

**Hempstead County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# 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

### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Hempstead County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Hempstead County, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Hempstead County, Arkansas, as of December 31, 2017, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund, road fund, and other funds in the aggregate for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Other Matters***

#### ***Supplementary and Other Information***

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
September 12, 2018  
LOCO02917

# 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

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Hempstead County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2018. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2017-1 Arkansas Code requires County management to maintain financial records. Other Funds in the Aggregate financial records contained material misstatements in revenues and expenditures of \$1,878,240 and \$574,201, respectively, due to posting errors. The effect of these misstatements constitutes a significant control deficiency in the preparation of the financial records.

County management should implement procedures to ensure that financial records are properly prepared.

The County Treasurer and County Clerk concurred with the above recommendation and approved the appropriate entries to the County's financial records.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the Internal Control over Financial Reporting section as item 2017-1.

## Entity's Response to Finding

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

## Other Issues

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

The commentary contained in this section relates to the following officials that held office during 2017:

County Judge: Haskell Morse  
Treasurer: Judy Flowers  
Sheriff/Tax Collector: James Singleton  
County Clerk: Karen Smith  
Circuit Clerk: Gail Wolfenbarger  
Assessor: Kim Smith  
County Librarian: CourtneyMcNiel  
District Court Clerk: Sherri Rateliff

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

## **County Judge**

Using a County vehicle, the County Judge drove 4,109 miles for a personal vacation in September 2017. Subsequently, on October 2, 2017, he reimbursed \$2,198 to the County using the Internal Revenue Service approved mileage rate. According to the Attorney General in Op. Att'y Gen. no. 2000-243, ". . .the personal use of a county vehicle is permissible only when it is incidental to a use that fulfills a public purpose."

*The following Information System weakness was noted during a review of computers.*

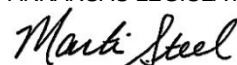
## **Sheriff**

The Disaster Recovery Plan in place was inadequate (both technical and end user) for restoring from short-term or long-term interruptions of computer processing. This situation could cause the entity to be without computer processing for an extended period of time in the event of a disaster or major interruption and could also place a financial and personnel burden on the resources of the entity.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
September 12, 2018

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

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,924,275	\$ 5,686,315	\$ 8,145,343
Accounts receivable	306,616	99,121	443,711
TOTAL ASSETS	\$ 2,230,891	\$ 5,785,436	\$ 8,589,054
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 46,944	\$ 118,167	\$ 437,856
Settlements pending	12,382		1,862,018
Total Liabilities	59,326	118,167	2,299,874
Fund Balances:			
Restricted		3,958,755	4,510,594
Committed	705,982	1,708,514	1,443,458
Assigned	1,900		335,128
Unassigned	1,463,683		
Total Fund Balances	2,171,565	5,667,269	6,289,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,230,891	\$ 5,785,436	\$ 8,589,054

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 570,289	\$ 1,559,338	\$ 139,279
Federal aid	89,141		1,795,314
Property taxes	1,395,569	394,649	385,314
Sales taxes	962,623	494,754	2,961,252
Fines, forfeitures, and costs	466,649		170,026
Interest	28,449	48,485	31,075
Officers' fees	49,599		155,596
Solid waste fees	237,971		
Jail fees			171,241
911 fees			252,175
Insurance premiums collected	17,476	70	176
Treasurer's commission	103,118		24,182
Collector's commission	174,167		64,820
Taxes apportioned - Assessor's salary and expense	312,784		
Other	189,833	241,223	148,186
<b>TOTAL REVENUES</b>	<b>4,597,668</b>	<b>2,738,519</b>	<b>6,298,636</b>
Less: Treasurer's commission	82,273	52,200	51,818
<b>NET REVENUES</b>	<b>4,515,395</b>	<b>2,686,319</b>	<b>6,246,818</b>
EXPENDITURES			
Current:			
General government	3,025,678		163,911
Law enforcement	1,596,855		1,944,920
Highways and streets		3,246,631	412,420
Public safety	96,504		219,024
Sanitation	858,342		
Health	49,171		
Recreation and culture			949,232
Social services	89,102		
Rural water			1,609,124
Total Current	5,715,652	3,246,631	5,298,631
Debt Service:			
Lease principal	83,244		
Lease interest	5,925		
<b>TOTAL EXPENDITURES</b>	<b>5,804,821</b>	<b>3,246,631</b>	<b>5,298,631</b>



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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,289,426)</u>	<u>\$ (560,312)</u>	<u>\$ 948,187</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,454,613
Transfers out	(1,454,613)		
Sales taxes remitted to University of Arkansas at Hope			<u>(1,480,626)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,454,613)</u>		<u>(26,013)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,744,039)	(560,312)	922,174
FUND BALANCES - JANUARY 1	<u>4,915,604</u>	<u>6,227,581</u>	<u>5,367,006</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,171,565</u></u>	<u><u>\$ 5,667,269</u></u>	<u><u>\$ 6,289,180</u></u>

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

HEMPSTEAD COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 505,740	\$ 570,289	\$ 64,549	\$ 1,482,020	\$ 1,559,338	\$ 77,318
Federal aid	47,238	89,141	41,903			
Property taxes	924,120	1,395,569	471,449	377,730	394,649	16,919
Sales taxes	697,500	962,623	265,123	585,000	494,754	(90,246)
Fines, forfeitures, and costs	473,654	466,649	(7,005)			
Interest	11,700	28,449	16,749	32,490	48,485	15,995
Officers' fees	44,730	49,599	4,869			
Solid waste fees	179,100	237,971	58,871			
Insurance premiums collected		17,476	17,476		70	70
Treasurer's commission	135,000	103,118	(31,882)			
Collector's commission	547,200	174,167	(373,033)			
Taxes apportioned - Assessor's salary and expense	225,000	312,784	87,784			
Other	381,536	189,833	(191,703)	33,300	241,223	207,923
<b>TOTAL REVENUES</b>	<b>4,172,518</b>	<b>4,597,668</b>	<b>425,150</b>	<b>2,510,540</b>	<b>2,738,519</b>	<b>227,979</b>
Less: Treasurer's commission		82,273	(82,273)		52,200	(52,200)
<b>NET REVENUES</b>	<b>4,172,518</b>	<b>4,515,395</b>	<b>342,877</b>	<b>2,510,540</b>	<b>2,686,319</b>	<b>175,779</b>
EXPENDITURES						
Current:						
General government	3,298,986	3,025,678	273,308			
Law enforcement	1,784,353	1,596,855	187,498			
Highways and streets				3,954,868	3,246,631	708,237
Public safety	107,772	96,504	11,268			
Sanitation	1,103,089	858,342	244,747			
Health	60,907	49,171	11,736			
Social services	106,720	89,102	17,618			
Total Current	6,461,827	5,715,652	746,175	3,954,868	3,246,631	708,237
Debt Service:						
Lease principal		83,244	(83,244)			
Lease interest		5,925	(5,925)			
<b>TOTAL EXPENDITURES</b>	<b>6,461,827</b>	<b>5,804,821</b>	<b>657,006</b>	<b>3,954,868</b>	<b>3,246,631</b>	<b>708,237</b>

