

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

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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

Independent Auditor's Report  
Report on Internal Control Over Financial Reporting, Compliance and Other Matters, and Other Issues Based on an  
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

REGULATORY BASIS FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Prairie 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 Prairie 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 Prairie 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 Prairie 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 September 26, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
September 26, 2018  
LOCO05917

# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Prairie 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 Prairie County, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated September 26, 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 Issues

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

County Judge: Mike Skarda  
Treasurer: Tamara Dabney  
Sheriff/Collector: Rick Hickman  
County/Circuit Clerk: Gaylon Hale  
Assessor: Jeannie Lott  
County Librarian: April Highfill

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

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
September 26, 2018

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

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 754,110	\$ 944,099	\$ 1,187,809
Accounts receivable	185,178	33,787	84,888
Interfund receivables			5,757
	<b>TOTAL ASSETS</b>	<b>TOTAL ASSETS</b>	<b>TOTAL ASSETS</b>
	\$ 939,288	\$ 977,886	\$ 1,278,454
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 81,217	\$ 19,290	\$ 8,114
Interfund payables	5,757		
Settlements pending			118,915
Total Liabilities	86,974	19,290	127,029
Fund Balances:			
Restricted		947,048	1,150,372
Assigned	4,983	11,548	1,053
Unassigned	847,331		
Total Fund Balances	852,314	958,596	1,151,425
	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>
	\$ 939,288	\$ 977,886	\$ 1,278,454

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

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

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 442,909	\$ 1,137,919	\$ 53,218
Federal aid	14,741	78,323	15,762
Property taxes	563,579	271,722	204,520
Sales taxes	351,848	275,295	613,356
Fines, forfeitures, and costs	192,156		7,771
Interest	7,253	6,648	6,295
Officers' fees	42,933		60,352
Jail fees			60,098
911 fees	40,000		160,539
Treasurer's commission	84,874		14,218
Collector's commission	161,037		21,102
Taxes apportioned - Assessor's salary and expense	187,413		
Other	110,800	80,916	59,043
	<u>2,199,543</u>	<u>1,850,823</u>	<u>1,276,274</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>39,710</u>	<u>27,711</u>	<u>10,242</u>
	<u>2,159,833</u>	<u>1,823,112</u>	<u>1,266,032</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	681,350		81,854
Law enforcement	1,503,052		117,170
Highways and streets		1,468,934	
Public safety	31,525		166,070
Health	13,728		
Recreation and culture			284,104
Social services	87,140		
Total Current	<u>2,316,795</u>	<u>1,468,934</u>	<u>649,198</u>
Debt Service:			
Bond principal			215,000
Bond interest and other charges			125,431
Lease principal		81,657	
Lease interest		20,858	
Note principal	41,387	15,124	
Note interest	3,120	227	
	<u>2,361,302</u>	<u>1,586,800</u>	<u>989,629</u>
TOTAL EXPENDITURES			



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

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (201,469)</u>	<u>\$ 236,312</u>	<u>\$ 276,403</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	142,437		22,911
Transfers out	<u>(18,426)</u>		<u>(146,922)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>124,011</u>		<u>(124,011)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(77,458)	236,312	152,392
FUND BALANCES - JANUARY 1	<u>929,772</u>	<u>722,284</u>	<u>999,033</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 852,314</u></u>	<u><u>\$ 958,596</u></u>	<u><u>\$ 1,151,425</u></u>

