

Izard County, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Izard 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 Izard County, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 18, 2018. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

County Judge: Eric Smith
Treasurer: Warren Sanders
Sheriff: Jack Yancey
Tax Collector: Marilyn Downing
County/Circuit Clerk: Shelly Downing
Assessor: Tammy Sanders
County Librarian: Aimee Watts
District Court Clerk: Amber Lee

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

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

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

ARKANSAS LEGISLATIVE AUDIT

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

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

Little Rock, Arkansas
September 18, 2018
LOCO3317

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

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,604,761	\$ 848,048	\$ 1,534,896
Accounts receivable	53,157	27,110	98,411
Interfund receivables			3,106
	\$ 1,657,918	\$ 875,158	\$ 1,636,413
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 51,544	\$ 53,749	\$ 28,978
Interfund payables	3,106		
Settlements pending			238,465
Total Liabilities	54,650	53,749	267,443
Fund Balances:			
Restricted		821,409	1,285,340
Assigned	789,598		83,630
Unassigned	813,670		
Total Fund Balances	1,603,268	821,409	1,368,970
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,657,918	\$ 875,158	\$ 1,636,413

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 678,381	\$ 1,279,252	\$ 115,371
Federal aid	27,539		
Property taxes	523,868	285,052	134,647
Sales taxes			558,092
Fines, forfeitures, and costs	145,090		42,822
Interest	7,717	3,437	4,368
Officers' fees	38,597		136,099
Reimbursement for law enforcement	516,842		
Jail fees			64,495
911 fees			138,670
Ambulance fees			254,042
Treasurer's commission	104,645		11,714
Collector's commission	137,903		30,301
Taxes apportioned - Assessor's salary and expense	272,532		
Other	133,465	213,316	19,229
TOTAL REVENUES	<u>2,586,579</u>	<u>1,781,057</u>	<u>1,509,850</u>
Less: Treasurer's commission	34,003	31,371	23,696
NET REVENUES	<u>2,552,576</u>	<u>1,749,686</u>	<u>1,486,154</u>
EXPENDITURES			
Current:			
General government	1,141,428		159,751
Law enforcement	1,326,311		726,393
Highways and streets		1,523,747	15,000
Public safety	82,859		92,355
Health	33,697		387,016
Recreation and culture	4,000		166,201
Social services	59,128		
Total Current	<u>2,647,423</u>	<u>1,523,747</u>	<u>1,546,716</u>
Debt Service:			
Note principal	5,000	149,975	
Note interest		11,395	
TOTAL EXPENDITURES	<u>2,652,423</u>	<u>1,685,117</u>	<u>1,546,716</u>

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

Exhibit B

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (99,847)	\$ 64,569	\$ (60,562)
OTHER FINANCING SOURCES (USES)			
Transfers in			8,951
Transfers out	(8,951)		
TOTAL OTHER FINANCING SOURCES (USES)	(8,951)		8,951
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(108,798)	64,569	(51,611)
FUND BALANCES - JANUARY 1	1,712,066	756,840	1,420,581
FUND BALANCES - DECEMBER 31	\$ 1,603,268	\$ 821,409	\$ 1,368,970

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 622,648	\$ 678,381	\$ 55,733	\$ 1,089,800	\$ 1,279,252	\$ 189,452
Federal aid	23,800	27,539	3,739			
Property taxes	837,580	523,868	(313,712)	261,545	285,052	23,507
Fines, forfeitures, and costs	161,000	145,090	(15,910)			
Interest	2,200	7,717	5,517	3,000	3,437	437
Officers' fees	24,500	38,597	14,097			
Reimbursement for law enforcement	545,004	516,842	(28,162)			
Treasurer's commission		104,645	104,645			
Collector's commission		137,903	137,903			
Taxes apportioned - Assessor's salary and expense		272,532	272,532			
Other		133,465	133,465	22,000	213,316	191,316
TOTAL REVENUES	2,216,732	2,586,579	369,847	1,376,345	1,781,057	404,712
Less: Treasurer's commission		34,003	(34,003)		31,371	(31,371)
NET REVENUES	2,216,732	2,552,576	335,844	1,376,345	1,749,686	373,341
EXPENDITURES						
Current:						
General government	1,156,128	1,141,428	14,700			
Law enforcement	1,347,109	1,326,311	20,798			
Highways and streets				1,787,236	1,523,747	263,489
Public safety	84,060	82,859	1,201			
Health	35,678	33,697	1,981			
Recreation and culture	8,000	4,000	4,000			
Social services	59,912	59,128	784			
Total Current	2,690,887	2,647,423	43,464	1,787,236	1,523,747	263,489
Debt Service:						
Note principal		5,000	(5,000)		149,975	(149,975)
Note interest					11,395	(11,395)
TOTAL EXPENDITURES	2,690,887	2,652,423	38,464	1,787,236	1,685,117	102,119

