

**Jefferson County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**December 31, 2011**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

**Sen. Bryan B. King**  
Senate Chair  
**Rep. Kim Hammer**  
House Chair  
**Sen. Linda Chesterfield**  
Senate Vice Chair  
**Rep. John W. Walker**  
House Vice Chair



**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, 2011, 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, 2011, or the changes in its financial position or where applicable, its cash flows, thereof for the year then ended.

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).

Further, 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, 2011, 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).

Further, 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, 2011, 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).

As discussed in Note 1 to the financial statements, the County changed the classifications of its governmental fund balances on January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2013 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. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The other information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the regulatory basis financial statements. Such 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.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
March 7, 2013  
LOCO03511

**Sen. Bryan B. King**  
Senate Chair  
**Rep. Kim Hammer**  
House Chair  
**Sen. Linda Chesterfield**  
Senate Vice Chair  
**Rep. John W. Walker**  
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, 2011, and have issued our report thereon dated March 7, 2013. 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:

2011-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording 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 transactions to the extent possible with the current staffing levels.

## 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. 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*.

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 2011:

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

Our audit procedures indicated that the Offices of **Treasurer**, **Sheriff**, **Tax Collector**, **County Clerk**, **Circuit Clerk**, and **Assessor** 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 Judge**.

### **County Judge**

1. The County paid \$10,215 for plumbing services to a business owned by an employee's relative in conflict with Ark. Code Ann. § 14-14-1202.
2. The following information systems weaknesses were discovered during a review of computer processing for the Sanitation Department:
  - Password controls did not meet minimum industry standards. The minimum number of characters required for passwords was below industry standards. Passwords were not required to be changed on a periodic, recurring basis that did not exceed 90 days. Passwords were not required to contain a mixture of alpha and numeric characters. A password history file was not maintained to prevent re-use of previous passwords. User accounts were not locked after three unsuccessful login attempts. Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.
  - Employees did not maintain a user ID and password that identified them as an authorized user.
  - Backups were not created at adequate intervals to support both short-term and long-term recovery efforts. The off-site backup facility was not geographically removed from primary operations and was not physically or environmentally safeguarded. Failing to maintain off-site backups could result in loss of data and the inability to continue operations in the event of a disaster.
  - There was no formally documented and approved Disaster Recovery or Business Continuity Plan. This situation could cause the entity to be without computer processing for an extended period of time in the event of a disaster or major interruption and could place undue financial and personnel burdens on the resources of the entity.

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

A handwritten signature in cursive script that reads "June M. Barron".

June M. Barron, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
March 7, 2013

JEFFERSON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2011

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,977,841	\$ 387,522	\$ 4,018,041
Investments	1,411,447	281,114	2,115,852
Accounts receivable	870,026	168,295	655,014
<b>TOTAL ASSETS</b>	<b>\$ 4,259,314</b>	<b>\$ 836,931</b>	<b>\$ 6,788,907</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 275,525	\$ 46,275	\$ 5,544
Settlements pending			1,559,022
Total Liabilities	275,525	46,275	1,564,566
<b>Fund Balances: (Note 8)</b>			
Restricted	26,798	790,656	5,010,045
Committed			64,296
Assigned	1,621,212		150,000
Unassigned	2,335,779		
Total Fund Balances	3,983,789	790,656	5,224,341
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,259,314</b>	<b>\$ 836,931</b>	<b>\$ 6,788,907</b>

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, 2011

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 531,232	\$ 1,944,664	\$ 911,345
Federal aid	195,507		
Property taxes	3,902,444	1,365,162	502,640
Sales taxes	2,362,661		3,729,918
Fines, forfeitures, and costs	1,114,921		428,164
Interest	45,060	7,997	69,741
Officers' fees	479,945		158,109
Jail fees	1,408,063		
Sanitation fees	1,357,755		
Recycling fees			56,444
911 fees			714,108
Franchise fees	19,290		
School district contributions			398,450
Treasurer's commission	159,741		50,243
Collector's commission	919,397		79,616
Taxes apportioned - Assessor's salary and expense	631,634		
Other	1,144,398	57,796	23,957
	<u>14,272,048</u>	<u>3,375,619</u>	<u>7,122,735</u>
TOTAL REVENUES			
Less: Treasurer's commission	<u>104,735</u>	<u>28,618</u>	<u>35,899</u>
NET REVENUES	<u>14,167,313</u>	<u>3,347,001</u>	<u>7,086,836</u>
EXPENDITURES			
Current:			
General government	4,218,169		630,854
Law enforcement	11,835,068		627,984
Highways and streets		3,413,758	
Public safety	510,220		651,555
Sanitation	1,352,063		432,413
Health	96,793		
Recreation and culture	74,650		883,761
Social services	16,792		
Total Current	<u>18,103,755</u>	<u>3,413,758</u>	<u>3,226,567</u>

JEFFERSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Exhibit B

	General	Road	Other Funds in the Aggregate
EXPENDITURES (Continued)			
Debt Service:			
Lease principal	\$ 31,193	\$ 75,930	
Lease interest	3,567	15,947	
Note principal	37,163	59,131	
Note interest	4,122	7,379	
 TOTAL EXPENDITURES	 18,179,800	 3,572,145	 \$ 3,226,567
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (4,012,487)	 (225,144)	 3,860,269
 OTHER FINANCING SOURCES (USES)			
Transfers in	3,219,658		151,882
Transfers out	(151,882)	(19,563)	(3,200,095)
Sales tax remitted to Economic Development Corporation			(1,153,550)
 TOTAL OTHER FINANCING SOURCES (USES)	 3,067,776	 (19,563)	 (4,201,763)
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (944,711)	 (244,707)	 (341,494)
 FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	4,435,426	1,035,363	6,058,909
Restatement adjustment	493,074		(493,074)
 FUND BALANCES - JANUARY 1, AS RESTATED	 4,928,500	 1,035,363	 5,565,835
 FUND BALANCES - DECEMBER 31	 \$ 3,983,789	 \$ 790,656	 \$ 5,224,341

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, 2011

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 827,200	\$ 531,232	\$ (295,968)	\$ 1,918,670	\$ 1,944,664	\$ 25,994
Federal aid	193,900	195,507	1,607	8,185		(8,185)
Property taxes	3,715,900	3,902,444	186,544	1,375,350	1,365,162	(10,188)
Sales taxes	2,340,000	2,362,661	22,661			
Fines, forfeitures, and costs	1,108,705	1,114,921	6,216			
Interest	45,400	45,060	(340)	8,700	7,997	(703)
Officers' fees	485,500	479,945	(5,555)			
Jail fees	1,326,000	1,408,063	82,063			
Sanitation fees	1,315,000	1,357,755	42,755			
Franchise fees	18,904	19,290	386			
Treasurer's commission	142,000	159,741	17,741			
Collector's commission	660,000	919,397	259,397			
Taxes apportioned - Assessor's salary and expense	620,000	631,634	11,634			
Other	1,176,374	1,144,398	(31,976)	52,537	57,796	5,259
<b>TOTAL REVENUES</b>	<b>13,974,883</b>	<b>14,272,048</b>	<b>297,165</b>	<b>3,363,442</b>	<b>3,375,619</b>	<b>12,177</b>
Less: Treasurer's commission		104,735	(104,735)		28,618	(28,618)
<b>NET REVENUES</b>	<b>13,974,883</b>	<b>14,167,313</b>	<b>192,430</b>	<b>3,363,442</b>	<b>3,347,001</b>	<b>(16,441)</b>
EXPENDITURES						
Current:						
General government	4,142,957	4,218,169	(75,212)			
Law enforcement	13,765,856	11,835,068	1,930,788			
Highways and streets				3,892,687	3,413,758	478,929
Public safety	623,777	510,220	113,557			
Sanitation	1,789,783	1,352,063	437,720			
Health	109,489	96,793	12,696			
Recreation and culture	69,650	74,650	(5,000)			
Social services	22,325	16,792	5,533			
Total Current	20,523,837	18,103,755	2,420,082	3,892,687	3,413,758	478,929

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, 2011

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)						
Debt Service:						
Lease principal		\$ 31,193	\$ (31,193)		\$ 75,930	\$ (75,930)
Lease interest		3,567	(3,567)		15,947	(15,947)
Note principal		37,163	(37,163)		59,131	(59,131)
Note interest		4,122	(4,122)		7,379	(7,379)
TOTAL EXPENDITURES	\$ 20,523,837	18,179,800	2,344,037	\$ 3,892,687	3,572,145	320,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,548,954)	(4,012,487)	2,536,467	(529,245)	(225,144)	304,101
OTHER FINANCING SOURCES (USES)						
Transfers in	3,917,101	3,219,658	(697,443)	40,000		(40,000)
Transfers out	1,600,000	(151,882)	(1,751,882)		(19,563)	(19,563)
TOTAL OTHER FINANCING SOURCES (USES)	5,517,101	3,067,776	(2,449,325)	40,000	(19,563)	(59,563)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,031,853)	(944,711)	87,142	(489,245)	(244,707)	244,538
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	4,435,600	4,435,426	(174)	900,000	1,035,363	135,363
Restatement adjustment	493,074	493,074				
FUND BALANCES - JANUARY 1, AS RESTATED	4,928,674	4,928,500	(174)	900,000	1,035,363	135,363
FUND BALANCES - DECEMBER 31	\$ 3,896,821	\$ 3,983,789	\$ 86,968	\$ 410,755	\$ 790,656	\$ 379,901

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

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**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, Victim of Crime Program, Juvenile Justice Mentoring Program, Fire Prevention and Safety, and Local Citizens Corps Council Grant.

**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 used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading as it appears in the financial statements includes the following accounts: County General, Mortgage Revenue, County Clerk's Jury Fee, Jury Fees, Sheriff Department's Travel, Interoperable Emergency Communications Grant, Jefferson County 1992-A Escrow, Sales Tax, Family in Need of Service and Truancy, Weed and Seed, Environmental Enforcement Officer, District Court, Insurance, Drug Task Force Grant, Jefferson County Department of Correction Sales Proceeds, Sanitation, Juvenile Justice Center, Construction, and Adult Jail.

