

Jefferson County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2010

LEGISLATIVE JOINT AUDITING COMMITTEE



JEFFERSON COUNTY, ARKANSAS
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Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Jefferson County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1(B and C), the County has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Jefferson County, Arkansas, as of December 31, 2010, or the changes in its financial position or where applicable, its cash flows, thereof for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The funds disclosed in Note 1(A) have not been included in the County's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Arkansas Code, requires the funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The County's regulatory basis financial statements also do not disclose all the required information concerning deposit and investment risks, which should be included in order to conform with the regulatory basis of accounting described in Note 1(C).

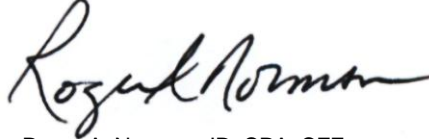
In our opinion, because of the effects on the financial statements of the omissions described in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective regulatory basis financial position of the other funds in the aggregate of Jefferson County, Arkansas, as of December 31, 2010, and the respective changes in the regulatory basis financial position for the year then ended on the basis of accounting as described in Note 1(C).

In our opinion, except for the effects of not disclosing all required information concerning deposit and investment risks, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of the general fund and road fund of Jefferson County, Arkansas, as of December 31, 2010, and the respective changes in the regulatory basis financial position, and the budgetary results for the general fund and road fund for the year then ended on the basis of accounting as described in Note 1(C).

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2012 on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements of Jefferson County, Arkansas. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Jefferson County, Arkansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, because of the effects on the financial information in the supporting schedules of the omissions described above, such information is not presented fairly in all material respects in relation to the financial statements taken as a whole. The supplementary information in the Schedule of Capital Assets required by the regulatory basis of presentation and the Schedule of Selected Information for the Last Five Years as listed in the table of contents as Schedules 3 and 4 are presented for the purpose of additional analysis. We have not applied auditing procedures to this information and, accordingly, we express no opinion on these schedules.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being the most prominent.

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

Little Rock, Arkansas
March 7, 2012
LOCO03510

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF 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

Jefferson County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Jefferson County, Arkansas, as of and for the year ended December 31, 2010, and have issued our report thereon dated March 7, 2012. We issued an adverse opinion because the County prepared the financial statements using accounting practices prescribed or permitted by Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices 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 basis of accounting described in Note 1(C), our opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the funds disclosed in Note 1(A), which are material to the other funds in the aggregate, and our opinions on the general fund and road fund were qualified because required disclosures were not made concerning deposit and investment risks. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

2010-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording cash transactions should be distributed among appropriate employees. The County officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the County's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The County officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording cash transactions to the extent possible with the current staffing levels.

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*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of the state constitution, laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

The County's response to the findings identified in our audit is described above. We did not audit the County's response and, accordingly, we express no opinion on it.

Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the County.

The commentary contained in this section relates to the following officials that held office during 2010:

County Judge: Mike Holcomb
Treasurer: Elizabeth Rinchuso
Sheriff: Gerald Robinson
Tax Collector: Stephanie Stanton
County Clerk: Patricia Johnson
Circuit Clerk: Lafayette Woods, Sr.

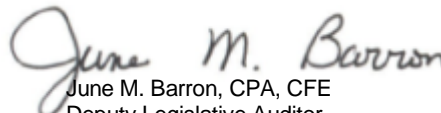
Our audit procedures indicated that the offices of **County Judge, Treasurer, Sheriff, Tax Collector, and Circuit Clerk** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **County Clerk**.

County Clerk

Bank reconciliations again were not prepared for all bank accounts as required by Ark. Code Ann. § 14-25-107.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, the federal awarding agencies, and pass-through entities, if applicable, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 7, 2012

JEFFERSON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2010

Exhibit A

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 2,843,706	\$ 692,013	\$ 5,280,164
Investments	1,234,856	301,133	1,865,893
Accounts receivable	399,286	169,741	610,031
Interfund receivables			90
	\$ 4,477,848	\$ 1,162,887	\$ 7,756,178
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,330	\$ 127,524	\$ 251,654
Interfund payables	90		
Settlements pending			1,445,615
Total Liabilities	42,420	127,524	1,697,269
Fund Balances:			
Reserved (Note 9)		1,035,363	6,058,909
Unreserved:			
Designated (Note 10)	91,155		
Undesignated	4,344,273		
Total Fund Balances	4,435,428	1,035,363	6,058,909
	\$ 4,477,848	\$ 1,162,887	\$ 7,756,178
TOTAL LIABILITIES AND FUND BALANCES			