HEMPSTEAD COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,289,309)	\$ (1,289,426)	\$ 999,883	\$ (1,444,328)	\$ (560,312)	\$ 884,016
OTHER FINANCING SOURCES (USES)						
Transfers in	53,700		(53,700)	5,504		(5,504)
Transfers out	(1,700,000)	(1,454,613)	245,387			
TOTAL OTHER FINANCING SOURCES (USES)	(1,646,300)	(1,454,613)	191,687	5,504		(5,504)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,935,609)	(2,744,039)	1,191,570	(1,438,824)	(560,312)	878,512
FUND BALANCES - JANUARY 1	3,904,027	4,915,604	1,011,577	5,509,122	6,227,581	718,459
FUND BALANCES - DECEMBER 31	\$ (31,582)	\$ 2,171,565	\$ 2,203,147	\$ 4,070,298	\$ 5,667,269	\$ 1,596,971

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

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

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

**B. Basis of Presentation - Regulatory Fund Accounting**

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

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

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

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

**Road Fund** - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and 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. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

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

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

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

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

**C. Basis of Accounting**

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

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

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, Treasurer's Commission, Collector's Commission and funds held in trust that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

**E. Property Taxes**

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

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

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

**F. Budget Law**

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund; Road Fund; and the other operating funds, except for the Emergency Vehicle, Communication Facility and Equipment, and Hempstead/Nevada Drug Court Funds.

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

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

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

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

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

	December 31, 2017	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 2,319,463	\$ 2,358,259
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	13,436,043	14,685,265
Total Deposits	\$ 15,755,506	\$ 17,043,524

The above total deposits do not include cash on hand of \$427.

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

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

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of no longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**NOTE 4: Accounts Receivable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid	\$ 7,453		\$ 157,717
Sales taxes	57,407	\$ 64,029	123,373
Fines, forfeitures, and costs	27,013		131,734
Interest	8		
Officers' fees	4,245		11,332
Solid waste fees	20,310		
Jail fees			11,572
911 fees			190
Insurance premiums collected	418	70	
Collector's commission	174,167		
Other	15,595	35,022	7,793
Totals	<u>\$ 306,616</u>	<u>\$ 99,121</u>	<u>\$ 443,711</u>

**NOTE 5: Accounts Payable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 45,944	\$ 116,917	\$ 437,362
Other	1,000	1,250	494
Totals	<u>\$ 46,944</u>	<u>\$ 118,167</u>	<u>\$ 437,856</u>

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

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

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
General government			\$ 470,702
Law enforcement			600,473
Highways and streets		\$ 3,958,755	98,681
Public safety			397,917
Recreation and culture			1,050,519
Rural water			1
Capital outlay			1,892,301
Total Restricted		<u>3,958,755</u>	<u>4,510,594</u>
Committed for:			
Highways and streets		1,708,514	
Sanitation	\$ 705,982		
Capital outlay			1,443,458
Total Committed	<u>705,982</u>	<u>1,708,514</u>	<u>1,443,458</u>
Assigned to:			
General government			26,000
Law enforcement	1,900		309,128
Total Assigned	<u>1,900</u>		<u>335,128</u>
Unassigned	<u>1,463,683</u>		
Totals	<u>\$ 2,171,565</u>	<u>\$ 5,667,269</u>	<u>\$ 6,289,180</u>

**NOTE 7: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2017, the legal debt limit for bonded debt was \$21,481,217. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2017, the legal debt limit for short-term financing obligations was \$10,319,789. The amount of short-term financing obligations was \$207,145, leaving a legal debt margin of \$10,112,644.



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

**NOTE 8: Commitments**

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

	December 31, 2017
Long-term liabilities	\$ 390,819
Noncancellable lease	50,304
Reappraisal contract	548,800
Construction contracts	3,529,036
Total Commitments	\$ 4,518,959

Long-term Liabilities

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

	December 31, 2017
<u>Lease purchase agreements</u>	
Lease purchase agreement with BancorpSouth on the purchase of a 2015 Mack truck, monthly payments of \$2,653 for 36 months beginning November 29, 2014, with interest of 2.29% and a final payment of \$105,900. Payments are to be made from the General Fund.	\$ 100,792
Lease purchase agreement with BancorpSouth on the purchase of a 2017 Mack truck, three monthly payments of \$4,778 beginning October 18, 2016, with interest of 2.24%, one principal only payment of \$50,000, and 45 monthly payments of \$3,619 with interest of 2.24%. Payments are to be made from the General Fund.	106,353
<u>Pension Liability</u>	
Arkansas District Judge Retirement unfunded pension liability. The actuarial assumed rate of interest is 8%. The total unfunded liability for the plan for 2017 is \$185,998. The City of Hope and Hempstead County have agreed to share the cost on a 50%/50% basis. The amount of liability reflected represents only the County's portion.	92,999
Compensated absences	90,675
Total Long-term liabilities	\$ 390,819

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.

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

**NOTE 8: 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	\$ 144,597
2019	43,425
2020	23,434
Total Obligations	211,456
Less Interest	4,311
Total Principal	\$ 207,145

Noncancellable Lease

The County entered into a noncancellable lease agreement for a postage meter on March 14, 2014. Terms of the lease are monthly rental payments of \$404 for 60 months. At the end of the lease term, the County will return the equipment to the Lessor.

