

Sevier County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2017



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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

Sevier 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 Sevier 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 Sevier 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 Sevier 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 October 3, 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
October 3, 2018
LOCO06617

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

Sevier 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 Sevier 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 October 3, 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:

County Judge: Greg Ray
Treasurer: Risa Krantz
Sheriff: Richard Gentry
Tax Collector: Richard Gentry
County Clerk: Debbie Akin
Circuit Clerk: Kathy Smith
Assessor: Judy Smith
County Librarian: Johnye Fisher
Airport Board President: Dick Tallman

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
October 3, 2018

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

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 2,608,845	\$ 2,200,480	\$ 3,626,417
Accounts receivable	<u>192,575</u>	<u>57,524</u>	<u>317,707</u>
TOTAL ASSETS	<u>\$ 2,801,420</u>	<u>\$ 2,258,004</u>	<u>\$ 3,944,124</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 103,247	\$ 40,975	\$ 96,641
Settlements pending	<u>104,730</u>	<u>545</u>	<u>215,590</u>
Total Liabilities	<u>207,977</u>	<u>41,520</u>	<u>312,231</u>
Fund Balances:			
Restricted		2,216,484	2,921,851
Assigned	645,855		710,042
Unassigned	<u>1,947,588</u>		
Total Fund Balances	<u>2,593,443</u>	<u>2,216,484</u>	<u>3,631,893</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,801,420</u>	<u>\$ 2,258,004</u>	<u>\$ 3,944,124</u>

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

SEVIER 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>
REVENUES			
State aid	\$ 508,225	\$ 1,276,212	\$ 115,106
Federal aid	146,631		184,719
Property taxes	476,819	307,785	129,965
Sales taxes	499,418	437,970	2,568,727
Fines, forfeitures, and costs	342,298		84,950
Interest	52,009	38,834	56,297
Officers' fees	43,166		96,900
Jail fees			186,045
Dispatcher reimbursement			162,627
Sanitation fees			16,437
911 surcharge			149,234
Airport			118,763
Treasurer's commission	71,246		15,656
Collector's commission	90,919		24,802
Taxes apportioned - Assessor's salary and expense	211,838		
Other	224,316	20,893	70,977
	<u>2,666,885</u>	<u>2,081,694</u>	<u>3,981,205</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>39,646</u>	<u>22,822</u>	<u>29,909</u>
	<u>2,627,239</u>	<u>2,058,872</u>	<u>3,951,296</u>
NET REVENUES			
EXPENDITURES			
Current:			
General government	1,343,701		144,931
Law enforcement	1,236,350		1,337,113
Highways and streets		1,801,101	
Public safety	39,463		128,521
Sanitation			915,576
Health	78,213		
Recreation and culture	4,500		147,810
Social services	58,005		
Airport			354,378
Total Current	<u>2,760,232</u>	<u>1,801,101</u>	<u>3,028,329</u>
Debt Service:			
Bond principal			440,000
Bond interest and other charges			39,513
	<u>2,760,232</u>	<u>1,801,101</u>	<u>3,507,842</u>
TOTAL EXPENDITURES			

SEVIER 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>\$ (132,993)</u>	<u>\$ 257,771</u>	<u>\$ 443,454</u>
OTHER FINANCING SOURCES (USES) Sales tax remitted to Cossatot Community College			<u>(461,704)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(132,993)	257,771	(18,250)
FUND BALANCES - JANUARY 1	<u>2,726,436</u>	<u>1,958,713</u>	<u>3,650,143</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 2,593,443</u></u>	<u><u>\$ 2,216,484</u></u>	<u><u>\$ 3,631,893</u></u>