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

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 317,640	\$ 442,909	\$ 125,269	\$ 1,035,000	\$ 1,137,919	\$ 102,919
Federal aid		14,741	14,741		78,323	78,323
Property taxes	630,000	563,579	(66,421)	280,000	271,722	(8,278)
Sales taxes	275,000	351,848	76,848	180,000	275,295	95,295
Fines, forfeitures, and costs	294,000	192,156	(101,844)			
Interest		7,253	7,253		6,648	6,648
Officers' fees		42,933	42,933			
911 fees		40,000	40,000			
Treasurer's commission		84,874	84,874			
Collector's commission	178,749	161,037	(17,712)			
Taxes apportioned - Assessor's salary and expense	193,681	187,413	(6,268)			
Other	31,200	110,800	79,600	63,000	80,916	17,916
<b>TOTAL REVENUES</b>	<b>1,920,270</b>	<b>2,199,543</b>	<b>279,273</b>	<b>1,558,000</b>	<b>1,850,823</b>	<b>292,823</b>
Less: Treasurer's commission		39,710	(39,710)		27,711	(27,711)
<b>NET REVENUES</b>	<b>1,920,270</b>	<b>2,159,833</b>	<b>239,563</b>	<b>1,558,000</b>	<b>1,823,112</b>	<b>265,112</b>
EXPENDITURES						
Current:						
General government	937,868	681,350	256,518			
Law enforcement	1,704,270	1,503,052	201,218			
Highways and streets				1,809,645	1,468,934	340,711
Public safety	33,910	31,525	2,385			
Health	26,140	13,728	12,412			
Recreation and culture	700	700	700			
Social services	74,061	87,140	(13,079)			
Total Current	2,776,949	2,316,795	460,154	1,809,645	1,468,934	340,711
Debt Service:						
Lease principal					81,657	(81,657)
Lease interest					20,858	(20,858)
Note principal		41,387	(41,387)		15,124	(15,124)
Note interest		3,120	(3,120)		227	(227)
<b>TOTAL EXPENDITURES</b>	<b>2,776,949</b>	<b>2,361,302</b>	<b>415,647</b>	<b>1,809,645</b>	<b>1,586,800</b>	<b>222,845</b>

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

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (856,679)	\$ (201,469)	\$ 655,210	\$ (251,645)	\$ 236,312	\$ 487,957
OTHER FINANCING SOURCES (USES)						
Transfers in	90,000	142,437	52,437			
Transfers out		(18,426)	(18,426)			
TOTAL OTHER FINANCING SOURCES (USES)	90,000	124,011	34,011			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(766,679)	(77,458)	689,221	(251,645)	236,312	487,957
FUND BALANCES - JANUARY 1	785,950	929,772	143,822	687,000	722,284	35,284
FUND BALANCES - DECEMBER 31	\$ 19,271	\$ 852,314	\$ 833,043	\$ 435,355	\$ 958,596	\$ 523,241

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

PRAIRIE 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, sales taxes, and federal aid that are restricted or committed for maintaining and constructing roads.

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

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

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

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

PRAIRIE 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 accounts, certificates of deposit, and treasury bills with an original maturity of three months or less.

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.

PRAIRIE 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.

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:

	<u>December 31, 2017</u>	
	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 865,221	\$ 926,381
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	2,020,194	2,222,021
Total Deposits	\$ 2,885,415	\$ 3,148,402

The above total deposits do not include cash on hand of \$603.

**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.

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

**NOTE 4: Accounts Receivable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 5,804		
Federal aid	2,928		
Sales taxes	73,262	\$ 21,500	\$ 75,525
Fines, forfeitures, and costs	12,511		239
Officers' fees	633		4,413
Jail fees			3,733
911 fees			878
Treasurer's commission	84,874		
Other	5,166	12,287	100
Totals	<u>\$ 185,178</u>	<u>\$ 33,787</u>	<u>\$ 84,888</u>

**NOTE 5: Accounts Payable**

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 81,217</u>	<u>\$ 19,290</u>	<u>\$ 8,114</u>

**NOTE 6: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2017	
	Interfund Receivables	Interfund Payables
General		\$ 5,757
Other Funds in the Aggregate:		
Capital Projects Fund:		
County Library Renovation Grant	\$ 5,757	
Totals	<u>\$ 5,757</u>	<u>\$ 5,757</u>

Interfund receivables and payables consist of transfers to cover expenses for the Prairie County Library. These balances were repaid in July 2018.

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

**NOTE 7: 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			\$ 118,853
Law enforcement			104,591
Highways and streets		\$ 947,048	
Public safety			186,762
Recreation and culture			324,932
Debt service			415,234
Total Restricted		<u>947,048</u>	<u>1,150,372</u>
Assigned to:			
General government			495
Law enforcement	\$ 4,983		558
Highways and streets		11,548	
Total Assigned	<u>4,983</u>	<u>11,548</u>	<u>1,053</u>
Unassigned	<u>847,331</u>		
Totals	<u>\$ 852,314</u>	<u>\$ 958,596</u>	<u>\$ 1,151,425</u>

**NOTE 8: 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 \$11,740,813. 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 \$3,216,357. The amount of short-term financing obligations was \$1,078,099, leaving a legal debt margin of \$2,138,258.