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (474,155)	\$ (99,847)	\$ 374,308	\$ (410,891)	\$ 64,569	\$ 475,460
OTHER FINANCING SOURCES (USES) Transfers out		(8,951)	(8,951)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(474,155)	(108,798)	365,357	(410,891)	64,569	475,460
FUND BALANCES - JANUARY 1	840,341	1,712,066	871,725	729,367	756,840	27,473
FUND BALANCES - DECEMBER 31	\$ 366,186	\$ 1,603,268	\$ 1,237,082	\$ 318,476	\$ 821,409	\$ 502,933

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

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	County Recorder's Cost	Jail Operation and Maintenance	Emergency 911	Emergency Medical Services	Tobacco Prevention Grant	Circuit Court Automation
ASSETS								
Cash and cash equivalents	\$ 64,296	\$ 29,390	\$ 15,755	\$ 37,620	\$ 44,667	\$ 523,943	\$ (15,054)	\$ 21,565
Accounts receivable			10,897	51,201	21,944		12,207	533
Interfund receivables							3,106	
TOTAL ASSETS	\$ 64,296	\$ 29,390	\$ 26,652	\$ 88,821	\$ 66,611	\$ 523,943	\$ 259	\$ 22,098
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 19	\$ 270	\$ 5,198		\$ 20,096	\$ 251	
Settlements pending								
Total Liabilities		19	270	5,198		20,096	251	
Fund Balances:								
Restricted	\$ 64,296	29,371	26,382		\$ 66,611	503,847	8	\$ 22,098
Assigned				83,623				
Total Fund Balances	64,296	29,371	26,382	83,623	66,611	503,847	8	22,098
TOTAL LIABILITIES AND FUND BALANCES	\$ 64,296	\$ 29,390	\$ 26,652	\$ 88,821	\$ 66,611	\$ 523,943	\$ 259	\$ 22,098

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

Schedule 1

SPECIAL REVENUE FUNDS								
	District Court Automation	Assessor's Amendment no. 79	Child Support Cost	Drug Control	Boating Safety	Public Defender	Adult Drug Court	Juvenile Probation Fee
ASSETS								
Cash and cash equivalents	\$ 185	\$ 14,170	\$ 14,261	\$ 4,020	\$ 6,605		\$ 1,824	
Accounts receivable	440					\$ 95	10	\$ 854
Interfund receivables								
TOTAL ASSETS	<u>\$ 625</u>	<u>\$ 14,170</u>	<u>\$ 14,261</u>	<u>\$ 4,020</u>	<u>\$ 6,605</u>	<u>\$ 95</u>	<u>\$ 1,834</u>	<u>\$ 854</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 162	\$ 80				\$ 88		
Settlements pending								
Total Liabilities	<u>162</u>	<u>80</u>				<u>88</u>		
Fund Balances:								
Restricted	463	14,090	\$ 14,261	\$ 4,020	\$ 6,605		\$ 1,834	\$ 854
Assigned						7		
Total Fund Balances	<u>463</u>	<u>14,090</u>	<u>14,261</u>	<u>4,020</u>	<u>6,605</u>	<u>7</u>	<u>1,834</u>	<u>854</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 625</u>	<u>\$ 14,170</u>	<u>\$ 14,261</u>	<u>\$ 4,020</u>	<u>\$ 6,605</u>	<u>\$ 95</u>	<u>\$ 1,834</u>	<u>\$ 854</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fee	Assessor Late Fee Fund	Court Accountability Grant - Adult Drug	Court Accountability Grant - Veterans	Drug Court Grant	Court Security Grant - Act 576	County Public Library	Communication Facilities and Equipment
ASSETS								
Cash and cash equivalents	\$ 1,675	\$ 366	\$ 4,076	\$ 8,182	\$ 5,149	\$ 80	\$ 505,446	\$ 8,210
Accounts receivable							230	
Interfund receivables								
TOTAL ASSETS	<u>\$ 1,675</u>	<u>\$ 366</u>	<u>\$ 4,076</u>	<u>\$ 8,182</u>	<u>\$ 5,149</u>	<u>\$ 80</u>	<u>\$ 505,676</u>	<u>\$ 8,210</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable			\$ 382	\$ 98			\$ 2,334	
Settlements pending								
Total Liabilities			<u>382</u>	<u>98</u>			<u>2,334</u>	
Fund Balances:								
Restricted	\$ 1,675	\$ 366	3,694	8,084	\$ 5,149	\$ 80	503,342	\$ 8,210
Assigned								
Total Fund Balances	<u>1,675</u>	<u>366</u>	<u>3,694</u>	<u>8,084</u>	<u>5,149</u>	<u>80</u>	<u>503,342</u>	<u>8,210</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,675</u>	<u>\$ 366</u>	<u>\$ 4,076</u>	<u>\$ 8,182</u>	<u>\$ 5,149</u>	<u>\$ 80</u>	<u>\$ 505,676</u>	<u>\$ 8,210</u>