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

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 686,162	\$ 2,085,611	\$ 702,107
Federal aid	10,862	70,258	564,088
Property taxes	3,779,747	1,466,815	476,398
Sales taxes	2,484,104		2,468,039
Fines, forfeitures, and costs	1,103,987		358,592
Interest	75,388	8,886	117,161
Officers' fees	539,393		210,693
Jail fees			1,473,937
Sanitation fees			1,429,431
Recycling revenue			70,452
911 fees			831,935
Franchise fees	19,293		
Treasurer's commission	206,938		
Collector's commission	888,399		76,277
Taxes apportioned - Assessor's salary and expense	632,456		
Other	1,001,785	396,252	114,296
TOTAL REVENUES	11,428,514	4,027,822	8,893,406
Less: Treasurer's commission	79,987	28,500	60,408
NET REVENUES	11,348,527	3,999,322	8,832,998
EXPENDITURES			
Current:			
General government	5,009,954		607,149
Law enforcement	6,464,324		6,101,754
Highways and streets		3,886,228	
Public safety	518,101		610,983
Sanitation			1,933,201
Health	95,224		
Recreation and culture	74,650		634,684
Social services	24,453		
Total Current	12,186,706	3,886,228	9,887,771
Debt Service:			
Lease principal	35,026	72,288	
Lease interest	467	19,590	
Note principal		39,236	36,421
Note interest		2,144	4,864
TOTAL EXPENDITURES	12,222,199	4,019,486	9,929,056

JEFFERSON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (873,672)</u>	<u>\$ (20,164)</u>	<u>\$ (1,096,058)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	573,718	200,000	1,344,471
Transfers out	<u>(1,544,471)</u>	<u>(5,178)</u>	<u>(568,540)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(970,753)</u>	<u>194,822</u>	<u>775,931</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,844,425)	174,658	(320,127)
FUND BALANCES - JANUARY 1	<u>6,279,853</u>	<u>860,705</u>	<u>6,379,036</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,435,428</u></u>	<u><u>\$ 1,035,363</u></u>	<u><u>\$ 6,058,909</u></u>

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

JEFFERSON 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, 2010

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 732,661	\$ 686,162	\$ (46,499)	\$ 1,925,829	\$ 2,085,611	\$ 159,782
Federal aid	8,400	10,862	2,462	70,605	70,258	(347)
Property taxes	3,740,900	3,779,747	38,847	1,343,350	1,466,815	123,465
Sales taxes	2,270,000	2,484,104	214,104			
Fines, forfeitures, and costs	1,118,650	1,103,987	(14,663)			
Interest	73,700	75,388	1,688	8,500	8,886	386
Officers' fees	543,000	539,393	(3,607)			
Franchise fees	19,300	19,293	(7)			
Treasurer's commission	142,000	206,938	64,938	40,000		(40,000)
Collector's commission	675,000	888,399	213,399			
Taxes apportioned - Assessor's salary and expense	610,000	632,456	22,456			
Other	1,016,613	1,001,785	(14,828)	378,420	396,252	17,832
TOTAL REVENUES	10,950,224	11,428,514	478,290	3,766,704	4,027,822	261,118
Less: Treasurer's commission		79,987	(79,987)		28,500	(28,500)
NET REVENUES	10,950,224	11,348,527	398,303	3,766,704	3,999,322	232,618
EXPENDITURES						
Current:						
General government	5,350,130	5,009,954	340,176			
Law enforcement	6,913,595	6,464,324	449,271			
Highways and streets				4,134,805	3,886,228	248,577
Public safety	366,356	518,101	(151,745)			
Health	106,918	95,224	11,694			
Recreation and culture	74,650	74,650	0			
Social services	29,825	24,453	5,372			
Total Current	12,841,474	12,186,706	654,768	4,134,805	3,886,228	248,577
Debt Service:						
Lease principal		35,026	(35,026)		72,288	(72,288)
Lease interest		467	(467)		19,590	(19,590)
Note principal					39,236	(39,236)
Note interest					2,144	(2,144)
TOTAL EXPENDITURES	12,841,474	12,222,199	619,275	4,134,805	4,019,486	115,319

JEFFERSON 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, 2010

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,891,250)</u>	<u>\$ (873,672)</u>	<u>\$ 1,017,578</u>	<u>\$ (368,101)</u>	<u>\$ (20,164)</u>	<u>\$ 347,937</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,717,323	573,718	(1,143,605)	200,000	200,000	
Transfers out	<u>(800,000)</u>	<u>(1,544,471)</u>	<u>(744,471)</u>	<u> </u>	<u>(5,178)</u>	<u>(5,178)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>917,323</u>	<u>(970,753)</u>	<u>(1,888,076)</u>	<u>200,000</u>	<u>194,822</u>	<u>(5,178)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(973,927)	(1,844,425)	(870,498)	(168,101)	174,658	342,759
FUND BALANCES - JANUARY 1	<u>5,753,248</u>	<u>6,279,853</u>	<u>526,605</u>	<u>700,000</u>	<u>860,705</u>	<u>160,705</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 4,779,321</u></u>	<u><u>\$ 4,435,428</u></u>	<u><u>\$ (343,893)</u></u>	<u><u>\$ 531,899</u></u>	<u><u>\$ 1,035,363</u></u>	<u><u>\$ 503,464</u></u>

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

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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. The following funds of the County are not presented in this report: Homeland Security, Chemical Stockpile Emergency Preparedness Program, Sheriff's Local Law Enforcement Block Grant, Law Enforcement Terrorism Program, Juvenile Justice Mentoring Program, and Victim of Crime Program.

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 Arkansas Code. 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 the primary operating fund and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: County General, Mortgage Revenue, Health Department, Courthouse Security, Drug Control, County Clerk's Jury Fee, Jury Fees, Drug Court Program, Communication and Technology, Sheriff Department's Travel, Drug Court, Jefferson County 1992-A Escrow, Sales Tax, Family in Need of Service and Truancy, Weed and Seed, Environmental Enforcement Officer, Prosecuting Attorney Part-time Investigator, Insurance, Drug Task Force Grant, District Court, and Jefferson County Department of Correction Sales Proceeds.

