

Crittenden County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CRITTENDEN COUNTY, ARKANSAS
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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

Crittenden 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 Crittenden County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Crittenden 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 Crittenden 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 December 17, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
December 17, 2018
LOCO01817

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

Crittenden 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 Crittenden 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 December 17, 2018. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

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 Issue

The following issue is not a significant deficiency, material weakness, or material instance of noncompliance, but is an issue that is 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: Woody Wheelless
Treasurer: Charles Suiter, Jr.
Sheriff: Michael Allen
Tax Collector: Ellen Foote
County Clerk: Paula Brown
Circuit Clerk: Terry Hawkins
Assessor: Kimberly Hollowell

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

The following information Systems weakness was discovered during a review of computers.

County Clerk

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

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 17, 2018

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

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 4,902,205	\$ 3,008,548	\$ 18,161,218
Investments			19,233,243
Accounts receivable	1,192,359	131,409	1,374,181
Interfund receivables			12,971
TOTAL ASSETS	\$ 6,094,564	\$ 3,139,957	\$ 38,781,613
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 55,295	\$ 4,050	\$ 1,825,422
Interfund payables	12,971		
Settlements pending	8,546		3,359,467
Total Liabilities	76,812	4,050	5,184,889
Fund Balances:			
Restricted			29,384,722
Committed			3,758,307
Assigned	950	3,135,907	453,695
Unassigned	6,016,802		
Total Fund Balances	6,017,752	3,135,907	33,596,724
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,094,564	\$ 3,139,957	\$ 38,781,613

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

CRITTENDEN 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	\$ 284,343	\$ 1,764,645	\$ 295,533
Federal aid	20,873	7,451	24,432
Property taxes	302,851	399,626	147,434
Sales taxes	2,377,610	1,015,054	11,842,301
Fines, forfeitures, and costs	1,574,500		495,571
Interest	24,247		63,180
Officers' fees	153,676	13,011	268,104
Franchise fees	20,324		
Southland breakage and gaming tax	1,257,668		
Insurance premiums collected	62,558		
Jail fees			
Sanitation fees			323,039
Emergency 911 fees			169,601
Treasurer's commission	207,971		215,272
Collector's commission	319,691		26,948
Taxes apportioned - Assessor's salary and expense	445,164		85,556
Other	642,980	106,486	66,131
TOTAL REVENUES	7,694,456	3,306,273	14,023,102
Less: Treasurer's commission	49,130	27,397	105,994
NET REVENUES	7,645,326	3,278,876	13,917,108
EXPENDITURES			
Current:			
General government	2,975,358		548,421
Law enforcement	3,638,000		6,182,608
Highways and streets		3,191,973	
Public safety			282,252
Sanitation			58,921
Health	163,505		14,504,741
Recreation and culture			288,952
Social services	45,221		
Total Current	6,822,084	3,191,973	21,865,895
Debt Service:			
Note principal	203,192		
Note interest	2,805		
TOTAL EXPENDITURES	7,028,081	3,191,973	21,865,895

CRITTENDEN 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	\$ 617,245	\$ 86,903	\$ (7,948,787)
OTHER FINANCING SOURCES (USES)			
Transfers in			582,500
Transfers out	(122,500)		(460,000)
Bond proceeds			16,885,000
Premium earned on bond issue			1,295,784
Contribution from Baptist Memorial Healthcare			4,741,184
TOTAL OTHER FINANCING SOURCES (USES)	(122,500)		23,044,468
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	494,745	86,903	15,095,681
FUND BALANCES - JANUARY 1	5,523,007	3,049,004	18,501,043
FUND BALANCES - DECEMBER 31	\$ 6,017,752	\$ 3,135,907	\$ 33,596,724

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

CRITTENDEN 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		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES					
State aid	\$ 156,600	\$ 284,343	\$ 1,689,104	\$ 1,764,645	\$ 75,541
Federal aid	18,000	20,873	7,000	7,451	451
Property taxes	180,100	302,851	248,000	399,626	151,626
Sales taxes	2,207,500	2,377,610	975,000	1,015,054	40,054
Fines, forfeitures, and costs	1,527,500	1,574,500			
Interest	4,000	24,247			
Officers' fees	115,200	153,676	8,500	13,011	4,511
Franchise fees	18,000	20,324			
Southland breakage and gaming tax	900,000	1,257,668			
Insurance premiums collected	40,000	62,558			
Treasurer's commission	170,000	207,971			
Collector's commission	250,000	319,691			
Taxes apportioned - Assessor's salary and expense	425,000	445,164			
Other	407,600	642,980	25,000	106,486	81,486
TOTAL REVENUES	6,419,500	7,694,456	2,952,604	3,306,273	353,669
Less: Treasurer's commission	37,272	49,130	20,000	27,397	(7,397)
NET REVENUES	6,382,228	7,645,326	2,932,604	3,278,876	346,272
EXPENDITURES					
Current:					
General government	2,941,070	2,975,358			(34,288)
Law enforcement	3,775,046	3,638,000			137,046
Highways and streets			3,229,333	3,191,973	37,360
Health	106,369	163,505			(57,136)
Social services	44,023	45,221			(1,198)
Total Current	6,866,508	6,822,084	3,229,333	3,191,973	37,360
Debt Service:					
Note principal	225,000	203,192			21,808
Note interest	9,400	2,805			6,595
TOTAL EXPENDITURES	7,100,908	7,028,081	3,229,333	3,191,973	37,360

