Van Buren County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE

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 Van Buren 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 Van Buren 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 and road fund 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 January 3, 2019, 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

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

Little Rock, Arkansas
January 3, 2019
LOCO07117

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Van Buren 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 Van Buren 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.

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
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

Van Buren 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 Van Buren 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 January 3, 2019. 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.

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. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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: Roger Hooper
Treasurer: Kim Hunley
Sheriff: Scott Bradley (resigned September 30, 2017)
Randy Gurley (appointed September 30, 2017)
Tax Collector: Lisa Nunley
County Clerk: Pam Bradford
Circuit Clerk: Debbie Gray
Assessor: Trina Jones
County Librarian: Karla Fultz

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

Sheriff

We noted the following discrepancies in the Sheriff's bank account reconciliation process:

- The Fees and Cost, Circuit Court Fine, Equitable Sharing, and Communications Fund bank accounts were not reconciled in a timely manner, in noncompliance with Ark. Code Ann. § 14-25-107.

- The cash receipts and disbursements journals for the Fees and Cost and Circuit Court Fine accounts were not reconciled to monthly bank deposits and withdrawals, as required by Ark. Code Ann. § 14-25-112.

- The Bond and Fine bank account was not reconciled in a timely manner and cash receipts and disbursements were not reconciled to monthly bank deposits and withdrawals, in noncompliance with Ark. Code Ann. § 16-10-207.

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

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
January 3, 2019

Exhibit A

VAN BUREN COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2017

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 2,021,363	$ 479,796	$ 4,355,218
Accounts receivable	333,378	90,677	222,832
TOTAL ASSETS	$ 2,354,741	$ 570,473	$ 4,578,050
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 60,199	$ 13,944	$ 36,670
Settlements pending			1,064,055
Total Liabilities	60,199	13,944	1,100,725
Fund Balances:			
Restricted		101,839	3,340,508
Assigned	382,351	454,690	136,817
Unassigned	1,912,191		
Total Fund Balances	2,294,542	556,529	3,477,325
TOTAL LIABILITIES AND FUND BALANCES	$ 2,354,741	$ 570,473	$ 4,578,050

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

Exhibit B

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

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	$ 671,259	$ 2,080,225	$ 72,529
Federal aid	140,049	20,068	154,274
Property taxes	1,332,788	1,090,624	556,035
Sales taxes	1,379,138		1,988,179
Fines, forfeitures, and costs	350,528		124,477
Interest	18,385	6,877	35,692
Officers' fees	98,344		177,609
Sanitation fees			656,407
Emergency 911 fees			153,691
Jail fees	279,843		
Treasurer's commission	78,094		
Collector's commission	279,690		
Taxes apportioned - Assessor's salary and expense	558,178		
Other	409,478	137,166	115,406
TOTAL REVENUES	5,595,774	3,334,960	4,034,299
Less: Treasurer's commission	25,666	21,230	11,499
NET REVENUES	5,570,108	3,313,730	4,022,800
EXPENDITURES			
Current:			
General government	2,037,238		235,112
Law enforcement	2,920,907		242,389
Highways and streets		3,064,174	
Public safety	183,606		220,909
Sanitation			700,039
Health	27,648		94,922
Recreation and culture			385,848
Social services	243,127		
Total Current	5,412,526	3,064,174	1,879,219
Debt Service:			
Bond principal			1,660,000
Bond interest and other charges			438,535
Lease principal		117,326	743,484
Lease interest		15,740	271,319
Bank loan principal	120,322	11,613	48,784
Bank loan interest	8,410	1,120	5,212
TOTAL EXPENDITURES	5,541,258	3,209,973	5,046,553

Exhibit B

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

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 28,850	$ 103,757	$ (1,023,753)
OTHER FINANCING SOURCES (USES)			
Transfers in			158,317
Transfers out	(158,317)		
Proceeds from bank loans	252,320		
TOTAL OTHER FINANCING SOURCES (USES)	94,003		158,317
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	122,853	103,757	(865,436)
FUND BALANCES - JANUARY 1	2,171,689	452,772	4,342,761
FUND BALANCES - DECEMBER 31	$ 2,294,542	$ 556,529	$ 3,477,325

