

Dallas County, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Schedule</u>
Balance Sheet – Regulatory Basis (Unaudited)	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis (Unaudited)	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis (Unaudited)	C

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	2
Notes to Schedules 1 and 2	
Other General Information	
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	3-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	3-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	3-3

Arkansas

Sen. Jimmy Hickey, Jr.
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

Dallas 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 Dallas County, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 7, 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: Jimmy Jones
Treasurer: Leslie Nutt
Sheriff: Stan McGahee
Tax Collector: Brenda Black
County and Circuit Clerk: Pam Barnes
Assessor: Vanessa Pierce
County Librarian: Kena Trammel

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 of 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

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

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

Little Rock, Arkansas
September 7, 2018
LOCO2017

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 613,471	\$ 472,625	\$ 1,242,996
Accounts receivable	174,988	2,660	148,665
	TOTAL ASSETS	TOTAL ASSETS	TOTAL ASSETS
	\$ 788,459	\$ 475,285	\$ 1,391,661
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 20,764	\$ 32,910	\$ 17,020
Settlements pending			195,155
Total Liabilities	20,764	32,910	212,175
 Fund Balances:			
Restricted		442,375	1,179,486
Assigned	79,736		
Unassigned	687,959		
Total Fund Balances	767,695	442,375	1,179,486
	TOTAL LIABILITIES AND FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES
	\$ 788,459	\$ 475,285	\$ 1,391,661

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

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 464,785	\$ 1,064,477	\$ 40,733
Federal aid	3,590		99,000
Property taxes	374,402	97,595	95,680
Sales taxes			1,633,202
Fines, forfeitures, and costs	157,706		49,515
Interest	17,690	4,850	7,623
Officers' fees	10,622		36,542
911 fees			122,651
Jail fees	1,070,796		
Phone commissions			81,317
Sanitation fees			26,870
Treasurer's commission	102,844		12,737
Collector's commission	153,575		2,233
Taxes apportioned - Assessor's salary and expense	200,007		
Other	93,005	35,932	73,824
	<u>2,649,022</u>	<u>1,202,854</u>	<u>2,281,927</u>
TOTAL REVENUES			
Less: Treasurer's commission	43,866	21,447	38,507
	<u>2,605,156</u>	<u>1,181,407</u>	<u>2,243,420</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,039,072		139,069
Law enforcement	1,529,441		118,621
Highways and streets		924,692	
Public safety	155,276		124,291
Sanitation			969,890
Health	20,000		27,830
Recreation and culture	8,586		87,785
Social services	73,759		
Total Current	<u>2,826,134</u>	<u>924,692</u>	<u>1,467,486</u>
Debt Service:			
Lease principal		16,991	30,108
Lease interest		1,009	3,769
	<u>2,826,134</u>	<u>942,692</u>	<u>1,501,363</u>
TOTAL EXPENDITURES			

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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (220,978)</u>	<u>\$ 238,715</u>	<u>\$ 742,057</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			824,560
Transfers out			(824,560)
Sales tax remitted to hospital			<u>(734,593)</u>
TOTAL OTHER FINANCING SOURCES (USES)			<u>(734,593)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(220,978)	238,715	7,464
FUND BALANCES - JANUARY 1	<u>988,673</u>	<u>203,660</u>	<u>1,172,022</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 767,695</u></u>	<u><u>\$ 442,375</u></u>	<u><u>\$ 1,179,486</u></u>

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

DALLAS 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)