Road Fund - The Road Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintaining and constructing County 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 the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The following Special Revenue Funds are reported with other funds in the aggregate: Assessor's Amendment no. 79, Sheriff's Radio, Juvenile Justice, Sanitation, Indigent Defense, Judicial Enhancement, Prosecuting Attorney, District Court Cost, Support Collection Cost, Boating Safety, Recorder's Cost, Jail, 911, Library, Collector's Cost, Rural Fire Protection, Construction, Treasurer's Automation, Gravel Pit Road Industrial, Port Connector Road, County Clerk's Cost, West Nile Virus Grant, Public Health Grant, Circuit Court Automation, Reappraisal, and Arkansas Fish and Wildlife.

Agency Funds - Agency Funds are used to account for assets held by the entity as an agent for individuals, private organizations, other governmental units, and other funds. The following Agency Funds are reported with other funds in the aggregate: Treasurer's Accounts - Administration of Justice, Property Tax Relief, Tax Protest, Law Library, and Improvement Districts; Collector's Account - Current Tax; Sheriff's Accounts - Bond and Fine and Commissary; County Clerk's Accounts - Fees, Trust, and Payroll; Circuit Clerk's Accounts - Fees and Trust; Juvenile Court Accounts - Juvenile Court and Justice Center; and Sanitation Account - Sanitation Department.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 Arkansas Code. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues 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. 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 cost.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, state funds, property taxes, officers' fees, trust funds, payroll taxes, and sanitation fees that have not been transferred to the appropriate entities.

Fund Balance

1. Reserved Fund Balance indicates that portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use.
2. Designated Fund Balance indicates that portion of fund balance for which the entity has made tentative plans for financial resource utilization in a future period.
3. Undesignated Fund Balance indicates that portion of fund balance not reserved or designated.

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 10.

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 Special Revenue Funds.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2: Cash and Investments

Deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

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/or time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations the principal and interest on which are fully guaranteed by the United States of America.

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2010	
	Reported Amount	Fair Value
General Fund	\$ 1,234,856	1,222,956
Road Fund	301,133	299,513
Other Funds in the Aggregate	1,865,893	1,815,221
Totals	<u>\$ 3,401,882</u>	<u>\$ 3,337,690</u>

These investments are composed of the following:

	December 31, 2010	
	Reported Amount	Fair Value
Treasury notes and mortgage backed securities	<u>\$ 3,401,882</u>	<u>\$ 3,337,690</u>

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2010 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 88,735	\$ 146,667	\$ 17,011
Federal aid		238	60,908
Officers' fees	44,279		15,610
Sanitation fees			76,328
Jail fees			75,958
911 fees			162,310
Sales taxes	185,319		184,115
Fines, forfeitures, and costs	65,119		17,043
Other	15,834	22,836	748
Totals	<u>\$ 399,286</u>	<u>\$ 169,741</u>	<u>\$ 610,031</u>

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2010 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 42,330	\$ 127,524	\$ 251,654

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2010	
	Interfund Receivables	Interfund Payables
General Fund		\$ 90
Other Funds in the Aggregate:		
Special Revenue Funds:		
Circuit Court Automation	\$ 90	
Totals	\$ 90	\$ 90

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances were repaid in February 2011.

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, 2010, the legal debt limit for bonded debt was \$65,690,963. 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, 2010, the legal debt limit for short-term financing obligations was \$19,799,325. The amount of short-term financing obligations was \$597,055 leaving a legal debt margin of \$19,202,270.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9: Reserved Fund Balance

Reserved fund balance consists of the following:

	December 31, 2010
<u>Road</u>	\$ 1,035,363
<u>Other Funds in the Aggregate</u>	
Special Revenue Funds:	
Assessor's Amendment no. 79	\$ 131,197
Sheriff's Radio	88,649
Juvenile Justice	367,883
Sanitation	159,253
Indigent Defense	99,095
Judicial Enhancement	69,147
Prosecuting Attorney	115,941
District Court Cost	14,512
Support Collection Cost	3,170
Boating Safety	7,438
Recorder's Cost	54,063
Jail	3,455,166
911	569,356
Library	594,794
Collector's Cost	76,875
Rural Fire Protection	60,010
Construction	1,050
Treasurer's Automation	33,884
Port Connector Road	11,398
County Clerk's Cost	40,108
West Nile Virus Grant	6,425
Public Health Grant	1,495
Circuit Court Automation	8,213
Reappraisal	72,726
Arkansas Fish and Wildlife	17,061
Total Other Funds in the Aggregate	\$ 6,058,909

NOTE 10: General Fund - Designated Fund Balance

General Fund designated fund balance consists of the following:

<u>Description</u>	December 31, 2010
Courthouse Security	\$ 17,431
Jury Fees	69,866
Drug Court	3,858
Total	\$ 91,155

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2010:

	December 31, 2010
Long-term liabilities	\$ 597,055

Long-term Liabilities

Long-term Liabilities at December 31, 2010 are comprised of the following:

	December 31, 2010
Lease-purchase agreement with Scott Financial Service, LLC for a 2007 Case 865 Motor Grader; two payments of \$18,000 and final payment of \$102,246 in 2011; interest 6%. Payments are to be made from the Road Fund.	\$ 102,246
Lease-purchase agreement with Union Bank of Pine Bluff for a Sharp MX-350NA digital copier with attachments; 60 payments of \$184.25 through August of 2012; interest 10.5%. Payments are to be made from the General Fund.	3,367
Lease-purchase agreement with Scott Financial Services, LLC for a 2009 Nissan Pothole Patcher; five annual payments of \$26,058 due each February through 2013; interest 5.25%. Payments are to be made from the Road Fund.	70,532
Lease-purchase agreement with Scott Financial Services, LLC for a used Gradall XL3100 Excavator, 60" ditching and 30" digging bucket; yearly payments of \$47,819 for five years due on January 15 of each year through 2013; interest 4%. Payments are to be made from the Road Fund.	131,160
Lease-purchase agreement with Ford Motor Credit Company for four 2010 Ford Crown Victoria Police Cars; three annual payments of \$32,548 due April 19 of each year through 2012; interest 5.5%. Payments are to be made from the General Fund.	60,094
Promissory note with Simmons First National Bank for 2009 Mack Hook Lift Truck; three annual payments of \$41,285 and final payment of \$40,579 due April 5 of each year through 2013; interest 3.59%. Payments are to be made from the Sanitation Fund.	114,825
Promissory note with Pine Bluff National Bank for 2010 Rosco Pothole Patcher Model RA300, mounted on Nissan 3300 Diesel; four annual payments of \$41,381 due January 15 of each year through 2013; interest 4.0%. Payments are to be made from the Road Fund.	114,831
Total Long-Term Liabilities	\$ 597,055

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.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2010:

Years Ending December 31,	Notes	Leases	Total
2011	\$ 82,666	\$ 210,882	\$ 293,548
2012	82,666	107,900	190,566
2013	81,960	73,878	155,838
Total Obligations	247,292	392,660	639,952
Less Interest	17,636	25,261	42,897
Total Principal	<u>\$ 229,656</u>	<u>\$ 367,399</u>	<u>\$ 597,055</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$200,000 to the Road Fund for operations and \$1,344,471 to Other Funds in the Aggregate for jail disbursements and various other program disbursements. The Road Fund and Other Funds in the Aggregate transferred \$5,178 and \$568,540 to the General Fund, respectively, for reimbursements for various expenditures.

NOTE 13: Joint Ventures

A. Metropolitan Emergency Communications Association

Jefferson County belongs to the Metropolitan Emergency Communications Association (MECA), as set up by an amended interlocal cooperation agreement, dated May 13, 1996, which is composed of the Cities of Pine Bluff, White Hall, Redfield, Altheimer, Wabbaseka, Humphrey, and Sherrill and Jefferson County. The Association is governed by seven commissioners which include the City of Pine Bluff's Mayor, Police Chief and Fire Chief, Jefferson County's County Judge and Sheriff, the Office of Emergency Services Coordinator and the Chairman of the 911 Administrative Board by virtue of their term in office or employment with the local government. Pursuant to the aforementioned amended agreement for 1996, the participants' percentage share of any deficit between 911 telephone fee revenue and operating expenses was as follows:

City of Pine Bluff	70.76%
City of White Hall	2.25%
City of Redfield	0.63%
City of Altheimer	0.57%
City of Wabbaseka	0.19%
City of Humphrey	0.21%
City of Sherrill	0.04%
Jefferson County	<u>25.35%</u>
Totals	<u>100.00%</u>

The County paid MECA \$845,911 in 2010. Separate financial statements are not available.

B. Pine Bluff and Jefferson County Library System

Jefferson County and the City of Pine Bluff entered into an agreement in August 1979 in accordance with Ark. Code Ann. §§ 25-20-101, -108 to establish a library system for the Jefferson County, Arkansas area. The System is composed of five members appointed by the Jefferson County Judge with Quorum Court approval and six members appointed by the Mayor of Pine Bluff and ratified by the City Council. Title to fixed assets held by the constituent governmental units and used for library purposes at the time of the execution of this agreement shall remain unchanged, although additional assets may be acquired in the name of the System. The Board shall fix the number and salaries of employees of the system. The County paid the Pine Bluff and Jefferson County Library \$617,998 in 2010. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 14: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

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

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.

The County participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county property.

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 for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). 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 and mobile equipment which are the property of the participating county. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Sheriff's Department vehicles and \$500 for all other covered vehicles and mobile equipment. 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 shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$1,000 deductible per occurrence.

JEFFERSON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS 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 PERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation.

NOTE 16: Tax Collector's Commission

Collector's commission is based on a special agreement between the County and the other taxing units. The commission rates are 2% for school districts and improvement districts and 3% for cities and county accounts based on a 1983 county court order. Excess commissions are transferred into the General Fund pursuant to the provisions of Act 86 of 1975.