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

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

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 474,669	\$ 508,225	\$ 33,556	\$ 1,255,443	\$ 1,276,212	\$ 20,769
Federal aid	119,097	146,631	27,534			
Property taxes	479,007	476,819	(2,188)	299,200	307,785	8,585
Sales taxes	418,811	499,418	80,607	400,000	437,970	37,970
Fines, forfeitures, and costs	410,038	342,298	(67,740)			
Interest	35,588	52,009	16,421	21,100	38,834	17,734
Officers' fees	40,440	43,166	2,726			
Treasurer's commission	73,371	71,246	(2,125)			
Collector's commission	125,000	90,919	(34,081)			
Taxes apportioned - Assessor's salary and expense	211,630	211,838	208			
Other	244,136	224,316	(19,820)	34,762	20,893	(13,869)
TOTAL REVENUES	2,631,787	2,666,885	35,098	2,010,505	2,081,694	71,189
Less: Treasurer's commission		39,646	(39,646)		22,822	(22,822)
NET REVENUES	2,631,787	2,627,239	(4,548)	2,010,505	2,058,872	48,367
EXPENDITURES						
Current:						
General government	1,642,228	1,343,701	298,527			
Law enforcement	1,584,526	1,236,350	348,176			
Highways and streets				2,384,626	1,801,101	583,525
Public safety	72,887	39,463	33,424			
Health	118,098	78,213	39,885			
Recreation and culture	4,500	4,500				
Social services	59,100	58,005	1,095			
TOTAL EXPENDITURES	3,481,339	2,760,232	721,107	2,384,626	1,801,101	583,525
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(849,552)	(132,993)	716,559	(374,121)	257,771	631,892
OTHER FINANCING SOURCES (USES)						
Transfers in	85,598		(85,598)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(763,954)	(132,993)	630,961	(374,121)	257,771	631,892
FUND BALANCES - JANUARY 1	2,642,928	2,726,436	83,508	1,975,505	1,958,713	(16,792)
FUND BALANCES - DECEMBER 31	\$ 1,878,974	\$ 2,593,443	\$ 714,469	\$ 1,601,384	\$ 2,216,484	\$ 615,100

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

SEVIER 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 sales tax that are restricted or committed for maintaining and constructing roads.

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

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

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

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

SEVIER 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, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

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.

SEVIER 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 except for the Victim/Witness Fund.

G. Fund Balance Classification Policies and Procedures

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

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

There were no committed fund balances at year-end.

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 487,146	\$ 602,057
Collateralized:		
Collateral held by the County's agent, pledging bank, or pledging bank's trust department or agent in the County's name	7,636,177	7,936,948
U.S. government guaranteed accounts	312,069	312,069
Total Deposits	\$ 8,435,392	\$ 8,851,074

The above total deposits do not include cash on hand of \$350.

SEVIER 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: 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			\$ 10,017
Federal aid	\$ 5,604		
Property taxes	17,363	\$ 23,444	26,107
Sales taxes	40,766	33,301	207,222
Fines, forfeitures, and costs	22,956		4,711
Interest	137	466	170
Officers' fees	4,473		6,619
Jail fees			14,580
911 surcharge			113
Airport			4,122
Treasurer's commission	71,247		
Collector's commission			24,801
Taxes apportioned - Assessor's salary and expense	8,418		
Other	21,611	313	19,245
Totals	<u>\$ 192,575</u>	<u>\$ 57,524</u>	<u>\$ 317,707</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>\$ 103,247</u>	<u>\$ 40,975</u>	<u>\$ 96,641</u>

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

NOTE 6: Details of Fund Balance Classifications

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

<u>Description</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds in the Aggregate</u>
Fund Balances:			
Restricted for:			
General government			\$ 151,359
Law enforcement			37,125
Highways and streets		\$ 2,216,484	
Public safety			376,484
Sanitation			1,742,487
Recreation and culture			165,492
Airport			99,010
Debt service			349,894
Total Restricted		<u>2,216,484</u>	<u>2,921,851</u>
Assigned to:			
Law enforcement	\$ 645,855		588,163
Recreation and culture			108,879
Airport			13,000
Total Assigned	<u>645,855</u>		<u>710,042</u>
Unassigned	<u>1,947,588</u>		
Totals	<u>\$ 2,593,443</u>	<u>\$ 2,216,484</u>	<u>\$ 3,631,893</u>

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2017, the legal debt limit for bonded debt was \$14,705,313. 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 \$4,228,691. There were no short-term financing obligations.

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

NOTE 8: Commitments

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

	December 31, 2017
Long-term liabilities	\$ 933,671
Reappraisal contract	294,000
Total Commitments	\$ 1,227,671

Long-term Liabilities

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

	December 31, 2017
Sales and Use tax Bonds, Series 2006, issued to finance the acquisition, construction, equipping, and furnishing of a new jail and law enforcement complex. Due in annual installments of \$65,000 - \$270,000 plus interest at 3.4% - 4.5%, due March 1 and September 1 of each year. Payments are to be made from the Debt Service Fund.	\$ 615,000
Compensated absences	194,952
Landfill closure and post closure care costs	123,719
Total Long-term liabilities	\$ 933,671

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

Post Employment Benefits Other Than Pensions

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

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

NOTE 8: Commitments (Continued)