**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 and property taxes 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. The following Special Revenue Funds are reported with other funds in the aggregate: Assessor's Amendment no. 79, Sheriff's Radio, Juvenile Justice, Recycling, Indigent Defense, Judicial Enhancement, Prosecuting Attorney, District Court Cost, Support Collection Cost, Boating Safety, Recorder's Cost, Jail Operation, Emergency 911, Library, Tax Collector's Cost, Fire Equipment and Training (Act 833), Treasurer's Automation, Economic Development, Port Connector Road, County Clerk's Cost, West Nile Virus Grant, Public Health Grant, Circuit Court Automation, Reappraisal, Courthouse Security, Arkansas Fish and Wildlife, and Drug Court.

**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, Advance Collector, Interest Earned, Law Library, and Improvement Districts; Collector's Account - Current Tax; Sheriff's Accounts - Bond and Fines and Commissary; County Clerk's Accounts - Fees, Payroll, and Trust; 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, 2011

**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" include 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 Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**E. Property Taxes**

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

**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.

JEFFERSON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2011

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Budget Law (Continued)**

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other Special Revenue Funds.

**G. Fund Balance Classification Policies and Procedures**

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

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

**H. Change in Regulatory Basis**

The County adopted Governmental Accounting Standards Board (GASB) Statement no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* on January 1, 2011. GASB Statement no. 54 changed the classifications of governmental fund balances from reserved and unreserved to nonspendable, restricted, committed, assigned, and unassigned.

**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 time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2011	
	Reported Amount	Fair Value
General	\$ 1,411,447	\$ 1,414,002
Road	281,114	281,623
Other Funds in the Aggregate	2,115,852	2,119,683
Totals	\$ 3,808,413	\$ 3,815,308

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 4: Public Fund Investments (Continued)**

These investments are composed of the following:

	December 31, 2011	
	Reported Amount	Fair Value
Treasury notes and mortgage-backed securities	\$ 3,808,413	\$ 3,815,308

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2011 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 1,283	\$ 131,272	\$ 12,174
Officers' fees	90,483		17,783
Sanitation fees	106,286		
Jail fees	55,092		
911 fees			143,578
Property taxes		10,446	
Sales taxes	189,638		461,444
Fines, forfeitures, and costs	65,179		18,076
Other	362,065	26,577	1,959
Totals	\$ 870,026	\$ 168,295	\$ 655,014

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2011 is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 275,525	\$ 46,275	\$ 5,544

**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, 2011, the legal debt limit for bonded debt was \$68,400,851. 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, 2011, the legal debt limit for short-term financing obligations was \$20,483,280. The amount of short-term financing obligations was \$519,158, leaving a legal debt margin of \$19,964,122.



JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 8: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2011 are composed of the following:

Description	General	Road	Other Funds in the Aggregate
<u>Fund Balances</u>			
Restricted for:			
General government			\$ 577,917
Law enforcement	\$ 26,798		3,345,389
Sanitation			53,853
Highways and streets		\$ 790,656	
Public safety			702,026
Recreation and culture			330,860
Total Restricted	<u>26,798</u>	<u>790,656</u>	<u>5,010,045</u>
Committed for:			
Sanitation			<u>64,296</u>
Assigned to:			
General government	971,644		
Law enforcement	603,440		
Sanitation	46,128		150,000
Total Assigned	<u>1,621,212</u>		<u>150,000</u>
Unassigned	<u>2,335,779</u>		
Totals	<u>\$ 3,983,789</u>	<u>\$ 790,656</u>	<u>\$ 5,224,341</u>

**NOTE 9: Commitments**

Total commitments consist of the following at December 31, 2011:

	December 31, 2011
Long-Term Liabilities	<u>\$ 519,158</u>

Long-Term Liabilities

Long-Term liabilities at December 31, 2011 are comprised of the following:

	December 31, 2011
Lease-purchase agreement with Scott Financial Services, LLC for a 2002 Caterpillar 140H motor grader; nine semiannual payments of \$18,557 through May of 2016; interest - 4.5%. Payments are to be made from the Road Fund.	\$ 146,162
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.	1,418
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.	48,229
Lease-purchase agreement with Scott Financial Services, LLC for a used Gradall XL3100 excavator and bucket; five annual payments of \$47,819 due each January through 2013; interest - 4%. Payments are to be made from the Road Fund.	89,399

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 9: Commitments (Continued)**

Long-Term Liabilities (Continued)

	December 31, 2011
Lease-purchase agreement with Ford Motor Credit for four 2010 Ford Crown Victoria police cars; three annual payments of \$32,548 due each April through 2012; interest - 5.5%. Payments are to be made from the General Fund.	\$ 30,851
Promissory note with Simmons First National Bank for a 2009 Mack hook lift truck; three annual payments of \$41,285 and a final payment of \$40,579 due each April through 2013; interest - 3.59%. Payments are to be made from the Sanitation account of the General Fund.	77,662
Promissory note with Pine Bluff National Bank for a 2010 Rosco pothole patcher; four annual payments of \$41,381 due each January through 2013; interest - 4.0%. Payments are to be made from the Road Fund.	78,044
Promissory note with Pine Bluff National Bank for a 2006 Linkbelt excavator; four annual payments of \$25,131 due each January through 2013; interest - 4.0%. Payments are to be made from the Road Fund.	47,393
Total Long-Term Liabilities	\$ 519,158

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

Compensated Absences

Compensated absences do not 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.