NOTE 17: Landfill Lease Agreement

The County entered into a lease agreement for the operation of a county landfill with Waste Management of Arkansas, Inc., on July 13, 1990. The County covenants to lessee and the City of Pine Bluff, Arkansas that the County will provide at the premises a minimum of twenty years of disposal capacity for the Arkansas Solid Waste Planning District which includes the premises. Lessee shall lease the premises from the commencement of the lease and so long thereafter as lessee continues active land-filling at the premises or diligently pursues permits and licenses for such operations. Lessee shall pay a monthly rental of \$5,000, a monthly rental (base rental) equal to an assessment of each yard of waste material generated by public or private entities located outside Jefferson County, plus an annual \$20,000 grant to be applied to support recycling, environmental education and countywide beautification, and environmental protection and improvement programs. Waste Management is required to pay all closure and postclosure costs.

NOTE 18: Hospital Lease Agreement

On December 11, 1959, Jefferson County, Arkansas entered into a lease agreement with Jefferson Hospital Association, Inc., a not-for-profit Arkansas corporation. The lease agreement stipulates that Jefferson County leases the hospital real estate and personal property. In 2001, the lease agreement was extended until December 11, 2040 for \$1 per year. Jefferson Hospital Association, Inc., assumes all rights and responsibilities for the operation of the hospital and related ancillary facilities and all obligations of the revenue bonds.

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

SPECIAL REVENUE FUNDS									
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Sanitation	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
ASSETS									
Cash and cash equivalents	\$ 80,550	\$ 36,814	\$ 201,660	\$ 193,529	\$ 66,440	\$ 48,181	\$ 79,464	\$ 9,334	\$ 2,106
Investments	35,052	57,615	87,753	84,215	28,911	20,966	34,579	4,062	916
Accounts receivable	15,595	4,201	109,008	76,328	4,118		1,898	1,116	148
Interfund receivables									
TOTAL ASSETS	<u>\$ 131,197</u>	<u>\$ 98,630</u>	<u>\$ 398,421</u>	<u>\$ 354,072</u>	<u>\$ 99,469</u>	<u>\$ 69,147</u>	<u>\$ 115,941</u>	<u>\$ 14,512</u>	<u>\$ 3,170</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 9,981	\$ 30,538	\$ 194,819	\$ 374				
Settlements pending									
Total Liabilities		<u>9,981</u>	<u>30,538</u>	<u>194,819</u>	<u>374</u>				
Fund Balances:									
Reserved (Note 9)	\$ 131,197	88,649	367,883	159,253	99,095	\$ 69,147	\$ 115,941	\$ 14,512	\$ 3,170
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 131,197</u>	<u>\$ 98,630</u>	<u>\$ 398,421</u>	<u>\$ 354,072</u>	<u>\$ 99,469</u>	<u>\$ 69,147</u>	<u>\$ 115,941</u>	<u>\$ 14,512</u>	<u>\$ 3,170</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

SPECIAL REVENUE FUNDS									
	Boating Safety	Recorder's Cost	Jail	911	Library	Collector's Cost	Rural Fire Protection	Construction	Treasurer's Automation
ASSETS									
Cash and cash equivalents	\$ 4,704	\$ 33,095	\$ 2,261,128	\$ 283,625	\$ 414,446	\$ 53,566	\$ 41,814	\$ 732	\$ 23,610
Investments	2,047	14,402	983,940	123,421	180,348	23,309	18,196	318	10,274
Accounts receivable	687	6,566	226,040	162,310					
Interfund receivables									
TOTAL ASSETS	\$ 7,438	\$ 54,063	\$ 3,471,108	\$ 569,356	\$ 594,794	\$ 76,875	\$ 60,010	\$ 1,050	\$ 33,884
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable			\$ 15,942						
Settlements pending									
Total Liabilities			15,942						
Fund Balances:									
Reserved (Note 9)	\$ 7,438	\$ 54,063	3,455,166	\$ 569,356	\$ 594,794	\$ 76,875	\$ 60,010	\$ 1,050	\$ 33,884
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,438	\$ 54,063	\$ 3,471,108	\$ 569,356	\$ 594,794	\$ 76,875	\$ 60,010	\$ 1,050	\$ 33,884

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

SPECIAL REVENUE FUNDS

	Port Connector Road	County Clerk's Cost	West Nile Virus Grant	Public Health Grant	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife
ASSETS							
Cash and cash equivalents	\$ 7,942	\$ 27,050	\$ 4,477	\$ 1,042	\$ 5,152	\$ 50,675	\$ 11,888
Investments	3,456	11,771	1,948	453	2,242	22,051	5,173
Accounts receivable		1,287			729		
Interfund receivables					90		
TOTAL ASSETS	<u>\$ 11,398</u>	<u>\$ 40,108</u>	<u>\$ 6,425</u>	<u>\$ 1,495</u>	<u>\$ 8,213</u>	<u>\$ 72,726</u>	<u>\$ 17,061</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							
Settlements pending							
Total Liabilities							
Fund Balances:							
Reserved (Note 9)	<u>\$ 11,398</u>	<u>\$ 40,108</u>	<u>\$ 6,425</u>	<u>\$ 1,495</u>	<u>\$ 8,213</u>	<u>\$ 72,726</u>	<u>\$ 17,061</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,398</u>	<u>\$ 40,108</u>	<u>\$ 6,425</u>	<u>\$ 1,495</u>	<u>\$ 8,213</u>	<u>\$ 72,726</u>	<u>\$ 17,061</u>