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds
2018	\$ 235,818
2019	237,103
2020	192,862
Total Obligations	665,783
Less Interest	50,783
Total Principal	\$ 615,000

Landfill Closure and Postclosure Care Cost

Sevier County is the owner of permit #0288-S4-R1 to operate a Class IV solid waste landfill. The original permit was revised effective August 2006 to allow the County to use a modified trench fill. State and federal regulations require a final cover to be placed on the landfill site for when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of the closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care cost has a balance of \$123,719 as of December 31, 2017, which is based on 68% usage of the landfill. The County will recognize the remaining estimated closure and postclosure care cost of \$58,220 as the remaining capacity is filled.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2017. However, the actual cost of the closure and postclosure may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

In accordance with Arkansas Department of Environmental Quality (ADEQ) Regulation #22, the County has provided financial assurance of \$153,002 in the form of a Contract of Obligation dated October 9, 2017. This Contract of Obligation authorizes the State Treasurer to withhold from any funds being disbursed from the State of Arkansas to Sevier County the sum of \$153,002 upon receiving notice from Director of Arkansas Department of Environmental Quality of Sevier County's failure to properly close the landfill.

County-Wide Reappraisal Contract

On October 13, 2015, the County entered into a contract with Total Assessment Solutions Corporation for reappraisal services. Terms of the contract require \$8,167 monthly payments for 60 months with the first payment due on January 15, 2016, and subsequent payments due on the 15th of each month thereafter.

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

NOTE 8: Commitments (Continued)

The County is obligated the following amounts:

Year	December 31, 2017
2018	\$ 98,000
2019	98,000
2020	98,000
Total	\$ 294,000

NOTE 9: Pledged Revenues

The County pledged future .625% sales and use taxes to repay \$3,810,000 in bonds that were issued in 2006 to provide funding for a portion of the costs of the acquisition, construction, equipping, and furnishing of a new jail and law enforcement complex. Total principal and interest remaining on the bonds are \$615,000 and \$50,783, respectively, payable through March, 2020. For 2017, principal and interest paid were \$440,000 and \$37,313, respectively.

The Debt Service Fund received \$466,908 in sales taxes in 2017. When the bonds have been fully paid, the .625% sales and use tax shall no longer be levied or collected.

NOTE 10: Joint Venture: Tri-County Regional Library

Sevier, Little River and Howard Counties entered into an agreement on October 9, 2013, in accordance with Ark. Code Ann. § 13-2-401 to establish the Tri-County Regional Library. The agreement states that the Tri-County Regional Library is governed by a six member board which is made up of two appointed representatives of each county library board. Each county library is to contribute .25 per capita per year from their one mill property tax fund for the operation of the Tri-County Regional Library System. The County Library paid \$4,342 for regional library expenditures in 2017.

NOTE 11: Jointly Governed Organizations

Upper Southwest Arkansas Regional Solid Waste Management District

The County paid the Upper Southwest Arkansas Regional Solid Waste Management District \$275,553 in 2017. The Upper Southwest Arkansas Regional Solid Waste Management District is a jointly governed organization comprised of representatives from Howard, Pike, Sevier, Little River, Hempstead, Lafayette, Montgomery, Nevada, and Polk Counties and participating cities within the aforementioned counties. Representatives are the respective county judges and mayors unless some other representative is appointed by the participating entity. Separate financial statements for the Upper Southwest Arkansas Regional Solid Waste Management District may be obtained at www.arklegaudit.gov.

South Central Drug Task Force

The Prosecuting Attorneys of Eighth-South, Eighth-North, and Ninth-West Judicial Districts, the Sheriffs' Departments of Nevada, Hempstead, Little River, Sevier, Howard, Pike, and Lafayette Counties, and the Police Departments of Hope, Prescott, Nashville, DeQueen, and Ashdown entered into an agreement to establish the South Central Drug Task Force. The agreement covers the period July 1, 2017 to June 30, 2018, and may be extended upon written mutual agreement. Funding is provided through federal and state grants in addition to contributions from the participating entities. In 2017, Sevier County contributed \$3,000 to the South Central Drug Task Force. Separate financial statements for the South Central Drug Task Force are not available.

NOTE 12: 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

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

NOTE 12: Risk Management (Continued)

exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by County officials, employees, and volunteer fire fighters while performing work for the County. Rates for counties participating in this program are revised annually based on the cost experience of the particular county or group as determined by the Workers' Compensation Commission.

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.
- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 or \$500,000 per case with an annual aggregate of \$350,000 or \$500,000 or \$750,000. 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 or \$2,000 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 13: 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.