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

Exhibit C

VAN BUREN 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

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 246,543	$ 671,259	$ 424,716	$ 1,721,359	$ 2,080,225	$ 358,866
Federal aid		140,049	140,049	22,000	20,068	(1,932)
Property taxes	1,450,000	1,332,788	(117,212)	1,265,000	1,090,624	(174,376)
Sales taxes	1,323,000	1,379,138	56,138			
Fines, forfeitures, and costs	318,600	350,528	31,928			
Interest	5,000	18,385	13,385		6,877	6,877
Officers' fees	173,000	98,344	(74,656)			
Jail fees	350,000	279,843	(70,157)			
Treasurer's commission	116,000	78,094	(37,906)			
Collector's commission	283,000	279,690	(3,310)			
Taxes apportioned - Assessor's salary and expense	517,000	558,178	41,178			
Other	679,804	409,478	(270,326)	30,000	137,166	107,166
TOTAL REVENUES	5,461,947	5,595,774	133,827	3,038,359	3,334,960	296,601
Less: Treasurer's commission		25,666	(25,666)		21,230	(21,230)
NET REVENUES	5,461,947	5,570,108	108,161	3,038,359	3,313,730	275,371
EXPENDITURES						
Current:						
General government	2,535,501	2,037,238	498,263			
Law enforcement	3,231,611	2,920,907	310,704			
Highways and streets				3,802,825	3,064,174	738,651
Public safety	189,261	183,606	5,655			
Health	32,043	27,648	4,395			
Social services	52,261	243,127	(190,866)			
Total Current	6,040,677	5,412,526	628,151	3,802,825	3,064,174	738,651
Debt Service:						
Lease principal					117,326	(117,326)
Lease interest					15,740	(15,740)
Bank loan principal		120,322	(120,322)		11,613	(11,613)
Bank loan interest		8,410	(8,410)		1,120	(1,120)
TOTAL EXPENDITURES	6,040,677	5,541,258	499,419	3,802,825	3,209,973	592,852

Exhibit C

VAN BUREN 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

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (578,730)	$ 28,850	$ 607,580	$ (764,466)	$ 103,757	$ 868,223
OTHER FINANCING SOURCES (USES)						
Transfers out	(129,545)	(158,317)	(28,772)			
Proceeds from bank loans	252,320	252,320				
TOTAL OTHER FINANCING SOURCES (USES)	122,775	94,003	(28,772)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(455,955)	122,853	578,808	(764,466)	103,757	868,223
FUND BALANCES - JANUARY 1	1,000,000	2,171,689	1,171,689	750,000	452,772	(297,228)
FUND BALANCES - DECEMBER 31	$ 544,045	$ 2,294,542	$ 1,750,497	$ (14,466)	$ 556,529	$ 570,995

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

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, federal aid, 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. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for the Debt Service Fund 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.

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, fees, 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. 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.

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.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law (Continued)

2. Accounting

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

There were no committed fund balances at year end.

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)	$ 1,083,206	$ 1,097,272
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	5,772,446	8,280,254
Total Deposits	$ 6,855,652	$ 9,377,526

The above total deposits do not include cash on hand of $725.

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 not 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
State aid	$ 1,491	$ 42,864	
Federal aid	27,528		
Property taxes	16,429	6,071	$ 3,145
Sales taxes	111,193		160,296
Fines, forfeitures, and costs	22,870		7,231
Interest			59
Officers' fees	4,968		14,861
Sanitation fees			2,449
Emergency 911 fees			12,107
Jail fees	4,122		
Treasurer's commission	78,093		
Other	66,684	41,742	22,684
Totals	$ 333,378	$ 90,677	$ 222,832

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	$ 26,804	$ 4,418	$ 29,305
Salaries payable	25,569	7335	5,656
Payroll taxes payable	7,826	2191	1,709
Totals	$ 60,199	$ 13,944	$ 36,670

NOTE 6: 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			$ 208,284
Law enforcement			205,479
Highways and streets		$ 101,839	
Public safety			7,263
Health			302,703
Recreation and culture			977,597
Debt service			1,639,182
Total Restricted		101,839	3,340,508
Assigned to:			
General government	$ 382,227		47,062
Law enforcement	124		21,192
Highways and streets		454,690	
Public safety			31,129
Sanitation			37,434
Total Assigned	382,351	454,690	136,817
Unassigned	1,912,191		
Totals	$ 2,294,542	$ 556,529	$ 3,477,325

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 $44,392,809. 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 $11,433,479. The amount of short-term financing obligations was $3,431,417, leaving a legal debt margin of $8,002,062.

NOTE 8: Commitments

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

	December 31, 2017
Long-term liabilities	$ 9,596,417
Noncancellable lease	224,697
Reappraisal contract	792,330
Total Commitments	$10,613,444

NOTE 8: Commitments (Continued)

Long-term Liabilities

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

	December 31, 2017
Lease-purchase agreement with BanCorp South on the purchase of three 2015 Mack dump trucks with 60 monthly payments of $3,876 with an interest rate of 2.34%. Payments are to be made from the Road Fund.	$ 268,160
Lease-purchase agreement with Bank of the West on the purchase of a 2014 Sakai SW800-11 Roller with 60 monthly payments of $1,524 with an interest rate of 3.32%. Payments are to be made from the Road Fund.	25,285
Lease-purchase agreement with KS State Bank on the purchase of two 2017 Mack GU713 dump trucks with 60 monthly payments of $2,691 and one payment of $110,000 with an interest rate of 2.77%. Payments are to be made from the Road Fund.	213,806
Lease-purchase agreement with KS State Bank on the purchase of a 2016 Mack CHU613 tractor with 60 monthly payments of $1,160 and one payment of $43,000 with an interest rate of 2.30%. Payments are to be made from the Solid Waste Management Fund.	90,786
Lease-purchase agreement with White River Planning and Development District on the purchase of public library facility. This lease is for one year with automatic renewals. Initial payment of $1,000,000 due one year after completion of project with eight successive annual payments of $330,000 and a ninth annual payment of $359,320, each due on the renewal date.	2,368,538
Bank loan payable with Simmons First National Bank on the purchase of two Case Backhoes with 58 monthly payments of $1,061 and $1,092 from the County Road Fund and the Solid Waste Management Funds, respectively. Interest Rate of 2.85%	65,898
Bank loan payable with First Service Bank on the purchase of six 2016 Chevrolet Tahoes with 36 monthly payments of $5,807 with an interest rate of 2.80%. Payments are to be made from the General Fund.	79,872
Bank loan payable with First Service Bank on the purchase of five 2017 Chevrolet Tahoes and two 2016 Dodge Rams with 36 monthly payments of $7,382 with an interest rate of 3.30%. Payments are to be made from the General Fund.	198,561
Bank loan payable with Simmons First National Bank to finance renovations to the the County Detention Center with 60 monthly payments of $3,408 with an interest rate of 2.85%. Payments are to be made from the Jail Maintenance Fund.	120,511
Series 2010 Sales and Use Tax Capital Improvement Bonds in the amount of $15,200,000 for the construction of improvements to the hospital facility. Principal and interest payments are to be made semiannually beginning May 1, 2011, and continuing through November 1, 2035, with rates of 4.25% to 6.0%. Payments are to be made from the Debt Service Fund.	6,165,000
Total Long-term liabilities	$ 9,596,417