**NOTE 9: Commitments**

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

	December 31, 2017
Long-term liabilities	<u>\$ 4,078,099</u>



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

**NOTE 9: Commitments (Continued)**

Long-term Liabilities

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

	December 31, 2017
Note payable to Farmers and Merchants Bank of Des Arc for the purchase of a 2015 Chevrolet Tahoe, 35 monthly payments of \$841, final payment of \$837, 4.12% interest. Payments to be made from the General Fund.	\$ 837
Lease-purchase agreement with Caterpillar Financial Services for the purchase of two motor graders, 36 monthly payments of \$2,541, 3.38% interest, final payment of \$401,813. Payments to be made from the Road Fund.	417,058
Note payable to Farmers and Merchants Bank of Des Arc for the purchase of a 2015 Dodge Ram truck, 35 monthly payments of \$1,396, 4.125% interest, final payment of \$1,296. Payments to be made from the General Fund.	17,626
Note payable to Farmers and Merchants Bank of Des Arc for the purchase of a 2016 and 2017 Dodge Ram truck, 36 monthly payments of \$1,606, 4.125% interest. Payments to be made from the General Fund.	38,420
Lease-purchase agreement with Caterpillar Financial Services for the purchase of one motor grader, 36 monthly payments of \$1,612, 0.00% interest, final payment of \$161,817. Payments to be made from the Road Fund.	218,238
Lease-purchase agreement with Caterpillar Financial Services for the purchase of one hydraulic excavator, 36 monthly payments of \$2,507, 0.00% interest, final payment of \$86,512. Payments to be made from the Road Fund.	149,178
Lease-purchase agreement with BancorpSouth Equipment Finance for the purchase of two 2018 Mack trucks, 36 monthly payments of \$3,609, 2.39% interest, final payment of \$120,000. Payments to be made from the Road Fund.	236,742
Sales and Use Tax Bonds, Series 2014, for the purpose of financing the cost of a new jail facility; annual installments of \$80,000 to \$240,000 due on June 1 beginning in 2015 through June 2036; interest at 2% to 4.375% due June 1 and December 1 beginning December 2014. Payments are to be made from the County Jail Construction Bond Fund.	3,000,000
Total Long-term liabilities	\$ 4,078,099

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

Compensated Absences

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

Post Employment Benefits Other Than Pensions

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

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

**NOTE 9: Commitments (Continued)**

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds	Notes	Leases	Total
2018	\$ 234,580	\$ 36,858	\$ 118,180	\$ 389,618
2019	232,820	20,566	494,546	747,932
2020	229,508	1,623	152,567	383,698
2021	230,743		281,817	512,560
2022	231,449			231,449
2023 through 2027	1,118,711			1,118,711
2028 through 2032	1,155,731			1,155,731
2032 through 2037	746,431			746,431
Total Obligations	4,179,973	59,047	1,047,110	5,286,130
Less Interest	1,179,973	2,164	25,894	1,208,031
Total Principal	<u>\$3,000,000</u>	<u>\$ 56,883</u>	<u>\$1,021,216</u>	<u>\$ 4,078,099</u>

**NOTE 10: Interfund Transfers**

The General Fund transferred \$18,426 to Other Funds in the Aggregate (\$12,669 to Treasurer's Automation and \$5,757 to County Library Renovation Grant) to supplement maintenance expenditures for the Treasurer's office and library. The Other Funds in the Aggregate transferred \$142,437 in excess sales and use taxes to the General Fund. Within the Other Funds in the Aggregate, \$4,485 was transferred for inmate phone commissions.

**NOTE 11: Pledged Revenues**

The County pledged future .5% sales and use taxes to repay \$3,510,000 in bonds that were issued in 2014 to provide funding for the cost of a new jail facility. Total principal and interest remaining on the bonds are \$3,000,000 and \$1,179,973, respectively, payable through June 1, 2036. For 2017, principal and interest paid were \$215,000 and \$123,056, respectively.