The County entered into a noncancellable lease agreement for a Caterpillar track loader on May 28, 2015. Terms of the lease are monthly rental payments of \$1,635 for 36 months. At the end of the lease term, the County will return the equipment to the Lessor.

The County entered into a noncancellable lease agreement for a Caterpillar track loader on May 29, 2015. Terms of the lease are monthly rental payments of \$1,625 for 36 months. At the end of the lease term, the County will return the equipment to the Lessor.

The County entered into a noncancellable lease agreement for a Caterpillar motor grader on January 7, 2016. Terms of the lease are monthly rental payments of \$1,460 for 36 months. At the end of the lease term, the County will return the equipment to the Lessor.

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

Year	December 31, 2017
2018	\$ 48,440
2019	1,864
Total	\$ 50,304

Rental expense for 2017 was \$58,623.

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

**NOTE 8: Commitments (Continued)**

Reappraisal Contract

The County entered into a contract dated November 22, 2016, with Arkansas CAMA Technology, Inc., for reappraisal services. The terms of the contract require \$686,000 to be paid in 60 monthly installments of \$11,433 with the first invoice issued on February 1, 2017.

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

Year	December 31, 2017
2018	\$ 137,200
2019	137,200
2020	137,200
2021	137,200
Total	\$ 548,800

Reappraisal expense for 2017 was \$137,200.

Construction Contracts

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

Project Name	Estimated Completion Date	Contract Balance December 31, 2017
Library Building	December 2018	\$ 1,871,410
Southwest Arkansas Water System	December 2018	1,657,626
		\$ 3,529,036
Total Construction Contracts		

**NOTE 9: Interfund Transfers**

The General Fund transferred \$1,454,613 to Other Funds in the Aggregate, \$1,441,613 for capital improvement and \$13,000 for operating purposes.

**NOTE 10: Jointly Governed Organizations**

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid the Upper Southwest Arkansas Regional Solid Waste Management District \$153,529 during 2017. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate audited financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District are available at [www.arklegaudit.gov](http://www.arklegaudit.gov).

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

**NOTE 10: Jointly Governed Organizations (Continued)**

South Central Drug Task Force

The Prosecuting Attorneys of the Ninth-West, Eighth-North and Eighth-South Judicial Districts, the Sheriffs' Departments of Sevier, Little River, Howard, Pike, Nevada, Hempstead, and Lafayette Counties, and the Police Departments of De Queen, Nashville, Prescott, Ashdown, and Hope entered into an agreement to establish the South Central Drug Task Force. The agreement covers the period July 1, 2017 to June 30, 2018, and may be extended upon written mutual agreement. Funding is provided through federal and state grants in addition to contributions from participating entities. No expenditures were made to the South Central Drug Task Force by the County in 2017. Separate financial statements for the South Central Drug Task Force are not available. On March 14, 2018, the Prosecuting Attorney of the Eighth-North Judicial District, the Sheriff's Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott withdrew from the South Central Drug Task Force.

Eighth North Drug Task Force

The Prosecuting Attorney of the Eighth-North Judicial District, the Sheriffs' Departments of Hempstead and Nevada Counties, and the Police Departments of Hope and Prescott entered into an agreement to establish the Eighth North Drug Task Force. The Eighth North Drug Task Force began operations on March 15, 2018. The task force is governed by a board of directors consisting of the Prosecuting Attorney, Hempstead County Sheriff, Nevada County Sheriff, Prescott Police Chief, and Hope Police Chief. Funding for the task force will come from monies seized by officers during drug arrests and forfeited by court order to the Eighth North Judicial District Drug Control Fund administered by the Prosecutor's office.

**NOTE 11: Risk Management**

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

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

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

Vehicle Program

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

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

**NOTE 11: Risk Management (Continued)**

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

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

**NOTE 12: Arkansas Public Employees Retirement System**

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2017 (date of APERS Employer Allocation Report) were \$501,721.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$4,961,141.

**NOTE 13: Hempstead Hall – Auditorium and Conference Facility**

The voters of Hempstead County approved, at a special election on March 11, 2008, the constructing of an auditorium and community conference facility (Hempstead Hall) to be located on the campus of the University of Arkansas Community College at Hope. This facility is to be jointly used by the County and the College. The County entered into a long-term ground lease agreement with the College on July 22, 2008, for the purpose of leasing the land on which Hempstead Hall is located. Terms of the lease shall be annual payment of \$1 due on or before the first day of January of each year for a period of 99 years. The County has also executed an operating and maintenance agreement with the college beginning July 22, 2008, and ending July 22, 2018, whereas the college agrees to operate and maintain the facility at no cost to the County.

**NOTE 14: Subsequent Events**

On June 30, 2018 the County terminated the operating and maintenance agreement with the college, thereby returning exclusive control and operation of Hempstead Hall to the University of Arkansas Community College at Hope. All rights, title and interest in all structures, improvements, furniture, fixtures, equipment, and personal property are now vested in the University.

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
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Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	County Library	County Clerk's Cost	Support Collections Cost
<b>ASSETS</b>									
Cash and cash equivalents	\$ 106,609	\$ 247,939	\$ 139,068	\$ 36,677	\$ 4,215	\$ 83,194	\$ 1,054,142	\$ 3,080	\$ 2,094
Accounts receivable			2,720		230	9,462	128	80	222
<b>TOTAL ASSETS</b>	<u>\$ 106,609</u>	<u>\$ 247,939</u>	<u>\$ 141,788</u>	<u>\$ 36,677</u>	<u>\$ 4,445</u>	<u>\$ 92,656</u>	<u>\$ 1,054,270</u>	<u>\$ 3,160</u>	<u>\$ 2,316</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable			\$ 171			\$ 19	\$ 3,751		
Settlements pending									
<b>Total Liabilities</b>			<u>171</u>			<u>19</u>	<u>3,751</u>		
Fund Balances:									
Restricted	\$ 106,609	\$ 247,939	141,617	\$ 36,677	\$ 4,445	66,637	1,050,519	\$ 3,160	\$ 2,316
Committed									
Assigned						26,000			
<b>Total Fund Balances</b>	<u>106,609</u>	<u>247,939</u>	<u>141,617</u>	<u>36,677</u>	<u>4,445</u>	<u>92,637</u>	<u>1,050,519</u>	<u>3,160</u>	<u>2,316</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 106,609</u>	<u>\$ 247,939</u>	<u>\$ 141,788</u>	<u>\$ 36,677</u>	<u>\$ 4,445</u>	<u>\$ 92,656</u>	<u>\$ 1,054,270</u>	<u>\$ 3,160</u>	<u>\$ 2,316</u>