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

NOTE 8: Commitments (Continued)

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds	Notes	Leases	Total
2018	$ 878,235	$ 224,991	$ 438,317	$ 1,541,543
2019	852,155	166,923	430,335	1,449,413
2020	836,915	87,292	564,457	1,488,664
2021	829,715	3,408	480,822	1,313,945
2022	815,515		374,160	1,189,675
2023 through 2027	1,839,955		1,349,320	3,189,275
2028 through 2032	406,500			406,500
2033 through 2035	2,198,900			2,198,900
Total Obligations	8,657,890	482,614	3,637,411	12,777,915
Less Interest	2,492,890	17,772	670,836	3,181,498
Total Principal	$ 6,165,000	$ 464,842	$ 2,966,575	$ 9,596,417

On October 1, 2010, the County obtained funding of $15,200,000 from Build America Bonds, a program of taxable direct payment bonds authorized under the American Recovery and Reinvestment Act. The County will receive periodic reimbursements from the United States Treasury for interest paid to bondholders. The County received $142,172 for interest reimbursements during 2017.

Noncancellable Leases

The County entered into a noncancellable lease agreement for the rental of four 12M3AWD Caterpillar motor graders on October 4, 2016. Terms of the lease are monthly rental payments of $4,150 for 36 months. At the end of the lease term, the County will return the graders to the lessor.

The County entered into a noncancellable lease agreement for the rental of a 140M3AWD Caterpillar motor grader on October 28, 2016. Terms of the lease are monthly rental payments of $1,129 for 36 months. At the end of the lease term, the County will return the grader to the lessor.

The County entered into a noncancellable lease agreement for the rental of two 772GP MTG John Deere motor graders on September 12, 2017. Terms of the lease are monthly rental payments of $3,290 for 36 months. At the end of the lease term, the County will return the graders to the lessor.

NOTE 8: Commitments (Continued)

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

Year	December 31, 2017
2018	$ 102,822
2019	92,265
2020	29,610
Total	$ 224,697

Rental expense for 2017 was $61,891.

Reappraisal Contract

The County entered into a contract, dated September 30, 2015, with Total Assessment Solutions Corp for reappraisal services. The terms of the contract require $1,320,550 to be paid in monthly installments of $22,009 for a period of 60 months. The County was contractually obligated for the following reappraisal services at December 31, 2017:

Year	December 31, 2017
2018	$ 264,110
2019	264,110
2020	264,110
Total	$ 792,330

Reappraisal expense for 2017 was $264,110.

NOTE 9: Interfund Transfers

The General Fund transferred $158,317 to Other Funds in the Aggregate for operating expenditures in the following funds: County Recorder's Cost ($47,062), Solid Waste Management ($11,255), Emergency 911 ($60,000) and Animal Control ($40,000).

NOTE 10: Subsequent Events

On April 20, 2018, the County executed a note payable in the amount of $267,448 with First Security Bank for the purchase of seven police vehicles for the Sheriff's Office.

On June 26, 2018, the County executed a note payable in the amount of $78,113 with First Service Bank for the purchase of 911 equipment.

On October 2, 2018, the County executed a note payable in the amount of $76,371 with First Service Bank for the purchase of a John Deere 6105E Cab Tractor/Tiger Boom Mower for the County Road Department.

NOTE 11: Pledged Revenues

The County pledged future 1% sales and use taxes to repay $15,200,000 in bonds that were issued in 2010 to provide funding for acquisition, construction, equipping of properties and facilities for hospital additions and renovations. Total principal and interest remaining on the bonds are $6,165,000 and $2,492,890, respectively, payable through November 1, 2035. For 2017, principal and interest paid were $1,660,000 and $435,635, respectively.

The Debt Service Fund received $1,988,179 in sales taxes in 2017. All pledged sales taxes collected must be used for retirement of the debt.