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

NOTE 13: 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 \$378,256.

Net Pension Liability

The County's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$3,740,291.

SEVIER 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 Clerk Cost	County Recorder's Cost	County Public Library	Solid Waste	Support Collection's Cost
ASSETS									
Cash and cash equivalents	\$ 16,704	\$ 30,129	\$ 18,104	\$ 6,575	\$ 7,301	\$ 52,950	\$ 271,977	\$ 1,688,295	\$ 2,389
Accounts receivable	2	24,808	26	4,084	850	6,156	3,583	84,503	108
TOTAL ASSETS	<u>\$ 16,706</u>	<u>\$ 54,937</u>	<u>\$ 18,130</u>	<u>\$ 10,659</u>	<u>\$ 8,151</u>	<u>\$ 59,106</u>	<u>\$ 275,560</u>	<u>\$ 1,772,798</u>	<u>\$ 2,497</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 649					\$ 2,092	\$ 960	\$ 30,311	
Settlements pending							229		
Total Liabilities	<u>649</u>					<u>2,092</u>	<u>1,189</u>	<u>30,311</u>	
Fund Balances:									
Restricted	16,057	\$ 54,937	\$ 18,130	\$ 10,659	\$ 8,151	57,014	165,492	1,742,487	\$ 2,497
Assigned							108,879		
Total Fund Balances	<u>16,057</u>	<u>54,937</u>	<u>18,130</u>	<u>10,659</u>	<u>8,151</u>	<u>57,014</u>	<u>274,371</u>	<u>1,742,487</u>	<u>2,497</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,706</u>	<u>\$ 54,937</u>	<u>\$ 18,130</u>	<u>\$ 10,659</u>	<u>\$ 8,151</u>	<u>\$ 59,106</u>	<u>\$ 275,560</u>	<u>\$ 1,772,798</u>	<u>\$ 2,497</u>

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

Schedule 1

SPECIAL REVENUE FUNDS									
	Communication Facility and Equipment	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim Witness	Indigent Defense	Circuit Court Juvenile Division	Sevier County Airport Board
ASSETS									
Cash and cash equivalents	\$ 2,865	\$ 498,792	\$ 6,074	\$ 339,214	\$ 33,950		\$ 5,590	\$ 9,011	\$ 107,888
Accounts receivable	368	107,243	13	833	100	\$ 533	517	111	4,122
TOTAL ASSETS	<u>\$ 3,233</u>	<u>\$ 606,035</u>	<u>\$ 6,087</u>	<u>\$ 340,047</u>	<u>\$ 34,050</u>	<u>\$ 533</u>	<u>\$ 6,107</u>	<u>\$ 9,122</u>	<u>\$ 112,010</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 17,872		\$ 3,700					
Settlements pending									
Total Liabilities		<u>17,872</u>		<u>3,700</u>					
Fund Balances:									
Restricted	\$ 3,233		\$ 6,087	336,347	\$ 34,050	\$ 533	\$ 6,107	\$ 9,122	\$ 99,010
Assigned		588,163							13,000
Total Fund Balances	<u>3,233</u>	<u>588,163</u>	<u>6,087</u>	<u>336,347</u>	<u>34,050</u>	<u>533</u>	<u>6,107</u>	<u>9,122</u>	<u>112,010</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,233</u>	<u>\$ 606,035</u>	<u>\$ 6,087</u>	<u>\$ 340,047</u>	<u>\$ 34,050</u>	<u>\$ 533</u>	<u>\$ 6,107</u>	<u>\$ 9,122</u>	<u>\$ 112,010</u>

