Van Buren County, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE

VAN BUREN COUNTY, ARKANSAS
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Senate Chair
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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, 2018, 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.

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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, 2018, 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, 2018, 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 August 8, 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, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
August 8, 2019
LOCO07118

Arkansas

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Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

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

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 8, 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*.

We also reported to management of the County in a separate letter dated August 8, 2019.

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
August 8, 2019

Arkansas

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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Van Buren County, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2018:

County Judge: Roger Hooper
Treasurer: Kim Hunley
Sheriff: Randy Gurley;
Tax Collector: Lisa Nunley
County Clerk: Pam Bradford
Circuit Clerk: Debbie Gray
Assessor: Trina Jones
County Librarian: Karla Fultz

We would like to communicate the following item that came to our attention during this audit. The purpose of such a comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

County Judge

The County paid the following without authorizing ordinances, as required by Ark. Code Ann. § 14-14-1202:

- $1,086 to a business, in which the Hospital Board of Governors Chair (the Chair) had ownership interest, that was acting as a subcontractor for a company performing emergency repairs to the hospital.

- $18,749 to 19 employees of a business in which the Chair had ownership interest for emergency repairs and other maintenance to the hospital.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum County and County 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

Marti Steel

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 8, 2019

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Exhibit A

VAN BUREN COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 1,593,185	$ 300,975	$ 3,944,901
Accounts receivable	270,837	32,010	295,516
TOTAL ASSETS	$ 1,864,022	$ 332,985	$ 4,240,417
LIABILITES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 26,206	$ 6,142	$ 196,174
Settlements pending			1,048,032
Total Liabilities	26,206	6,142	1,244,206
Fund Balances:			
Restricted			2,940,699
Assigned	392,274	326,843	55,512
Unassigned	1,445,542		
Total Fund Balances	1,837,816	326,843	2,996,211
TOTAL LIABILITIES AND FUND BALANCES	$ 1,864,022	$ 332,985	$ 4,240,417

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, 2018

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	$ 665,894	$ 1,939,600	$ 57,658
Federal aid	95,238	19,442	188,021
Property taxes	958,591	729,283	381,439
Sales taxes	1,411,530		2,034,878
Fines, forfeitures, and costs	361,109		86,286
Interest	34,653	8,727	57,735
Officers' fees	57,960		197,738
Jail Fees	300,578		
Sanitation Fees			636,260
911 Fees			145,435
Treasurer's commission	83,512		19,868
Collector's commission	260,156		
Taxes apportioned - Assessor's salary and expense	470,275		
Other	528,875	165,907	77,743
TOTAL REVENUES	5,228,371	2,862,959	3,883,061
Less: Treasurer's commission	34,214	28,416	14,709
NET REVENUES	5,194,157	2,834,543	3,868,352
EXPENDITURES			
Current:			
General government	2,032,278		272,232
Law enforcement	3,160,581		107,041
Highways and streets		3,027,994	
Public safety	158,953		352,339
Sanitation			648,171
Health	34,510		251,365
Recreation and culture			341,885
Social services	226,461		
Total Current	5,612,783	3,027,994	1,973,033
Debt Service:			
Bond principal			1,795,000
Bond interest and other charges			341,135
Lease principal		85,096	220,896
Lease interest		11,996	123,020
Note principal	209,173	14,286	57,416
Note interest	10,907	1,228	5,116
TOTAL EXPENDITURES	5,832,863	3,140,600	4,515,616

Exhibit B

VAN BUREN COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (638,706)	$ (306,057)	$ (647,264)
OTHER FINANCING SOURCES (USES)			
Transfers in	9,397		96,288
Transfers out	(94,865)		(10,820)
Proceeds of a bank loan	267,448	76,371	78,113
TOTAL OTHER FINANCING SOURCES (USES)	181,980	76,371	163,581
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(456,726)	(229,686)	(483,683)
FUND BALANCES - JANUARY 1	2,294,542	556,529	3,479,894
FUND BALANCES - DECEMBER 31	$ 1,837,816	$ 326,843	$ 2,996,211