The Debt Service Fund received \$613,356 in sales taxes in 2017. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any lawful purpose.

**NOTE 12: Jointly Governed Organization**

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Central Regional Solid Waste Management District and Board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in Arkansas Counties of Lonoke, Prairie and Monroe. The District's board of director's is composed in accordance with the requirements of the Act and is comprised of representatives of the counties in the District and representatives of all first class cities, of all cities with a population over 2,000 and of the largest city of each county in the District. The County made no contributions to or disbursements on behalf of the District in 2017. Separate financial statements of the Central Arkansas Regional Solid Waste Management District are available at 902 N. Center, Lonoke, Arkansas, 72086.

**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.

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

**NOTE 13: Risk Management (Continued)**

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.

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](http://www.apers.org).

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

**NOTE 14: Arkansas Public Employees Retirement System (Continued)**

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 \$190,780.

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 \$1,886,479.

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Support Collections Costs	Communications Facility and Equipment	Jail Maintenance
<b>ASSETS</b>									
Cash and cash equivalents	\$ 16,475	\$ 27,606	\$ 11,857	\$ 4,277	\$ 65,438	\$ 328,018	\$ 999	\$ 2,057	\$ 65,209
Accounts receivable					4,413	100			3,733
Interfund receivables									
<b>TOTAL ASSETS</b>	<b>\$ 16,475</b>	<b>\$ 27,606</b>	<b>\$ 11,857</b>	<b>\$ 4,277</b>	<b>\$ 69,851</b>	<b>\$ 328,118</b>	<b>\$ 999</b>	<b>\$ 2,057</b>	<b>\$ 68,942</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 48				\$ 174	\$ 3,186		\$ 1,083	\$ 1,856
Settlements pending									
<b>Total Liabilities</b>	<b>48</b>				<b>174</b>	<b>3,186</b>		<b>1,083</b>	<b>1,856</b>
<b>Fund Balances:</b>									
Restricted	16,328	\$ 27,408	\$ 11,857	\$ 4,277	69,479	324,932	\$ 999	974	67,086
Assigned	99	198			198				
<b>Total Fund Balances</b>	<b>16,427</b>	<b>27,606</b>	<b>11,857</b>	<b>4,277</b>	<b>69,677</b>	<b>324,932</b>	<b>999</b>	<b>974</b>	<b>67,086</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,475</b>	<b>\$ 27,606</b>	<b>\$ 11,857</b>	<b>\$ 4,277</b>	<b>\$ 69,851</b>	<b>\$ 328,118</b>	<b>\$ 999</b>	<b>\$ 2,057</b>	<b>\$ 68,942</b>

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

Schedule 1

	SPECIAL REVENUE FUNDS						
	Boating Safety and Enforcement	Emergency 911	Public Defender	Circuit Court Juvenile Division	Circuit Clerk Commissioner' s Fee	Assessor's Late Assessment Fee	Justice Assistance Grant
ASSETS							
Cash and cash equivalents	\$ 987	\$ 187,651	\$ 12,700	\$ 11,303	\$ 198	\$ 164	\$ 3
Accounts receivable		878	239				
Interfund receivables							
TOTAL ASSETS	\$ 987	\$ 188,529	\$ 12,939	\$ 11,303	\$ 198	\$ 164	\$ 3
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$ 1,767					
Settlements pending							
Total Liabilities		1,767					
Fund Balances:							
Restricted	\$ 429	186,762	\$ 12,939	\$ 11,303	\$ 198	\$ 164	\$ 3
Assigned	558						
Total Fund Balances	987	186,762	12,939	11,303	198	164	3
TOTAL LIABILITIES AND FUND BALANCES	\$ 987	\$ 188,529	\$ 12,939	\$ 11,303	\$ 198	\$ 164	\$ 3