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

Schedule 1

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	AGENCY FUNDS			Totals
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Cossatot Community College Sales Tax	Game and Fish Education Grant	Sales and Use Tax Bond Issue	Treasurer's Accounts	Sheriff's Accounts	Circuit Clerk's Accounts	
ASSETS									
Cash and cash equivalents	\$ 1,720	\$ 231			\$ 312,051	\$ 159,098	\$ 7,741	\$ 47,768	\$ 3,626,417
Accounts receivable	68		\$ 41,811	\$ 25	37,843				317,707
TOTAL ASSETS	<u>\$ 1,788</u>	<u>\$ 231</u>	<u>\$ 41,811</u>	<u>\$ 25</u>	<u>\$ 349,894</u>	<u>\$ 159,098</u>	<u>\$ 7,741</u>	<u>\$ 47,768</u>	<u>\$ 3,944,124</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 41,057						\$ 96,641
Settlements pending			754			\$ 159,098	\$ 7,741	\$ 47,768	215,590
Total Liabilities			<u>41,811</u>			<u>159,098</u>	<u>7,741</u>	<u>47,768</u>	<u>312,231</u>
Fund Balances:									
Restricted	\$ 1,788	\$ 231		\$ 25	\$ 349,894				2,921,851
Assigned									710,042
Total Fund Balances	<u>1,788</u>	<u>231</u>		<u>25</u>	<u>349,894</u>				<u>3,631,893</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,788</u>	<u>\$ 231</u>	<u>\$ 41,811</u>	<u>\$ 25</u>	<u>\$ 349,894</u>	<u>\$ 159,098</u>	<u>\$ 7,741</u>	<u>\$ 47,768</u>	<u>\$ 3,944,124</u>

SEVIER 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 Clerk Cost	County Recorder's Cost	County Public Library	Solid Waste	Support Collection's Cost
REVENUES									
State aid				\$ 4,083			\$ 27,254		
Federal aid									
Property taxes							129,730		
Sales taxes							11	\$ 934,116	
Fines, forfeitures, and costs			\$ 2,303						
Interest	\$ 249	\$ 700	338	127	\$ 201	\$ 1,264	3,064	32,821	\$ 73
Officers' fees					11,641	76,213			2,310
Jail fees									
Dispatcher reimbursement									
Sanitation fees								16,437	
911 surcharge									
Airport									
Treasurer's commission	15,656								
Collector's commission		24,802							
Other		3				283	18,055	2,893	
TOTAL REVENUES	15,905	25,505	2,641	4,210	11,842	77,760	178,114	986,267	2,383
Less: Treasurer's commission	2	8	32	1	135	877	1,762	10,857	27
NET REVENUES	15,903	25,497	2,609	4,209	11,707	76,883	176,352	975,410	2,356
EXPENDITURES									
Current:									
General government	19,214	25,360			10,910	84,567			2,000
Law enforcement									
Public safety									
Sanitation								915,576	
Recreation and culture							147,810		
Airport									
Total Current	19,214	25,360			10,910	84,567	147,810	915,576	2,000
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	19,214	25,360			10,910	84,567	147,810	915,576	2,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,311)	137	2,609	4,209	797	(7,684)	28,542	59,834	356
OTHER FINANCING SOURCES (USES)									
Sales tax remitted to Cossatot Community College									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,311)	137	2,609	4,209	797	(7,684)	28,542	59,834	356
FUND BALANCES - JANUARY 1	19,368	54,800	15,521	6,450	7,354	64,698	245,829	1,682,653	2,141
FUND BALANCES - DECEMBER 31	\$ 16,057	\$ 54,937	\$ 18,130	\$ 10,659	\$ 8,151	\$ 57,014	\$ 274,371	\$ 1,742,487	\$ 2,497

SEVIER 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									
	Communication Facility and Equipment	Jail Operation and Maintenance	Boating Safety and Enforcement	CMRS 911 Board (Commercial Mobile Radio Service)	Emergency Vehicle	Victim Witness	Indigent Defense	Circuit Court Juvenile Division	Sevier County Airport Board
REVENUES									
State aid		\$ 23,579	\$ 1,329				\$ 2,080		\$ 56,781
Federal aid									184,719
Property taxes									
Sales taxes		700,784							
Fines, forfeitures, and costs		50,907			\$ 9,760	\$ 5,902	6,934	\$ 6,269	
Interest	\$ 553	8,454	169	\$ 6,228	570		143	173	58
Officers' fees	6,616								
Jail fees		186,045							
Dispatcher reimbursement		162,627							
Sanitation fees									
911 surcharge				149,234					
Airport									118,763
Treasurer's commission									
Collector's commission									
Other	14,172	32,014		6					3,551
TOTAL REVENUES	21,341	1,164,410	1,498	155,468	10,330	5,902	9,157	6,442	363,872
Less: Treasurer's commission	117	9,584	17	896	125	64	84	76	
NET REVENUES	21,224	1,154,826	1,481	154,572	10,205	5,838	9,073	6,366	363,872
EXPENDITURES									
Current:									
General government									
Law enforcement	35,760	1,279,227				5,839	8,402	7,885	
Public safety			3,357	125,164					
Sanitation									
Recreation and culture									
Airport									354,378
Total Current	35,760	1,279,227	3,357	125,164		5,839	8,402	7,885	354,378
Debt Service:									
Bond principal									
Bond interest and other charges									
TOTAL EXPENDITURES	35,760	1,279,227	3,357	125,164		5,839	8,402	7,885	354,378
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,536)	(124,401)	(1,876)	29,408	10,205	(1)	671	(1,519)	9,494
OTHER FINANCING SOURCES (USES)									
Sales tax remitted to Cossatot Community College									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(14,536)	(124,401)	(1,876)	29,408	10,205	(1)	671	(1,519)	9,494
FUND BALANCES - JANUARY 1	17,769	712,564	7,963	306,939	23,845	534	5,436	10,641	102,516
FUND BALANCES - DECEMBER 31	\$ 3,233	\$ 588,163	\$ 6,087	\$ 336,347	\$ 34,050	\$ 533	\$ 6,107	\$ 9,122	\$ 112,010