CRITTENDEN 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		Variance Favorable (Unfavorable)	Road		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (718,680)	\$ 617,245	\$ 1,335,925	\$ (296,729)	\$ 86,903	\$ 383,632
OTHER FINANCING SOURCES (USES) Transfers out	(200,000)	(122,500)	77,500			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(918,680)	494,745	1,413,425	(296,729)	86,903	383,632
FUND BALANCES - JANUARY 1	3,160,434	5,523,007	2,362,573	2,728,435	3,049,004	320,569
FUND BALANCES - DECEMBER 31	\$ 2,241,754	\$ 6,017,752	\$ 3,775,998	\$ 2,431,706	\$ 3,135,907	\$ 704,201

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation - Regulatory Fund Accounting

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

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

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

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

Road Fund - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and federal aid that are restricted for maintaining and constructing roads.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Road Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

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

Debt Service Fund - Debt Service Fund is 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.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, excess commissions, 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. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

NOTE 2: Cash Deposits with Financial Institutions

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

	<u>December 31, 2017</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 3,574,820	\$ 3,571,285
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	22,482,829	24,199,461
Uncollateralized and uninsured	<u>13,022</u>	<u>70,829</u>
Total Deposits	<u>\$ 26,070,671</u>	<u>\$ 27,841,575</u>

The above total deposits do not include cash on hand of \$1,300.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. The bank balance amount exposed to custodial credit risk at December 31, 2017 was \$70,829. These balances were uninsured primarily due to insufficient collateral provided by the pledging bank.

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

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of 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: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2017 Fair Value
Capital Projects	\$ 17,017,417
Debt Service	2,215,826
Totals	\$ 19,233,243

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)

The County's investments are composed of the following:

Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Mutual funds	\$ 19,233,243

Other required disclosures for investments:

At December 31, 2017, The County deposits with trustee of \$19,233,243 were invested by Region's Bank. The fund invests solely in Morgan Stanley Institutional Liquidity Funds-Government Portfolio, a money market mutual fund. The objective of the fund, rated AAAM and Aaa-mf by Standard and Poor's and Moody's Investors Service, respectively, is to maximize current income consistent with preserving capital and maintaining daily liquidity. The weighted average maturity was approximately 22 days. The fund consists of repurchase agreements (66%), United States government agency debt (33%), and United States Treasury debt (1%).

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

NOTE 5: 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
Property taxes	\$ 32,608	\$ 15,005	\$ 5,690
Sales taxes	188,423	80,442	938,489
Fines, forfeitures, and costs	76,206		24,629
Interest	246	53	20
Officers' fees	14,781		19,978
Franchise fees	19,516		
Southland breakage and gaming tax	93,020		
Insurance premiums collected	1,964		
Jail fees			44,130
Sanitation fees			28,881
Emergency 911 fees			41,366
Treasurer's commission	207,971		26,948
Collector's commission	319,691		85,556
Other	173,725	103	19,968
Treasurer's commission charged	64,208	35,806	138,526
Totals	<u>\$ 1,192,359</u>	<u>\$ 131,409</u>	<u>\$ 1,374,181</u>

NOTE 6: 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	<u>\$ 55,295</u>	<u>\$ 4,050</u>	<u>\$ 1,825,422</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2017	
	Interfund Receivables	Interfund Payables
General		\$ 12,971
Other Funds in the Aggregate:		
Special Revenue:		
Hospital Maintenance	\$ 12,971	
Totals	<u>\$ 12,971</u>	<u>\$ 12,971</u>

Interfund receivables and payables consist of errors in depositing restricted revenues. These balances were repaid on January 19, 2018.

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

NOTE 8: 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			\$ 387,576
Law enforcement			7,911,905
Public safety			164,126
Health			1,044,101
Recreation and culture			13,768
Capital outlay			17,192,139
Debt service			2,671,107
Total Restricted			<u>29,384,722</u>
Committed for:			
Law enforcement			52,703
Sanitation			3,705,604
Total Committed			<u>3,758,307</u>
Assigned to:			
General government			24,115
Law enforcement	\$ 950		295,715
Highways and streets		\$ 3,135,907	
Public safety			40,732
Recreation and culture			93,133
Total Assigned	<u>950</u>	<u>3,135,907</u>	<u>453,695</u>
Unassigned	<u>6,016,802</u>		
Totals	<u>\$ 6,017,752</u>	<u>\$ 3,135,907</u>	<u>\$ 33,596,724</u>

NOTE 9: 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 \$65,471,936. 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 \$18,177,476. There were no short-term financing obligations.