NOTE 12: Joint Venture: Faulkner-Van Buren Regional Library

Faulkner and Van Buren Counties entered into an agreement in June 1978, in accordance with Ark. Code Ann. § 13-2-401 to establish the Faulkner-Van Buren Regional Library. The agreement states that the Regional Library Board shall employ a regional librarian approved by the Arkansas Library Commission to serve such time and on such terms as the Board may prescribe and be paid from the regional budget. County and branch personnel shall be recommended by the County Library Board and shall be employed only after approval of the regional librarian and the Arkansas Library Commission with such salaries to be paid from county funds. The County Library did not pay any regional library expenditures in 2017. Contact the Faulkner-Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

NOTE 13: Jointly Governed Organization: Twentieth Judicial District Drug Crime Task Force

The Prosecuting Attorney of the Twentieth Judicial District, the Sheriffs' Departments of Faulkner, Van Buren and Searcy Counties, and the Conway Police Department entered into an agreement to establish the Twentieth Judicial District Drug Crime Task Force. Funding was provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Twentieth Judicial District. The County did not provide any funding to the Twentieth Judicial District Drug Crime Task Force. Financial statements of the Twentieth Judicial District Task Force are not available.

NOTE 14: 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.

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.

NOTE 14: Risk Management (Continued)

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 $250,000 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 15: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2017 (date of APERS Employer Allocation Report) were $508,051.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was $5,023,733.

NOTE 16: Hospital Lease

On August 22, 1991, Van Buren County entered into a lease transaction with Ozark Health, Inc., a nonprofit corporation, to enact the assignment and lease agreement dated as of April 3, 1969. The parties agreed that the termination date of the original lease dated April 3, 1969, would be extended from December 1994 to December 31, 2004. The agreement provides the lessee with the right and option to review and extend the agreement on an annual basis over the term of the lease. In connection with the lease, the County assigned the operating assets and the Corporation assumed all contractual liabilities at the hospital.

On June 20, 2002, the parties entered into a lease agreement that terminates the above mentioned lease upon the completion of the hospital and nursing home facility. The agreement provides for the transfer of operations and all tangible personal property from the existing hospital and nursing home to the new hospital and nursing home as a going concern. The initial term of the lease is for ten years beginning on the date Ozark Health, Inc., begins to occupy and operate the facility as a hospital and nursing home with an option to renew and extend the lease for two successive periods of ten years each. Ozark Health, Inc. exercised the first extension of the lease on July 21, 2011.

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library	Solid Waste Management
ASSETS									
Cash and cash equivalents	$ 43,892	$ 102,030	$ 37,100	$ 24,797	$ 7,960	$ 21,458	$ 46,019	$ 929,684	$ 53,560
Accounts receivable			221	1,209	55	700	16,243	8,491	11,239
TOTAL ASSETS	$ 43,892	$ 102,030	$ 37,321	$ 26,006	$ 8,015	$ 22,158	$ 62,262	$ 938,175	$ 64,799
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable				$ 1,009			$ 3,652	$ 3,068	$ 27,365
Settlements pending									
Total Liabilities				1,009			3,652	3,068	27,365
Fund Balances:									
Restricted	$ 43,892	$ 102,030	$ 37,321	24,997	$ 8,015	$ 22,158	11,548	935,107	
Assigned							47,062		37,434
Total Fund Balances	43,892	102,030	37,321	24,997	8,015	22,158	58,610	935,107	37,434
TOTAL LIABILITIES AND FUND BALANCES	$ 43,892	$ 102,030	$ 37,321	$ 26,006	$ 8,015	$ 22,158	$ 62,262	$ 938,175	$ 64,799

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

Schedule 1

	SPECIAL REVENUE FUNDS								
	Support Collections Costs	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Vehicle	Victim/Witness	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Animal Control
ASSETS									
Cash and cash equivalents	$ 10,034	$ 62,069	$ 1,727	$ 17,519	$ 6,937	$ 67,339	$ 7,801	$ 145	$ 9,108
Accounts receivable	2	7,011	25	14,151	326	281	33	18	74
TOTAL ASSETS	$ 10,036	$ 69,080	$ 1,752	$ 31,670	$ 7,263	$ 67,620	$ 7,834	$ 163	$ 9,182
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		$ 410		$ 541					
Settlements pending									
Total Liabilities		410		541					
Fund Balances:									
Restricted	$ 10,036	56,670	$ 1,752		$ 7,263	$ 67,620	$ 7,834	$ 163	
Assigned		12,000		31,129					$ 9,182
Total Fund Balances	10,036	68,670	1,752	31,129	7,263	67,620	7,834	163	9,182
TOTAL LIABILITIES AND FUND BALANCES	$ 10,036	$ 69,080	$ 1,752	$ 31,670	$ 7,263	$ 67,620	$ 7,834	$ 163	$ 9,182