SEVIER 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				DEBT SERVICE FUND	Totals
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Cossatot Community College Sales Tax	Game and Fish Education Grant	Sales and Use Tax Bond Issue	
REVENUES						
State aid						\$ 115,106
Federal aid						184,719
Property taxes		\$ 235				129,965
Sales taxes			\$ 466,908		\$ 466,908	2,568,727
Fines, forfeitures, and costs				\$ 2,875		84,950
Interest	\$ 33	1			1,078	56,297
Officers' fees	120					96,900
Jail fees						186,045
Dispatcher reimbursement						162,627
Sanitation fees						16,437
911 surcharge						149,234
Airport						118,763
Treasurer's commission						15,656
Collector's commission						24,802
Other						70,977
TOTAL REVENUES	153	236	466,908	2,875	467,986	3,981,205
Less: Treasurer's commission	4	5	5,204	32		29,909
NET REVENUES	149	231	461,704	2,843	467,986	3,951,296
EXPENDITURES						
Current:						
General government				2,880		144,931
Law enforcement						1,337,113
Public safety						128,521
Sanitation						915,576
Recreation and culture						147,810
Airport						354,378
Total Current				2,880		3,028,329
Debt Service:						
Bond principal					440,000	440,000
Bond interest and other charges					39,513	39,513
TOTAL EXPENDITURES				2,880	479,513	3,507,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	149	231	461,704	(37)	(11,527)	443,454
OTHER FINANCING SOURCES (USES)						
Sales tax remitted to Cossatot Community College			(461,704)			(461,704)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	149	231		(37)	(11,527)	(18,250)
FUND BALANCES - JANUARY 1	1,639			62	361,421	3,650,143
FUND BALANCES - DECEMBER 31	<u>\$ 1,788</u>	<u>\$ 231</u>	<u>\$ 0</u>	<u>\$ 25</u>	<u>\$ 349,894</u>	<u>\$ 3,631,893</u>

SEVIER 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 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 Clerk Cost	Ark. Code Ann. § 21-6-413 established fund to receive at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system. Ark. Code Ann. § 16-20-407 established fund to account for \$2 marriage license fee to be used for operation of the county clerk's office.
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.
Solid Waste	Established pursuant to Sevier County Ordinance no. 251 (January 10, 1994) which levied a one-half percent sales and use tax to finance a solid waste management system and closure of the existing landfill.
Support Collection's Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
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.

SEVIER 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>
Jail Operation and Maintenance	<p>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.</p> <p>Ark. Code Ann. § 12-41-505 established fund to receive \$20 booking and administration fee on persons convicted of a felony or Class A misdemeanor to be used for exclusively the maintenance, operation and capital expenditures of county jail or regional detention center.</p> <p>Established pursuant to Sevier County Ordinance no. 343 (September 22, 2005) which levied a three-eighths of one percent sales and use tax subsequently approved by voters on November 8, 2005 by special election pursuant to Sevier County Ordinance no. 344 (September 22, 2005) to operate and maintain the jail facility and other law enforcement purposes.</p>
Boating Safety and Enforcement	<p>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.</p>
CMRS 911 Board (Commercial Mobile Radio Service)	<p>Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.</p>
Emergency Vehicle	<p>Ark. Code Ann. § 27-22-103 established fund to account for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.</p>
Victim Witness	<p>Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.</p>
Indigent Defense	<p>Ark. Code Ann. § 14-20-102 established fund to receive funds distributed in accordance with Ark. Code Ann. § 16-10-307 to be used to pay reasonable and necessary costs incurred in the defense of indigent persons, the representation of persons against whom involuntary admissions procedures have been brought, and for representation of persons deemed incompetent by the court; defraying the costs of juvenile division in chancery court; and for defraying the medical and dental cost for indigent defendants in the county jail.</p>