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

Schedule 1

SPECIAL REVENUE FUNDS									
	County Detention Facility	Boating Safety	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee
<b>ASSETS</b>									
Cash and cash equivalents	\$ 262,145	\$ 5,638	\$ 331,763	\$ 1,685	\$ 26,223	\$ 11,071	\$ 13,377	\$ 13,634	\$ 2,144
Accounts receivable	5,350		191	30		1,541		90	
<b>TOTAL ASSETS</b>	<b>\$ 267,495</b>	<b>\$ 5,638</b>	<b>\$ 331,954</b>	<b>\$ 1,715</b>	<b>\$ 26,223</b>	<b>\$ 12,612</b>	<b>\$ 13,377</b>	<b>\$ 13,724</b>	<b>\$ 2,144</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable			\$ 2,665			\$ 2,000			
Settlements pending									
<b>Total Liabilities</b>			<b>2,665</b>			<b>2,000</b>			
<b>Fund Balances:</b>									
Restricted	\$ 267,495	\$ 5,638	329,289	\$ 1,715	\$ 26,223		\$ 13,377	\$ 13,724	\$ 2,144
Committed									
Assigned						10,612			
<b>Total Fund Balances</b>	<b>267,495</b>	<b>5,638</b>	<b>329,289</b>	<b>1,715</b>	<b>26,223</b>	<b>10,612</b>	<b>13,377</b>	<b>13,724</b>	<b>2,144</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 267,495</b>	<b>\$ 5,638</b>	<b>\$ 331,954</b>	<b>\$ 1,715</b>	<b>\$ 26,223</b>	<b>\$ 12,612</b>	<b>\$ 13,377</b>	<b>\$ 13,724</b>	<b>\$ 2,144</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	County Jail	District Court Cost	Tornado Disaster	West Nile Virus	Federal Emergency Management Agency - Windstorm Damage	Courthouse Improvement	Federal Emergency Management Agency - Katrina	Economic Development Grant/Tyson	Circuit Court Automation
<b>ASSETS</b>									
Cash and cash equivalents	\$ 230,826	\$ 34,604	\$ 30,594	\$ 14	\$ 10,236	\$ 320	\$ 8,422	\$ 98,681	\$ 2,902
Accounts receivable	141,030	210							65
<b>TOTAL ASSETS</b>	<b><u>\$ 371,856</u></b>	<b><u>\$ 34,814</u></b>	<b><u>\$ 30,594</u></b>	<b><u>\$ 14</u></b>	<b><u>\$ 10,236</u></b>	<b><u>\$ 320</u></b>	<b><u>\$ 8,422</u></b>	<b><u>\$ 98,681</u></b>	<b><u>\$ 2,967</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 73,340								
Settlements pending									
<b>Total Liabilities</b>	<b><u>73,340</u></b>								
<b>Fund Balances:</b>									
Restricted		\$ 34,814	\$ 30,594	\$ 14	\$ 10,236	\$ 320	\$ 8,422	\$ 98,681	\$ 2,967
Committed									
Assigned	298,516								
<b>Total Fund Balances</b>	<b><u>298,516</u></b>	<b><u>34,814</u></b>	<b><u>30,594</u></b>	<b><u>14</u></b>	<b><u>10,236</u></b>	<b><u>320</u></b>	<b><u>8,422</u></b>	<b><u>98,681</u></b>	<b><u>2,967</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 371,856</u></b>	<b><u>\$ 34,814</u></b>	<b><u>\$ 30,594</u></b>	<b><u>\$ 14</u></b>	<b><u>\$ 10,236</u></b>	<b><u>\$ 320</u></b>	<b><u>\$ 8,422</u></b>	<b><u>\$ 98,681</u></b>	<b><u>\$ 2,967</u></b>



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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Communications Facility and Equipment	University of Arkansas Community College at Hope (UACCH)	Voluntary Tax/Deputies Salaries	Juvenile Drug Court Grant	Swift Court Grant	Adult Drug Court	Southwest Arkansas Water System Grant	Hempstead/ Nevada Drug Court Grant	Assessor's Late Assessment Fee
<b>ASSETS</b>									
Cash and cash equivalents	\$ 37,746		\$ 4,516	\$ 27,040	\$ 31,336	\$ 8,170	\$ 1	\$ 3,811	\$ 455
Accounts receivable	1,272	123,373					157,717		
<b>TOTAL ASSETS</b>	<b>\$ 39,018</b>	<b>\$ 123,373</b>	<b>\$ 4,516</b>	<b>\$ 27,040</b>	<b>\$ 31,336</b>	<b>\$ 8,170</b>	<b>\$ 157,718</b>	<b>\$ 3,811</b>	<b>\$ 455</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,626	\$ 123,373					\$ 157,717		
Settlements pending									
<b>Total Liabilities</b>	<b>1,626</b>	<b>123,373</b>					<b>157,717</b>		
<b>Fund Balances:</b>									
Restricted	37,392		\$ 4,516	\$ 27,040	\$ 31,336	\$ 8,170	1	\$ 3,811	\$ 455
Committed									
Assigned									
<b>Total Fund Balances</b>	<b>37,392</b>		<b>4,516</b>	<b>27,040</b>	<b>31,336</b>	<b>8,170</b>	<b>1</b>	<b>3,811</b>	<b>455</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 39,018</b>	<b>\$ 123,373</b>	<b>\$ 4,516</b>	<b>\$ 27,040</b>	<b>\$ 31,336</b>	<b>\$ 8,170</b>	<b>\$ 157,718</b>	<b>\$ 3,811</b>	<b>\$ 455</b>