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

Schedule 1

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Hospital Maintenance	Housing and Urban Development Grant - Global Foods Project	Practical Nursing Program	County Library Building	Communication Facility and Equipment	County Sheriff's Equitable Sharing	2010A and 2010B Sales and Use Tax Bonds
ASSETS							
Cash and cash equivalents	$ 300,871	$ 98	$ 2,510	$ 42,490	$ 11,061	$ 6,068	$ 1,478,886
Accounts receivable	2,457						160,296
TOTAL ASSETS	$ 303,328	$ 98	$ 2,510	$ 42,490	$ 11,061	$ 6,068	$ 1,639,182
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 625						
Settlements pending							
Total Liabilities	625						
Fund Balances:							
Restricted	302,703	$ 98	$ 2,510	$ 42,490	$ 11,061	$ 6,058	$ 1,639,182
Assigned						10	
Total Fund Balances	302,703	98	2,510	42,490	11,061	6,068	1,639,182
TOTAL LIABILITIES AND FUND BALANCES	$ 303,328	$ 98	$ 2,510	$ 42,490	$ 11,061	$ 6,068	$ 1,639,182

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

Schedule 1

	AGENCY FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Solid Waste Management Account	Totals
ASSETS							
Cash and cash equivalents	$ 255,864	$ 122,697	$ 35,983	$ 528	$ 646,414	$ 2,569	$ 4,355,218
Accounts receivable							222,832
TOTAL ASSETS	$ 255,864	$ 122,697	$ 35,983	$ 528	$ 646,414	$ 2,569	$ 4,578,050
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							$ 36,670
Settlements pending	$ 255,864	$ 122,697	$ 35,983	$ 528	$ 646,414	$ 2,569	1,064,055
Total Liabilities	255,864	122,697	35,983	528	646,414	2,569	1,100,725
Fund Balances:							
Restricted							3,340,508
Assigned							136,817
Total Fund Balances							3,477,325
TOTAL LIABILITIES AND FUND BALANCES	$ 255,864	$ 122,697	$ 35,983	$ 528	$ 646,414	$ 2,569	$ 4,578,050

VAN BUREN 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	Circuit Court Automation	District Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	County Public Library
REVENUES								
State aid					$ 4,116			$ 33,483
Federal aid								110
Property taxes								424,625
Sales taxes								
Fines, forfeitures, and costs			$ 3,341	$ 13,816				
Interest	$ 733	$ 1,657	576	471	135	$ 296	$ 748	13,637
Officers' fees						7,135	160,864	
Sanitation fees								
Emergency 911 fees								
Other				109				19,458
TOTAL REVENUES	733	1,657	3,917	14,396	4,251	7,431	161,612	491,313
Less: Treasurer's commission			23	97	28	47	1,013	3,099
NET REVENUES	733	1,657	3,894	14,299	4,223	7,384	160,599	488,214
EXPENDITURES								
Current:								
General government	10,976	8,437			1,874		195,269	
Law enforcement			48	20,986				
Public safety								
Sanitation								
Health								
Recreation and culture								378,028
Total Current	10,976	8,437	48	20,986	1,874		195,269	378,028
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								731,462
Lease interest								268,538
Bank loan principal								
Bank loan interest								
TOTAL EXPENDITURES	10,976	8,437	48	20,986	1,874		195,269	1,378,028
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,243)	(6,780)	3,846	(6,687)	2,349	7,384	(34,670)	(889,814)
OTHER FINANCING SOURCES (USES)								
Transfers in							47,062	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,243)	(6,780)	3,846	(6,687)	2,349	7,384	12,392	(889,814)
FUND BALANCES - JANUARY 1	54,135	108,810	33,475	31,684	5,666	14,774	46,218	1,824,921
FUND BALANCES - DECEMBER 31	$ 43,892	$ 102,030	$ 37,321	$ 24,997	$ 8,015	$ 22,158	$ 58,610	$ 935,107

VAN BUREN 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							
	Solid Waste Management	Support Collections Costs	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Vehicle	Victim/Witness	Circuit Clerk Commissioner's Fee
REVENUES								
State aid	$ 20,213			$ 1,896				
Federal aid								
Property taxes	10,395							
Sales taxes								
Fines, forfeitures, and costs			$ 101,931			$ 2,380	$ 2,939	
Interest	617	$ 167		29	$ 318	96	1,060	$ 118
Officers' fees		156	930					2,507
Sanitation fees	655,388							
Emergency 911 fees					153,691			
Other	9,114				10			
TOTAL REVENUES	695,727	323	102,861	1,925	154,019	2,476	3,999	2,625
Less: Treasurer's commission	4,448	1	717	13	1,042	14	18	17
NET REVENUES	691,279	322	102,144	1,912	152,977	2,462	3,981	2,608
EXPENDITURES								
Current:								
General government		1,669						1,287
Law enforcement			73,071	2,049			223	
Public safety					220,909			
Sanitation	700,039							
Health								
Recreation and culture								
Total Current	700,039	1,669	73,071	2,049	220,909		223	1,287
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal	12,022							
Lease interest	2,781							
Bank loan principal	11,946		36,838					
Bank loan interest	1,153		4,059					
TOTAL EXPENDITURES	727,941	1,669	113,968	2,049	220,909		223	1,287
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,662)	(1,347)	(11,824)	(137)	(67,932)	2,462	3,758	1,321
OTHER FINANCING SOURCES (USES)								
Transfers in	11,255				60,000			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(25,407)	(1,347)	(11,824)	(137)	(7,932)	2,462	3,758	1,321
FUND BALANCES - JANUARY 1	62,841	11,383	80,494	1,889	39,061	4,801	63,862	6,513
FUND BALANCES - DECEMBER 31	$ 37,434	$ 10,036	$ 68,670	$ 1,752	$ 31,129	$ 7,263	$ 67,620	$ 7,834