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2011:

Years Ending December 31,	Notes	Leases	Total
2012	\$ 107,795	\$ 145,015	\$ 252,810
2013	107,090	110,992	218,082
2014		37,114	37,114
2015		37,114	37,114
2016		18,557	18,557
Total Obligations	214,885	348,792	563,677
Less Interest	11,786	32,733	44,519
Total Principal	\$ 203,099	\$ 316,059	\$ 519,158

**NOTE 10: Interfund Transfers**

The General Fund transferred \$151,882 to Other Funds in the Aggregate for recycling disbursements of \$150,000 and reappraisal disbursements of \$1,882. The Road Fund and Other Funds in the Aggregate transferred \$19,563 and \$3,200,095 to the General Fund, respectively, for reimbursements of various expenditures and jail disbursements.

JEFFERSON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2011

**NOTE 11: Prior Year Restatement**

The General Fund and Other Funds in the Aggregate January 1, 2011 fund balances were increased and decreased, respectively, in the amount of \$493,074 to reclassify the Adult Jail (\$297,005), Sanitation (\$104,666), Construction (\$1,050), and Juvenile Justice Center (\$111,642) accounts as part of the General Fund and the Courthouse Security (\$17,431) and Drug Court (\$3,858) Funds as part of Other Funds in the Aggregate. The Adult Jail, Sanitation, Construction, and Juvenile Justice Center accounts had previously been reflected in Other Funds in Aggregate and the Courthouse Security and Drug Court Funds had previously been reflected in the General Fund.

**NOTE 12: 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	25.35%
Total	100.00%

The County paid MECA \$868,293 in 2011. 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 Pine Bluff and Jefferson County Library \$870,113 in 2011. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

**NOTE 13: Jointly Governed Organization - Tri-County Drug Task Force**

The Sheriff's Departments of Arkansas, Jefferson, and Lincoln Counties, the Police Department of Pine Bluff, and the Prosecuting Attorneys Offices of the Eleventh-East and Eleventh-West Judicial Districts entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2011 to June 30, 2012, and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Tri-County Drug Task Force. No contributions or payments for expenditures were made to the Drug Task Force by the County. The 2011 financial statements of the Tri-County Drug Task Force have not been audited.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**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.

**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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 15: Arkansas Public Employees Retirement System (Continued)**

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 two percent for school districts and improvement districts and three percent 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 five thousand dollars (\$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 twenty thousand dollars (\$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, 2011

Schedule 1

	SPECIAL REVENUE FUNDS							
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost
<b>ASSETS</b>								
Cash and cash equivalents	\$ 64,790	\$ 88,793	\$ 94,325	\$ 154,276	\$ 63,459	\$ 39,405	\$ 36,313	\$ 7,914
Investments	47,000		68,424	111,914	46,034	28,585	26,342	5,741
Accounts receivable	11,381	3,458	5,822	1,959	4,187		1,929	1,135
TOTAL ASSETS	<u>\$ 123,171</u>	<u>\$ 92,251</u>	<u>\$ 168,571</u>	<u>\$ 268,149</u>	<u>\$ 113,680</u>	<u>\$ 67,990</u>	<u>\$ 64,584</u>	<u>\$ 14,790</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable		\$ 2,713			\$ 1,113			
Settlements pending								
Total Liabilities		<u>2,713</u>			<u>1,113</u>			
<b>Fund Balances:</b>								
Restricted	\$ 123,171	89,538	\$ 168,571	\$ 53,853	112,567	\$ 67,990	\$ 64,584	\$ 14,790
Committed				64,296				
Assigned				150,000				
Total Fund Balances	<u>123,171</u>	<u>89,538</u>	<u>168,571</u>	<u>268,149</u>	<u>112,567</u>	<u>67,990</u>	<u>64,584</u>	<u>14,790</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 123,171</u>	<u>\$ 92,251</u>	<u>\$ 168,571</u>	<u>\$ 268,149</u>	<u>\$ 113,680</u>	<u>\$ 67,990</u>	<u>\$ 64,584</u>	<u>\$ 14,790</u>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2011