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 467,043	\$ 464,785	\$ (2,258)	\$ 1,024,852	\$ 1,064,477	\$ 39,625
Federal aid	104	3,590	3,486			
Property taxes	348,700	374,402	25,702	90,600	97,595	6,995
Fines, forfeitures, and costs	101,325	157,706	56,381			
Interest	8,100	17,690	9,590	5,075	4,850	(225)
Officers' fees	9,400	10,622	1,222			
Jail fees	1,270,000	1,070,796	(199,204)			
Treasurer's commission	108,372	102,844	(5,528)			
Collector's commission	145,000	153,575	8,575			
Taxes apportioned - Assessor's salary and expense	190,000	200,007	10,007			
Other	42,483	93,005	50,522	1,700	35,932	34,232
TOTAL REVENUES	2,690,527	2,649,022	(41,505)	1,122,227	1,202,854	80,627
Less: Treasurer's commission		43,866	(43,866)		21,447	(21,447)
NET REVENUES	2,690,527	2,605,156	(85,371)	1,122,227	1,181,407	59,180
EXPENDITURES						
Current:						
General government	1,270,185	1,039,072	231,113			
Law enforcement	1,775,087	1,529,441	245,646			
Highways and streets				1,239,765	924,692	315,073
Public safety	190,051	155,276	34,775			
Health	3,500	20,000	(16,500)			
Recreation and culture	15,702	8,586	7,116			
Social services	78,552	73,759	4,793			
Total Current	3,333,077	2,826,134	506,943	1,239,765	924,692	315,073
Debt Service:						
Lease principal					16,991	(16,991)
Lease interest					1,009	(1,009)
TOTAL EXPENDITURES	3,333,077	2,826,134	506,943	1,239,765	942,692	297,073
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(642,550)	(220,978)	421,572	(117,538)	238,715	356,253
FUND BALANCES - JANUARY 1	693,752	988,673	294,921	203,500	203,660	160
FUND BALANCES - DECEMBER 31	\$ 51,202	\$ 767,695	\$ 716,493	\$ 85,962	\$ 442,375	\$ 356,413

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

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

Schedule 1

SPECIAL REVENUE FUNDS

	CMRS 911 Board (Commercial Mobile Radio Service)	Boating Safety	County Recorder's Cost	Support Collection Costs	Hospital Maintenance	Indigent Defense	Juvenile Fees	Victim/Witness	Treasurer's Automation
ASSETS									
Cash and cash equivalents	\$ 213,707	\$ 1,919	\$ 6,726	\$ 999	\$ 35,052	\$ 65,954	\$ 792	\$ 6,734	\$ 28,121
Accounts receivable	271	1	2,306	20	69,123	2,195		417	3
TOTAL ASSETS	\$ 213,978	\$ 1,920	\$ 9,032	\$ 1,019	\$ 104,175	\$ 68,149	\$ 792	\$ 7,151	\$ 28,124
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,127				\$ 573				\$ 37
Settlements pending									
Total Liabilities	2,127				573				37
Fund Balances:									
Restricted	211,851	\$ 1,920	\$ 9,032	\$ 1,019	103,602	\$ 68,149	\$ 792	\$ 7,151	28,087
TOTAL LIABILITIES AND FUND BALANCES	\$ 213,978	\$ 1,920	\$ 9,032	\$ 1,019	\$ 104,175	\$ 68,149	\$ 792	\$ 7,151	\$ 28,124