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

VAN BUREN COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 561,000	$ 665,894	$ 104,894	$ 2,033,334	$ 1,939,600	$ (93,734)
Federal aid	88,780	95,238	6,458	20,000	19,442	(558)
Property taxes	1,040,000	958,591	(81,409)	803,000	729,283	(73,717)
Sales taxes	1,370,000	1,411,530	41,530			
Fines, forfeitures, and costs	316,603	361,109	44,506			
Interest	9,000	34,653	25,653		8,727	8,727
Officers' fees	50,000	57,960	7,960			
Jail Fees	386,000	300,578	(85,422)			
Treasurer's commission	75,612	83,512	7,900			
Collector's commission	273,000	260,156	(12,844)			
Taxes apportioned - Assessor's salary and expense	393,578	470,275	76,697			
Other	387,502	528,875	141,373	30,000	165,907	135,907
TOTAL REVENUES	4,951,075	5,228,371	277,296	2,886,334	2,862,959	(23,375)
Less: Treasurer's commission		34,214	(34,214)		28,416	(28,416)
NET REVENUES	4,951,075	5,194,157	243,082	2,886,334	2,834,543	(51,791)
EXPENDITURES						
Current:						
General government	2,436,665	2,032,278	404,387			
Law enforcement	3,395,432	3,160,581	234,851			
Highways and streets				3,317,475	3,027,994	289,481
Public safety	163,041	158,953	4,088			
Health	34,070	34,510	(440)			
Social services	50,524	226,461	(175,937)			
Total Current	6,079,732	5,612,783	466,949	3,317,475	3,027,994	289,481
Debt Service:						
Lease principal					85,096	(85,096)
Lease interest					11,996	(11,996)
Note principal		209,173	(209,173)		14,286	(14,286)
Note interest		10,907	(10,907)		1,228	(1,228)
TOTAL EXPENDITURES	6,079,732	5,832,863	246,869	3,317,475	3,140,600	176,875

VAN BUREN COUNTY, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATOR BASIS

FOR THE YEAR ENDED DECEMBER 31, 2018

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,128,657)	$ (638,706)	$ 489,951	$ (431,141)	$ (306,057)	$ 125,084
OTHER FINANCING SOURCES (USES)						
Transfers in	25,000	9,397	(15,603)			
Transfers out		(94,865)	(94,865)			
Proceeds of a bank loan	255,000	267,448	12,448		76,371	76,371
TOTAL OTHER FINANCING SOURCES (USES)	280,000	181,980	(98,020)		76,371	76,371
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(848,657)	(456,726)	391,931	(431,141)	(229,686)	201,455
FUND BALANCES - JANUARY 1	1,088,000	2,294,542	1,206,542	600,000	556,529	(43,471)
FUND BALANCES - DECEMBER 31	$ 239,343	$ 1,837,816	$ 1,598,473	$ 168,859	$ 326,843	$ 157,984

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.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, federal funds, interest and other revenue 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 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. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

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

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, 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.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds except for the Communication Facility and Equipment fund, County Sheriff's Equitable Sharing Fund, and 2010A and 2010B Sales and Use Tax Bonds fund.

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:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 1,180,892	$ 1,190,969
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	3,143,759	3,298,250
U.S. government guaranteed accounts	1,513,690	1,513,690
Total Deposits	$ 5,838,341	$ 6,002,909

The above total deposits do not include cash on hand of $120 change fund for Solid Waste and $600 change fund for the County Collector.

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, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid			$ 41,000
Property taxes	$ 11,303	$ 4,739	2,288
Sales taxes	112,235		161,799
Fines, forfeitures, and costs	19,561		5,379
Interest	3,197		
Officers' fees	3,297		13,631
Jail Fees	2,778		
Sanitation Fees			29,843
911 Fees			7,591
Treasurer's commission	81,514		19,868
Other	4,116		
Excess Treasurer's commission charged	32,836	27,271	14,117
Totals	$ 270,837	$ 32,010	$ 295,516

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	$ 26,206	$ 6,142	$ 196,174

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 193,491
Law enforcement			198,826
Public safety			29,565
Health			168,532
Recreation and culture			674,796
Debt service			1,675,489
Total Restricted			2,940,699
Assigned to:			
General government	$ 392,147		27,592
Law enforcement	127		23,142
Highways and streets		$ 326,843	
Sanitation			4,778
Total Assigned	392,274	326,843	55,512
Unassigned	1,445,542		
Totals	$ 1,837,816	$ 326,843	$ 2,996,211

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, 2018, the legal debt limit for bonded debt was $39,063,789. 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, 2018, the legal debt limit for short-term financing obligations was $10,130,978. The amount of short-term financing obligations was $3,266,482, leaving a legal debt margin of $6,864,496.

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	$ 7,636,482
Noncancellable leases	121,875
Reappraisal contract	528,220
Total Commitments	$ 8,286,577

NOTE 8: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2018, are comprised of the following:

	December 31, 2018
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.	$ 227,492
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.	7,560
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.	187,103
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.	2,158,798
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.	11,572
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 and the Solid Waste Management Funds, respectively. Interest Rate of 2.85%.	41,650
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.	82,594
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.	4,370,000
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.	79,630
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.	115,354
Bank loan payable to First Security Bank on the purchase of 5 Chevrolet Tahoes, and 2 Chevrolet Silverado pickups with 36 monthly payments of $7,727 with and interest rate of 2.57%. Payments are to be made from the General Fund.	209,782
Bank loan to First Service Bank for the purchase of John Deere Equipment with 60 monthly payments of $1,391 with an interest rate of 3.5%. Payments are to be made from the Road Fund.	74,037
Bank loan payable to First Service Bank for the purchase of equipment to upgrade the emergency 911 system with 60 monthly payments of $1,423 with an interest rate of 3.5%. Payments are to be made out of the 911 Fund.	70,910
Total Long-term liabilities	$ 7,636,482

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 not vest or accumulate.