Schedule 1

	SPECIAL REVENUE FUNDS							
	Support Collection Cost	Boating Safety	Recorder's Cost	Jail Operation	Emergency 911	Library	Tax Collector's Cost	Fire Equipment and Training (Act 833)
ASSETS								
Cash and cash equivalents	\$ 1,359	\$ 4,511	\$ 17,320	\$ 1,509,522	\$ 283,909	\$ 182,830	\$ 45,965	\$ 34,780
Investments	986	3,272	12,564	1,095,029	205,952	132,628	33,344	25,230
Accounts receivable	153	793	6,613	194,656	143,579			
<b>TOTAL ASSETS</b>	<b><u>\$ 2,498</u></b>	<b><u>\$ 8,576</u></b>	<b><u>\$ 36,497</u></b>	<b><u>\$ 2,799,207</u></b>	<b><u>\$ 633,440</u></b>	<b><u>\$ 315,458</u></b>	<b><u>\$ 79,309</u></b>	<b><u>\$ 60,010</u></b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable							\$ 1,660	
Settlements pending								
<b>Total Liabilities</b>							<b><u>1,660</u></b>	
Fund Balances:								
Restricted	\$ 2,498	\$ 8,576	\$ 36,497	\$ 2,799,207	\$ 633,440	\$ 315,458	77,649	\$ 60,010
Committed								
Assigned								
<b>Total Fund Balances</b>	<b><u>2,498</u></b>	<b><u>8,576</u></b>	<b><u>36,497</u></b>	<b><u>2,799,207</u></b>	<b><u>633,440</u></b>	<b><u>315,458</u></b>	<b><u>77,649</u></b>	<b><u>60,010</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,498</u></b>	<b><u>\$ 8,576</u></b>	<b><u>\$ 36,497</u></b>	<b><u>\$ 2,799,207</u></b>	<b><u>\$ 633,440</u></b>	<b><u>\$ 315,458</u></b>	<b><u>\$ 79,309</u></b>	<b><u>\$ 60,010</u></b>

JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2011

Schedule 1

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Economic Development	County Clerk's Cost	Circuit Court Automation	Reappraisal	Arkansas Fish and Wildlife	Courthouse Security	Drug Court
<b>ASSETS</b>								
Cash and cash equivalents	\$ 18,309		\$ 10,509	\$ 3,248	\$ 5,700	\$ 8,927	\$ 6,837	\$ 5,793
Investments	13,281		7,623	2,356	4,135	6,475	4,959	4,203
Accounts receivable		\$ 276,866	1,737	511				235
<b>TOTAL ASSETS</b>	<b>\$ 31,590</b>	<b>\$ 276,866</b>	<b>\$ 19,869</b>	<b>\$ 6,115</b>	<b>\$ 9,835</b>	<b>\$ 15,402</b>	<b>\$ 11,796</b>	<b>\$ 10,231</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 58							
Settlements pending								
<b>Total Liabilities</b>	<b>58</b>							
<b>Fund Balances:</b>								
Restricted	31,532	\$ 276,866	\$ 19,869	\$ 6,115	\$ 9,835	\$ 15,402	\$ 11,796	\$ 10,231
Committed								
Assigned								
<b>Total Fund Balances</b>	<b>31,532</b>	<b>276,866</b>	<b>19,869</b>	<b>6,115</b>	<b>9,835</b>	<b>15,402</b>	<b>11,796</b>	<b>10,231</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,590</b>	<b>\$ 276,866</b>	<b>\$ 19,869</b>	<b>\$ 6,115</b>	<b>\$ 9,835</b>	<b>\$ 15,402</b>	<b>\$ 11,796</b>	<b>\$ 10,231</b>



JEFFERSON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2011

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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 316,747	\$ 10,563	\$ 93,285	\$ 439,763	\$ 391,025	\$ (109)	\$ 77,973	\$ 4,018,041
Investments	229,775							2,115,852
Accounts receivable								655,014
<b>TOTAL ASSETS</b>	<b><u>\$ 546,522</u></b>	<b><u>\$ 10,563</u></b>	<b><u>\$ 93,285</u></b>	<b><u>\$ 439,763</u></b>	<b><u>\$ 391,025</u></b>	<b><u>\$ (109)</u></b>	<b><u>\$ 77,973</u></b>	<b><u>\$ 6,788,907</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable								\$ 5,544
Settlements pending	\$ 546,522	\$ 10,563	\$ 93,285	\$ 439,763	\$ 391,025	\$ (109)	\$ 77,973	1,559,022
<b>Total Liabilities</b>	<b><u>546,522</u></b>	<b><u>10,563</u></b>	<b><u>93,285</u></b>	<b><u>439,763</u></b>	<b><u>391,025</u></b>	<b><u>(109)</u></b>	<b><u>77,973</u></b>	<b><u>1,564,566</u></b>
<b>Fund Balances:</b>								
Restricted								5,010,045
Committed								64,296
Assigned								150,000
<b>Total Fund Balances</b>								<b><u>5,224,341</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 546,522</u></b>	<b><u>\$ 10,563</u></b>	<b><u>\$ 93,285</u></b>	<b><u>\$ 439,763</u></b>	<b><u>\$ 391,025</u></b>	<b><u>\$ (109)</u></b>	<b><u>\$ 77,973</u></b>	<b><u>\$ 6,788,907</u></b>