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

Schedule 1

	CAPITAL PROJECTS FUNDS		AGENCY FUNDS						Totals
	Library Building	Capital Improvement/Courthouse	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,965,495	\$ 1,443,458	\$ 1,049,561	\$ 118,393	\$ 89,797	\$ 137,904	\$ 428,006	\$ 38,357	\$ 8,145,343
Accounts receivable									443,711
<b>TOTAL ASSETS</b>	<u>\$ 1,965,495</u>	<u>\$ 1,443,458</u>	<u>\$ 1,049,561</u>	<u>\$ 118,393</u>	<u>\$ 89,797</u>	<u>\$ 137,904</u>	<u>\$ 428,006</u>	<u>\$ 38,357</u>	<u>\$ 8,589,054</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 73,194								\$ 437,856
Settlements pending			\$ 1,049,561	\$ 118,393	\$ 89,797	\$ 137,904	\$ 428,006	\$ 38,357	1,862,018
Total Liabilities	<u>73,194</u>		<u>1,049,561</u>	<u>118,393</u>	<u>89,797</u>	<u>137,904</u>	<u>428,006</u>	<u>38,357</u>	<u>2,299,874</u>
Fund Balances:									
Restricted	1,892,301								4,510,594
Committed		\$ 1,443,458							1,443,458
Assigned									335,128
Total Fund Balances	<u>1,892,301</u>	<u>1,443,458</u>							<u>6,289,180</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,965,495</u>	<u>\$ 1,443,458</u>	<u>\$ 1,049,561</u>	<u>\$ 118,393</u>	<u>\$ 89,797</u>	<u>\$ 137,904</u>	<u>\$ 428,006</u>	<u>\$ 38,357</u>	<u>\$ 8,589,054</u>

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Automation	County Recorder's Cost	County Library	County Clerk's Cost	Support Collections Cost
REVENUES									
State aid				\$ 4,152			\$ 82,202		
Federal aid									
Property taxes							368,626		
Sales taxes									
Fines, forfeitures, and costs			\$ 33,225						
Interest	\$ 853	\$ 1,989	1,214	305		\$ 706	7,266		
Officers' fees					\$ 4,009	131,938		\$ 884	\$ 1,625
Jail fees									
911 fees									
Insurance premiums collected									
Treasurer's commission	24,182								
Collector's commission		64,820							
Other			5,587	32	7	1,236	20,883	2	17
<b>TOTAL REVENUES</b>	<b>25,035</b>	<b>66,809</b>	<b>40,026</b>	<b>4,489</b>	<b>4,016</b>	<b>133,880</b>	<b>478,977</b>	<b>886</b>	<b>1,642</b>
Less: Treasurer's commission			632	89	4	2,464	8,247		31
<b>NET REVENUES</b>	<b>25,035</b>	<b>66,809</b>	<b>39,394</b>	<b>4,400</b>	<b>4,012</b>	<b>131,416</b>	<b>470,730</b>	<b>886</b>	<b>1,611</b>
EXPENDITURES									
Current:									
General government	7,874	30,436			2,462	112,843			1,754
Law enforcement			38,004						
Highways and streets									
Public safety									
Recreation and culture							344,666		
Rural water									
<b>TOTAL EXPENDITURES</b>	<b>7,874</b>	<b>30,436</b>	<b>38,004</b>		<b>2,462</b>	<b>112,843</b>	<b>344,666</b>		<b>1,754</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,161</b>	<b>36,373</b>	<b>1,390</b>	<b>4,400</b>	<b>1,550</b>	<b>18,573</b>	<b>126,064</b>	<b>886</b>	<b>(143)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Sales taxes remitted to University of Arkansas at Hope									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>17,161</b>	<b>36,373</b>	<b>1,390</b>	<b>4,400</b>	<b>1,550</b>	<b>18,573</b>	<b>126,064</b>	<b>886</b>	<b>(143)</b>
FUND BALANCES - JANUARY 1	89,448	211,566	140,227	32,277	2,895	74,064	924,455	2,274	2,459
FUND BALANCES - DECEMBER 31	<b>\$ 106,609</b>	<b>\$ 247,939</b>	<b>\$ 141,617</b>	<b>\$ 36,677</b>	<b>\$ 4,445</b>	<b>\$ 92,637</b>	<b>\$ 1,050,519</b>	<b>\$ 3,160</b>	<b>\$ 2,316</b>

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	County Detention Facility	Boating Safety	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim/Witness	Indigent Defense	Drug Court Program	Public Safety	Circuit Clerk Commissioner's Fee
REVENUES									
State aid		\$ 1,385							
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs	\$ 73,834			\$ 1,165	\$ 38,646	\$ 12,230	\$ 910	\$ 895	
Interest			\$ 2,435	75	232	29			
Officers' fees									\$ 962
Jail fees	775								
911 fees			252,175						
Insurance premiums collected									
Treasurer's commission									
Collector's commission									
Other	780	14	11,312	6	3,545	6,632	25	4	8
<b>TOTAL REVENUES</b>	<b>75,389</b>	<b>1,399</b>	<b>265,922</b>	<b>1,246</b>	<b>42,423</b>	<b>18,891</b>	<b>935</b>	<b>899</b>	<b>970</b>
Less: Treasurer's commission	1,484	28	3,704	27	851	221	23	15	21
<b>NET REVENUES</b>	<b>73,905</b>	<b>1,371</b>	<b>262,218</b>	<b>1,219</b>	<b>41,572</b>	<b>18,670</b>	<b>912</b>	<b>884</b>	<b>949</b>
EXPENDITURES									
Current:									
General government									2,155
Law enforcement				9,788	50,509	29,619	2,142		
Highways and streets									
Public safety			219,024						
Recreation and culture									
Rural water									
<b>TOTAL EXPENDITURES</b>			<b>219,024</b>	<b>9,788</b>	<b>50,509</b>	<b>29,619</b>	<b>2,142</b>		<b>2,155</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>73,905</b>	<b>1,371</b>	<b>43,194</b>	<b>(8,569)</b>	<b>(8,937)</b>	<b>(10,949)</b>	<b>(1,230)</b>	<b>884</b>	<b>(1,206)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in						13,000			
Sales taxes remitted to University of Arkansas at Hope									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						<b>13,000</b>			
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>73,905</b>	<b>1,371</b>	<b>43,194</b>	<b>(8,569)</b>	<b>(8,937)</b>	<b>2,051</b>	<b>(1,230)</b>	<b>884</b>	<b>(1,206)</b>
FUND BALANCES - JANUARY 1	193,590	4,267	286,095	10,284	35,160	8,561	14,607	12,840	3,350
FUND BALANCES - DECEMBER 31	<b>\$ 267,495</b>	<b>\$ 5,638</b>	<b>\$ 329,289</b>	<b>\$ 1,715</b>	<b>\$ 26,223</b>	<b>\$ 10,612</b>	<b>\$ 13,377</b>	<b>\$ 13,724</b>	<b>\$ 2,144</b>