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

NOTE 10: Commitments

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

	December 31, 2017
Long-term liabilities	\$ 20,695,998
Noncancellable leases	87,590
Construction contract	12,602,381
Total Commitments	\$ 33,385,969

Long-term Liabilities

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

	December 31, 2017
Crittenden County Sales and Use Tax Bonds, Series 2017 due in four (4) annual installments of varying amounts, through March 1, 2021; interest at 5%. Payments are to be made from the Crittenden County Sales and Use Tax Bonds, Series 2017 Debt Service Fund.	\$ 16,885,000
Estimated liability for landfill closure and postclosure care costs	3,431,432
Compensated absences	379,566
Total Long-term liabilities	\$ 20,695,998

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

Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that Crittenden County place a final cover on its landfill when closed and perform certain maintenance functions at the landfill site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County recognizes a portion of these closure and postclosure care costs each year based on landfill capacity used as of each balance sheet date. The estimated liability for landfill closure and postclosure care costs has a balance of \$3,431,432 as of December 31, 2017, which is based on the use of 98.7% of estimated capacity of the landfill. The County will recognize the remaining cost of closure and postclosure care of \$45,170 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. The County expects to close the landfill in the year 2020. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County Treasurer has certificates of deposits in the amount of \$1,969,383 reserved for closure and postclosure care costs as of December 31, 2017. The County contracted with Santek Environmental of Arkansas, LLC for operation of landfill as of October 1, 2008. Santek Environmental of Arkansas, LLC has a money market account in the amount of \$840,870 located in the bank reserved for the closure and postclosure care costs as of December 31, 2017. The County has an irrevocable line of credit in the amount of \$3,441,737 dated June 29, 2017.

Sanitary Landfill Operation Agreement

Crittenden County, Arkansas entered into an agreement on October 1, 2008 with Santek Environmental of Arkansas, LLC. The agreement states that the County desires and that the contractor is willing to manage the landfill with the time period being 12 month periods and may be renewed annually if both parties agree. The contractor will be required to deposit into the financial assurance account an amount equal to the closure and post closure care cost obligations as required by the state for the period under their management. The contractor agrees to pay the County host fees on tonnage disposed of at the landfill during the term of this agreement in an amount equal to the sum of \$1.35 per ton of solid waste .

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

NOTE 10: Commitments (Continued)

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:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2018	\$ 2,278,142
2019	5,470,000
2020	5,473,750
2021	<u>5,470,500</u>
Total Obligations	18,692,392
Less Interest	<u>1,807,392</u>
Total Principal	<u><u>\$ 16,885,000</u></u>

Noncancellable Leases

The County entered into a noncancellable lease agreement for four road graders on February 22, 2016. Terms of the lease are monthly rental payments of \$3,491 for 24 months. At the end of the lease term, the County will return the graders or enter into another agreement.

The County entered into a noncancellable lease agreement for a knuckleboom truck on March 28, 2017. Terms of the lease are monthly rental payments of \$1,649 for 60 months. At the end of the lease term, the County will return the knuckleboom truck or enter into another agreement.

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

<u>Year</u>	<u>December 31, 2017</u>
2018	\$ 23,279
2019	19,788
2020	19,788
2021	19,788
2022	<u>4,947</u>
Total	<u><u>\$ 87,590</u></u>

Rental expense for 2017 was \$174,079.

Construction Contract

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

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance December 31, 2017</u>
County Hospital	October 2, 2018	<u><u>\$ 12,602,381</u></u>

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

NOTE 11: Interfund Transfers

The General Fund transferred \$122,500 to Other Funds in the Aggregate (County Library \$30,000, Public Defender \$34,000, and Juvenile Division \$58,500) for operational purposes. In addition, within the Other Funds in the Aggregate, the Hospital Building Fund transferred \$460,000 to the Crittenden County Sales and Use Tax Bonds, Series 2017 for payment of future debt service expenditures.

NOTE 12: Pledged Revenues

The County pledged future 1% sales and use taxes to repay \$16,885,000 in bonds that were issued in 2017 to provide funding for the costs of constructing and equipping a new medical surgical facility. Total principal and interest remaining on the bonds are \$16,885,000 and \$1,807,392, respectively, payable through March 1, 2021. For 2017, no principal and interest were paid.

The Debt Service Fund received \$1,365,843 in sales taxes in 2017. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for hospital purposes.

NOTE 13: Joint Venture: Regional Library

Crittenden and Mississippi Counties entered into an agreement in July 1991 in accordance with Ark. Code Ann. § 13-2-401 to establish the Mississippi County/Crittenden County Regional Library. The agreement states that the purpose for forming the regional library is "...providing improved library services to the people of the two counties. Each county shall provide its own library facilities and exercises exclusive control, ownership, and management thereof and pay the salaries of regional county personnel in that county". The business of the Mississippi County/Crittenden County Regional Library is to be conducted by a regional board, composed of the two administrative County Boards (10 members) which Boards shall continue to function over their respective systems. The Regional Library Board shall approve the employment and termination of regional library personnel, the regional budget and expenditures, and regional library policies. The system headquarters shall be in Mississippi County, Arkansas. No funds were paid by Crittenden County to the Mississippi County/Crittenden County Regional Library. Contact the Mississippi County/Crittenden County Regional Library at 200 North 5th Street, Blytheville, Arkansas 72315 to obtain financial statements.

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.

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

NOTE 14: Risk Management (Continued)

Vehicle Program (Continued)

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

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

NOTE 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 \$1,027,010.

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 \$10,155,326.

NOTE 16: Contribution from Baptist Memorial Healthcare

On November 9, 2017, Baptist Memorial Healthcare contributed \$4,741,184 to Crittenden County for construction of the new surgical hospital facility.