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

Schedule 1

AGENCY FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	District Court Accounts	Totals
ASSETS						
Cash and cash equivalents	\$ 24,103	\$ 73,624	\$ 54,219	\$ 43,288	\$ 43,231	\$ 1,534,896
Accounts receivable						98,411
Interfund receivables						3,106
TOTAL ASSETS	\$ 24,103	\$ 73,624	\$ 54,219	\$ 43,288	\$ 43,231	\$ 1,636,413
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						\$ 28,978
Settlements pending	\$ 24,103	\$ 73,624	\$ 54,219	\$ 43,288	\$ 43,231	238,465
Total Liabilities	24,103	73,624	54,219	43,288	43,231	267,443
Fund Balances:						
Restricted						1,285,340
Assigned						83,630
Total Fund Balances						1,368,970
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,103	\$ 73,624	\$ 54,219	\$ 43,288	\$ 43,231	\$ 1,636,413

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

Schedule 2

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	County Recorder's Cost	Jail Operation and Maintenance	Emergency 911	Emergency Medical Services	Tobacco Prevention Grant	Circuit Court Automation	District Court Automation
REVENUES									
State aid							\$ 70,296		
Property taxes									
Sales taxes				\$ 558,092					
Fines, forfeitures, and costs				20,783				\$ 4,428	\$ 5,830
Interest	\$ 250	\$ 32	\$ 50	80		\$ 2,104		84	2
Officers' fees			124,053						
Jail fees				64,495					
911 fees					\$ 138,670				
Ambulance fees						254,042			
Treasurer's commission	11,714								
Collector's commission		30,301							
Other				356					
TOTAL REVENUES	11,964	30,333	124,103	643,806	138,670	256,146	70,296	4,512	5,832
Less: Treasurer's commission		1	2,435	11,372	800	5,233		86	117
NET REVENUES	11,964	30,332	121,668	632,434	137,870	250,913	70,296	4,426	5,715
EXPENDITURES									
Current:									
General government	7,926	33,136	111,495						
Law enforcement				663,077					6,242
Highways and streets					92,355				
Public safety						313,622	73,394		
Health									
Recreation and culture									
TOTAL EXPENDITURES	7,926	33,136	111,495	663,077	92,355	313,622	73,394		6,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,038	(2,804)	10,173	(30,643)	45,515	(62,709)	(3,098)	4,426	(527)
OTHER FINANCING SOURCES (USES)									
Transfers in							3,106		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,038	(2,804)	10,173	(30,643)	45,515	(62,709)	8	4,426	(527)
FUND BALANCES - JANUARY 1	60,258	32,175	16,209	114,266	21,096	566,556		17,672	990
FUND BALANCES - DECEMBER 31	\$ 64,296	\$ 29,371	\$ 26,382	\$ 83,623	\$ 66,611	\$ 503,847	\$ 8	\$ 22,098	\$ 463