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, 2018:

Years Ending December 31, 2018	Bonds	Notes	Leases	Total
2019	$ 1,462,755	$ 293,415	$ 430,335	$ 2,186,505
2020	757,415	213,785	564,457	1,535,657
2021	750,215	68,084	478,132	1,296,431
2022	736,015	33,767	374,160	1,143,942
2023	725,055	22,447	330,000	1,077,502
2024 through 2028	719,200		1,019,319	1,738,519
2029 through 2033	9,000			9,000
2034 through 2035	33,600			33,600
Total Obligations	5,193,255	631,498	3,196,403	9,021,156
Less Interest	823,255	25,599	535,820	1,384,674
Total Principal	$ 4,370,000	$ 605,899	$ 2,660,583	$ 7,636,482

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 $110,966 for interest reimbursements during 2018.

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)

Noncancellable Leases (Continued)

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

Year	December 31, 2018
2019	$ 92,265
2020	29,610
Total	$ 121,875

Rental expense for 2018 was $102,822.

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 has contractually obligated for the following reappraisal services at December 31, 2018:

Year	December 31, 2018
2019	$ 264,110
2020	264,110
Total	$ 528,220

Reappraisal expense for 2018 was $264,110.

NOTE 9: Interfund Transfers

The General Fund transferred $94,865 to Other Funds in the Aggregate for operating expenditures as follows: Emergency 911 $68,537, 911 Upgrade $14,649, County Public Library $450, Jail Maintenance $11,132, and Van Buren County Nursing Program Simulator Center $97. Within Other Funds in the Aggregate, Emergency 911 transferred $1,423 to 911 Upgrade for upgrades to the system. Also in Other Funds in the Aggregate, Animal Control and Housing and Urban Development Grant - Global Foods Project Funds transferred $9,395 and $2 respectively to the General Fund to close the funds.

NOTE 10: 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 $4,370,000 and $823,255, respectively, payable through November 1, 2035. For 2018, principal and interest paid were $1,795,000 and $338,235, respectively.

The Debt Service Fund received $2,034,878 in sales taxes in 2018. Any sales taxes collected in excess of debt service payments on these bonds is to be used for the retirement of debt.

NOTE 11: 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 2018. Contact the Faulkner-Van Buren Regional Library at 1900 Tyler Street, Conway, AR 72032 to obtain financial statements.

NOTE 12: 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 or 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 13: 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. Each county also agrees to pay the first $500 of the aggregate cost for all expenses on each lawsuit.

NOTE 13: 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 $300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a $2,500 deductible per occurrence.

NOTE 14: 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, 2018 (date of APERS Employer Allocation Report) were $506,340.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2018 (actuarial valuation date and measurement date) was $4,042,795.

NOTE 15: Subsequent Events

A taxpayer in Van Buren County has commenced proceedings in the Circuit Court of Van Buren County (Court) seeking to reduce property tax assessments. If successful, these proceedings could result in a significant reduction in property tax revenue received by the County. The amount of potential losses cannot currently be determined.

On May 2, 2019, the County obtained a loan of $550,000 from First Service Bank, at an interest rate of 3.33% interest for the purchase of a rock crusher. The County will make 60 payments of $9,976. Payments will be made from the Road Fund.

On May 24, 2019, the County entered into a lease purchase agreement totaling $358,000 with John Deere Financial for the purchase of 2 used John Deere 672 G Motor Graders at an interest rate of 3.5%. The County will make payments totaling $4,161 for 60 months out of the Road Fund.

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 currently being constructed. 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, 2018

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
ASSETS								
Cash and cash equivalents	$ 32,193	$ 86,918	$ 41,061	$ 19,396	$ 10,514	$ 29,098	$ 12,542	$ 614,528
Accounts receivable	19,868		227	1,017	54	388	15,050	4,967
TOTAL ASSETS	$ 52,061	$ 86,918	$ 41,288	$ 20,413	$ 10,568	$ 29,486	$ 27,592	$ 619,495
LIABILITES AND FUND BALANCES								
Liabilities:								
Accounts payable				$ 130				
Settlements pending								$ 1,215
Total Liabilities				130				1,215
Fund Balances:								
Restricted	$ 52,061	$ 86,918	$ 41,288	20,283	$ 10,568	$ 29,486		618,280
Assigned							$ 27,592	
Total Fund Balances	52,061	86,918	41,288	20,283	10,568	29,486	27,592	618,280
TOTAL LIABILITIES AND FUND BALANCES	$ 52,061	$ 86,918	$ 41,288	$ 20,413	$ 10,568	$ 29,486	$ 27,592	$ 619,495