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

Schedule 1

SPECIAL REVENUE FUNDS

	Communication Facility and Equipment	Collector's Automation	Circuit Court Automation	Child Passenger Protection	Assessor's Amendment no. 79	County Clerk's Cost	County Detention Facility	Jail Incarceration	County Library
ASSETS									
Cash and cash equivalents	\$ 43,112	\$ 4,177	\$ 1,406	\$ 21	\$ 11,353	\$ 749	\$ 10,083	\$ 49,449	\$ 66,055
Accounts receivable		4	180	43	4	21	187	1,467	491
TOTAL ASSETS	<u>\$ 43,112</u>	<u>\$ 4,181</u>	<u>\$ 1,586</u>	<u>\$ 64</u>	<u>\$ 11,357</u>	<u>\$ 770</u>	<u>\$ 10,270</u>	<u>\$ 50,916</u>	<u>\$ 66,546</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable								\$ 697	\$ 1,833
Settlements pending									
Total Liabilities								<u>697</u>	<u>1,833</u>
Fund Balances:									
Restricted	\$ 43,112	\$ 4,181	\$ 1,586	\$ 64	\$ 11,357	\$ 770	\$ 10,270	50,219	64,713
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,112</u>	<u>\$ 4,181</u>	<u>\$ 1,586</u>	<u>\$ 64</u>	<u>\$ 11,357</u>	<u>\$ 770</u>	<u>\$ 10,270</u>	<u>\$ 50,916</u>	<u>\$ 66,546</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS				AGENCY FUNDS				Totals
	Solid Waste Sales Tax	Circuit Clerk Commissioner's Fee	Solid Waste	Assessor's Late Assessment Fee	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County/Circuit Clerk's Accounts	
ASSETS									
Cash and cash equivalents		\$ 364	\$ 500,910	\$ 158	\$ 153,056	\$ 18,499	\$ 16,525	\$ 7,075	\$ 1,242,996
Accounts receivable	\$ 67,402		4,516	14					148,665
TOTAL ASSETS	<u>\$ 67,402</u>	<u>\$ 364</u>	<u>\$ 505,426</u>	<u>\$ 172</u>	<u>\$ 153,056</u>	<u>\$ 18,499</u>	<u>\$ 16,525</u>	<u>\$ 7,075</u>	<u>\$ 1,391,661</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 11,753						\$ 17,020
Settlements pending					\$ 153,056	\$ 18,499	\$ 16,525	\$ 7,075	195,155
Total Liabilities			<u>11,753</u>		<u>153,056</u>	<u>18,499</u>	<u>16,525</u>	<u>7,075</u>	<u>212,175</u>
Fund Balances:									
Restricted	\$ 67,402	\$ 364	493,673	\$ 172					1,179,486
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 67,402</u>	<u>\$ 364</u>	<u>\$ 505,426</u>	<u>\$ 172</u>	<u>\$ 153,056</u>	<u>\$ 18,499</u>	<u>\$ 16,525</u>	<u>\$ 7,075</u>	<u>\$ 1,391,661</u>

DALLAS 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								
	CMRS 911 Board (Commercial Mobile Radio Service)	Boating Safety	County Recorder's Cost	Support Collection Costs	Hospital Maintenance	Indigent Defense	Juvenile Fees	Victim/Witness	Treasurer's Automation
REVENUES									
State aid		\$ 605			\$ 4,608	\$ 1,941			
Federal aid									
Property taxes					27,395				
Sales taxes					816,601				
Fines, forfeitures, and costs						13,824		\$ 4,446	
Interest	\$ 248	2	\$ 14	\$ 1	35	77	\$ 2	8	\$ 28
Officers' fees			33,994	483					
911 fees	122,651								
Phone commissions									
Sanitation fees									
Treasurer's commission									12,737
Collector's commission									
Other	286			1	68	7,020	1	177	
TOTAL REVENUES	123,185	607	34,008	485	848,707	22,862	3	4,631	12,765
Less: Treasurer's commission	2,381	11	619	10	15,539	268	1	45	
NET REVENUES	120,804	596	33,389	475	833,168	22,594	2	4,586	12,765
EXPENDITURES									
Current:									
General government			28,201						5,323
Law enforcement		474				13,089	987	4,215	
Public safety	124,291								
Sanitation									
Health					27,830				
Recreation and culture									
Total Current	124,291	474	28,201		27,830	13,089	987	4,215	5,323
Debt Service:									
Lease principal									
Lease interest									
TOTAL EXPENDITURES	124,291	474	28,201		27,830	13,089	987	4,215	5,323
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,487)	122	5,188	475	805,338	9,505	(985)	371	7,442
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Sales tax remitted to hospital					(734,593)				
TOTAL OTHER FINANCING SOURCES (USES)					(734,593)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,487)	122	5,188	475	70,745	9,505	(985)	371	7,442
FUND BALANCES - JANUARY 1	215,338	1,798	3,844	544	32,857	58,644	1,777	6,780	20,645
FUND BALANCES - DECEMBER 31	\$ 211,851	\$ 1,920	\$ 9,032	\$ 1,019	\$ 103,602	\$ 68,149	\$ 792	\$ 7,151	\$ 28,087