JEFFERSON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2010

Schedule 1

AGENCY FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Juvenile Court	Sanitation	Totals
ASSETS								
Cash and cash equivalents	\$ 249,281	\$ 10,032	\$ 73,375	\$ 444,393	\$ 437,041	\$ 46,641	\$ 76,377	\$ 5,280,164
Investments	108,475							1,865,893
Accounts receivable								610,031
Interfund receivables								90
TOTAL ASSETS	<u>\$ 357,756</u>	<u>\$ 10,032</u>	<u>\$ 73,375</u>	<u>\$ 444,393</u>	<u>\$ 437,041</u>	<u>\$ 46,641</u>	<u>\$ 76,377</u>	<u>\$ 7,756,178</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 251,654
Settlements pending	\$ 357,756	\$ 10,032	\$ 73,375	\$ 444,393	\$ 437,041	\$ 46,641	\$ 76,377	1,445,615
Total Liabilities	<u>357,756</u>	<u>10,032</u>	<u>73,375</u>	<u>444,393</u>	<u>437,041</u>	<u>46,641</u>	<u>76,377</u>	<u>1,697,269</u>
Fund Balances:								
Reserved (Note 9)								<u>6,058,909</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 357,756</u>	<u>\$ 10,032</u>	<u>\$ 73,375</u>	<u>\$ 444,393</u>	<u>\$ 437,041</u>	<u>\$ 46,641</u>	<u>\$ 76,377</u>	<u>\$ 7,756,178</u>

JEFFERSON 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, 2010

Schedule 2

SPECIAL REVENUE FUNDS									
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Sanitation	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
REVENUES									
State aid	\$ 15,595		\$ 31,167	\$ 208,087	\$ 3,828				
Federal aid			564,088						
Property taxes									
Sales taxes									
Fines, forfeitures, and costs					54,920	\$ 68,154	\$ 90,368	\$ 13,387	
Interest	2,334	\$ 902	6,106	6,257	1,816	1,001	2,302	154	\$ 592
Officers' fees		61,013	39,058						2,974
Jail fees			517,946						
Sanitation fees				1,429,431					
Recycling revenue				70,452					
911 fees									
Collector's commission									
Other			2,495	8,899	183				
TOTAL REVENUES	17,929	61,915	1,160,860	1,723,126	60,747	69,155	92,670	13,541	3,566
Less: Treasurer's commission	179		4,860	12,414	435	8	197	109	30
NET REVENUES	17,750	61,915	1,156,000	1,710,712	60,312	69,147	92,473	13,432	3,536
EXPENDITURES									
Current:									
General government									
Law enforcement		75,254	2,321,654		42,832		14,569		
Public safety									
Sanitation				1,933,201					
Recreation and culture									
Total Current		75,254	2,321,654	1,933,201	42,832		14,569		
Debt Service:									
Note principal				36,421					
Note interest				4,864					
TOTAL EXPENDITURES		75,254	2,321,654	1,974,486	42,832		14,569		

JEFFERSON 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, 2010

Schedule 2

SPECIAL REVENUE FUNDS									
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Sanitation	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost	Support Collection Cost
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 17,750	\$ (13,339)	\$ (1,165,654)	\$ (263,774)	\$ 17,480	\$ 69,147	\$ 77,904	\$ 13,432	\$ 3,536
OTHER FINANCING SOURCES (USES)									
Transfers in			1,150,000						
Transfers out			(34,353)	(27,314)		(82,494)	(75,000)	(13,108)	(48,786)
TOTAL OTHER FINANCING SOURCES (USES)			1,115,647	(27,314)		(82,494)	(75,000)	(13,108)	(48,786)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	17,750	(13,339)	(50,007)	(291,088)	17,480	(13,347)	2,904	324	(45,250)
FUND BALANCES - JANUARY 1	113,447	101,988	417,890	450,341	81,615	82,494	113,037	14,188	48,420
FUND BALANCES - DECEMBER 31	<u>\$ 131,197</u>	<u>\$ 88,649</u>	<u>\$ 367,883</u>	<u>\$ 159,253</u>	<u>\$ 99,095</u>	<u>\$ 69,147</u>	<u>\$ 115,941</u>	<u>\$ 14,512</u>	<u>\$ 3,170</u>

JEFFERSON 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, 2010

Schedule 2

SPECIAL REVENUE FUNDS									
	Boating Safety	Recorder's Cost	Jail	911	Library	Collector's Cost	Rural Fire Protection	Construction	Treasurer's Automation
REVENUES									
State aid	\$ 6,488				\$ 67,628				
Federal aid									
Property taxes					476,398				
Sales taxes			\$ 2,468,039						
Fines, forfeitures, and costs			120,876						
Interest	95	\$ 941	67,439	\$ 7,680	15,086	\$ 1,064		\$ 150	\$ 923
Officers' fees		88,299							
Jail fees			955,991						
Sanitation fees									
Recycling revenue									
911 fees				831,935					
Collector's commission						76,277			
Other			102,646						
TOTAL REVENUES	6,583	89,240	3,714,991	839,615	559,112	77,341		150	923
Less: Treasurer's commission	55	725	30,209	6,397	4,515	8		1	8
NET REVENUES	6,528	88,515	3,684,782	833,218	554,597	77,333		149	915
EXPENDITURES									
Current:									
General government		75,540				75,412			72,585
Law enforcement			3,647,445						
Public safety				610,983					
Sanitation									
Recreation and culture					617,998				
Total Current		75,540	3,647,445	610,983	617,998	75,412			72,585
Debt Service:									
Note principal									
Note interest									
TOTAL EXPENDITURES		75,540	3,647,445	610,983	617,998	75,412			72,585