NOTE 17: Southland Greyhound Park Breakage and Gaming Tax

The Southland Greyhound Park Breakage and Gaming Tax consist of video gaming tax and the County's share of the odd cents or breaks after distributions of each pari-mutuel pool. In accordance with Ark. Code Ann. § 23-11-509, breakage is computed as the amount of odd cents remaining in each pari-mutuel pool after redistributions are made in a sum equal to the next lowest multiple of ten cents (\$.10). Crittenden County and the cities within the County receive a pro rata share totaling one-third (1/3) of the total breakage and video gaming tax.

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

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Recorder's Cost/Machinery and Equipment	County Library	Landfill	Reappraisal Cost	Child Support Cost
ASSETS									
Cash and cash equivalents	\$ 77,285	\$ 76,290	\$ 123,474	\$ 20,340	\$ 55,501	\$ 85,498	\$ 3,675,397	\$ 24,536	\$ 3,482
Investments									
Accounts receivable	26,948	85,556	1,878		21,099	7,890	30,207		
Interfund receivables									
TOTAL ASSETS	\$ 104,233	\$ 161,846	\$ 125,352	\$ 20,340	\$ 76,600	\$ 93,388	\$ 3,705,604	\$ 24,536	\$ 3,482
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	22			\$ 10	\$ 255			
Settlements pending									
Total Liabilities		22			10	255			
Fund Balances:									
Restricted	\$ 104,233	161,824	\$ 125,352	\$ 20,340	76,590		\$ 3,705,604	\$ 421	\$ 3,482
Committed									
Assigned						93,133		24,115	
Total Fund Balances	104,233	161,824	125,352	20,340	76,590	93,133	3,705,604	24,536	3,482
TOTAL LIABILITIES AND FUND BALANCES	\$ 104,233	\$ 161,846	\$ 125,352	\$ 20,340	\$ 76,600	\$ 93,388	\$ 3,705,604	\$ 24,536	\$ 3,482

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

SPECIAL REVENUE FUNDS

	Sheriff's Communication Facility and Equipment	Jail	Search and Rescue	Emergency 911	Public Defender	Drug Court Fees Act 490	Juvenile Division	Circuit Clerk Commissioner's Fee	Hospital Maintenance
ASSETS									
Cash and cash equivalents	\$ 212,551	\$ 7,299,624	\$ 24,732	\$ 115,060	\$ 23,948	\$ 13,037	\$ 10,941	\$ 9,945	\$ 1,031,130
Investments	1,630	543,760		41,975	9,381		1,010		
Accounts receivable									
Interfund receivables									12,971
TOTAL ASSETS	\$ 214,181	\$ 7,843,384	\$ 24,732	\$ 157,035	\$ 33,329	\$ 13,037	\$ 11,951	\$ 9,945	\$ 1,044,101
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,215	\$ 32,883		\$ 57	\$ 522		\$ 1,328		
Settlements pending									
Total Liabilities	1,215	32,883		57	522		1,328		
Fund Balances:									
Restricted	212,966	7,556,216		140,978		\$ 13,037		\$ 9,945	\$ 1,044,101
Committed									
Assigned		252,285	\$ 24,732	16,000	32,807		10,623		
Total Fund Balances	212,966	7,810,501	24,732	156,978	32,807	13,037	10,623	9,945	1,044,101
TOTAL LIABILITIES AND FUND BALANCES	\$ 214,181	\$ 7,843,384	\$ 24,732	\$ 157,035	\$ 33,329	\$ 13,037	\$ 11,951	\$ 9,945	\$ 1,044,101

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

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS		
	Police Radar and Equipment	Emergency Management	East Arkansas Youth Services	Renovation Grant	Selective Traffic Enforcement Program	Mental Health Collaboration Grant	Assessor's Late Fee	Hospital Building	Hospital Construction	
ASSETS										
Cash and cash equivalents	\$ 52,703	\$ 23,148	\$ 23,506	\$ 9,488	\$ 1,658	\$ 676	\$ 1,083	\$ 1,806,718	\$ 17,017,417	
Investments							170	147,396		
Accounts receivable										
Interfund receivables										
TOTAL ASSETS	\$ 52,703	\$ 23,148	\$ 23,506	\$ 9,488	\$ 1,658	\$ 676	\$ 1,253	\$ 1,954,114	\$ 17,017,417	
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable			\$ 9,738						\$ 1,779,392	
Settlements pending										
Total Liabilities			<u>9,738</u>						<u>1,779,392</u>	
Fund Balances:										
Restricted		\$ 23,148	13,768	\$ 9,488	\$ 1,658	\$ 676	\$ 1,253	\$ 1,954,114	15,238,025	
Committed										
Assigned										
Total Fund Balances	\$ 52,703	\$ 23,148	\$ 23,506	\$ 9,488	\$ 1,658	\$ 676	\$ 1,253	\$ 1,954,114	\$ 17,017,417	
TOTAL LIABILITIES AND FUND BALANCES										

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

DEBT SERVICE FUND	AGENCY FUNDS						Totals
Crittenden County Sales and Use Tax Bonds, Series 2017	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Probation	County Judge
\$ 2,215,826 455,281	\$ 2,156,195	\$ 328,016	\$ 310,734	\$ 177,426	\$ 386,314	\$ 650	\$ 132
\$ 2,671,107	\$ 2,156,195	\$ 328,016	\$ 310,734	\$ 177,426	\$ 386,314	\$ 650	\$ 132
ASSETS							Totals
Cash and cash equivalents							\$ 18,161,218
Investments							19,233,243
Accounts receivable							1,374,181
Interfund receivables							12,971
TOTAL ASSETS							\$ 38,781,613
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 1,825,422
Settlements pending							3,359,467
Total Liabilities							5,184,889
Fund Balances:							
Restricted							29,384,722
Committed							3,758,307
Assigned							453,695
Total Fund Balances							33,596,724
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,671,107	\$ 328,016	\$ 310,734	\$ 177,426	\$ 386,314	\$ 650	\$ 132