DALLAS 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								
	Communicatio n Facility and Equipment	Collector's Automation	Circuit Court Automation	Child Passenger Protection	Assessor's Amendment no. 79	County Clerk's Cost	County Detention Facility	Jail Incarceration	County Library
REVENUES									
State aid					\$ 1,532				\$ 32,047
Federal aid									
Property taxes									68,110
Sales taxes									
Fines, forfeitures, and costs			\$ 1,285	\$ 1,598			\$ 2,747	\$ 25,615	
Interest	\$ 13	\$ 5	1	1	14		16	69	44
Officers' fees	1,705					\$ 236			
911 fees									
Phone commissions	81,317								
Sanitation fees									
Treasurer's commission									
Collector's commission		2,233							
Other	7,777					0	119	12	5,524
TOTAL REVENUES	90,812	2,238	1,286	1,599	1,546	236	2,882	25,696	105,725
Less: Treasurer's commission		41		28	28	4	53	457	1,482
NET REVENUES	90,812	2,197	1,286	1,571	1,518	232	2,829	25,239	104,243
EXPENDITURES									
Current:									
General government		6,545							
Law enforcement	57,033			3,190			8,442	31,191	
Public safety									
Sanitation									
Health									
Recreation and culture									87,785
Total Current	57,033	6,545		3,190			8,442	31,191	87,785
Debt Service:									
Lease principal									
Lease interest									
TOTAL EXPENDITURES	57,033	6,545		3,190			8,442	31,191	87,785
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	33,779	(4,348)	1,286	(1,619)	1,518	232	(5,613)	(5,952)	16,458
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Sales tax remitted to hospital									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	33,779	(4,348)	1,286	(1,619)	1,518	232	(5,613)	(5,952)	16,458
FUND BALANCES - JANUARY 1	9,333	8,529	300	1,683	9,839	538	15,883	56,171	48,255
FUND BALANCES - DECEMBER 31	\$ 43,112	\$ 4,181	\$ 1,586	\$ 64	\$ 11,357	\$ 770	\$ 10,270	\$ 50,219	\$ 64,713

DALLAS 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						
	Solid Waste Sales Tax	Circuit Clerk Commissioner's Fee	Home Program Grant	Solid Waste	Assessor's Late Assessment Fee	Totals
REVENUES						
State aid						\$ 40,733
Federal aid			\$ 99,000			99,000
Property taxes					\$ 175	95,680
Sales taxes	\$ 816,601					1,633,202
Fines, forfeitures, and costs						49,515
Interest				\$ 7,045		7,623
Officers' fees		\$ 124				36,542
911 fees						122,651
Phone commissions						81,317
Sanitation fees				26,870		26,870
Treasurer's commission						12,737
Collector's commission						2,233
Other				52,839		73,824
TOTAL REVENUES	816,601	124	99,000	86,754	175	2,281,927
Less: Treasurer's commission		2		17,535	3	38,507
NET REVENUES	816,601	122	99,000	69,219	172	2,243,420
EXPENDITURES						
Current:						
General government			99,000			139,069
Law enforcement						118,621
Public safety						124,291
Sanitation				969,890		969,890
Health						27,830
Recreation and culture						87,785
Total Current			99,000	969,890		1,467,486
Debt Service:						
Lease principal				30,108		30,108
Lease interest				3,769		3,769
TOTAL EXPENDITURES			99,000	1,003,767		1,501,363
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	816,601	122	0	(934,548)	172	742,057
OTHER FINANCING SOURCES (USES)						
Transfers in				824,560		824,560
Transfers out	(824,560)					(824,560)
Sales tax remitted to hospital						(734,593)
TOTAL OTHER FINANCING SOURCES (USES)	(824,560)			824,560		(734,593)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,959)	122		(109,988)	172	7,464
FUND BALANCES - JANUARY 1	75,361	242		603,661		1,172,022
FUND BALANCES - DECEMBER 31	\$ 67,402	\$ 364	\$ 0	\$ 493,673	\$ 172	\$ 1,179,486

DALLAS 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>
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
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.
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 automated records system.
Support Collection Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Hospital Maintenance	Established to account for a county-wide .4 mil tax on real and personal property as approved by Dallas County referendum on November 22, 1955 and to receive monies from a one cent sales and use tax levied by Dallas County Ordinance no. 2011-05 (March 15, 2011) as approved by referendum on June 14, 2011, for the maintenance of the county hospital.
Indigent 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. Ark. Code Ann. § 17-19-301 authorized a bail bond fee of \$20 to be collected, which shall all be remitted to the Arkansas Public Defender Commission. Three dollars of each fee is remitted back to the county quarterly to be used to defray the operating expenses of the public defender office.
Juvenile Fees	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.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.