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, 2011

Schedule 2

SPECIAL REVENUE FUNDS								
	Assessor's Amendment no. 79	Sheriff's Radio	Juvenile Justice	Recycling	Indigent Defense	Judicial Enhancement	Prosecuting Attorney	District Court Cost
REVENUES								
State aid	\$ 11,381			\$ 431,303	\$ 3,451			
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 64,832		55,727	\$ 67,068	\$ 89,972	\$ 13,615
Interest	1,723	\$ 656	2,938	1,247	1,527	930	1,751	174
Officers' fees		54,332						
Recycling fees				56,444				
911 fees								
School district contributions			398,450					
Treasurer's commission								
Collector's commission								
Other				7,852				
<b>TOTAL REVENUES</b>	<b>13,104</b>	<b>54,988</b>	<b>466,220</b>	<b>496,846</b>	<b>60,705</b>	<b>67,998</b>	<b>91,723</b>	<b>13,789</b>
Less: Treasurer's commission	145		885	871	431	8	206	115
<b>NET REVENUES</b>	<b>12,959</b>	<b>54,988</b>	<b>465,335</b>	<b>495,975</b>	<b>60,274</b>	<b>67,990</b>	<b>91,517</b>	<b>13,674</b>
EXPENDITURES								
Current:								
General government								
Law enforcement		54,099	485,255		46,802		17,875	
Public safety								
Sanitation				432,413				
Recreation and culture								
<b>TOTAL EXPENDITURES</b>		<b>54,099</b>	<b>485,255</b>	<b>432,413</b>	<b>46,802</b>		<b>17,875</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>12,959</b>	<b>889</b>	<b>(19,920)</b>	<b>63,562</b>	<b>13,472</b>	<b>67,990</b>	<b>73,642</b>	<b>13,674</b>
OTHER FINANCING SOURCES (USES)								
Transfers in				150,000				
Transfers out	(20,985)		(67,750)			(69,147)	(125,000)	(13,396)
Sales tax remitted to Economic Development Corporation								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(20,985)</b>		<b>(67,750)</b>	<b>150,000</b>		<b>(69,147)</b>	<b>(125,000)</b>	<b>(13,396)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(8,026)</b>	<b>889</b>	<b>(87,670)</b>	<b>213,562</b>	<b>13,472</b>	<b>(1,157)</b>	<b>(51,358)</b>	<b>278</b>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	131,197	88,649	367,883	159,253	99,095	69,147	115,942	14,512
Restatement adjustment			(111,642)	(104,666)				
<b>FUND BALANCES - JANUARY 1, AS RESTATED</b>	<b>131,197</b>	<b>88,649</b>	<b>256,241</b>	<b>54,587</b>	<b>99,095</b>	<b>69,147</b>	<b>115,942</b>	<b>14,512</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 123,171</b>	<b>\$ 89,538</b>	<b>\$ 168,571</b>	<b>\$ 268,149</b>	<b>\$ 112,567</b>	<b>\$ 67,990</b>	<b>\$ 64,584</b>	<b>\$ 14,790</b>

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, 2011

Schedule 2

	SPECIAL REVENUE FUNDS							Fire Equipment and Training (Act 833)
	Support Collection Cost	Boating Safety	Recorder's Cost	Jail Operation	Emergency 911	Library	Tax Collector's Cost	
REVENUES								
State aid		\$ 7,862				\$ 68,106		
Property taxes						502,640		
Sales taxes				\$ 2,299,502				
Fines, forfeitures, and costs				122,866				
Interest	\$ 36	93	\$ 647	36,986	\$ 7,637	10,541	\$ 775	
Officers' fees	2,302		80,710					
Recycling fees								
911 fees					714,108			
School district contributions								
Treasurer's commission								
Collector's commission							79,616	
Other						14,345		
<b>TOTAL REVENUES</b>	<b>2,338</b>	<b>7,955</b>	<b>81,357</b>	<b>2,459,354</b>	<b>721,745</b>	<b>595,632</b>	<b>80,391</b>	
Less: Treasurer's commission	20	65	680	20,534	6,106	4,855	672	
<b>NET REVENUES</b>	<b>2,318</b>	<b>7,890</b>	<b>80,677</b>	<b>2,438,820</b>	<b>715,639</b>	<b>590,777</b>	<b>79,719</b>	
EXPENDITURES								
Current:								
General government			76,843				78,945	
Law enforcement								
Public safety					651,555			
Sanitation								
Recreation and culture						870,113		
<b>TOTAL EXPENDITURES</b>			<b>76,843</b>		<b>651,555</b>	<b>870,113</b>	<b>78,945</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,318</b>	<b>7,890</b>	<b>3,834</b>	<b>2,438,820</b>	<b>64,084</b>	<b>(279,336)</b>	<b>774</b>	
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out	(2,990)	(6,752)	(21,400)	(2,797,774)				
Sales tax remitted to Economic Development Corporation								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,990)</b>	<b>(6,752)</b>	<b>(21,400)</b>	<b>(2,797,774)</b>				
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(672)</b>	<b>1,138</b>	<b>(17,566)</b>	<b>(358,954)</b>	<b>64,084</b>	<b>(279,336)</b>	<b>774</b>	
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	3,170	7,438	54,063	3,455,166	569,356	594,794	76,875	\$ 60,010
Restatement adjustment				(297,005)				
<b>FUND BALANCES - JANUARY 1, AS RESTATED</b>	<b>3,170</b>	<b>7,438</b>	<b>54,063</b>	<b>3,158,161</b>	<b>569,356</b>	<b>594,794</b>	<b>76,875</b>	<b>60,010</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 2,498</b>	<b>\$ 8,576</b>	<b>\$ 36,497</b>	<b>\$ 2,799,207</b>	<b>\$ 633,440</b>	<b>\$ 315,458</b>	<b>\$ 77,649</b>	<b>\$ 60,010</b>