IZARD 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

	Assessor's Amendment no. 79	Child Support Cost	Drug Control	Boating Safety	Public Defender	Adult Drug Court	Juvenile Probation Fee	Circuit Clerk Commissioner's Fee	Assessor Late Fee Fund
REVENUES									
State aid	\$ 3,488			\$ 1,322					
Property taxes									\$ 373
Sales taxes									
Fines, forfeitures, and costs			\$ 1,049		\$ 6,253	\$ 380	\$ 4,099		
Interest		\$ 64	16	25					
Officers' fees		1,245					4,984	\$ 235	
Jail fees									
911 fees									
Ambulance fees									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES	3,488	1,309	1,065	1,347	6,253	380	9,083	235	373
Less: Treasurer's commission	70	26	21	27	41	7	177	5	7
NET REVENUES	3,418	1,283	1,044	1,320	6,212	373	8,906	230	366
EXPENDITURES									
Current:									
General government	4,715	2,479							
Law enforcement			1,000	132	12,425		8,677		
Highways and streets									
Public safety									
Health									
Recreation and culture									
TOTAL EXPENDITURES	4,715	2,479	1,000	132	12,425		8,677		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,297)	(1,196)	44	1,188	(6,213)	373	229	230	366
OTHER FINANCING SOURCES (USES)									
Transfers in					5,845				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,297)	(1,196)	44	1,188	(368)	373	229	230	366
FUND BALANCES - JANUARY 1	15,387	15,457	3,976	5,417	375	1,461	625	1,445	0
FUND BALANCES - DECEMBER 31	\$ 14,090	\$ 14,261	\$ 4,020	\$ 6,605	\$ 7	\$ 1,834	\$ 854	\$ 1,675	\$ 366

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

Schedule 2

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	Totals
	Court Accountability Grant - Adult Drug	Court Accountability Grant - Veterans	Drug Court Grant	Court Security Grant - Act 576	County Public Library	Communication Facilities and Equipment	General Improvement Funds Grant/Road	
REVENUES								
State aid	\$ 11,668	\$ 3,332			\$ 25,265			\$ 115,371
Property taxes					134,274			134,647
Sales taxes								558,092
Fines, forfeitures, and costs								42,822
Interest	14				1,641	\$ 6		4,368
Officers' fees						5,582		136,099
Jail fees								64,495
911 fees								138,670
Ambulance fees								254,042
Treasurer's commission								11,714
Collector's commission								30,301
Other					8,742	10,131		19,229
TOTAL REVENUES	11,682	3,332			169,922	15,719		1,509,850
Less: Treasurer's commission					3,271			23,696
NET REVENUES	11,682	3,332			166,651	15,719		1,486,154
EXPENDITURES								
Current:								
General government								159,751
Law enforcement	20,158	1,766	\$ 402			12,514		726,393
Highways and streets							\$ 15,000	15,000
Public safety								92,355
Health								387,016
Recreation and culture					166,201			166,201
TOTAL EXPENDITURES	20,158	1,766	402		166,201	12,514	15,000	1,546,716
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,476)	1,566	(402)		450	3,205	(15,000)	(60,562)
OTHER FINANCING SOURCES (USES)								
Transfers in								8,951
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,476)	1,566	(402)		450	3,205	(15,000)	(51,611)
FUND BALANCES - JANUARY 1	12,170	6,518	5,551	\$ 80	502,892	5,005	15,000	1,420,581
FUND BALANCES - DECEMBER 31	<u>\$ 3,694</u>	<u>\$ 8,084</u>	<u>\$ 5,149</u>	<u>\$ 80</u>	<u>\$ 503,342</u>	<u>\$ 8,210</u>	<u>\$ 0</u>	<u>\$ 1,368,970</u>

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
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.
Jail Operation and Maintenance	Izard County Ordinance no. 2001-5 (May 1, 2001) provides for the levy of a one-half of one percent sales and use tax as per election pursuant to Ark. Code Ann. § 26-73-113 to operate and maintain new or existing jail facilities. 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. The County also deposits unrestricted jail fees to help fund jail expenditures.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Emergency Medical Services	Izard County Ordinance no. 2003-2 (October 7, 2003) established a fee of \$50 per household collected through property taxes pursuant to Act no. 51 of 1979 to provide for emergency medical services.
Tobacco Prevention Grant	Established by the Tobacco Master Settlement agreement between Attorney Generals of 46 states and major tobacco companies. Revenues are used for tobacco use prevention programs.
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.
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.