VAN BUREN 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							
	Assessor's Late Assessment Fee	Animal Control	Hospital Maintenance	Justice Assistance Grant	Housing and Urban Development Grant - Global Foods Project	General Improvement Grant	Practical Nursing Program	Van Buren County Nursing Program - Simulation Center
REVENUES								
State aid		$ 76	$ 10,045					
Federal aid				$ 3,496				$ 2,646
Property taxes	$ 163		120,852					
Sales taxes								
Fines, forfeitures, and costs		70						
Interest	1	175	4,037					
Officers' fees								
Sanitation fees		1,019						
Emergency 911 fees								
Other		39,312						
TOTAL REVENUES	164	40,652	134,934	3,496				2,646
Less: Treasurer's commission	1	37	884					
NET REVENUES	163	40,615	134,050	3,496				2,646
EXPENDITURES								
Current:								
General government						$ 12,543	$ 3,057	
Law enforcement		88,807		3,496		15,656		
Public safety								
Sanitation								
Health			51,608					43,314
Recreation and culture								
Total Current		88,807	51,608	3,496		28,199	3,057	43,314
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								
Lease interest								
Bank loan principal								
Bank loan interest								
TOTAL EXPENDITURES		88,807	51,608	3,496		28,199	3,057	43,314
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	163	(48,192)	82,442			(28,199)	(3,057)	(40,668)
OTHER FINANCING SOURCES (USES)								
Transfers in		40,000						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	163	(8,192)	82,442			(28,199)	(3,057)	(40,668)
FUND BALANCES - JANUARY 1	0	17,374	220,261		$ 98	28,199	5,567	40,668
FUND BALANCES - DECEMBER 31	$ 163	$ 9,182	$ 302,703	$ 0	$ 98	$ 0	$ 2,510	$ 0

VAN BUREN 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

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	
	County Library Building	Communication Facility and Equipment	County Sheriff's Equitable Sharing	2010A and 2010B Sales and Use Tax Bonds	Totals
REVENUES					
State aid	$ 2,700				$ 72,529
Federal aid			$ 5,850	$ 142,172	154,274
Property taxes					556,035
Sales taxes				1,988,179	1,988,179
Fines, forfeitures, and costs					124,477
Interest	37			10,784	35,692
Officers' fees		$ 6,017			177,609
Sanitation fees					656,407
Emergency 911 fees					153,691
Other	19,084	28,319			115,406
TOTAL REVENUES	21,821	34,336	5,850	2,141,135	4,034,299
Less: Treasurer's commission					11,499
NET REVENUES	21,821	34,336	5,850	2,141,135	4,022,800
EXPENDITURES					
Current:					
General government					235,112
Law enforcement		38,053			242,389
Public safety					220,909
Sanitation					700,039
Health					94,922
Recreation and culture	7,820				385,848
Total Current	7,820	38,053			1,879,219
Debt Service:					
Bond principal				1,660,000	1,660,000
Bond interest and other charges				438,535	438,535
Lease principal					743,484
Lease interest					271,319
Bank loan principal					48,784
Bank loan interest					5,212
TOTAL EXPENDITURES	7,820	38,053		2,098,535	5,046,553
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,001	(3,717)	5,850	42,600	(1,023,753)
OTHER FINANCING SOURCES (USES)					
Transfers in					158,317
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	14,001	(3,717)	5,850	42,600	(865,436)
FUND BALANCES - JANUARY 1	28,489	14,778	218	1,596,582	4,342,761
FUND BALANCES - DECEMBER 31	$ 42,490	$ 11,061	$ 6,068	$ 1,639,182	$ 3,477,325

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

Fund Name	Fund Description
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
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 one percent of the County's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
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.
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.
Solid Waste Management	Van Buren County Ordinance no. 2008-63 (October 16, 2008) established fund to receive a volunteer tax for the Recycling Center.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Jail Maintenance	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.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.

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

Fund Name	Fund Description
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone 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.
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's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive fees to help pay for the expense of assessing property.
Animal Control	Van Buren County Ordinance no. 2003-42 (July 17, 2003) established fund to support animal control and animal shelter operations in Van Buren County.
Hospital Maintenance	Van Buren County Ordinance no. 2008-65 (October 16, 2008) established fund to receive a .3 mills property tax for hospital maintenance.
Justice Assistance Grant	Established to receive and monitor disbursements of state and federal grants.
Housing and Urban Development Grant - Global Foods Project	Established to receive and monitor disbursements of state and federal grants.
General Improvement Grant	Established to receive and monitor disbursements of state and federal grants.
Practical Nursing Program	Established to receive and monitor disbursements of state and federal grants.
Van Buren County Nursing Program - Simulation Center	Van Buren County Ordinance no. 2016-12 (February 18, 2016) established fund to receive federal funds for the Van Buren County Nursing Program - Simulation Center.

VAN BUREN 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.