CRITTENDEN 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									
	Treasurer's Automation	Collector's Automation	Court Automation	Assessor's Amendment no. 79	County Recorder's Cost/Machinery and Equipment	County Library	Landfill	Reappraisal Cost	Child Support Cost	
REVENUES										
State aid				\$ 8,766	\$ 59,069			\$ 187,593		
Federal aid					146,181					
Property taxes										
Sales taxes			\$ 35,895							
Fines, forfeitures, and costs	\$ 381	\$ 508			\$ 99	\$ 18,974		98	\$ 19	1,804
Interest					240,266					
Officers' fees										
Jail fees						169,601				
Sanitation fees										
Emergency 911 fees										
Treasurer's commission	26,948									
Collector's commission		85,556								
Other					2,500					
TOTAL REVENUES	27,329	86,064	35,895	8,766	240,365	188,575	187,593	1,823		
Less: Treasurer's commission					2,105	1,015				
NET REVENUES	27,329	86,064	35,895	8,766	238,260	187,560	187,593	1,823		
EXPENDITURES										
Current:										
General government	25,767	98,524	38,999	3,900	212,208		187,593	1,714		
Law enforcement										
Public safety										
Sanitation										
Health							58,921			
Recreation and culture										
TOTAL EXPENDITURES	25,767	98,524	38,999	3,900	212,208	262,344	187,593	1,714		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,562	(12,460)	(3,104)	4,866	26,052	(66,057)	98	109		
OTHER FINANCING SOURCES (USES)										
Transfers in										
Transfers out										
Bond proceeds										
Premium earned on bond issue										
Contribution from Baptist Memorial Healthcare										
TOTAL OTHER FINANCING SOURCES (USES)										
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,562	(12,460)	(3,104)	4,866	26,052	(26,057)	98	109		
FUND BALANCES - JANUARY 1	102,671	174,284	128,456	15,474	50,538	3,576,965	24,438	3,373		
FUND BALANCES - DECEMBER 31	\$ 104,233	\$ 161,824	\$ 125,352	\$ 20,340	\$ 76,590	\$ 3,705,604	\$ 24,536	\$ 3,482		

CRITTENDEN 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									
	Sheriff's Communication Facility and Equipment	Jail	Search and Rescue	Emergency 911	Public Defender	Drug Court Fees Act 490	Juvenile Division	Circuit Clerk Commissioner's Fee	Hospital Maintenance	
REVENUES										
State aid			\$ 2,188							
Federal aid										
Property taxes										
Sales taxes		\$ 5,075,272								
Fines, forfeitures, and costs		298,021			\$ 139,377	2,035	\$ 15,654			
Interest	377	33,034	114	\$ 260	97					
Officers' fees	25,149							\$ 885		
Jail fees	32,479	290,560								
Sanitation fees										
Emergency 911 fees				215,272						
Treasurer's commission										
Collector's commission										
Other		56,544	559	774	2,783		2,971			
TOTAL REVENUES	58,005	5,753,431	2,861	216,306	142,257	6,535	18,625	885		
Less: Treasurer's commission		49,013			1,258					
NET REVENUES	58,005	5,704,418	2,861	216,306	140,999	6,535	18,625	885		
EXPENDITURES										
Current:										
General government										
Law enforcement	54,043	5,791,396	5,974	251,535	197,150	5,610	81,398			
Public safety										
Sanitation										
Health										\$ 47
Recreation and culture										
TOTAL EXPENDITURES	54,043	5,791,396	5,974	251,535	197,150	5,610	81,398			47
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,962	(86,978)	(3,113)	(35,229)	(56,151)	925	(62,773)	885		(47)
OTHER FINANCING SOURCES (USES)										
Transfers in					34,000					
Transfers out										58,500
Bond proceeds										
Premium earned on bond issue										
Contribution from Baptist Memorial Healthcare										
TOTAL OTHER FINANCING SOURCES (USES)					34,000					58,500
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,962	(86,978)	(3,113)	(35,229)	(22,151)	925	(4,273)	885		(47)
FUND BALANCES - JANUARY 1	209,004	7,897,479	27,845	192,207	54,958	12,112	14,896	9,060		1,044,148
FUND BALANCES - DECEMBER 31	\$ 212,966	\$ 7,810,501	\$ 24,732	\$ 156,978	\$ 32,807	\$ 13,037	\$ 10,623	\$ 9,945		\$ 1,044,101