IZARD 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>
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
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.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Juvenile Probation Fee	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Assessor Late Fee Fund	Ark. Code Ann. § 26-26-201(d) established fund to ensure the proper collection and disbursement of late assessment fees; and for other purposes.
Court Accountability Grant - Adult Drug	Established to account for a Department of Community Correction grant for the adult drug program.
Court Accountability Grant - Veterans	Established to account for a Department of Community Correction grant for treatment of veterans.
Drug Court Grant	Established to account for a grant received from the Administrative Office of the Courts for graduation incentives.

IZARD 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>
Court Security Grant - Act 576	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Communication Facilities and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
General Improvement Funds Grant/Road	Established to account for grants received from White River Planning and Development District, Inc. for road equipment.

Treasurer's accounts consist primarily of funds held in the County Law Library fund and property taxes not yet distributed to the various taxing units.

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

Sheriff's accounts consist primarily of fees settlement and bond money.

County Clerk's accounts consist primarily of forfeited funds and bond and fee money to be settled with the Treasurer.

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

IZARD 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.

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

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

B. Basis of Accounting

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

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

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

C. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, trusts, and property taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

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

D. Property Taxes

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

E. Budget Law

1. Legal Requirements

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

2. Accounting

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

F. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

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

2. Details of Fund Balance Classifications

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 150,441
Law enforcement			61,091
Highways and streets		\$ 821,409	
Public safety			66,611
Health			503,855
Recreation and culture			503,342
Total Restricted		<u>821,409</u>	<u>1,285,340</u>
Assigned to:			
General government	\$ 787,890		
Law enforcement	1,000		83,630
Public safety	708		
Total Assigned	<u>789,598</u>		<u>83,630</u>
Unassigned	<u>813,670</u>		
Totals	<u>\$ 1,603,268</u>	<u>\$ 821,409</u>	<u>\$ 1,368,970</u>

3. Commitments

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

	December 31, 2017
Long-term liabilities	\$ 361,187
Noncancellable lease	<u>7,566</u>
Total Commitments	<u>\$ 368,753</u>

Long-term Liabilities

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

	December 31, 2017
<p>Promissory Note with First National Bank of IZARD County entered into April 18, 2017, for the purchase of a 2017 Ford F150 Crew cab to be repaid in 3 yearly installments of \$9,331 beginning April 18, 2018. The interest rate is 3%. Payments are to be made from the General Fund.</p>	\$ 21,394
<p>On July 13, 2017, the County issued a \$415,677 promissory note to First National Bank of IZARD County for the refinancing of lease-purchase agreements with Welch State Bank. The outstanding principal balance plus interest is due upon maturity on July 13, 2018. The interest rate is 1.98%. Payments are to be made from the Road Fund. Additional principal payments will be made monthly as funds allow. The debt is secured by certificates of deposit recorded in the General Fund. The note was renewed upon maturity in 2018.</p>	<u>339,793</u>
Total Long-term liabilities	<u>\$ 361,187</u>

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

IZARD 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:

<u>Years Ending December 31,</u>	<u>Notes</u>
2018	\$ 352,700
2019	9,331
2020	4,332
Total Obligations	<u>366,363</u>
Less Interest	<u>5,176</u>
Total Principal	<u>\$ 361,187</u>

Noncancellable Lease

The County entered into a noncancellable lease agreement for three John Deere road graders on May 2, 2016. Terms of the lease are monthly rental payments of \$2,522 for 24 months. At the end of the lease term, the County will return the equipment.

The County is obligated for the following amounts for the next year:

<u>Year</u>	<u>December 31, 2017</u>
2018	<u>\$ 7,566</u>

Rental expense for 2017 was \$47,707.

4. Interfund Transfers

The General Fund transferred \$8,951 to the Other Funds in the Aggregate (Public Defender and Tobacco Prevention) for supplemental funding.