Fund Name	Fund Description
County Library Building	County Library Board established fund to receive library fees, fines, and donations for library purposes and monitor disbursements of the County Library
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
County Sheriff's Equitable Sharing	Established to receive and monitor disbursements of federal monies received from the 20th Judicial District Prosecuting Attorney.
2010A and 2010B Sales and Use Tax Bonds	Van Buren County Ordinance no. 2010-13 (September 16, 2010) established fund to receive a one percent sales and use tax pledged for the construction and payment of a bond issue for the renovation of the county hospital and to advance refund a 2000 Series Sales and Use Tax Bond issue.

Treasurer's accounts consist primarily of treasurer's commission, interest, and law library funds not distributed to the appropriate entities.

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

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

County Clerk's accounts consist primarily of fee money to be settled with Treasurer.

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

Solid Waste Management's account consisting primarily of interest and sanitation fee money to be settled with Treasurer.

VAN BUREN COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2017
(Unaudited)

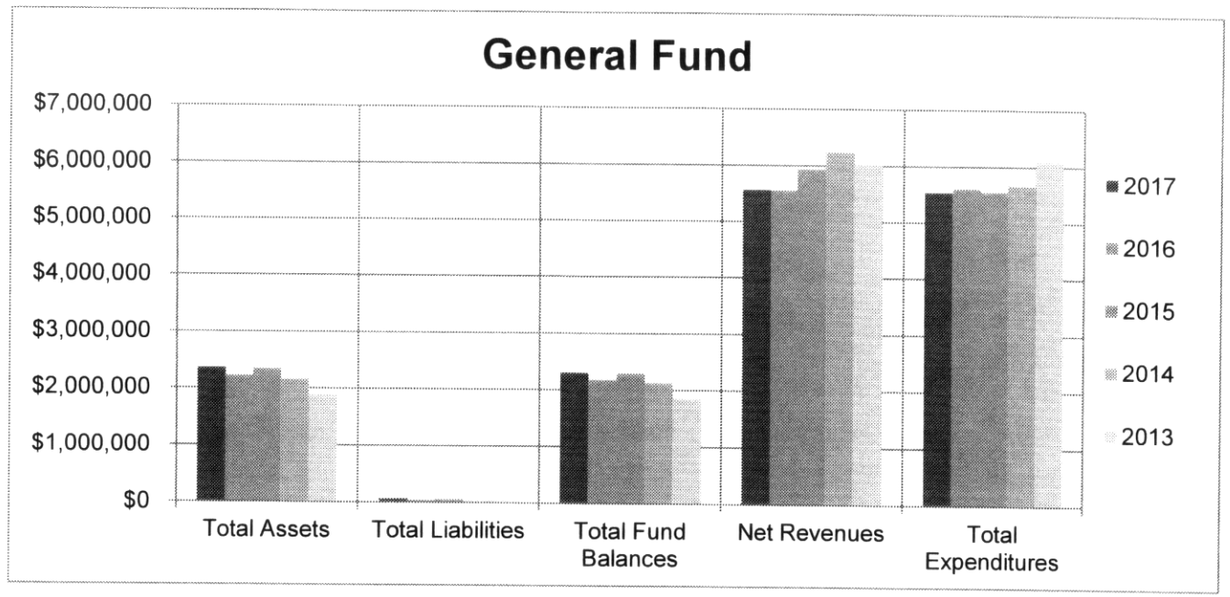
Schedule 3

	December 31, 2017
Land	$ 745,678
Buildings	20,124,001
Equipment	7,119,666
Total	$ 27,989,345

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

Schedule 4-1

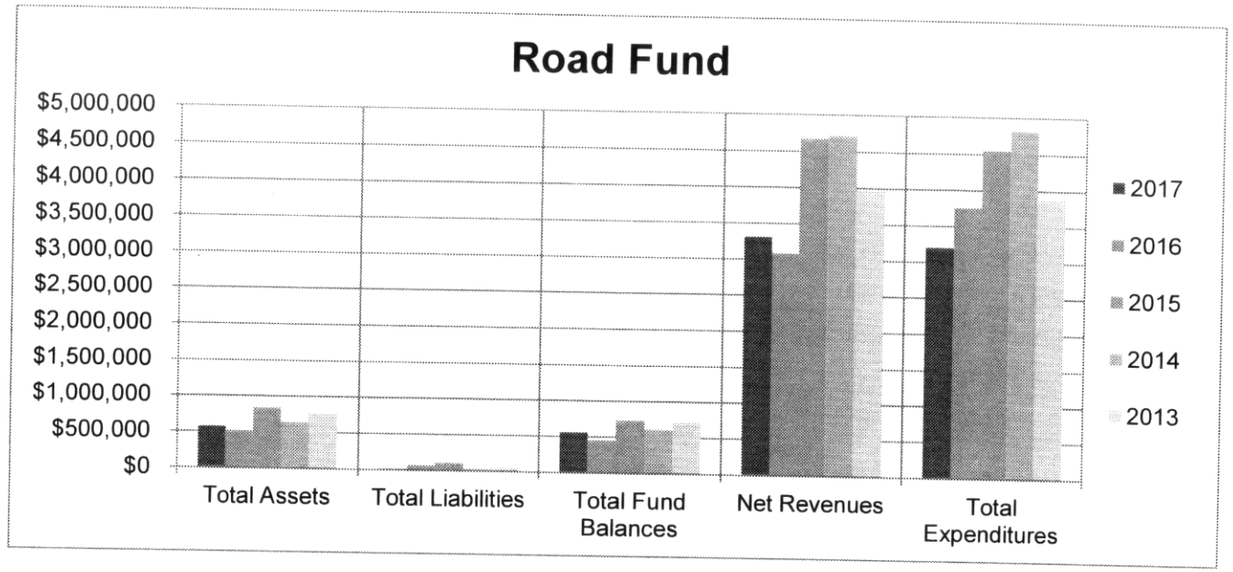
General	2017	2016	2015	2014	2013
Total Assets	$ 2,354,741	$ 2,215,682	$ 2,337,219	$ 2,150,885	$ 1,882,808
Total Liabilities	60,199	43,993	51,402	29,289	39,982
Total Fund Balances	2,294,542	2,171,689	2,285,817	2,121,596	1,842,826
Net Revenues	5,570,108	5,557,854	5,934,294	6,230,385	6,030,989
Total Expenditures	5,541,258	5,613,771	5,551,124	5,673,015	6,103,980
Total Other Financing Sources/Uses	94,003	(58,211)	(218,949)	(278,600)	(302,864)