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

Schedule 1

	CAPITAL PROJECTS FUND	DEBT SERVICE FUNDS		AGENCY FUNDS			Totals
	County Library Renovation Grant	County Jail Construction Bond	County Jail Debt Service Reserve	Treasurer's Accounts	Sheriff's Accounts	County / Circuit Clerk's Accounts	
<b>ASSETS</b>							
Cash and cash equivalents	\$ (5,757)	\$ 213,818	\$ 125,891	\$ 81,850	\$ 23,062	\$ 14,003	\$ 1,187,809
Accounts receivable		75,525					84,888
Interfund receivables	5,757						5,757
<b>TOTAL ASSETS</b>	<b>\$ 0</b>	<b>\$ 289,343</b>	<b>\$ 125,891</b>	<b>\$ 81,850</b>	<b>\$ 23,062</b>	<b>\$ 14,003</b>	<b>\$ 1,278,454</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable							\$ 8,114
Settlements pending				\$ 81,850	\$ 23,062	\$ 14,003	118,915
<b>Total Liabilities</b>				<b>81,850</b>	<b>23,062</b>	<b>14,003</b>	<b>127,029</b>
<b>Fund Balances:</b>							
Restricted		\$ 289,343	\$ 125,891				1,150,372
Assigned							1,053
<b>Total Fund Balances</b>		<b>289,343</b>	<b>125,891</b>				<b>1,151,425</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 0</b>	<b>\$ 289,343</b>	<b>\$ 125,891</b>	<b>\$ 81,850</b>	<b>\$ 23,062</b>	<b>\$ 14,003</b>	<b>\$ 1,278,454</b>

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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Recorder's Cost	County Public Library	Support Collections Costs	Communications Facility and Equipment
REVENUES								
State aid				\$ 1,942		\$ 30,401		
Federal aid								
Property taxes						204,353		
Sales taxes								
Fines, forfeitures, and costs			\$ 2,622					
Interest	\$ 104	\$ 63	\$ 92	36	\$ 551	1,910	\$ 8	\$ 45
Officers' fees					57,409		342	1,941
Jail fees								5,980
911 fees								
Treasurer's commission	14,218							
Collector's commission		21,102						
Other	285					56,470		
<b>TOTAL REVENUES</b>	<b>14,607</b>	<b>21,165</b>	<b>2,714</b>	<b>1,978</b>	<b>57,960</b>	<b>293,134</b>	<b>350</b>	<b>7,966</b>
Less: Treasurer's commission	2	1	54	40	1,071	4,717	7	39
<b>NET REVENUES</b>	<b>14,605</b>	<b>21,164</b>	<b>2,660</b>	<b>1,938</b>	<b>56,889</b>	<b>288,417</b>	<b>343</b>	<b>7,927</b>
EXPENDITURES								
Current:								
General government	23,647				58,207			
Law enforcement								15,158
Public safety								
Recreation and culture						192,257		
<b>Total Current</b>	<b>23,647</b>				<b>58,207</b>	<b>192,257</b>		<b>15,158</b>
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>23,647</b>				<b>58,207</b>	<b>192,257</b>		<b>15,158</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,042)</b>	<b>21,164</b>	<b>2,660</b>	<b>1,938</b>	<b>(1,318)</b>	<b>96,160</b>	<b>343</b>	<b>(7,231)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in	12,669							
Transfers out								(4,485)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>12,669</b>							<b>(4,485)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,627</b>	<b>21,164</b>	<b>2,660</b>	<b>1,938</b>	<b>(1,318)</b>	<b>96,160</b>	<b>343</b>	<b>(11,716)</b>
FUND BALANCES - JANUARY 1	12,800	6,442	9,197	2,339	70,995	228,772	656	12,690
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 16,427</b>	<b>\$ 27,606</b>	<b>\$ 11,857</b>	<b>\$ 4,277</b>	<b>\$ 69,677</b>	<b>\$ 324,932</b>	<b>\$ 999</b>	<b>\$ 974</b>



