Waste Management District

Conway, Crawford, Franklin, Johnson, Logan, Perry, Pope, Scott and Yell Counties and the Cities of Van Buren, Ozark, Atkins, Booneville, Alma, Clarksville, Russellville, Paris, Charleston, Morrilton, Waldron, and Dardanelle entered into an agreement in 1997 to form the West River Valley Solid Waste Management District, in accordance with Ark. Code Ann. § 8-6-707. The County did not provide any funding for the West River Valley Solid Waste Management District in 2017. Separate financial statements may be obtained at 24087 Highway 164 Clarksville, AR. 72830.

Fifteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Fifteenth Judicial District, the Sheriff's Departments of Yell, Conway, Logan, Scott and Yell Counties, and the Police Departments of Paris, Booneville, Magazine, Waldron, Plainview, Ola, Dardanelle, Danville, Morrilton, Oppelo, Menifee, Mansfield and Plumerville entered into an agreement to establish the Fifteenth Judicial District Drug Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Fifteenth Judicial District. The County provided funding in the amount of \$15,000 to the Fifteenth District Drug Task Force during 2017. Financial statements of the Fifteenth District Drug Task force are not available.

Central Arkansas Intermodal Authority

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

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

7. Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. 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 \$569,763.

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 \$5,633,953.

8. Capital Assets

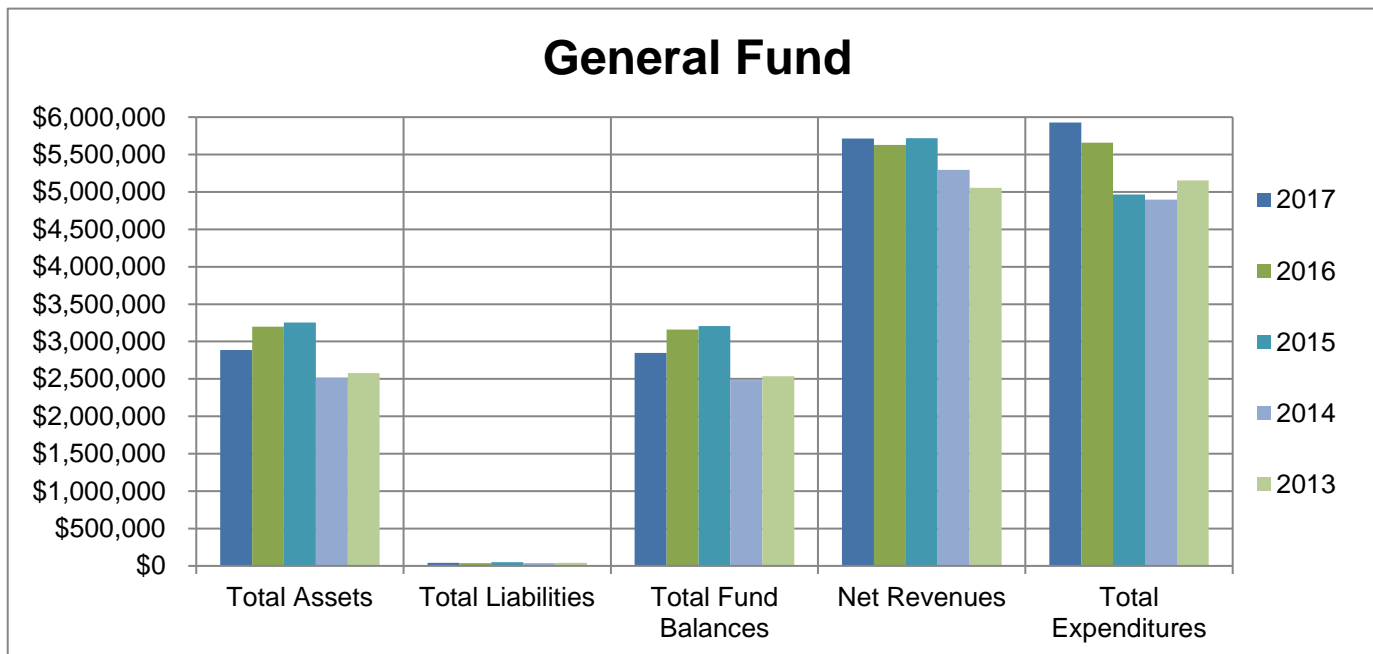
The County's capital assets records are summarized below :

	December 31, 2017
Land	\$ 197,208
Buildings	7,731,577
Equipment	13,081,438
Construction in Progress	<u>3,111,453</u>
Total	<u><u>\$24,121,676</u></u>