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

Schedule 4-2

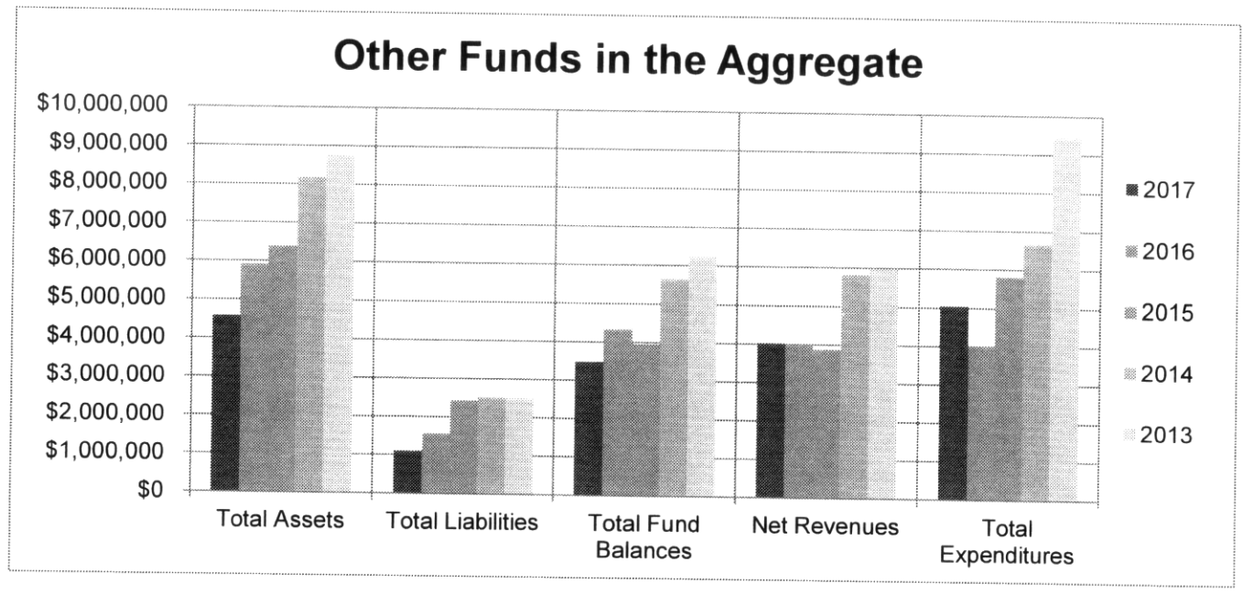
Road	2017	2016	2015	2014	2013
Total Assets	$ 570,473	$ 520,702	$ 831,280	$ 637,681	$ 766,574
Total Liabilities	13,944	67,930	102,027	29,380	45,434
Total Fund Balances	556,529	452,772	729,253	608,301	721,140
Net Revenues	3,313,730	3,090,948	4,674,878	4,712,239	3,962,664
Total Expenditures	3,209,973	3,757,605	4,553,926	4,825,078	3,884,077
Total Other Financing Sources/Uses		390,176			



VAN BUREN 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

Other Funds in the Aggregate	2017	2016	2015	2014	2013
Total Assets	$ 4,578,050	$ 5,908,699	$ 6,385,754	$ 8,165,444	$ 8,751,011
Total Liabilities	1,100,725	1,565,938	2,437,461	2,526,502	2,520,099
Total Fund Balances	3,477,325	4,342,761	3,948,293	5,638,942	6,230,912
Net Revenues	4,022,800	3,992,056	3,887,057	5,804,077	5,953,348
Total Expenditures	5,046,553	3,992,596	5,796,655	6,674,647	9,447,145
Total Other Financing Sources/Uses	158,317	395,008	218,949	278,600	1,076,544



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

Independent Auditor's Report
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*

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	4-3