VAN BUREN COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS							
	Solid Waste Management	Support Collections Cost	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Vehicle	Victim/Witness	Circuit Clerk Commissioner's Fee
ASSETS								
Cash and cash equivalents	$ 13,832	$ 6,178	$ 41,435	$ 2,441	$ 6,561	$ 11,895	$ 70,357	$ 7,762
Accounts receivable	35,516	39	4,245	27	9,061	485	267	40
TOTAL ASSETS	$ 49,348	$ 6,217	$ 45,680	$ 2,468	$ 15,622	$ 12,380	$ 70,624	$ 7,802
LIABILITES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 44,570		$ 306	$ 60				
Settlements pending								
Total Liabilities	44,570		306	60				
Fund Balances:								
Restricted		$ 6,217	22,242	2,408	$ 15,622	$ 12,380	$ 70,624	$ 7,802
Assigned	4,778		23,132					
Total Fund Balances	4,778	6,217	45,374	2,408	15,622	12,380	70,624	7,802
TOTAL LIABILITIES AND FUND BALANCES	$ 49,348	$ 6,217	$ 45,680	$ 2,468	$ 15,622	$ 12,380	$ 70,624	$ 7,802

VAN BUREN COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

Schedule 1

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Assessor's Late Assessment Fee	Hospital Maintenance	County Library Building	Communication Facility and Equipment	County Sheriff's Equitable Sharing	911 Upgrade	2010A and 2010B Sales and Use Tax Bonds
ASSETS							
Cash and cash equivalents	$ 424	$ 184,947	$ 56,516	$ 34,170	$ 7,821	$ 92,590	$ 1,513,690
Accounts receivable	15	1,451				41,000	161,799
TOTAL ASSETS	$ 439	$ 186,398	$ 56,516	$ 34,170	$ 7,821	$ 133,590	$ 1,675,489
LIABILITES AND FUND BALANCES							
Liabilities:							
Accounts payable		$ 17,866					
Settlements pending						$ 132,027	
Total Liabilities		17,866				132,027	
Fund Balances:							
Restricted	$ 439	168,532	$ 56,516	$ 34,170	$ 7,811	1,563	$ 1,675,489
Assigned					10		
Total Fund Balances	439	168,532	56,516	34,170	7,821	1,563	1,675,489
TOTAL LIABILITIES AND FUND BALANCES	$ 439	$ 186,398	$ 56,516	$ 34,170	$ 7,821	$ 133,590	$ 1,675,489

VAN BUREN COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

Schedule 1

	AGENCY FUNDS						
	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	District Court Accounts	Totals
ASSETS							
Cash and cash equivalents	$ 224,501	$ 89,574	$ 32,118	$ 26,651	$ 594,323	$ 80,865	$ 3,944,901
Accounts receivable							295,516
TOTAL ASSETS	$ 224,501	$ 89,574	$ 32,118	$ 26,651	$ 594,323	$ 80,865	$ 4,240,417
LIABILITES AND FUND BALANCES							
Liabilities:							
Accounts payable							$ 196,174
Settlements pending	$ 224,501	$ 89,574	$ 32,118	$ 26,651	$ 594,323	$ 80,865	1,048,032
Total Liabilities	224,501	89,574	32,118	26,651	594,323	80,865	1,244,206
Fund Balances:							
Restricted							2,940,699
Assigned							55,512
Total Fund Balances							2,996,211
TOTAL LIABILITIES AND FUND BALANCES	$ 224,501	$ 89,574	$ 32,118	$ 26,651	$ 594,323	$ 80,865	$ 4,240,417

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, 2018

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					$ 5,470			$ 33,639
Federal aid								112
Property taxes								291,658
Sales taxes								
Fines, forfeitures, and costs			$ 2,992	$ 12,800				
Interest	$ 855	$ 2,402	1,006	504	298	$ 657	$ 686	13,485
Officers' fees						6,743	181,344	
Sanitation Fees								
911 Fees								
Treasurer's commission	19,868							
Other				4,697				9,666
TOTAL REVENUES	20,723	2,402	3,998	18,001	5,768	7,400	182,030	348,560
Less: Treasurer's commission			31	130	55	72	1,861	3,341
NET REVENUES	20,723	2,402	3,967	17,871	5,713	7,328	180,169	345,219
EXPENDITURES								
Current:								
General government	12,554	17,514			3,160		211,187	
Law enforcement				22,585				
Public safety								
Sanitation								
Health								
Recreation and culture								332,496
Total Current	12,554	17,514		22,585	3,160		211,187	332,496
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								209,740
Lease interest								120,260
Note principal								
Note interest								
TOTAL EXPENDITURES	12,554	17,514		22,585	3,160		211,187	662,496
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,169	(15,112)	3,967	(4,714)	2,553	7,328	(31,018)	(317,277)
OTHER FINANCING SOURCES (USES)								
Transfers in								450
Transfers out								
Proceeds of a bank loan								
TOTAL OTHER FINANCING SOURCES (USES)								450
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	8,169	(15,112)	3,967	(4,714)	2,553	7,328	(31,018)	(316,827)
FUND BALANCES - JANUARY 1	43,892	102,030	37,321	24,997	8,015	22,158	58,610	935,107
FUND BALANCES - DECEMBER 31	$ 52,061	$ 86,918	$ 41,288	$ 20,283	$ 10,568	$ 29,486	$ 27,592	$ 618,280