CRITTENDEN 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								
	Police Radar and Equipment	Emergency Management	East Arkansas Youth Services	Renovation Grant	Selective Traffic Enforcement Program	Residential Substance Abuse Treatment	Home Projects Grant	Mental Health Collaboration Grant	Assessor's Late Fee
REVENUES									
State aid			\$ 31,167		\$ 7,124	\$ 843	\$ 6,750		\$ 1,253
Federal aid							11,965		
Property taxes	\$ 4,589								
Sales taxes	229								
Fines, forfeitures, and costs									
Interest									
Officers' fees									
Jail fees									
Sanitation fees									
Emergency 911 fees									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES	<u>4,818</u>		<u>31,167</u>		<u>7,124</u>	<u>843</u>	<u>18,715</u>		<u>1,253</u>
Less: Treasurer's commission									
NET REVENUES	<u>4,818</u>		<u>31,167</u>		<u>7,124</u>	<u>843</u>	<u>18,715</u>		<u>1,253</u>
EXPENDITURES									
Current:									
General government									
Law enforcement	2,382	\$ 24,743			10,787	843	18,715		
Public safety									
Sanitation									
Health									
Recreation and culture			26,608						
TOTAL EXPENDITURES	<u>2,382</u>	<u>24,743</u>	<u>26,608</u>		<u>10,787</u>	<u>843</u>	<u>18,715</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,436</u>	<u>(24,743)</u>	<u>4,559</u>		<u>(3,663)</u>				<u>1,253</u>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Bond proceeds									
Premium earned on bond issue									
Contribution from Baptist Memorial Healthcare									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,436</u>	<u>(24,743)</u>	<u>4,559</u>		<u>(3,663)</u>				<u>1,253</u>
FUND BALANCES - JANUARY 1	<u>50,267</u>	<u>47,891</u>	<u>9,209</u>	<u>\$ 9,488</u>	<u>5,321</u>		<u>\$ 0</u>	<u>\$ 676</u>	
FUND BALANCES - DECEMBER 31	<u>\$ 52,703</u>	<u>\$ 23,148</u>	<u>\$ 13,768</u>	<u>\$ 9,488</u>	<u>\$ 1,658</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 676</u>	<u>\$ 1,253</u>

CRITTENDEN 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

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	
	Hospital Building	Hospital Construction	Crittenden County Sales and Use Tax Bonds, Series 2017	Totals
REVENUES				
State aid			\$	295,533
Federal aid				24,432
Property taxes				147,434
Sales taxes	5,401,186		1,365,843	11,842,301
Fines, forfeitures, and costs				495,571
Interest		7,641		63,180
Officers' fees			1,014	268,104
Jail fees				323,039
Sanitation fees				169,601
Emergency 911 fees				215,272
Treasurer's commission				26,948
Collector's commission				85,556
Other				66,131
TOTAL REVENUES	5,401,186	7,641	1,366,857	14,023,102
Less: Treasurer's commission	50,805			105,994
NET REVENUES	5,350,381	7,641	1,366,857	13,917,108
EXPENDITURES				
Current:				
General government				548,421
Law enforcement				6,182,608
Public safety				282,252
Sanitation				58,921
Health	12,398,544	1,994,676	111,474	14,504,741
Recreation and culture				288,952
TOTAL EXPENDITURES	12,398,544	1,994,676	111,474	21,865,895
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,048,163)	(1,987,035)	1,255,383	(7,948,787)
OTHER FINANCING SOURCES (USES)				
Transfers in			460,000	582,500
Transfers out	(460,000)			(460,000)
Bond proceeds		15,929,276	955,724	16,885,000
Premium earned on bond issue		1,295,784		1,295,784
Contribution from Baptist Memorial Healthcare	4,741,184			4,741,184
TOTAL OTHER FINANCING SOURCES (USES)	4,281,184	17,225,060	1,415,724	23,044,468
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,766,979)	15,238,025	2,671,107	15,095,681
FUND BALANCES - JANUARY 1	4,721,093			18,501,043
FUND BALANCES - DECEMBER 31	1,954,114	15,238,025	2,671,107	33,596,724

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of treasurer's gross commissions to operate the treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commissions to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
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.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the costs of administering Ark. Const., amend. 79.
County Recorder's Cost/Machinery and Equipment	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
County Library	Ark. Code Ann. § 13-2-404 established fund to account for property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Landfill	Crittenden County Ordinance no. 1986-1 (June 17, 1986) established fund to receive fees collected by the Treasurer for the purpose of collecting and disposing of solid waste.
Reappraisal Cost	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.
Child Support Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Sheriff's 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.
Jail	Established by Crittenden County Ordinance no. 1997-12 (September 23, 1997) levying 3/4 cent sales and use tax as approved by the voters for the purpose of operating and maintaining jail and related facilities. Additionally, 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.
Search and Rescue	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.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Public Defender	Ark. Code Ann. § 16-10-307 established the County Administration of Justice Fund which continued to finance this fund used for defense of indigents.
Drug Court Fees Act 490	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Hospital Maintenance	Established by Crittenden County Ordinance no. 2015-7 (May 12, 2015) levying one percent (1%) sales and use tax as approved by the voters for a period of five years for the purpose of reopening, repairing, improving, renovating, equipping, operating and maintaining a hospital. Property taxes are also collected for maintaining the hospital.
Police Radar and Equipment	Crittenden County Ordinance no. 1996-17 (August 20, 1996) established fund to receive \$2 of every fine to Municipal Court Clerk's office at West Memphis to be used to purchase police equipment, radar equipment, radar certifications, and emergency equipment.
Emergency Management	Established to account for grants received for Homeland Security and Law Enforcement Terrorism Prevention Program.
East Arkansas Youth Services	Established to account for Juvenile Accountability Block Grant received for the purpose of supporting operations of community corrections expenses such as facility maintenance and repairs, food, insurance, and utilities.
Renovation Grant	Established to account for a historical preservation grant received for courthouse renovations.
Selective Traffic Enforcement Program	Established to account for grant to provide local governments with funding to support a range of highway safety program areas including speed enforcement, occupant protection, and alcohol and other drugs countermeasure programs.