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, 2011

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Economic Development	Port Connector Road	County Clerk's Cost	West Nile Virus Grant	Public Health Grant	Circuit Court Automation	Reappraisal
REVENUES								
State aid								\$ 369,642
Property taxes								
Sales taxes		\$ 1,430,416						
Fines, forfeitures, and costs							\$ 8,214	
Interest	\$ 336			\$ 369		\$ 16	121	837
Officers' fees				20,765				
Recycling fees								
911 fees								
School district contributions								
Treasurer's commission	50,243							
Collector's commission								
Other								1,260
<b>TOTAL REVENUES</b>	<b>50,579</b>	<b>1,430,416</b>		<b>21,134</b>		<b>16</b>	<b>8,335</b>	<b>371,739</b>
Less: Treasurer's commission	3			173			72	7
<b>NET REVENUES</b>	<b>50,576</b>	<b>1,430,416</b>		<b>20,961</b>		<b>16</b>	<b>8,263</b>	<b>371,732</b>
EXPENDITURES								
Current:								
General government	52,928							422,138
Law enforcement							10,361	
Public safety								
Sanitation								
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>52,928</b>						<b>10,361</b>	<b>422,138</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,352)</b>	<b>1,430,416</b>		<b>20,961</b>		<b>16</b>	<b>(2,098)</b>	<b>(50,406)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								1,882
Transfers out			\$ (11,398)	(41,200)	\$ (6,425)	(1,511)		(14,367)
Sales tax remitted to Economic Development Corporation		(1,153,550)						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(1,153,550)</b>	<b>(11,398)</b>	<b>(41,200)</b>	<b>(6,425)</b>	<b>(1,511)</b>		<b>(12,485)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(2,352)</b>	<b>276,866</b>	<b>(11,398)</b>	<b>(20,239)</b>	<b>(6,425)</b>	<b>(1,495)</b>	<b>(2,098)</b>	<b>(62,891)</b>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	33,884		11,398	40,108	6,425	1,495	8,213	72,726
Restatement adjustment								
FUND BALANCES - JANUARY 1, AS RESTATED	33,884		11,398	40,108	6,425	1,495	8,213	72,726
FUND BALANCES - DECEMBER 31	<b>\$ 31,532</b>	<b>\$ 276,866</b>	<b>\$ 0</b>	<b>\$ 19,869</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,115</b>	<b>\$ 9,835</b>

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, 2011

Schedule 2

	SPECIAL REVENUE FUNDS				Totals
	Arkansas Fish and Wildlife	Courthouse Security	Drug Court	Construction	
REVENUES					
State aid	\$ 11,990	\$ 7,610			\$ 911,345
Property taxes					502,640
Sales taxes					3,729,918
Fines, forfeitures, and costs			\$ 5,870		428,164
Interest		308	93		69,741
Officers' fees					158,109
Recycling fees					56,444
911 fees					714,108
School district contributions					398,450
Treasurer's commission					50,243
Collector's commission					79,616
Other			500		23,957
<b>TOTAL REVENUES</b>	<b>11,990</b>	<b>7,918</b>	<b>6,463</b>		<b>7,122,735</b>
Less: Treasurer's commission		3	48		35,899
<b>NET REVENUES</b>	<b>11,990</b>	<b>7,915</b>	<b>6,415</b>		<b>7,086,836</b>
EXPENDITURES					
Current:					
General government					630,854
Law enforcement		13,550	42		627,984
Public safety					651,555
Sanitation					432,413
Recreation and culture	13,648				883,761
<b>TOTAL EXPENDITURES</b>	<b>13,648</b>	<b>13,550</b>	<b>42</b>		<b>3,226,567</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,658)</b>	<b>(5,635)</b>	<b>6,373</b>		<b>3,860,269</b>
OTHER FINANCING SOURCES (USES)					
Transfers in					151,882
Transfers out					(3,200,095)
Sales tax remitted to Economic Development Corporation					(1,153,550)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>					<b>(4,201,763)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(1,658)</b>	<b>(5,635)</b>	<b>6,373</b>		<b>(341,494)</b>
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	17,060			\$ 1,050	6,058,909
Restatement adjustment		17,431	3,858	(1,050)	(493,074)
FUND BALANCES - JANUARY 1, AS RESTATED	17,060	17,431	3,858	0	5,565,835
FUND BALANCES - DECEMBER 31	<b>\$ 15,402</b>	<b>\$ 11,796</b>	<b>\$ 10,231</b>	<b>\$ 0</b>	<b>\$ 5,224,341</b>