JEFFERSON 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, 2010

Schedule 2

	SPECIAL REVENUE FUNDS								
	Boating Safety	Recorder's Cost	Jail	911	Library	Collector's Cost	Rural Fire Protection	Construction	Treasurer's Automation
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,528	\$ 12,975	\$ 37,337	\$ 222,235	\$ (63,401)	\$ 1,921		\$ 149	\$ (71,670)
OTHER FINANCING SOURCES (USES)									
Transfers in			143,223						51,248
Transfers out	(8,743)	(6,260)	(243,013)			(130)		(12,000)	(130)
TOTAL OTHER FINANCING SOURCES (USES)	(8,743)	(6,260)	(99,790)			(130)		(12,000)	51,118
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,215)	6,715	(62,453)	222,235	(63,401)	1,791		(11,851)	(20,552)
FUND BALANCES - JANUARY 1	9,653	47,348	3,517,619	347,121	658,195	75,084	\$ 60,010	12,901	54,436
FUND BALANCES - DECEMBER 31	<u>\$ 7,438</u>	<u>\$ 54,063</u>	<u>\$ 3,455,166</u>	<u>\$ 569,356</u>	<u>\$ 594,794</u>	<u>\$ 76,875</u>	<u>\$ 60,010</u>	<u>\$ 1,050</u>	<u>\$ 33,884</u>

JEFFERSON 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, 2010

Schedule 2

SPECIAL REVENUE FUNDS									
	Gravel Pit Road Industrial	Port Connector Road	County Clerk's Cost	West Nile Virus Grant	Public Health Grant	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Totals
REVENUES									
State aid							\$ 345,239	\$ 24,075	\$ 702,107
Federal aid									564,088
Property taxes									476,398
Sales taxes									2,468,039
Fines, forfeitures, and costs						\$ 10,887			358,592
Interest			\$ 606		\$ 30	95	1,588		117,161
Officers' fees			19,349						210,693
Jail fees									1,473,937
Sanitation fees									1,429,431
Recycling revenue									70,452
911 fees									831,935
Collector's commission									76,277
Other							73		114,296
TOTAL REVENUES			19,955		30	10,982	346,900	24,075	8,893,406
Less: Treasurer's commission			163			82	13		60,408
NET REVENUES			19,792		30	10,900	346,887	24,075	8,832,998
EXPENDITURES									
Current:									
General government						2,860	380,752		607,149
Law enforcement									6,101,754
Public safety									610,983
Sanitation									1,933,201
Recreation and culture								16,686	634,684
Total Current						<u>2,860</u>	<u>380,752</u>	<u>16,686</u>	<u>9,887,771</u>
Debt Service:									
Note principal									36,421
Note interest									<u>4,864</u>
TOTAL EXPENDITURES						2,860	380,752	16,686	9,929,056

JEFFERSON 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, 2010

Schedule 2

	SPECIAL REVENUE FUNDS								
	Gravel Pit Road Industrial	Port Connector Road	County Clerk's Cost	West Nile Virus Grant	Public Health Grant	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			\$ 19,792		\$ 30	\$ 8,040	\$ (33,865)	\$ 7,389	\$ (1,096,058)
OTHER FINANCING SOURCES (USES)									
Transfers in									1,344,471
Transfers out	\$ (55)		(12,684)			(3,430)	(1,040)		(568,540)
TOTAL OTHER FINANCING SOURCES (USES)	(55)		(12,684)			(3,430)	(1,040)		775,931
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(55)		7,108		30	4,610	(34,905)	7,389	(320,127)
FUND BALANCES - JANUARY 1	55	\$ 11,398	33,000	\$ 6,425	1,465	3,603	107,631	9,672	6,379,036
FUND BALANCES - DECEMBER 31	\$ 0	\$ 11,398	\$ 40,108	\$ 6,425	\$ 1,495	\$ 8,213	\$ 72,726	\$ 17,061	\$ 6,058,909

JEFFERSON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2010

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

Fund Name	Fund Description
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to County Assessors for the purpose of administering Arkansas Constitution, Amendment no. 79.
Sheriff's Radio	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.
Juvenile Justice	Fund consists of funds established by Jefferson County Ordinance nos. 1996-5 (January 8, 1996) and 1998-13 (January 12, 1998) and Ark. Code Ann. § 16-13-326 to collect juvenile fees and provide services and supplies to juveniles at the discretion of the Juvenile Division of Circuit Court.
Sanitation	Fund was established by Jefferson County Ordinance nos. 1993-53 (August 9, 1993) and 1995-34 (May 8, 1995) for the recording of receipts and disbursements for solid waste collection and recycling operations.
Indigent Defense	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 and representation of indigent persons.
Judicial Enhancement	Ark. Code Ann. § 16-13-704 established fund to receive circuit courts, chancery courts, juvenile courts, and state division municipal courts installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Prosecuting Attorney	Ark. Code Ann. § 16-21-151 established fund to receive District Court cost levied to be used by Prosecuting Attorney for operating victim/witness program.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes District Court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the District Court.
Support Collection Cost	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Boating Safety	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.
Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
Jail	Fund was established by Jefferson County Ordinance no. 2000-79 (October 9, 2000) for the recording of receipts and disbursements for the operations of the County Adult Jail.