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

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

<u>Fund Name</u>	<u>Fund Description</u>
Residential Substance Abuse Treatment	Established to account for federal grant to assist local governments to develop and implement substance abuse treatment programs in local correctional and detention facilities and to create and maintain community based aftercare services for offenders.
Home Projects Grant	Established to receive Department of Housing and Urban Development (HUD) federal and state grants for the purpose of developing and supporting affordable housing through tenant based rental assistance, rental rehabilitation, new construction, or assistance to homebuyers and homeowners.
Mental Health Collaboration Grant	Established to account for grants received from the Justice and Mental Health Collaboration Program (JMHCPC) to help individuals in the justice system with mental illnesses or co-occurring mental health and substance abuse disorders.
Assessor's Late Fee	Ark. Code Ann. § 26-26-201 established fund to receive fees to help pay for the expense of assessing property.
Hospital Building	Crittenden County Ordinance no. 2015-18 (December 18, 2015) amending Crittenden County Ordinance no. 2015-7 (May 12, 2015) levying one percent (1%) sales and use tax as approved by the voters for a period of five years to be used to construct and equip a new medical surgical hospital facility or to pay and secure bonds to finance all or a portion of the costs of such construction and equipping.
Hospital Construction	Crittenden County Ordinance nos. 2015-19 (December 18, 2015) and 2017-16 (September 19, 2017) as approved by voters authorized the issuance of sales and use tax bonds. This fund was set up to account for bond proceeds for the purpose of financing a portion of the costs of constructing and equipping a new medical surgical hospital facility.
Crittenden County Sales and Use Tax Bonds, Series 2017	Crittenden County Ordinance nos. 2015-19 (December 18, 2015) and 2017-16 (September 19, 2017) as approved by voters authorized the issuance of sales and use tax bonds. This fund was set up in order to facilitate the retirement of the related debt.
Treasurer's accounts	consist primarily of property taxes, Treasurer's commission, and fines 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, and inmate trust money.
County Clerk's accounts	consist primarily of payroll, trust money, and settlements due to Treasurer.
Circuit Clerk's accounts	consist of trust money and settlements due to Treasurer.
Juvenile Probation account	consists primarily of juvenile fees not yet remitted to the Treasurer.
County Judge's account	consists of planning commission money not yet remitted to Treasurer.

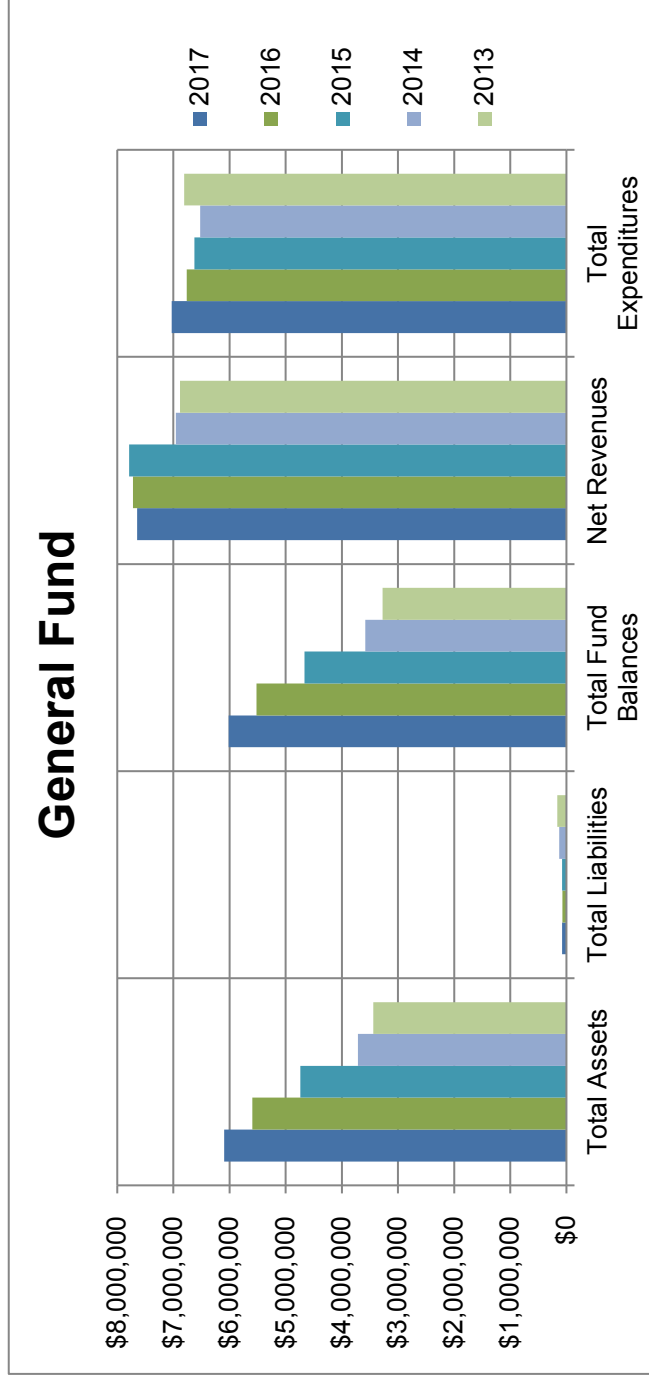
CRITTENDEN COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2017
(Unaudited)