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

Schedule 2

	SPECIAL REVENUE FUNDS							
	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Public Defender	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Justice Assistance Grant
REVENUES								
State aid		\$ 875						
Federal aid	\$ 15,762							
Property taxes							\$ 167	
Sales taxes								
Fines, forfeitures, and costs				\$ 5,149				
Interest	565	15	\$ 1,416	112	\$ 95	\$ 1		
Officers' fees					660			
Jail fees	54,118							
911 fees			160,539					
Treasurer's commission								
Collector's commission								
Other	261							
<b>TOTAL REVENUES</b>	<b>70,706</b>	<b>890</b>	<b>161,955</b>	<b>5,261</b>	<b>755</b>	<b>1</b>	<b>167</b>	
Less: Treasurer's commission	1,094	18	3,083	101	2		3	
<b>NET REVENUES</b>	<b>69,612</b>	<b>872</b>	<b>158,872</b>	<b>5,160</b>	<b>753</b>	<b>1</b>	<b>164</b>	
EXPENDITURES								
Current:								
General government								
Law enforcement	94,488	1,624		5,900				
Public safety			166,070					
Recreation and culture								
Total Current	94,488	1,624	166,070	5,900				
Debt Service:								
Bond principal								
Bond interest and other charges								
<b>TOTAL EXPENDITURES</b>	<b>94,488</b>	<b>1,624</b>	<b>166,070</b>	<b>5,900</b>				
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(24,876)</b>	<b>(752)</b>	<b>(7,198)</b>	<b>(740)</b>	<b>753</b>	<b>1</b>	<b>164</b>	
OTHER FINANCING SOURCES (USES)								
Transfers in	4,485							
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,485</b>							
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(20,391)</b>	<b>(752)</b>	<b>(7,198)</b>	<b>(740)</b>	<b>753</b>	<b>1</b>	<b>164</b>	
FUND BALANCES - JANUARY 1	87,477	1,739	193,960	13,679	10,550	197	0	\$ 3
FUND BALANCES - DECEMBER 31	<u>\$ 67,086</u>	<u>\$ 987</u>	<u>\$ 186,762</u>	<u>\$ 12,939</u>	<u>\$ 11,303</u>	<u>\$ 198</u>	<u>\$ 164</u>	<u>\$ 3</u>

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

Schedule 2

	CAPITAL			
	PROJECTS FUND	DEBT SERVICE FUNDS		
	County Library Renovation Grant	County Jail Construction Bond	County Jail Debt Service Reserve	Totals
REVENUES				
State aid	\$ 20,000			\$ 53,218
Federal aid				15,762
Property taxes				204,520
Sales taxes		\$ 613,356		613,356
Fines, forfeitures, and costs				7,771
Interest	236	562	\$ 484	6,295
Officers' fees				60,352
Jail fees				60,098
911 fees				160,539
Treasurer's commission				14,218
Collector's commission				21,102
Other	2,027			59,043
<b>TOTAL REVENUES</b>	<b>22,263</b>	<b>613,918</b>	<b>484</b>	<b>1,276,274</b>
Less: Treasurer's commission	10			10,242
<b>NET REVENUES</b>	<b>22,253</b>	<b>613,918</b>	<b>484</b>	<b>1,266,032</b>
EXPENDITURES				
Current:				
General government				81,854
Law enforcement				117,170
Public safety				166,070
Recreation and culture	91,847			284,104
Total Current	91,847			649,198
Debt Service:				
Bond principal		215,000		215,000
Bond interest and other charges		125,431		125,431
<b>TOTAL EXPENDITURES</b>	<b>91,847</b>	<b>340,431</b>		<b>989,629</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(69,594)</b>	<b>273,487</b>	<b>484</b>	<b>276,403</b>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,757			22,911
Transfers out		(142,437)		(146,922)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,757</b>	<b>(142,437)</b>		<b>(124,011)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(63,837)</b>	<b>131,050</b>	<b>484</b>	<b>152,392</b>
FUND BALANCES - JANUARY 1	63,837	158,293	125,407	999,033
FUND BALANCES - DECEMBER 31	\$ 0	\$ 289,343	\$ 125,891	\$ 1,151,425

PRAIRIE 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.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used solely 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	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 property tax millage levied by the quorum court for the support, operation, and maintenance of the public library.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Communications Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Jail Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within a county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.