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2011

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

<u>Fund Name</u>	<u>Fund Description</u>
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that one percent 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 no. 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. Also, includes state grant monies for the operation of the Juvenile Services Department. Juvenile Justice Center account was removed from the Juvenile Justice Fund and moved to the General Fund as of January 1, 2011.
Recycling	Fund was established by Jefferson County Ordinance no. 1995-34 (May 8, 1995) for the recording of receipts and disbursements for recycling operations. The fund also receives state aid restricted for recycling. Sanitation account was removed from the Recycling Fund and moved to the General Fund as of January 1, 2011.
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 district 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 costs 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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2011

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
Jail Operation	Jefferson County voters approved, on August 5, 2011, a .25% sales and use tax for operating and maintaining jail facilities and/or securing the repayment of capital improvement bonds. Ark. Code Ann. § 16-17-129 levied an additional fine not to exceed \$20 and funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail. Adult Jail account was removed from the Jail Operation Fund and moved to the General Fund as of January 1, 2011.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service 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.
Tax 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.
Fire Equipment and Training (Act 833)	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.
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.

JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2011

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

<u>Fund Name</u>	<u>Fund Description</u>
Economic Development	Jefferson County voters approved, on February 8, 2011, a .375% sales and use tax for the purpose of sufficiently funding and promoting economic development projects and activities to stimulate the local economy and to support the creation of new job opportunities.
Port Connector Road	Fund was established by Jefferson County Ordinance no. 1999-44 (May 10, 1999) to receive grant funds from Economic Development Commission 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.
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.
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.
Courthouse Security	Ark. Code Ann. § 16-10-1006 established fund for the purpose of providing financial assistance to local governments to assist in the implementation of local security and emergency preparedness plans for circuit and district courts. This fund was moved from the General Fund as of January 1, 2011.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive costs set by drug court judges to be used for treatment, drug testing, and supervision costs. This fund was moved from the General Fund as January 1, 2011.



JEFFERSON COUNTY, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2011

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

<u>Fund Name</u>	<u>Fund Description</u>
Construction	Funds consist of remaining insurance proceeds. This fund was moved to the General Fund as of January 1, 2011.

Treasurer's accounts consist primarily of property taxes, fines and costs, interest, and state aid not yet distributed to various entities.

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

Sheriff's accounts consist primarily of fees settlement, bond, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with Treasurer, trust money, 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's accounts consist primarily of restitution, fines and costs, and fees not yet distributed to the County or plaintiff.

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

JEFFERSON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2011  
(Unaudited)

Schedule 3

	<u>December 31, 2011</u>
Land	\$ 7,921,633
Buildings	28,187,598
Equipment	<u>12,549,910</u>
Total	<u>\$ 48,659,141</u>

JEFFERSON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
DECEMBER 31, 2011  
(Unaudited)

Schedule 4

<b><u>General</u></b>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Assets	\$ 4,259,314	\$ 4,477,848	\$ 6,430,563	\$ 5,203,858	\$ 4,888,473
Total Liabilities	275,525	42,420	187,716	119,908	
Total Fund Balances	3,983,789	4,435,428	6,242,847	5,083,950	4,888,473
Net Revenues	14,167,313	11,348,527	11,829,313	11,039,000	11,160,093
Total Expenditures	18,179,800	12,222,199	11,900,986	10,667,215	9,644,356
Total Other Financing Sources/Uses	3,067,776	(970,753)	1,230,571	(249,003)	(1,239,450)
 <b><u>Road</u></b>					
Total Assets	\$ 836,931	\$ 1,162,887	\$ 944,699	\$ 1,063,265	\$ 975,499
Total Liabilities	46,275	127,524	46,987	73,592	
Total Fund Balances	790,656	1,035,363	897,712	989,673	975,499
Net Revenues	3,347,001	3,999,322	3,705,658	3,635,188	3,827,400
Total Expenditures	3,572,145	4,019,486	3,824,937	3,931,142	3,476,888
Total Other Financing Sources/Uses	(19,563)	194,822	27,318	199,950	200,000
 <b><u>Other Funds in the Aggregate</u></b>					
Total Assets	\$ 6,788,907	\$ 7,756,178	\$ 8,445,326	\$ 8,719,329	\$ 7,903,729
Total Liabilities	1,564,566	1,697,269	2,066,290	1,660,736	1,077,252
Total Fund Balances	5,224,341	6,058,909	6,379,036	7,058,593	6,826,477
Net Revenues	7,086,836	8,832,998	10,415,681	11,230,513	10,611,343
Total Expenditures	3,226,567	9,929,056	12,237,351	12,039,843	12,525,824
Total Other Financing Sources/Uses	(4,201,763)	775,931	1,142,111	649,053	1,039,450

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