Schedule 3

	<u>December 31, 2017</u>
Land	\$ 963,941
Buildings	15,786,024
Improvements other than buildings	73,472
Equipment	4,468,133
Construction in progress	<u>14,571,857</u>
Total	<u>\$ 35,863,427</u>

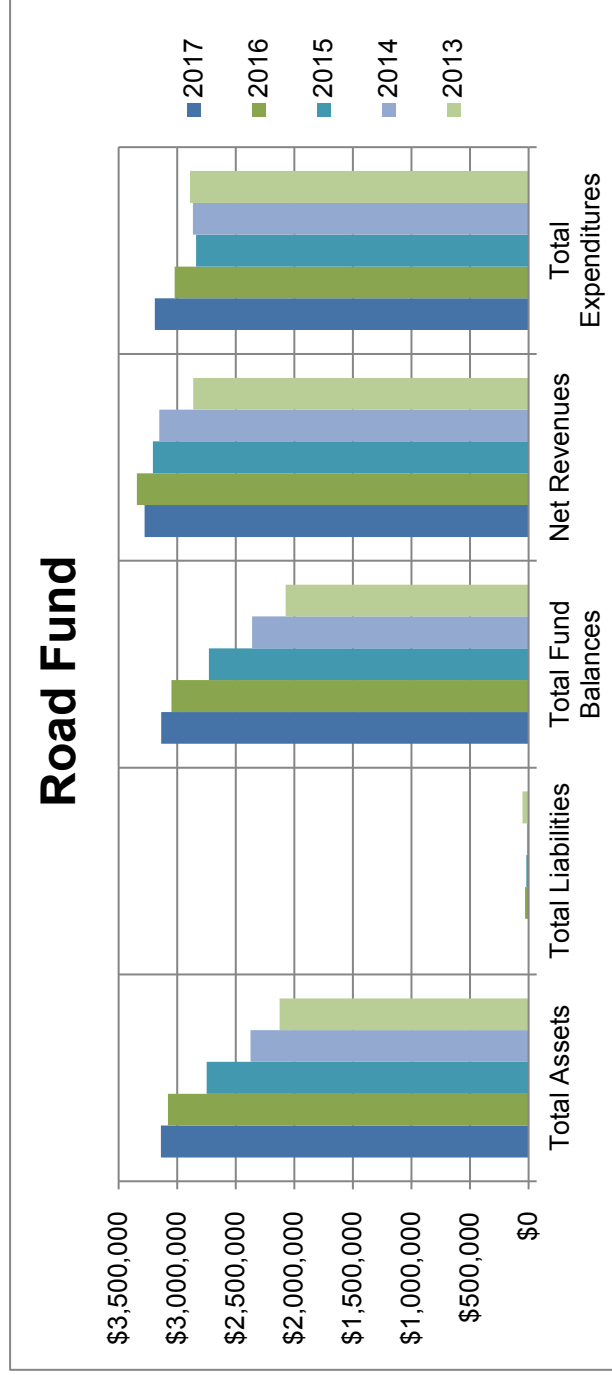
CRITTENDEN COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

General	2017	2016	2015	2014	2013
Total Assets	\$ 6,094,564	\$ 5,595,002	\$ 4,741,497	\$ 3,712,948	\$ 3,441,103
Total Liabilities	76,812	71,995	75,615	128,643	164,931
Total Fund Balances	6,017,752	5,523,007	4,665,882	3,584,305	3,276,172
Net Revenues	7,645,326	7,717,686	7,789,912	6,956,813	6,881,824
Total Expenditures	7,028,081	6,765,561	6,624,779	6,525,733	6,809,490
Total Other Financing Sources/Uses	(122,500)	(95,000)	(83,556)	(122,947)	(156,326)



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

Road	2017	2016	2015	2014	2013
Total Assets	\$ 3,139,957	\$ 3,078,400	\$ 2,748,568	\$ 2,374,243	\$ 2,126,561
Total Liabilities	4,050	29,396	19,888	13,182	52,643
Total Fund Balances	3,135,907	3,049,004	2,728,680	2,361,061	2,073,918
Net Revenues	3,278,876	3,343,364	3,207,060	3,153,981	2,862,778
Total Expenditures	3,191,973	3,023,040	2,839,441	2,866,838	2,891,157
Total Other Financing Sources/Uses					



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

<u>Other Funds in the Aggregate</u>	2017	2016	2015	2014	2013
Total Assets	\$ 38,781,613	\$ 22,116,100	\$ 16,371,492	\$ 15,126,895	\$ 13,869,567
Total Liabilities	5,184,889	3,615,057	3,341,750	3,505,470	2,653,319
Total Fund Balances	33,596,724	18,501,043	13,029,742	11,621,425	11,216,248
Net Revenues	13,917,108	14,363,385	8,551,756	7,351,418	6,925,711
Total Expenditures	21,865,895	8,987,084	7,226,995	7,069,188	6,517,931
Total Other Financing Sources/Uses	23,044,468	95,000	83,556	122,947	156,326