SEVIER 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>
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.
Sevier County Airport Board	Ark. Code Ann. § 14-14-712 and Sevier County Ordinance no. 48 (October 16, 1978) established the Airport Board.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expenses of the office of Circuit Clerk.
Assessor's Late Assessment Fee	Arkansas Code Ann. § 26-26-201 established fund to receive an additional .50 delinquent assessment fee to help pay for the expense of assessing property.
Cossatot Community College Sales Tax	Established to receive the 1/4 cent sales tax approved by Sevier County Ordinance no. 2001-311 (January 8, 2001) as approved by referendum on March 16, 2001, for the purpose of operating and maintaining college facilities.
Game and Fish Education Grant	Ark. Code Ann. § 6-16-1101 established fund to receive grants to be distributed to school districts or conservation districts for the sole purpose of approved conservation education programs.
Sales and Use Tax Bond Issue	Established pursuant to Sevier County Ordinance no. 345 (September 22, 2005) which levied a one-quarter of one percent sales and use tax to service bonds issued for the construction of a new jail.

Treasurer's accounts consist primarily of funds held for other entities not yet distributed.

Sheriff's accounts consist primarily of inmate trust money.

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

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

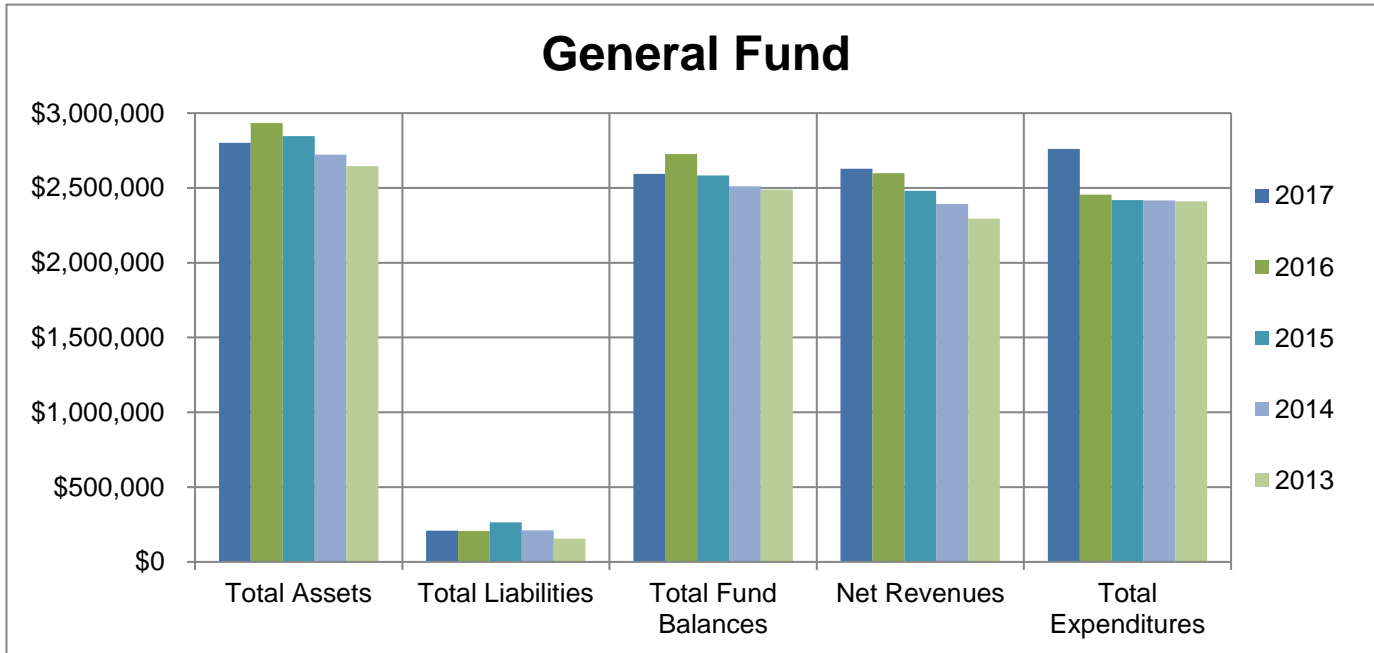
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 308,187
Buildings	11,781,846
Equipment	<u>6,801,689</u>
Total	<u>\$ 18,891,722</u>