DALLAS 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.
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.
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.
Child Passenger Protection	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines collected for violations of the Child Passenger Protection Act to be used solely for promotion of public safety.
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	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. 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.
County Detention Facility	Ark. Code Ann. § 12-41-505 established fund to receive a \$20 booking and administration fee assessed on persons convicted of a felony or Class A misdemeanor to be used exclusively for the maintenance, operation, and capital expenditures of a county jail or regional detention facility.
Jail Incarceration	Dallas County Ordinance no. 2009-03 (June 16, 2009) established fund, pursuant to Ark. Code Ann. § 16-17-129, allowing a county to levy an additional fine not to extend \$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.

DALLAS 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 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.
Solid Waste Sales Tax	Established to receive and remit sales tax for the Solid Waste Authority.
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.
Home Program Grant	Dallas County Ordinance no. 2015-09 (December 29, 2015) established to receive Federal funds for the rehabilitation or reconstruction of approved residences in the City of Carthage.
Solid Waste	Ark. Code Ann. §§ 14-233-101 - 14-233-12 authorizes counties to join with one or more municipalities to create and become members of a sanitation authority. This fund was established by Dallas County Ordinance no. 83-57 (April 20, 1983) for the purpose of participating in projects that are necessary of the disposal, treatment, and handling of solid waste.
Assessor's Late Assessment Fee	Ark. Code Ann. 26-26-201(d) established fund to account for 50 cent Assessor's late fee which is assessed for each list.

Treasurer's accounts consist primarily of property taxes, treasurer's commission, and interest not distributed to the appropriate authorities.

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

Sheriff's accounts consist primarily inmate trust money.

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

DALLAS 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 and property 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.

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.

DALLAS 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 accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, property taxes, officer's fees, commissary and treasurer'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. 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.

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.

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

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

F. Fund Balance Classification Policies and Procedures (Continued)

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>
Restricted for:			
General government			\$ 54,982
Law enforcement			183,263
Highways and streets		\$ 442,375	
Public safety			211,851
Sanitation			561,075
Health			103,602
Recreation and culture			64,713
Total Restricted		<u>442,375</u>	<u>1,179,486</u>
Assigned to:			
General government	\$ 70,894		
Law enforcement	<u>8,842</u>		
Total Assigned	<u>79,736</u>		
Unassigned	<u>687,959</u>		
Totals	<u>\$ 767,695</u>	<u>\$ 442,375</u>	<u>\$ 1,179,486</u>

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

3. Commitments

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

	December 31, 2017
Long-term liabilities	\$ 271,446
Reappraisal contract	187,800
Abstract contract	32,000
 Total Commitments	 \$ 491,246

Long-term Liabilities

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

	December 31, 2017
Lease-purchase agreement with John Deere Credit for the purchase of a 2008 John Deere 670D motor grader with interest at 3.55% for 44 monthly installments of \$1,500 and one payment of \$1,280 beginning March 25, 2015. Payments are to be made from the Road Fund.	\$ 15,963
Lease-purchase agreement with Welch State Bank for the purchase of a 2016 Western Star 4700 truck with interest at 3.26% for 60 monthly installments of \$2,823 beginning January 13, 2016. Payments are to be made from Solid Waste Fund.	99,246
Landfill closure and postclosure care costs	156,237
 Total Long-term liabilities	 \$ 271,446

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.

DALLAS 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,	Leases
2018	\$ 50,156
2019	33,877
2020	33,877
2021	2,823
Total Obligations	120,733
Less Interest	5,524
Total Principal	\$ 115,209

Landfill Closure and Postclosure Care Costs

Dallas County is the owner of Permit no. 0210-S4 to operate a Class IV solid waste landfill on land owned by Dallas County Solid Waste Authority. The Dallas County Solid Waste Authority operates the aforementioned landfill. State and federal regulations require a final cover be placed on the landfill site when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after closure.