PRAIRIE 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>
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.
Circuit Court 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 the general operations expenses of the office of County Clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive fees to help pay for the expense of assessing property.
Justice Assistance Grant	Established to receive grant funds for local law enforcement.
County Library Renovation Grant	Established to receive grant funds for the purchase of a building to be used as the Des Arc Public Library.
County Jail Construction Bond	Prairie County Ordinance no. 2014-1 (January 14, 2014) established a debt service fund to maintain principal and interest payments on the Sales and Use Tax Bonds, Series 2014.
County Jail Debt Service Reserve	Prairie County Ordinance no. 2014-1 (January 14, 2014) established a debt service fund to maintain a required level equal to one-half of the maximum annual debt service requirement on the Sales and Use Tax Bonds, Series 2014.

Treasurer's accounts consist primarily of Sheriff's bond, Treasurer's commissions, and property taxes not distributed to the appropriate authorities.

Sheriff's accounts consist primarily of inmate trust money.

County/Circuit Clerk's accounts consist primarily of fee money and trust money awaiting disposition by the applicable court.

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

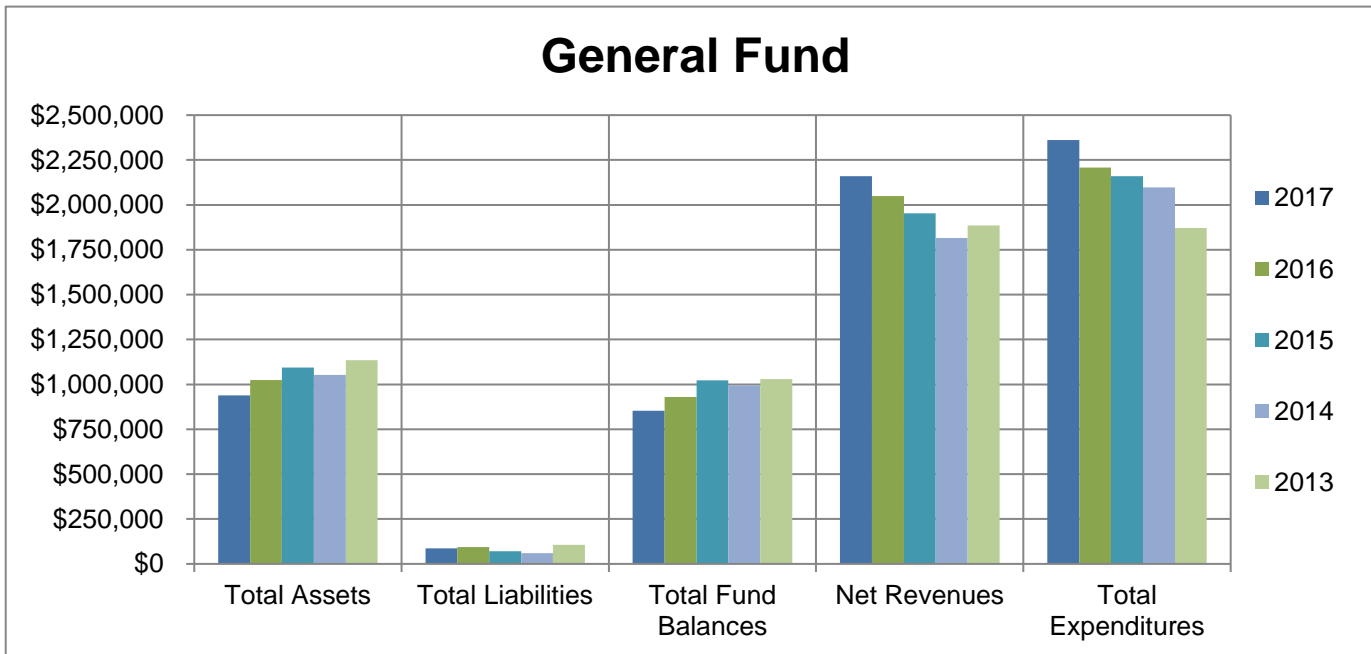
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 81,255
Buildings	5,408,546
Construction in progress	185,942
Equipment	<u>3,457,532</u>
Total	<u><u>\$ 9,133,275</u></u>