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

Schedule 4-1

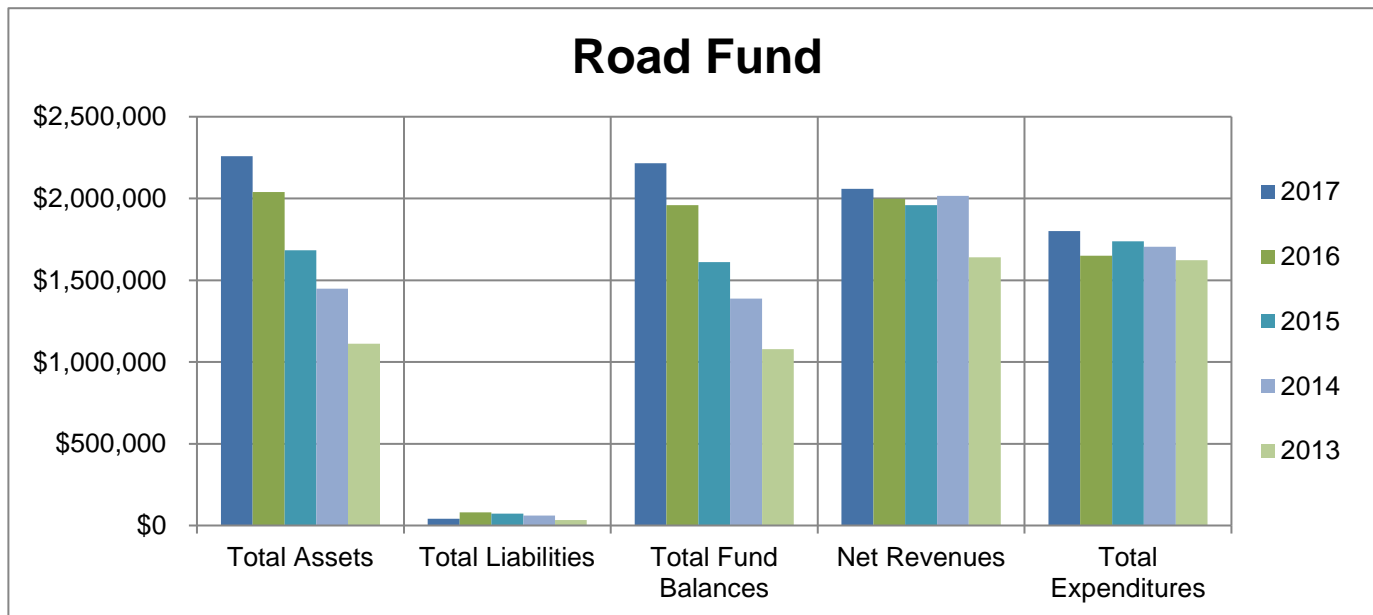
General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 2,801,420	\$ 2,933,550	\$ 2,845,835	\$ 2,721,210	\$ 2,645,476
Total Liabilities	207,977	207,114	263,437	210,842	155,764
Total Fund Balances	2,593,443	2,726,436	2,582,398	2,510,368	2,489,712
Net Revenues	2,627,239	2,598,050	2,480,951	2,392,074	2,293,530
Total Expenditures	2,760,232	2,454,012	2,419,188	2,415,918	2,409,669
Total Other Financing Sources/Uses			10,267	44,500	89,564



SEVIER 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	\$ 2,258,004	\$ 2,038,626	\$ 1,682,778	\$ 1,447,864	\$ 1,110,802
Total Liabilities	41,520	79,913	72,569	60,028	32,764
Total Fund Balances	2,216,484	1,958,713	1,610,209	1,387,836	1,078,038
Net Revenues	2,058,872	1,998,095	1,959,590	2,015,330	1,640,769
Total Expenditures	1,801,101	1,649,591	1,737,217	1,705,532	1,621,644



SEVIER 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	\$ 3,944,124	\$ 4,321,431	\$ 3,710,137	\$ 3,511,024	\$ 3,779,914
Total Liabilities	312,231	671,288	206,443	180,441	254,413
Total Fund Balances	3,631,893	3,650,143	3,503,694	3,330,583	3,525,501
Net Revenues	3,951,296	4,752,077	3,694,703	3,808,866	3,355,205
Total Expenditures	3,507,842	4,163,484	3,079,479	3,563,669	3,200,587
Total Other Financing Sources/Uses	(461,704)	(440,573)	(434,221)	(445,281)	(464,734)