The Arkansas Department of Environment Quality (ADEQ), Regulation no. 22, requires the County as the owner of the permit to file a closure/postclosure plan complete with cost estimates. This plan was accepted by ADEQ December 20, 1996. Closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste. Current cost estimates for closure/postclosure care is \$156,237 at December 31, 2017. These 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. The actual cost of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The annual engineers report, dated June 30, 2018, estimates the remaining capacity of the landfill at 13.12% of the original capacity with a remaining life of the landfill estimated to be 12.7 years.

In accordance with Ark. Code Ann. § 8-6-1603, the County has provided financial assurance of \$141,142 in the form of a Contract of Obligation dated June 25, 2015. This Contract of Obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to Dallas County the sum of \$141,142 upon receiving notice from the Director of the Arkansas Department of Environmental Quality of Dallas County's failure to properly disclose operation.

The Solid Waste Authority entered into contracts with FBT Bank and Mortgage, Regions Bank and Heartland Bank to act as trustees of trust funds for payment of eventual landfill closure/postclosure costs. The balances of the trust accounts as of August 7, 2018, were \$69,884, \$27,539 and \$48,805 respectively, for a total of \$146,228 which exceeds the amount of the current Contract of Obligation. It is not probable that Dallas County, Arkansas will have to assume financial responsibility for landfill closure/postclosure costs.

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

3. Commitments (Continued)

Reappraisal Contract

The County entered into a noncancellable contract for reappraisal services on October 31, 2014 with Total Assessment Solutions Corporation. Terms of the Contract require \$469,500 to be paid in 60 monthly payments \$7,825 beginning January 15, 2015.

The County is obligated for the following amounts:

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 93,900
2019	93,900
Total	<u>\$ 187,800</u>

Reappraisal expense for 2017 was \$93,900.

Abstract Contract

The County entered into a noncancellable contract for abstract services on October 27, 2014 with Total Assessment Solutions Corporation. Terms of the contract required \$80,000 to be paid in 60 monthly payments of \$1,333 beginning January 15, 2015.

The County is obligated for the following amount:

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 16,000
2019	16,000
Total	<u>\$ 32,000</u>

Abstract expense for 2017 was \$15,999.

4. Interfund Transfers

Within Other Funds in the Aggregate, \$824,560 was transferred from the Solid Waste Sales Tax Fund to the Solid Waste Fund for operations.

5. Joint Venture: Regional Mid-Arkansas Library

Dallas, Grant, and Hot Spring Counties entered into an agreement in January 1982 in accordance with Ark. Code § 13-2-401 to establish the Mid-Arkansas Regional Library. The agreement was amended in September 1989 to include Cleveland County. The agreement states that the business of the Mid-Arkansas Regional Library shall be handled by the Regional Board composed of the chairman, one other member of each county board, and the four co-regional librarians and shall be administered by a regional director. Funds for the Mid-Arkansas Regional Library consist of state aid grants, federal funds, and any other available funds for the purchase of books, maintenance of bookmobiles, and the employment of drivers and clerks. Each county continues to supervise control over its income from that county's one mill tax and has control of its particular library. The County made no payments to or on behalf of the Mid-Arkansas Regional Library in 2017. The financial statements of the Mid-Arkansas Regional Library have not been audited. Financial Information may be obtained at the Hot Spring County Library, 202 East Third Street, Malvern, Arkansas 72104.

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

6. Jointly Governed Organizations

Thirteenth Judicial District Drug Task Force

The Prosecuting Attorney of the Thirteenth Judicial District, the Sheriff's Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and Union Counties and the Police Departments of Camden, El Dorado, Fordyce, Hampton, Magnolia, Rison, and Smackover entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period July 1, 2017 to June 30, 2018, and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant, applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contributions or payments for expenditures were made to the Thirteenth Judicial District Drug Task Force by the County. The 2017 financial statements of the Thirteenth Judicial District Drug Task Force have not been audited.