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	County Jail	District Court Cost	Tornado Disaster	West Nile Virus	Federal Emergency Management Agency - Windstorm Damage	Courthouse Improvement	Federal Emergency Management Agency - Katrina	Economic Development Grant/Tyson	Drug Court Grant
REVENUES									
State aid									
Federal aid								\$ 182,691	
Property taxes									
Sales taxes	\$ 1,480,626								
Fines, forfeitures, and costs		\$ 9,121							
Interest	1,496		\$ 255						
Officers' fees									
Jail fees	170,466								
911 fees									
Insurance premiums collected	176								
Treasurer's commission									
Collector's commission									
Other	77,717	826							
<b>TOTAL REVENUES</b>	<b>1,730,481</b>	<b>9,947</b>	<b>255</b>					<b>182,691</b>	
Less: Treasurer's commission	33,095	195							
<b>NET REVENUES</b>	<b>1,697,386</b>	<b>9,752</b>	<b>255</b>					<b>182,691</b>	
EXPENDITURES									
Current:									
General government									
Law enforcement	1,718,460	1,116							\$ 1,484
Highways and streets							412,420		
Public safety									
Recreation and culture									
Rural water									
<b>TOTAL EXPENDITURES</b>	<b>1,718,460</b>	<b>1,116</b>					<b>412,420</b>		<b>1,484</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(21,074)</b>	<b>8,636</b>	<b>255</b>				<b>(229,729)</b>		<b>(1,484)</b>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Sales taxes remitted to University of Arkansas at Hope									
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>									
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(21,074)</b>	<b>8,636</b>	<b>255</b>				<b>(229,729)</b>		<b>(1,484)</b>
FUND BALANCES - JANUARY 1	319,590	26,178	30,339	\$ 14	\$ 10,236	\$ 320	\$ 8,422	328,410	1,484
FUND BALANCES - DECEMBER 31	<b>\$ 298,516</b>	<b>\$ 34,814</b>	<b>\$ 30,594</b>	<b>\$ 14</b>	<b>\$ 10,236</b>	<b>\$ 320</b>	<b>\$ 8,422</b>	<b>\$ 98,681</b>	<b>\$ 0</b>

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

SPECIAL REVENUE FUNDS

	Wal-Mart Grant	Circuit Court Automation	Communication s Facility and Equipment	University of Arkansas Community College at Hope (UACCH)	Voluntary Tax/Deputies Salaries	Juvenile Drug Court Grant	Swift Court Grant	Adult Drug Court	Southwest Arkansas Water System Grant
REVENUES									
State aid						\$ 27,040	\$ 14,000	\$ 6,000	
Federal aid									\$ 1,609,124
Property taxes					\$ 16,225				
Sales taxes				\$ 1,480,626					
Fines, forfeitures, and costs									
Interest			\$ 302						
Officers' fees		\$ 1,298	14,880						
Jail fees									
911 fees									
Insurance premiums collected									
Treasurer's commission									
Collector's commission									
Other		1	15,976		3,076				
<b>TOTAL REVENUES</b>		1,299	31,158	1,480,626	19,301	27,040	14,000	6,000	1,609,124
Less: Treasurer's commission		13	296		370				
<b>NET REVENUES</b>		1,286	30,862	1,480,626	18,931	27,040	14,000	6,000	1,609,124
EXPENDITURES									
Current:									
General government									
Law enforcement	\$ 198	1,436	46,323		20,196	6,752	6,060	8,145	
Highways and streets									
Public safety									
Recreation and culture									
Rural water									1,609,124
<b>TOTAL EXPENDITURES</b>	198	1,436	46,323		20,196	6,752	6,060	8,145	1,609,124
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(198)	(150)	(15,461)	1,480,626	(1,265)	20,288	7,940	(2,145)	0
OTHER FINANCING SOURCES (USES)									
Transfers in									
Sales taxes remitted to University of Arkansas at Hope				(1,480,626)					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				(1,480,626)					
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(198)	(150)	(15,461)		(1,265)	20,288	7,940	(2,145)	
FUND BALANCES - JANUARY 1	198	3,117	52,853	0	5,781	6,752	23,396	10,315	1
FUND BALANCES - DECEMBER 31	\$ 0	\$ 2,967	\$ 37,392	\$ 0	\$ 4,516	\$ 27,040	\$ 31,336	\$ 8,170	\$ 1

HEMPSTEAD COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	<u>SPECIAL REVENUE FUNDS</u>			<u>CAPITAL PROJECTS FUNDS</u>		<u>Totals</u>
	<u>Hempstead/ Nevada Drug Court Grant</u>	<u>Assessor's Late Assessment Fee</u>	<u>Local Law Enforcement Block Grant</u>	<u>Library Building</u>	<u>Capital Improvement/ Courthouse</u>	
REVENUES						
State aid	\$ 4,500					\$ 139,279
Federal aid			\$ 3,499			1,795,314
Property taxes		\$ 463				385,314
Sales taxes						2,961,252
Fines, forfeitures, and costs						170,026
Interest				\$ 5,686	\$ 8,232	31,075
Officers' fees						155,596
Jail fees						171,241
911 fees						252,175
Insurance premiums collected						176
Treasurer's commission						24,182
Collector's commission						64,820
Other	500					148,186
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>463</b>	<b>3,499</b>	<b>5,686</b>	<b>8,232</b>	<b>6,298,636</b>
Less: Treasurer's commission		8				51,818
<b>NET REVENUES</b>	<b>5,000</b>	<b>455</b>	<b>3,499</b>	<b>5,686</b>	<b>8,232</b>	<b>6,246,818</b>
EXPENDITURES						
Current:						
General government					6,387	163,911
Law enforcement	1,189		3,499			1,944,920
Highways and streets						412,420
Public safety						219,024
Recreation and culture				604,566		949,232
Rural water						1,609,124
<b>TOTAL EXPENDITURES</b>	<b>1,189</b>		<b>3,499</b>	<b>604,566</b>	<b>6,387</b>	<b>5,298,631</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,811</b>	<b>455</b>	<b>0</b>	<b>(598,880)</b>	<b>1,845</b>	<b>948,187</b>
OTHER FINANCING SOURCES (USES)						
Transfers in					1,441,613	1,454,613
Sales taxes remitted to University of Arkansas at Hope						(1,480,626)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					<b>1,441,613</b>	<b>(26,013)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,811</b>	<b>455</b>		<b>(598,880)</b>	<b>1,443,458</b>	<b>922,174</b>
FUND BALANCES - JANUARY 1	0	0	0	2,491,181	0	5,367,006
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 3,811</b>	<b>\$ 455</b>	<b>\$ 0</b>	<b>\$ 1,892,301</b>	<b>\$ 1,443,458</b>	<b>\$ 6,289,180</b>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's 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.
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.
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 Automation	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.
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.
County Clerk's Cost	Ark. Code Ann. § 16-20-407 established fund to account for a \$2 marriage license fee to be used for operation of the county clerk's office.
Support Collections Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the 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.  Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.