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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS							
	Solid Waste Management	Support Collections Cost	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Vehicle	Victim/Witness	Circuit Clerk Commissioner's Fee
REVENUES								
State aid	$ 2,952							
Federal aid				$ 2,805				
Property taxes	5,581							
Sales taxes								
Fines, forfeitures, and costs			$ 62,653					
Interest	233	$ 185	1,335	49	$ 639	$ 4,907	$ 2,934	
Officers' fees		501				258	1,772	$ 190
Sanitation Fees	636,260							4,060
911 Fees					145,435			
Treasurer's commission								
Other	846				90			
TOTAL REVENUES	645,872	686	63,988	2,854	146,164	5,165	4,706	4,250
Less: Treasurer's commission	5,912	5	660	29	1,531	48	28	41
NET REVENUES	639,960	681	63,328	2,825	144,633	5,117	4,678	4,209
EXPENDITURES								
Current:								
General government		4,500						
Law enforcement			56,859	2,169				4,241
Public safety					218,717		1,674	
Sanitation	648,171							
Health								
Recreation and culture								
Total Current	648,171	4,500	56,859	2,169	218,717		1,674	4,241
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal	11,156							
Lease interest	2,760							
Note principal	12,296		37,917		7,203			
Note interest	802		2,980		1,334			
TOTAL EXPENDITURES	675,185	4,500	97,756	2,169	227,254		1,674	4,241
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(35,225)	(3,819)	(34,428)	656	(82,621)	5,117	3,004	[illegible]
OTHER FINANCING SOURCES (USES)								
Transfers in			11,132		68,537			
Transfers out					(1,423)			
Proceeds of a bank loan								
TOTAL OTHER FINANCING SOURCES (USES)			11,132		67,114			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(35,225)	(3,819)	(23,296)	656	(15,507)	5,117	3,004	(3,[illegible]
FUND BALANCES - JANUARY 1	40,003	10,036	68,670	1,752	31,129	7,263	67,620	7,83[illegible]
FUND BALANCES - DECEMBER 31	$ 4,778	$ 6,217	$ 45,374	$ 2,408	$ 15,622	$ 12,380	$ 70,624	$ 7,802

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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS							
	Assessor's Late Assessment Fee	Animal Control	Hospital Maintenance	Housing and Urban Development Grant - Global Foods Project	Practical Nursing Program	Van Buren County Nursing Program Simulation Center	County Library Building	Communication Facility and Equipment
REVENUES								
State aid			$ 10,092				$ 2,700	
Federal aid				$ 16,470		$ 17,720		
Property taxes	$ 272		83,928					
Sales taxes								
Fines, forfeitures, and costs								
Interest	7	$ 213	6,319				44	
Officers' fees								$ 5,090
Sanitation Fees								
911 Fees								
Treasurer's commission								
Other							20,671	41,773
TOTAL REVENUES	279	213	100,339	16,470		17,720	23,415	46,863
Less: Treasurer's commission	3		962					
NET REVENUES	276	213	99,377	16,470		17,720	23,415	46,863
EXPENDITURES								
Current:								
General government				16,566	$ 2,510			
Law enforcement								23,754
Public safety								
Sanitation								
Health			233,548			17,817		
Recreation and culture							9,389	
Total Current			233,548	16,566	2,510	17,817	9,389	23,754
Debt Service:								
Bond principal								
Bond interest and other charges								
Lease principal								
Lease interest								
Note principal								
Note interest								
TOTAL EXPENDITURES			233,548	16,566	2,510	17,817	9,389	23,754
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	276	213	(134,171)	(96)	(2,510)	(97)	14,026	23,109
OTHER FINANCING SOURCES (USES)								
Transfers in						97		
Transfers out		(9,395)		(2)				
Proceeds of a bank loan								
TOTAL OTHER FINANCING SOURCES (USES)		(9,395)		(2)		97		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	276	(9,182)	(134,171)	(98)	(2,510)		14,026	23,109
FUND BALANCES - JANUARY 1	163	9,182	302,703	98	2,510		42,490	11,061
FUND BALANCES - DECEMBER 31	$ 439	$ 0	$ 168,532	$ 0	$ 0	$ 0	$ 56,516	$ 34,170