Southwest Arkansas Regional Intermodal Authority

Nevada, Clark, Montgomery, Pike, and Dallas Counties and the Cities of Gurdon, Prescott, Glenwood, Caddo Valley, Murfreesboro, Arkadelphia, Amity, and Fordyce entered into an agreement on May 18, 2010, to establish the Southwest Arkansas Regional Intermodal Authority pursuant to Ark. Code Ann. §§ 14-143-101 – 14-143-129. The Southwest Regional Intermodal Authority shall be governed by a board of directors consisting of 18 members appointed by the participants' County Judges and Mayors. Each participating City will receive one member and each participating County will receive two members. Annual dues are \$2,000 per County and \$1,000 per City based on \$1,000 for each board member. No payments were made to the Southwest Arkansas Regional Intermodal Authority by the County other than the annual membership dues which were \$2,000 for 2017. Separate financial statements for the Southwest Arkansas Regional Intermodal Authority are not available.

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 \$243,888.

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 \$2,411,621.

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

8. Capital Assets

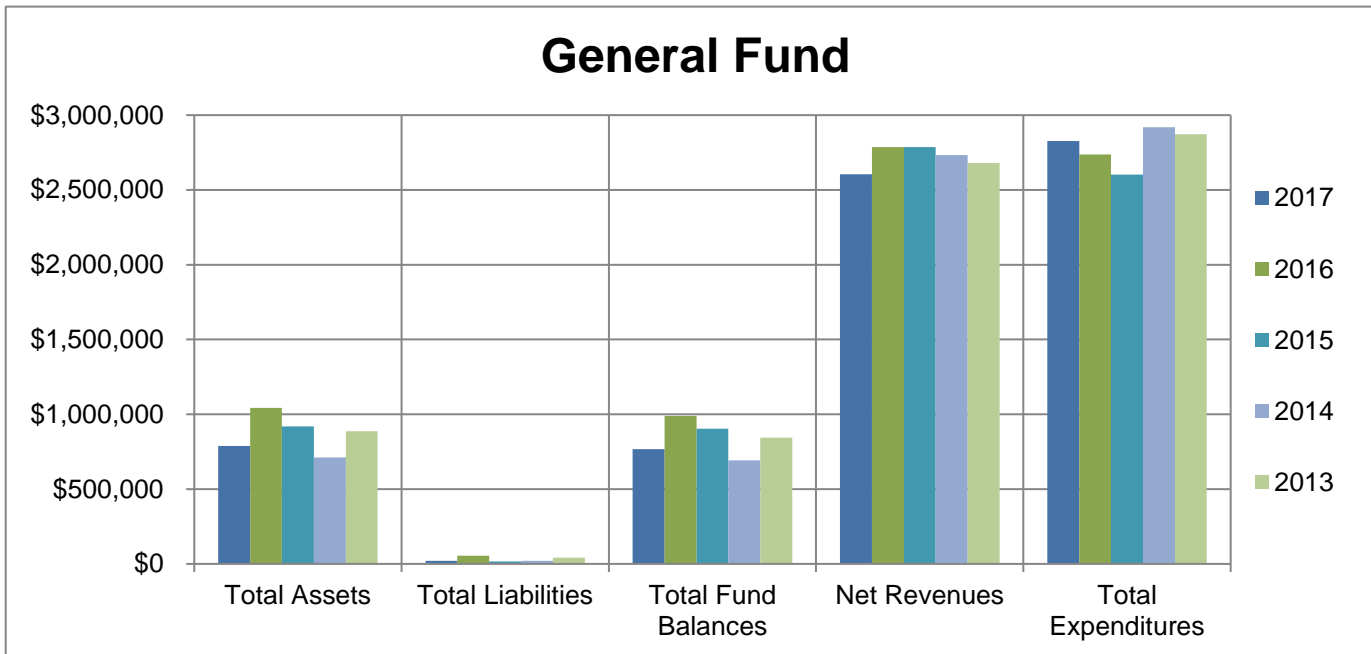
The County's capital assets records are summarized below :

	<u>December 31, 2017</u>
Land and Buildings	\$ 5,937,397
Equipment	<u>2,395,190</u>
Total	<u>\$ 8,332,587</u>