JEFFERSON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2010

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

Fund Name	Fund Description
911 Fund	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Library	Ark. Code Ann. § 13-2-404 established fund to account for Library property tax millage levied by the Quorum Court.
Collector's Cost	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.
Rural Fire Protection	Ark. Code Ann. § 14-284-403 requires fire protection premium tax funds to be distributed by the County to local fire districts for equipping, training, capital improvements, and other expenditures.
Construction	Fund consists of excess funds left over from construction of new courthouse and courthouse special projects.
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated record keeping system.
Gravel Pit Road Industrial	Fund was established by Jefferson County Ordinance no. 2000-39 (April 10, 2000) to receive grant funds from Economic Development of Arkansas Commission for the Gravel Pit Road water line extension.
Port Connector Road	Fund was established by Jefferson County Ordinance no. 1999-44 (May 10, 1999) to receive grant funds from Economic Development of Arkansas for the constructing of a new connector road and bridge over the Union Pacific/Southern Pacific Railroad Classification Yard in the Pine Bluff Harbor Industrial Park.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
West Nile Virus Grant	Fund was established by Jefferson County Ordinance no. 2002-65 (October 14, 2002) to receive grant funds for mosquito abatement.
Public Health Grant	Fund was established by Jefferson County Ordinance no. 2006-80 (September 11, 2006) to receive grant funds from the Arkansas Department of Health and Human Services to renovate the Jefferson County Health Department.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive Circuit Court installment fees of 1/2 of \$5 per month on each person to be used for court related technology.
Reappraisal	Ark. Code Ann. § 26-26-1907 established fund to pay reappraisals of real property with revenue received from State.

JEFFERSON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2010

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

Fund Name	Fund Description
Arkansas Fish and Wildlife	Fund was established by Jefferson County Ordinance no. 2007-81 (November 13, 2007) and Ark. Code Ann. § 6-16-1101 to receive grants to be used for school fish and wildlife conservation education programs.

Treasurer's accounts consist primarily of property taxes, fines and costs, interest, and state aid.

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

Sheriff's accounts consist primarily of bond and fines and inmate trust money.

County Clerk's accounts consist primarily of trust money awaiting disposition by the applicable court and payroll tax money awaiting disposition to the proper agency.

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

Juvenile Court accounts consist primarily of restitution, fines and costs, and fees not yet distributed to the County or plaintiff.

Sanitation accounts consist primarily of fees not yet distributed to the County.

JEFFERSON COUNTY, ARKANSAS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2010
(Unaudited)

Schedule 3

	<u>December 31, 2010</u>
Land	\$ 7,919,933
Buildings	28,211,398
Equipment	<u>12,012,732</u>
Total	<u>\$ 48,144,063</u>

JEFFERSON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2010
(Unaudited)

Schedule 4

<u>General</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Assets	\$ 4,477,848	\$ 6,430,563	\$ 5,203,858	\$ 4,888,473	\$ 4,037,407
Total Liabilities	42,420	187,716	119,908		
Total Fund Balances	4,435,428	6,242,847	5,083,950	4,888,473	4,037,407
Net Revenues	11,348,527	11,829,313	11,039,000	11,160,093	9,639,065
Total Expenditures	12,222,199	11,900,986	10,667,215	9,644,356	9,531,219
Total Other Financing Sources/Uses	(970,753)	1,230,571	(249,003)	(1,239,450)	4,692
 <u>Road</u>					
Total Assets	\$ 1,162,887	\$ 944,699	\$ 1,063,265	\$ 975,499	\$ 424,988
Total Liabilities	127,524	46,987	73,592		
Total Fund Balances	1,035,363	897,712	989,673	975,499	424,988
Net Revenues	3,999,322	3,705,658	3,635,188	3,827,400	3,597,059
Total Expenditures	4,019,486	3,824,937	3,931,142	3,476,888	3,995,559
Total Other Financing Sources/Uses	194,822	27,318	199,950	200,000	
 <u>Other Funds in the Aggregate</u>					
Total Assets	\$ 7,756,178	\$ 8,445,326	\$ 8,719,329	\$ 7,903,729	\$ 9,183,076
Total Liabilities	1,697,269	2,066,290	1,660,736	1,077,252	963,358
Total Fund Balances	6,058,909	6,379,036	7,058,593	6,826,477	8,219,718
Net Revenues	8,832,998	10,415,681	11,230,513	10,611,343	11,020,542
Total Expenditures	9,929,056	12,237,351	12,039,843	12,525,824	16,805,036
Total Other Financing Sources/Uses	775,931	1,142,111	649,053	1,039,450	(4,692)

The financial statements are prepared on the regulatory basis of accounting as reported in Note 1(C) of the audit reports.