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, 2018

Schedule 2

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	
	County Sheriff's Equitable Sharing	911 Upgrade	2010A and 2010B Sales and Use Tax Bonds	Totals
REVENUES				
State aid				$ 57,658
Federal aid	$ 1,753	$ 41,000	$ 110,966	188,021
Property taxes				381,439
Sales taxes			2,034,878	2,034,878
Fines, forfeitures, and costs				86,286
Interest			26,598	57,735
Officers' fees				197,738
Sanitation Fees				636,260
911 Fees				145,435
Treasurer's commission				19,868
Other				77,743
TOTAL REVENUES	1,753	41,000	2,172,442	3,883,061
Less: Treasurer's commission				14,709
NET REVENUES	1,753	41,000	2,172,442	3,868,352
EXPENDITURES				
Current:				
General government				272,232
Law enforcement		133,622		107,041
Public safety				352,339
Sanitation				648,171
Health				251,365
Recreation and culture				341,885
Total Current		133,622		1,973,033
Debt Service:				
Bond principal			1,795,000	1,795,000
Bond interest and other charges			341,135	341,135
Lease principal				220,896
Lease interest				123,020
Note principal				57,416
Note interest				5,116
TOTAL EXPENDITURES		133,622	2,136,135	4,515,616
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,753	(92,622)	36,307	(647,264)
OTHER FINANCING SOURCES (USES)				
Transfers in		16,072		96,288
Transfers out				(10,820)
Proceeds of a bank loan		78,113		78,113
TOTAL OTHER FINANCING SOURCES (USES)		94,185		163,581
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,753	1,563	36,307	(483,683)
FUND BALANCES - JANUARY 1	6,068		1,639,182	3,479,894
FUND BALANCES - DECEMBER 31	$ 7,821	$ 1,563	$ 1,675,489	$ 2,996,211

VAN BUREN COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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 record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of Collector's gross commission 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 1% 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 Arkansas 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 an automated records system.
County Public Library	Ark. Code Ann. § 13-2-404 established fund to account for library 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 Cost	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, including construction and maintenance of the County Jail.
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 the County or for emergency rescue services if the County has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-308 established fund to receive fees collected by commercial mobile radio service and telephone providers for 911 emergency services.

VAN BUREN COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

Fund Name	Fund Description
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 an 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 the 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 expense of the office of Circuit Clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive $.50 fee on delinquent persons which shall be used by the county assessor 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
Housing and Urban Development Grant - Global Foods Project	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 Ordinance no. 2016-12 (February 18, 2016) established fund to receive federal funds for the Van Buren County Nursing Program-Simulation Center.
County Library Building	County Library Board established 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.
911 Upgrade	Van Buren County Ordinance no. 2018-17 (June 22, 2018) established fund to receive funds relating to the upgrade of the 911 system.

VAN BUREN COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

Fund Name	Fund Description
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 pledge 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 property taxes, treasurer's commission, collector's commission, and interest not distributed to the appropriate agencies.

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 the treasurer.

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

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

VAN BUREN COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2018
(Unaudited)