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

Schedule 3-1

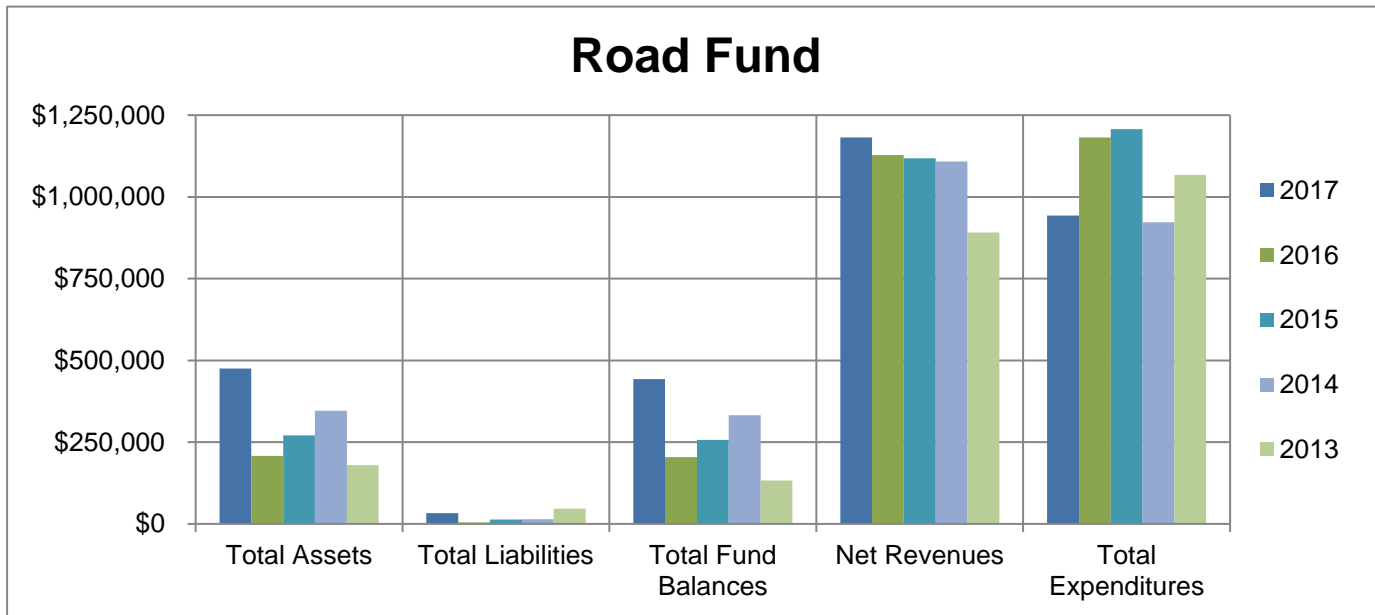
General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 788,459	\$ 1,042,516	\$ 919,978	\$ 711,419	\$ 885,812
Total Liabilities	20,764	53,843	16,122	19,573	42,132
Total Fund Balances	767,695	988,673	903,856	691,846	843,680
Net Revenues	2,605,156	2,785,810	2,786,971	2,733,072	2,679,195
Total Expenditures	2,826,134	2,737,797	2,602,014	2,918,098	2,871,991
Total Other Financing Sources/Uses	0	36,804	27,053	33,192	71,173



DALLAS 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	\$ 475,285	\$ 208,367	\$ 270,705	\$ 346,318	\$ 179,332
Total Liabilities	32,910	4,707	13,407	14,034	46,187
Total Fund Balances	442,375	203,660	257,298	332,284	133,145
Net Revenues	1,181,407	1,128,291	1,117,843	1,108,681	891,444
Total Expenditures	942,692	1,181,929	1,206,871	922,211	1,067,029
Total Other Financing Sources/Uses			14,042	12,669	



DALLAS 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

Other Funds in the Aggregate	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 1,391,661	\$ 1,463,643	\$ 903,989	\$ 824,682	\$ 785,497
Total Liabilities	212,175	291,621	430,218	345,578	340,473
Total Fund Balances	1,179,486	1,172,022	473,771	479,104	445,024
Net Revenues	2,243,420	2,722,986	2,423,919	2,484,450	2,140,686
Total Expenditures	1,501,363	1,785,390	718,673	718,506	429,589
Total Other Financing Sources/Uses	(734,593)	(885,570)	(1,710,579)	(1,731,864)	(1,756,343)