5. Jointly Governed Organization: White River Regional Library

Independence, Stone, Sharp, Cleburne, Izard, and Fulton Counties entered into an agreement in May 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the White River Regional Library. Initially, the parties agreed to the formation of a regional library for a period of two years. The Board's existence was continued from year to year thereafter, unless a participating member gave notice of cancellation 60 days prior to the end of the fiscal year. Independence County cancelled its membership in the White River Regional Library on April 10, 2016. The White River Regional Library Board is comprised of one board member from each of the participating counties. The County Library did not pay any regional library expenditures in 2017. Contact the White River Regional Library at P.O. Box 1107, Mountain View, AR 72560, to obtain financial statements.

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

6. Arkansas Public Employees Retirement System

Plan Description

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

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 were \$340,859.

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 \$3,370,502.

7. Capital Assets

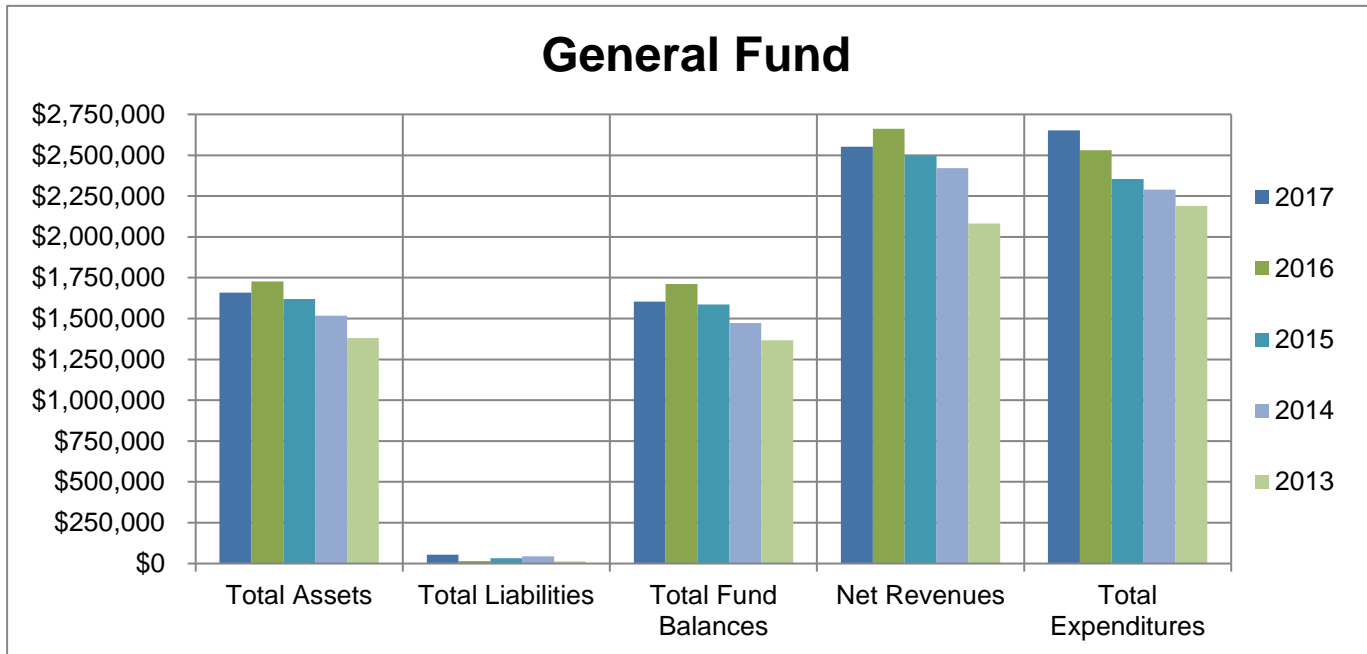
The County's capital assets records are summarized below :

	December 31, 2017
Land	\$ 141,793
Buildings	3,311,034
Improvements	91,239
Equipment	<u>3,803,263</u>
Total	<u>\$ 7,347,329</u>