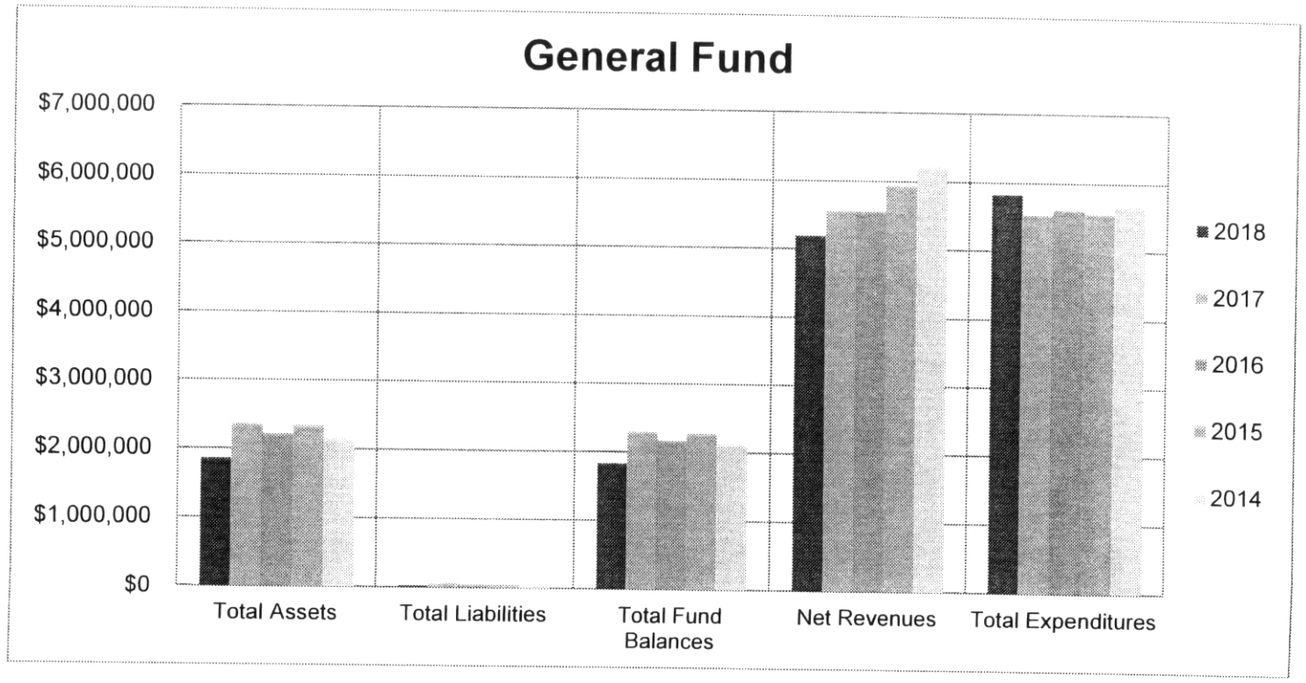
Schedule 3

	December 31, 2018
Land	$ 745,678
Buildings and improvements	20,124,001
Equipment	7,412,993
Total	$ 28,282,672

VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2018
(Unaudited)

Schedule 4-1

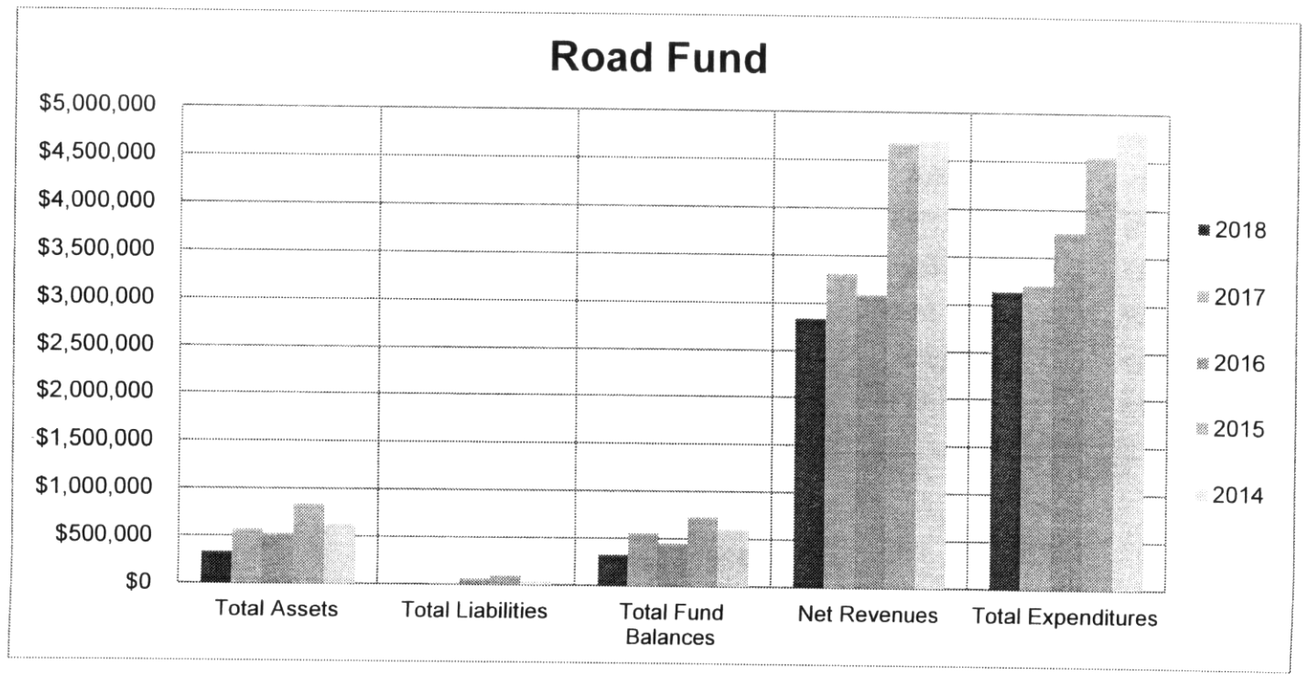
General	2018	2017	2016	2015	2014
Total Assets	$ 1,864,022	$ 2,354,741	$ 2,215,682	$ 2,337,219	$ 2,150,885
Total Liabilities	26,206	60,199	43,993	51,402	29,289
Total Fund Balances	1,837,816	2,294,542	2,171,689	2,285,817	2,121,596
Net Revenues	5,194,157	5,570,108	5,557,854	5,934,294	6,230,385
Total Expenditures	5,832,863	5,541,258	5,613,771	5,551,124	5,673,015
Total Other Financing Sources/Uses	181,980	94,003	(58,211)	(218,949)	(278,600)



VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2018
(Unaudited)

Schedule 4-2

Road	2018	2017	2016	2015	2014
Total Assets	$ 332,985	$ 570,473	$ 520,702	$ 831,280	$ 637,681
Total Liabilities	6,142	13,944	67,930	102,027	29,380
Total Fund Balances	326,843	556,529	452,772	729,253	608,301
Net Revenues	2,834,543	3,313,730	3,090,948	4,674,878	4,712,239
Total Expenditures	3,140,600	3,209,973	3,757,605	4,553,926	4,825,078
Total Other Financing Sources/Uses	76,371		390,176		

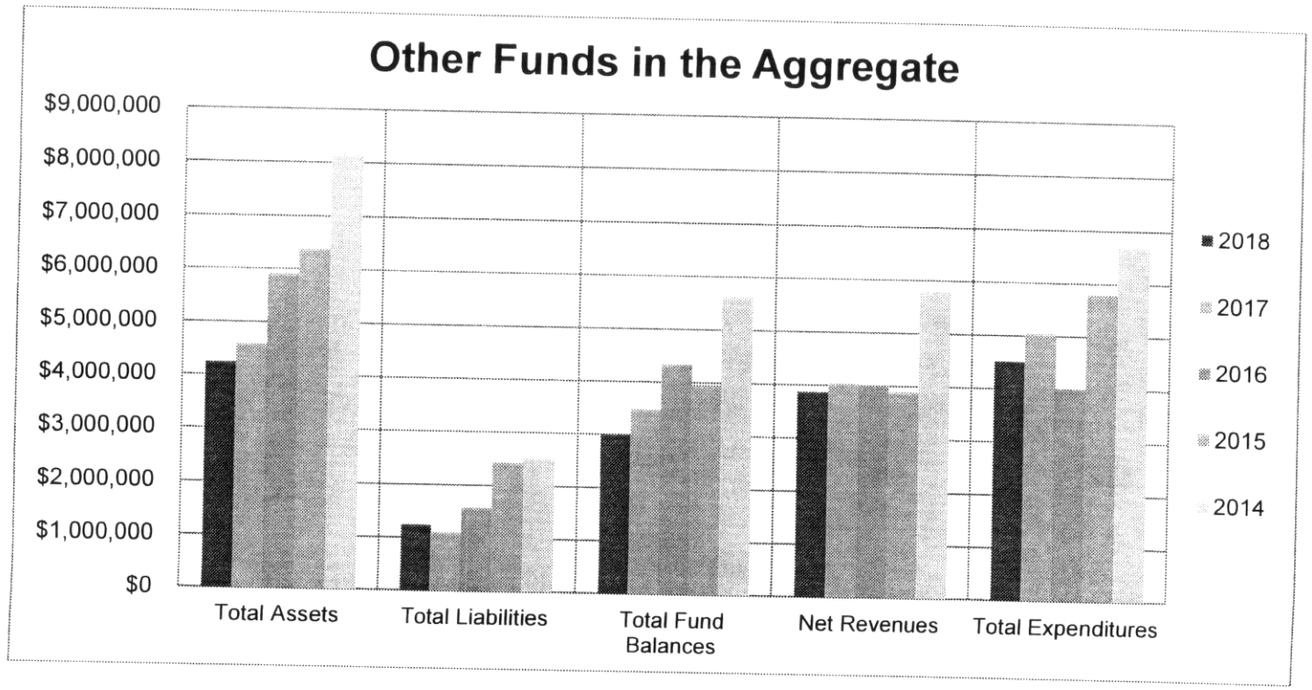


VAN BUREN COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

DECEMBER 31, 2018

(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2018	2017	2016	2015	2014
Total Assets	$ 4,240,417	$ 4,578,050	$ 5,908,699	$ 6,385,754	$ 8,165,444
Total Liabilities	1,244,206	1,100,725	1,565,938	2,437,461	2,526,502
Total Fund Balances	2,996,211	3,477,325	4,342,761	3,948,293	5,638,942
Net Revenues	3,868,352	4,022,800	3,992,056	3,887,057	5,804,077
Total Expenditures	4,515,616	5,046,553	3,992,596	5,796,655	6,674,647
Total Other Financing Sources/Uses	163,581	158,317	395,008	218,949	278,600