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

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
CMRS 911 Board (Commercial Mobile Radio Service)	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.
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.
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.
Drug Court Program	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.
Public Safety	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.
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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
County Jail	Hempstead County Ordinances nos. 1991-31 and 1991-32 (December 19, 1991) established fund to receive sales tax revenues to be used for the payment of bonds for the construction of jail and for the maintenance and operation of the Hempstead County Jail. All bonds were retired in 2003. Revenues are currently used for the operation and maintenance of the jail facility.  Hempstead County Ordinance no. 2012-06 (February 23, 2012) (pursuant to Ark. Code Ann. § 12-41-505) requiring every person who may be committed to the common jail of the County for any criminal offense or misdemeanor, if he or she shall be convicted, shall pay the expenses in carrying him or her to jail and also for his or her support from the day of his or her initial incarceration for the whole time he or she remains there.
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.
Tornado Disaster	Established to account for a state grant to aid in the County's preparedness for tornados.
West Nile Virus	Established to account for a federal grant for the prevention of the spread of the West Nile virus.
Federal Emergency Management Agency - Windstorm Damage	Established to account for federal monies that reimbursed the County for windstorm damages.
Courthouse Improvement	Established to account for a state grant to be used for courthouse maintenance and renovation.
Federal Emergency Management Agency - Katrina	Established to account for a federal grant to assist the victims of Hurricane Katrina.
Economic Development Grant/Tyson	Established to account for a federal grant to be used for reconstruction of a county road leading to Tyson Chicken, Inc.
Drug Court Grant	Established to account for a United States Bureau of Justice grant to be used for community outreach and drug court program support.
Wal-Mart Grant	Established to account for a grant from Wal-Mart to be used for the drug court program.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Communications Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
University of Arkansas Community College at Hope (UACCH)	Established to receive and remit two one-quarter cent sales and use taxes to UACCH to be used for acquiring, constructing, equipping, operating and maintaining capital improvements. The sales taxes were approved by voters on March 5, 1996 and March 11, 2008.
Voluntary Tax/Deputies Salaries	Hempstead County Ordinance no. 2015-16 (October 22, 2015) established fund to receive proceeds of a voluntary tax to be used to increase the salaries of Hempstead County Sheriff's deputies.
Juvenile Drug Court Grant	Established to account for a State of Arkansas Accountability Court grant to be used in implementation of a Juvenile Specialty Drug Court program.
Swift Court Grant	Established to account for an Arkansas Community Correction grant to be used in the implementation of a Swift Court. These courts provide honest opportunity probation with swift and certain accountability utilizing graduated sanctions.
Adult Drug Court	Established to account for an Arkansas Community Correction grant to be used for adult drug court purposes.
Southwest Arkansas Water System Grant	Established to account for a federal grant to be used for the construction of water lines to service residents within Hempstead County who are currently without a dependable source of drinking water.
Hempstead/Nevada Drug Court Grant	Established to account for an Arkansas Community Correction grant and a private donation to be used for drug court purposes.
Assessor's Late Assessment Fee	Arkansas Code Ann. § 26-26-201 established fund to receive an additional \$0.50 delinquent assessment fee to help pay for the expense of assessing property.
Local Law Enforcement Block Grant	Established to account for a grant received from the State of Arkansas for local law enforcement programs.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Library Building	Established to account for private donations and monies set aside by the County Library Board to be used for a new library building.
Capital Improvement/Courthouse	Hempstead County Ordinance no. 2017-26 (December 12, 2017) established fund to receive monies set aside by the Quorum Court to fund renovation of a new courthouse property.

Treasurer's accounts consist primarily of property taxes, Treasurer's commission, Collector's Commission and funds held as an agent for other 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.

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

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

HEMPSTEAD COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2017 AND 2016  
(Unaudited)