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

Schedule 3-1

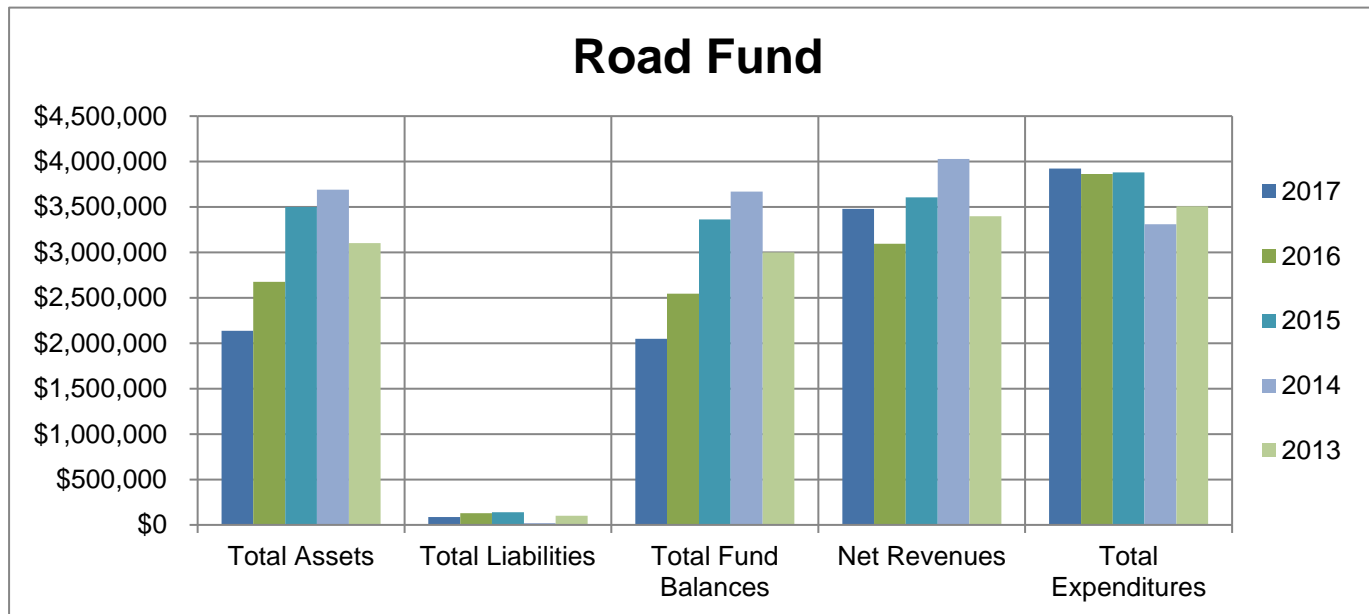
General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 2,888,128	\$ 3,197,996	\$ 3,254,988	\$ 2,519,787	\$ 2,576,993
Total Liabilities	39,771	37,779	49,924	37,839	42,106
Total Fund Balances	2,848,357	3,160,217	3,205,064	2,481,948	2,534,887
Net Revenues	5,715,329	5,626,472	5,718,829	5,294,206	5,056,874
Total Expenditures	5,929,803	5,656,325	4,963,820	4,895,073	5,152,703
Total Other Financing Sources/Uses	(97,386)	(14,994)	(28,148)	(472,209)	263,542



CONWAY 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	\$ 2,135,101	\$ 2,674,433	\$ 3,501,809	\$ 3,689,487	\$ 3,100,315
Total Liabilities	87,152	130,306	138,703	19,092	102,162
Total Fund Balances	2,047,949	2,544,127	3,363,106	3,670,395	2,998,153
Net Revenues	3,477,757	3,093,253	3,605,854	4,028,366	3,399,113
Total Expenditures	3,923,935	3,862,232	3,882,213	3,311,124	3,506,027
Total Other Financing Sources/Uses	(50,000)	(50,000)	(30,930)	(45,000)	391,572



CONWAY 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

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 5,885,955	\$ 6,280,596	\$ 8,140,824	\$ 6,659,407	\$ 5,589,187
Total Liabilities	1,108,918	1,043,117	1,242,833	1,096,327	877,380
Total Fund Balances	4,777,037	5,237,479	6,897,991	5,563,080	4,711,807
Net Revenues	4,308,353	4,166,909	4,399,374	4,772,054	5,095,407
Total Expenditures	4,283,920	5,496,854	4,341,435	5,163,485	4,629,478
Total Other Financing Sources/Uses	(484,875)	(330,567)	1,273,227	1,234,228	(315,619)