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

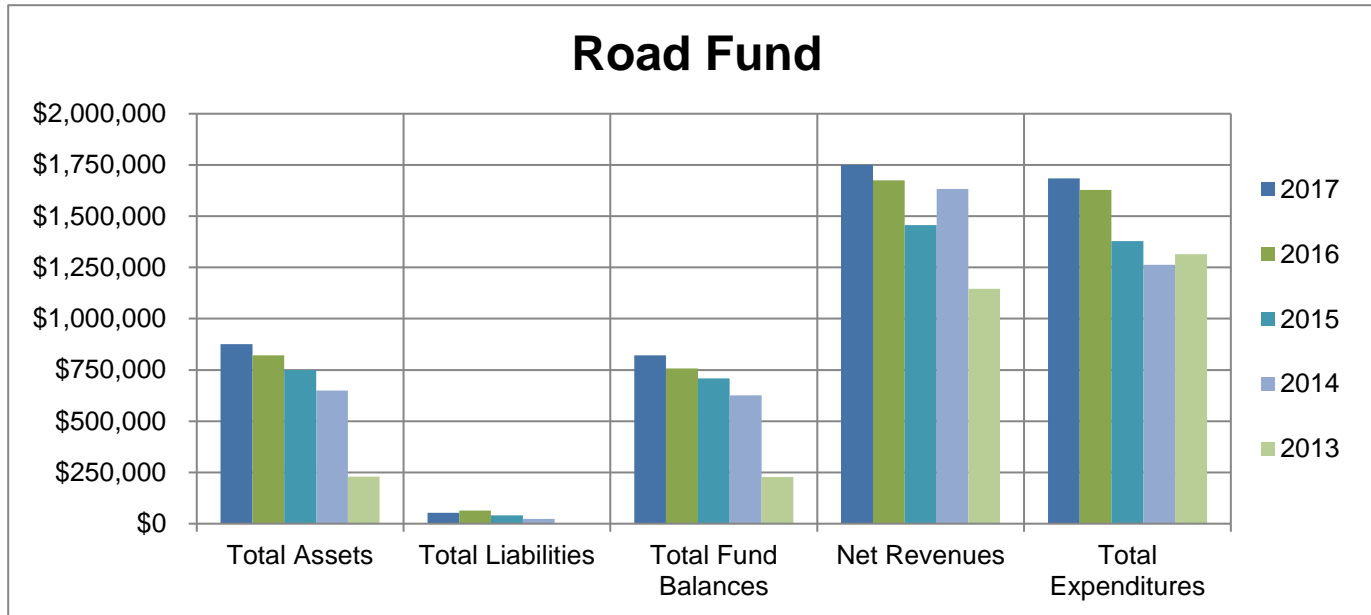
Schedule 3-1

General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 1,657,918	\$ 1,727,666	\$ 1,619,092	\$ 1,516,841	\$ 1,379,569
Total Liabilities	54,650	15,600	32,229	43,589	13,183
Total Fund Balances	1,603,268	1,712,066	1,586,863	1,473,252	1,366,386
Net Revenues	2,552,576	2,660,848	2,495,192	2,420,500	2,082,633
Total Expenditures	2,652,423	2,530,170	2,353,446	2,289,281	2,189,429
Total Other Financing Sources/Uses	(8,951)	(5,475)	(28,135)	(24,353)	10,676



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

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 875,158	\$ 821,063	\$ 749,262	\$ 649,479	\$ 229,049
Total Liabilities	53,749	64,223	40,397	23,349	1,136
Total Fund Balances	821,409	756,840	708,865	626,130	227,913
Net Revenues	1,749,686	1,675,886	1,456,501	1,632,774	1,146,072
Total Expenditures	1,685,117	1,627,911	1,378,881	1,263,557	1,314,393
Total Other Financing Sources/Uses			5,115	29,000	



IZARD 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	\$ 1,636,413	\$ 1,672,076	\$ 1,849,551	\$ 1,968,785	\$ 1,569,086
Total Liabilities	267,443	251,495	461,390	670,760	257,734
Total Fund Balances	1,368,970	1,420,581	1,388,161	1,298,025	1,311,352
Net Revenues	1,486,154	1,541,703	1,527,626	1,784,499	1,642,952
Total Expenditures	1,546,716	1,514,758	1,460,510	1,793,179	1,614,780
Total Other Financing Sources/Uses	8,951	5,475	23,020	(4,647)	(10,676)