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

Schedule 4-1

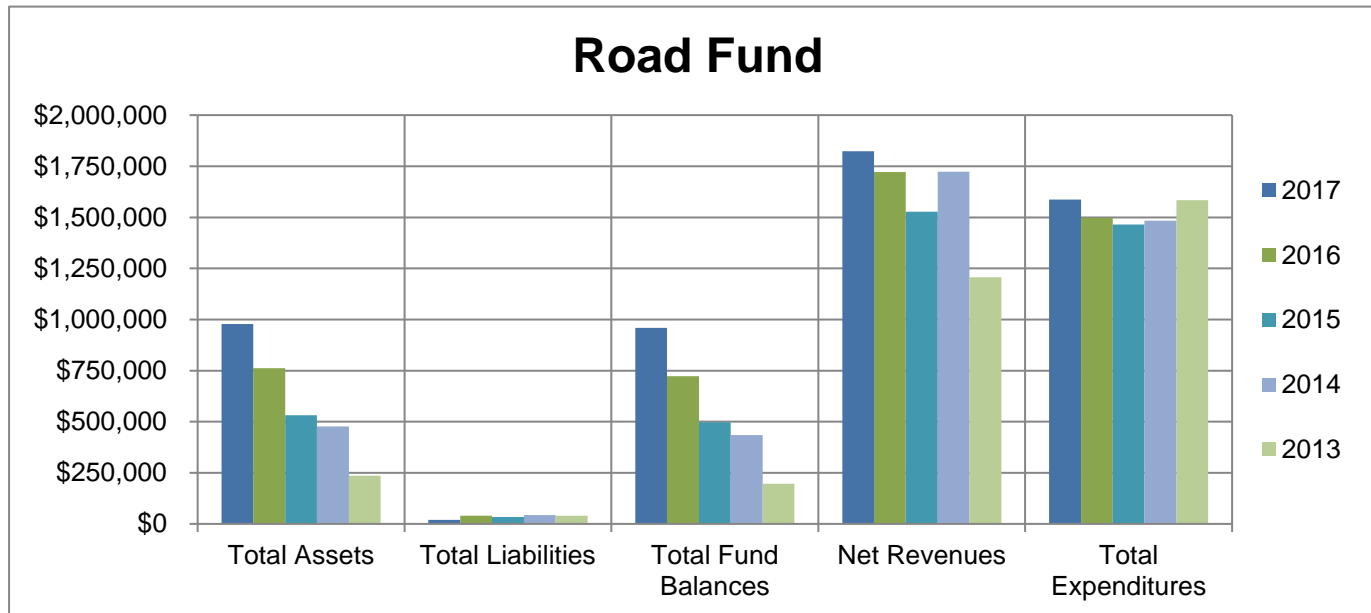
<b>General</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 939,288	\$ 1,023,695	\$ 1,094,510	\$ 1,052,392	\$ 1,134,964
Total Liabilities	86,974	93,923	71,168	59,327	105,330
Total Fund Balances	852,314	929,772	1,023,342	993,065	1,029,634
Net Revenues	2,159,833	2,048,908	1,953,313	1,815,061	1,884,887
Total Expenditures	2,361,302	2,207,523	2,159,489	2,097,926	1,871,720
Total Other Financing Sources/Uses	124,011	65,045	236,453	246,296	150,707



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

Schedule 4-2

<u>Road</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 977,886	\$ 761,771	\$ 532,271	\$ 477,527	\$ 236,153
Total Liabilities	19,290	39,487	34,400	42,901	39,980
Total Fund Balances	958,596	722,284	497,871	434,626	196,173
Net Revenues	1,823,112	1,721,915	1,527,907	1,722,366	1,206,388
Total Expenditures	1,586,800	1,497,502	1,464,162	1,483,913	1,584,328
Total Other Financing Sources/Uses			(500)		



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

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 1,278,454	\$ 1,073,278	\$ 1,276,900	\$ 3,338,633	\$ 699,026
Total Liabilities	127,029	74,245	213,840	89,555	167,835
Total Fund Balances	1,151,425	999,033	1,063,060	3,249,078	531,191
Net Revenues	1,266,032	1,113,083	960,849	878,508	888,591
Total Expenditures	989,629	1,112,065	2,852,965	1,336,566	733,936
Total Other Financing Sources/Uses	(124,011)	(65,045)	(235,953)	3,175,945	(150,707)