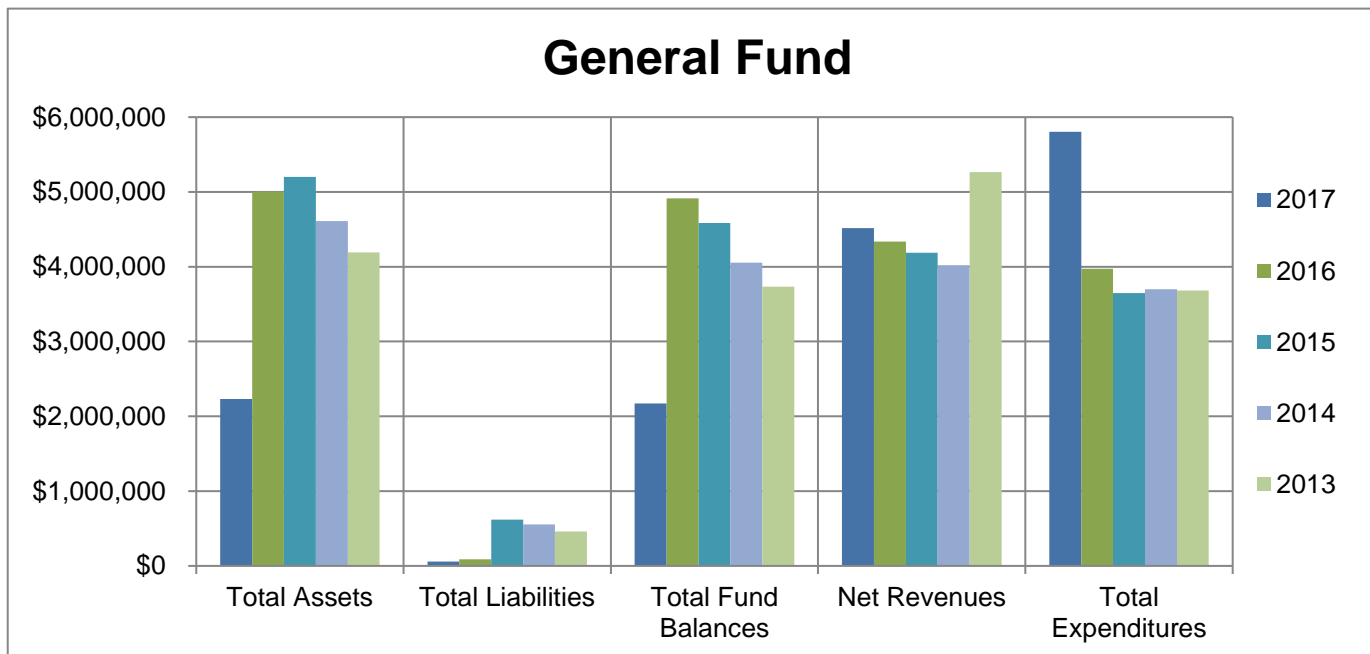
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 304,713
Buildings	16,902,521
Equipment	7,220,739
Construction in progress	<u>754,352</u>
Total	<u><u>\$ 25,182,325</u></u>

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

Schedule 4-1

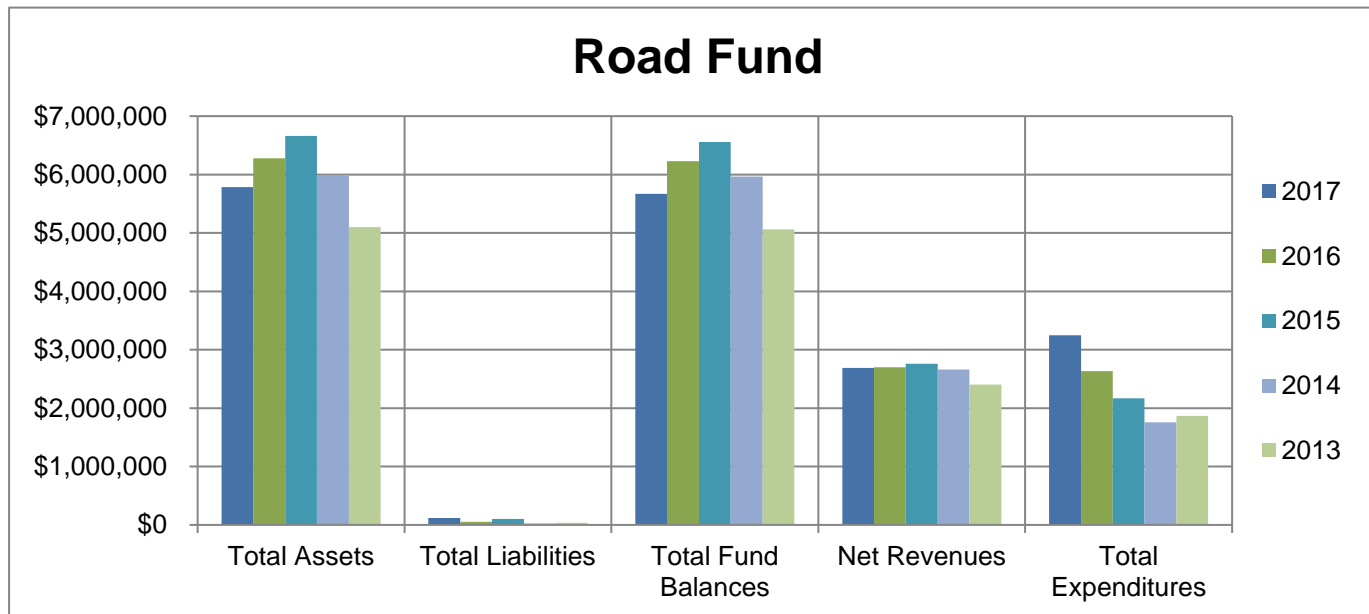
<b>General</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 2,230,891	\$ 5,005,534	\$ 5,200,281	\$ 4,608,445	\$ 4,192,053
Total Liabilities	59,326	89,930	617,212	554,398	460,616
Total Fund Balances	2,171,565	4,915,604	4,583,069	4,054,047	3,731,437
Net Revenues	4,515,395	4,338,144	4,186,259	4,020,300	5,264,094
Total Expenditures	5,804,821	3,972,039	3,647,159	3,700,834	3,683,089
Total Other Financing Sources/Uses	(1,454,613)	(35,256)	(10,078)	1,006	(202,779)



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

Schedule 4-2

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 5,785,436	\$ 6,277,949	\$ 6,659,312	\$ 5,986,843	\$ 5,098,388
Total Liabilities	118,167	50,368	99,532	22,400	36,305
Total Fund Balances	5,667,269	6,227,581	6,559,780	5,964,443	5,062,083
Net Revenues	2,686,319	2,699,421	2,760,596	2,660,524	2,405,467
Total Expenditures	3,246,631	2,631,620	2,165,259	1,758,164	1,864,904
Total Other Financing Sources/Uses		(400,000)			27,989



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 8,589,054	\$ 7,300,350	\$ 4,596,981	\$ 4,379,786	\$ 3,592,523
Total Liabilities	2,299,874	1,933,344	1,006,603	1,189,873	886,924
Total Fund Balances	6,289,180	5,367,006	3,590,378	3,189,913	2,705,599
Net Revenues	6,246,818	5,597,795	5,025,194	5,090,120	3,365,827
Total Expenditures	5,298,631	2,829,818	3,209,073	3,318,621	5,762,719
Total Other Financing Sources/Uses	(26,013)	(989,652)	(1,415,656)	(1,284,642)	174,790

